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EIR Testifies on LaRouche's Solution to Housing Crisis  
Behind the Annapolis Meeting and the Iran NIE Shock  
'The Big Arctic Melt: All Hype and Scare

## LaRouche: Let There Be A Time of Thanksgiving



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# EIR

## From the Assistant Managing Editor

With the Iowa caucuses—the official start of the 2008 Presidential campaign—just a few weeks away, Lyndon LaRouche has placed the urgent question before the American people: Who will be the candidate to step forward to accept LaRouche's counsel in the face of the greatest challenge civilization has yet confronted: the ongoing meltdown of the entire global economic and financial system? With LaRouche's standing as the world's greatest economist, and with his workable solutions before the electorate, now is the time for that candidate to emerge. There is still time, however short, to turn this disaster into an opportunity, and allow mankind to embark on a new world order based on the Westphalian principle of *agapē*, or what our U.S. Constitution terms the General Welfare.

This is the question taken up in this week's *Feature* by LaRouche: "Our U.S.A. Need a Real Candidate!: Let There Be a Time of Thanksgiving." But, to make this a "time of thanksgiving," the candidates must hear, loud and clear, from the people, that they must end the "childish spats" that have characterized the media-circus "debates," and get serious about rescuing our nation, in the way that President Franklin Roosevelt did in the 1930s.

There are already signs of stirring, and hints that we may soon have reason to be thankful. Among them:

- Jeffrey Steinberg reports in "Behind the Annapolis Meet and the Iran NIE Shock," that Cheney's war party faction has suffered a pair of stunning political setbacks (*International*).

- Pennsylvania became the first state in the nation to take up LaRouche's solution to the global financial blowout, as *EIR* testified at hearings in the state legislature on his Homeowners and Bank Protection Act (*National*).

- The German Society of Psychotherapists has called for a total ban on violent computer games, in a release titled, "Brutal Computer Games Destroy Compassion; No Killer Games for Christmas" (*International*).

- Helga Zepp-LaRouche, in her address, "China's Role in the New Just World Economic Order," to a conference in Los Angeles, shows that, in an irony of history, the insanity of the Bush-Cheney Administration has brought together the nations that are moving to implement the Eurasian Land-Bridge (*Economics*).



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Gregory F. Maxwell

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OUR U.S.A. NEEDS A REAL CANDIDATE!

## Let There Be a Time Of Thanksgiving

by Lyndon H. LaRouche, Jr.

*With no less than the humility with which the author presents this report to the deserving, intended next President of our United States,  
I present him, or her the following.*

November 22, 2007

*Since approximately July 25th of this year, the world as a whole has been gripped by what survivors of this present calamity would probably remember, as what was in the process of becoming the greatest, global, financial, chain-reaction collapse in modern history. We could escape the worst of those effects, even now, if we were prepared to end the Babel of the presently bankrupt, globalized monetary-financial system, and to adopt, immediately, an appropriate form of a new world system composed of, respectively, perfectly sovereign nation-states. The measures needed to rescue society from the presently ongoing general collapse, are knowable; the question is: "Will society have both the knowledge and the will needed to make the change: a change from the policies of what has become, up to this point, more than three, disastrous recent decades of terribly wrong decisions contrary to the original intention of the Bretton Woods system?"*

*So far, none—I repeat: none!—among the visible pre-candidacies for the U.S. Presidency, has shown even a meager sign of commitment to competent policies for leading this republic out of, and away from the continuing causes for the presently onrushing breakdown-crisis of the planet. That lack of the competent policies which should have been adopted by those candidates, is a key contributing element in the planet's presently accelerating plunge toward a "new dark age." To restate that crucial fact, our proper task now, is to prevent a "dark age" which would be*

*of several future generations' duration in its immediate effects, were it permitted to continue its present course.*

*To begin to understand our republic's present predicament, we should recognize that we are, thus, now, gripped, globally, by a crisis which has no comparable precedent in modern European history, not since the infamous, medieval, 14th-Century "New Dark Age."*

*We in the U.S.A. could still, and must now, act immediately to arrest the present, mid-stream onrush of that oncoming catastrophe. Admittedly, for this purpose, we do have one or two capable personalities from among the current roster of candidates; but—alas!—none of them have presently qualified themselves for this extraordinary mission, unless he, or she were to change his, or her present candidacy in ways which could be supplied only as beneficial guidance from some relevant intervention, as it were delivered from above.*

*We must not blame all of those candidates too much for their shortcoming on this account; but we must, nonetheless, blame them vigorously. The relevant fact is that they represent, largely, a generation born, usually, between 1945 and 1958, to become part of a specifically "white collar" tradition, the "68er" tradition of the children of the 1950s "white collar" and "organization man" generation, in most of Europe as in the U.S.A. It is a generation of "68ers" which has been educated in hostility to any competent view of the social elements of economic processes; worse, if they have any comprehension of economics at all, it has been indoctrination from a press and academia as ignorant, or even more ignorant than they are. All, candidates, academia, and press alike, are currently expressing the kinds of absurd, but widespread beliefs which are largely responsible for the mess in which the virtually doomed*



## Do you send your kids to a public or a private school?



*The media-orchestrated campaign debates have been given the character of childish spats, rarely discussing the serious business that will face the next President. Here, John Edwards, Hillary Clinton, and Barack Obama on a YouTube/CNN debate. Who will step forward to accept LaRouche's guidance in economics and related matters?*

*present civilization finds itself today.*

*My mission here, is, hopefully, to enable at least one such prospective Presidential candidate, but hopefully more, to become capable not only of understanding this challenge, but capable of taking up the unprecedented, specific kind of job of leadership which needs to be provided immediately, now.*

*Consider all of the candidates who are either in the race now, or the "third man," "independent" candidacy, of New York Mayor Bloomberg, who is apparently waiting for a timely moment to launch an intended threat to Senator Hillary Clinton's presently probable candidacy, as Ross Perot did against George H.W. Bush, in 1992. The job to be done must be by a candidate who would be electable, and would consent to be guided into becoming a competent and decent choice for the future of our nation and the world.*

*Both our republic, and the world as a whole, are in the present grip of a Classically, globally tragic situation. But for my age, I would be the only possible candidate who could actually be presently considered intellectually competent for the role which the next U.S. President must per-*

*form under these present, historically extraordinary conditions. So far, none of the present candidates has shown any grasp of the crucial, specific strategic quality of tasks of leadership, on which not only our republic, but on which civilization as a whole would depend, if the world as a whole were not already fated to be plunged, very, very soon, into a deep, and prolonged new dark age.*

*Therefore, apart from the fact that the mass-media orchestrated campaign debates have been given more of the character of childish spats, than serious attention to the actual business at hand, the choice of potentially credible prospective candidates is limited to less than a handful who are intellectually and emotionally capable of changing their present habits, by absorbing the guidance in economic expertise and related matters which they presently lack, but which I would give freely to each, or all of them, as I do here.*

*Specifically, most of the campaigning by the candidates so far, has either expressed simple ignorance of the actual policies on which our republic's survival urgently depends, or, the candidate is a victim of his, or her disqualifying habit, of avoiding those issues which "the big campaign financiers," who*

*seem to own most of the candidates, might consider unpleasant. A candidate who fails to change what has been heretofore that prevalent failure shared among all visible leading candidates, would be remembered chiefly for his, or her part in bringing on that monstrous both national, and global tragedy for which our people would suffer for generations to come.*

*So, the time has passed for society's continuing to tolerate recent decades' customary games of populist Sophistry. The world can no longer tolerate those petty, schoolyard-like games of childishly competitive political sports, into which our republic's principal pre-candidates have been lured in this campaign thus far.*

## What We Must Demand

*For scientifically grounded reasons which will be provided within this report, we must reject any candidate who fails to rely upon reawakening the seemingly already lost, but unique, historical advantage which we still have as a nation. We must reject summarily any candidate who does not rely, without swerving into other ways, on that specific*

intention of our Federal Constitution which provides the uniquely appropriate premise for crafting a remedy for the present, terrible economic threat to our world as a whole. The essence of that needed option, for which the original founding of our republic's history provides us guidance, lies principally in a recognition of three, historically defined, crucial points of principle, as follows:

1. That, in all truly successful forms of nation-state government since the 1648 Peace of Westphalia, the morally acceptable design for the modern, sovereign form of nation-republic, has been defined by the principle of *agapē*, as that named principle is traced to such ancient precedents as Plato and the Christian apostles John and Paul. This is the same notion as expressed by Gottfried Leibniz's denunciation of John Locke, as Leibniz affirmed the notion of the principled right of people to "the pursuit of happiness." That treatment of the concept of *agapē*, by Leibniz, was not only central to our 1776 Declaration of Independence; it was elaborated as the functional, ruling principle of our constitutional law, as the Preamble of our Federal Constitution.

This already abused, indispensable principle of U.S. constitutional law adopted from Leibniz, has been virtually obliterated from national practice under the horribly tragic Administration of President George W. Bush, Jr. and his accomplices. It has also been the trend of tragic behavior, by the complicit majority on each side of the aisle, in much of the attempted law-making during the terms of the 2001-2007 Bush Administration, and also, usually, the Congress itself, especially so since February 2006. (As for the effect of the incumbency of the current President and his Vice-President, that can be fairly described as comparable to a situation in which science-fiction's "Pod People" had taken power.)

2. That, in all successful forms of nation-state governments during the interval since the 1648 Peace of Westphalia, *agapē* has been expressed in international affairs as the obligation of each society to be governed by the principle of each being bound by the obligation of affording "the advantage of the other." By that standard, much of our so-called political class's putative leadership is presently behaving as a pack of self-doomed barbarians.
3. That, the mode of government must now become, again, our electorate's adherence to the fact that

the superiority of the design of the U.S. republic as an economy, is lodged in the Constitutional preference for a *credit system*, in opposition to that implicitly imperialist character which is intrinsic in the practice of usury under an Anglo-Dutch Liberal *monetary system*. We must rid ourselves of the most reckless, the most evil, the most destructive, most usurious, present form of a monetarist system: a so-called "free trade" system.

There are, in turn, three—again "three"—leading moral and other crucial, historical advantages subsumed by the foregoing, threefold constitutional characteristic of the U.S. system, moral and intellectual advantages over, for example, the current, morally wretched, Fabian system of government of Great Britain. These advantages include:

- a.) That "protectionist" feature of the settlement of what became the U.S. Federal Constitution, the feature which, chiefly, has made our republic so vastly, morally and otherwise superior to the Sophist's system of the United Kingdom. This advantage was then, and remains the influence of those settlers who shaped our immigrant patriots' character, those settlers who emigrated from Europe with the intention to bring the best of the Classical culture of Europe to a North America which had been located then at a relatively advantageous distance from the reach of the European legacy of usury and aristocracy.<sup>1</sup>
- b.) The significance of the establishment of the United Kingdom under King George I, as successor to England's Queen Anne, was that his accession embodied the defeat of the cause of the patriotic party in England, a party which had leaned toward the option of choosing Leibniz's assistance, a party whose defeat had worked in favor of that pro-imperialist Anglo-Dutch Liberalism whose power was consoli-

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1. This was the explicit motive which Christopher Columbus adopted from his study of certain writings of Cardinal Nicholas of Cusa, and which prompted the moral, as distinct from the depraved settlers from Spain, into Central and South America. It was the takeover of England under James I, a James I whose circles of depraved creatures, such as Sir Francis Bacon, were under the influence of the "New Venice" Liberalism of Paolo Sarpi, and under the legacy which Sarpi's personal lackey, Galileo, induced in Thomas Hobbes, Locke, Bernard Mandeville, et al. This disgusting situation in Europe, prompted the role of those American circles whose intellectual and moral superiority, as expressed by the Winthrops, Mathers, and Benjamin Franklin, did the most to make the U.S.A. a republic with the kind of Federal Constitution which our own contemporary Liberals in the Anglo-Dutch Liberal tradition have hated, and worked to subvert and destroy, from that time, up to the present day.

*dated under William of Orange's Hannoverian protégé, King George I.<sup>2</sup> When Britain reached out, with the 1763 Peace of Paris, to take away our liberties, our patriots revolted, in defense of a civilized form of life.*

*Under the leadership of President Franklin Roosevelt, our republic had returned, one more time, to the impulse of our dedication to those principles. The work done then, in that direction, was not completed; but, it was under way. With President Franklin Roosevelt's untimely death, the process of progress was aborted under his immediate successor. The same betrayal of principle was carried out, to a worse degree, with the Sophistry of the "1968ers" in both Europe and the Americas.*

*So, with the assassination of President John F. Kennedy, what had been the partly shackled devils of our destruction were abruptly unleashed; we were stricken by the prolonged virtual imitation of each of a long series of wars like the Peloponnesian War of a self-doomed ancient Greece. These have been wars launched during the interval 1964-2007 to date, by repeated consent of the majorities of the U.S. Congress, and, most emphatically, by outright, implicitly treasonous fraud of forces controlling the administration of the presently incumbent President. Those foolish wars have been an emblematic feature of a series of global developments which have brought both our own ruined republic, and the world at large, into the onset of what will soon become, unless stopped, a global, new dark age roughly comparable to that of Europe's 14th Century. The worst of these wars have been those promoted under what President Dwight Eisenhower denounced as "a military-industrial complex," or the same complex named by others a "revolution in military affairs," as this was associated with Samuel P. Huntington's *The Soldier and the State*, or under London's Fabian-sponsored, brutish U.S. Vice-President Cheney, and Cheney's London-linked U.S. protectors George Shultz and Middlebury, Vermont's wretched Felix Rohatyn.*

*c.) The original economic policy which had made the U.S.'s constitutionally defined economic policy morally and otherwise superior to that of the United Kingdom, is expressed as our patriots' constitutional abhorrence of a "free trade" system. The Anglo-Dutch Liberal model, called "monetarism" today, is axiomatically a financial-oligarchical, and, inherently imperialist system of government.<sup>3</sup> Our patriots' system,*

2. Cf. H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987).

3. The 1971-1972 break-up, by the Richard Nixon Administration, of what President Franklin Roosevelt had launched as the Bretton Woods system of

*under which the power to create and regulate currency, is under the control and direction of the institutions of our Federal government, was established, thus, as a credit system, as distinct from, and opposed to the implicitly imperialist form of economic tyranny known as a "monetary system."<sup>4</sup>*

*To be able, now, to meet the specific challenges thus posed to humanity as a whole, we must commit ourselves, according to these specific principles, to act in concert with certain other leading nations, to bring the world as a whole, not to paradise, but to a durable condition of safety and prosperity. To accomplish that, our government, with our support, must revive the set of crucial principles, cited here above, upon which our remarkable occasions of past greatness were formerly premised, as under Abraham Lincoln and Franklin Roosevelt.*

*To that end, a special approach must be taken to escape from the grave hazard expressed by the lack of certain crucial qualities in the visible pre-candidacies.*

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## Introduction: For the Record

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For obvious reasons, much of what I present, within the subsequent, main body of this report, on matters of scientific principle, must be prefaced here, by pointing to the experience of my repeatedly proven, virtually unique advantage of authority in long-term economic forecasting.

For example, it would be reasonable for a reader to ask: "Just how good is LaRouche's forecasting?" Or, "What is the record of LaRouche's performance?" Therefore, I introduce the body of this report with a review of relevant highlights of that record: I identify the most essential of the scientific premises on which my notable special skills, discoveries of prin-

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fixed exchange-rates, had the effect of returning the U.S.A. to a more and more subordinate role, as a mere subject of the British imperial "free trade" system. In addition to the fact that this was a clearly treasonous violation of the intent of our Constitution, this 1971-1972 swindle lured us into the waiting trap of the post-industrial-society design of Bertrand Russell, H.G. Wells, et al. The combination of "free trade" and "globalization," has lately degraded our U.S.A. to a mere satrapy of a world-wide empire of the Anglo-Dutch Liberal financier rule, in which the British and Netherlands monarchies themselves were presently merely instruments of a neo-Venetian financier tyranny.

4. We are, therefore, primarily a *physical economy* whose money-system is organized around a constitutional form of credit-system, rather than a monetarist economy, rather than a monetary system. Since the 1763 Peace of Paris, to the present instant, the British East India Company (*not the British monarchy as such*), and that Company's successors as Sarpi-style, Liberal, financier tyrannies, have been the reigning, neo-Venetian style of world empire reigning under the style of "globalization" and "free trade."





EIRNS/Stuart Lewis

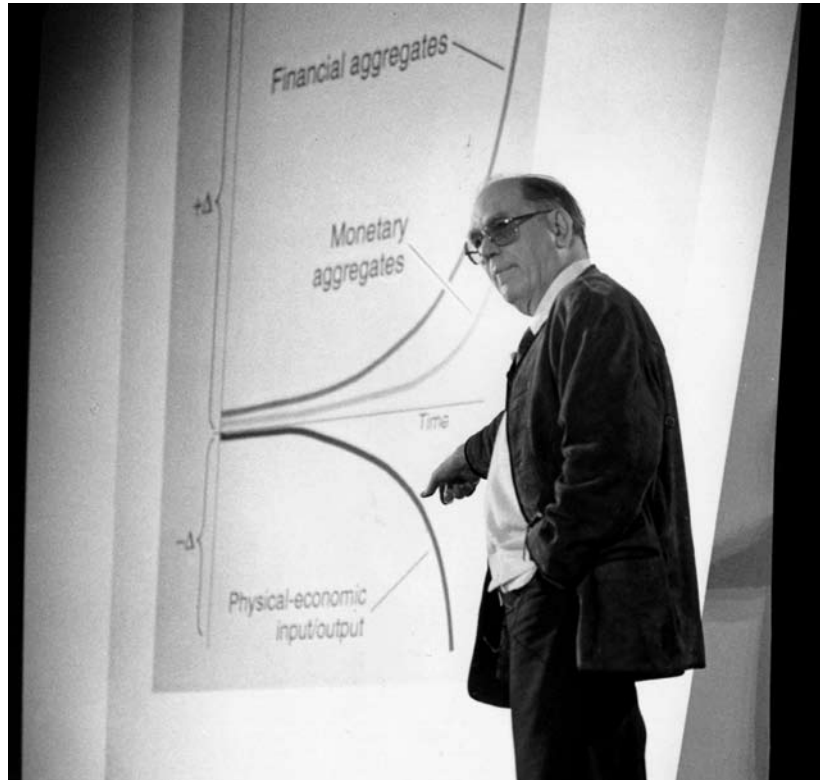
*"Just how good is LaRouche's forecasting?" the reader may ask. His 50-year history includes such moments as his April 1988 nationally televised half-hour broadcast (above), in which he described the behavior of the financial-monetary system as like a bouncing ball, in which the trajectory now is down, down, down; and his development of the "Triple Curve" collapse function, which he illustrates here (right) in a presentation in 1998.*

ciples, and other relevant accomplishments have depended over the interval 1956 to the present day.

This introduction is also supplied here as indispensable for understanding the root-causes of the tragic, systemic incompetence shown, thus far, in matters of economics and grand strategy generally, among all presently leading official pre-candidates for the 2008 Presidential campaigns and general election. Without taking this matter of forecasting into account, there could be no competent insight into the matter of curing the relative demerits which the notable candidacies have, in fact, exhibited, so generously, thus far.

Therefore, look back to 1956. My first forecast for the U.S. national economy, was a short-term affair, made then, modestly, as part of my specific executive function at that time, a function bearing on supplying needed measures of quality control over that firm's consulting practice. The subject of that report, was my forecast of a crucial change in what I reported as then already in progress, a qualitative change in the marketing conditions in which competent management consulting firms must begin to operate during the immediate years from 1957 onward.

That forecast, which was presented at the beginning of the last quarter of 1956, emphasized the fact of an oncoming, deep recession then in progress, a threat which I had warned would cycle to the surface about February-March 1957. My forecast was focussed, chiefly, on the radiated effects of increasingly reckless major corporate and related speculation, that under the system then associated with Arthur Burns et al. These sources of failure in U.S. economic performance were, most notably, the effects expressed in the operations of firms in the fields of automotive and other hard-goods categories of consumer "capital goods."



The collapse foreseen in that relatively short-term forecast of mine, not only arrived on my estimated time-table; closer examination of the effects of a deepening recession throughout 1957-1958, prompted my first, subsequent attempt at a long-range forecast. That longer-range forecast was begun, with successful results, during middle through late 1958, an effort which was continued, as my private endeavor, with significant refinements, into a rounded development of the theses I adopted, and publicized more widely, during 1960.<sup>5</sup>

My long-range forecasting had some, initially limited public circulation through a time from 1961 until the middle of that decade. The circulation of that forecast was accelerated during the latter half of the 1960s, and into the 1970s. The leading among the presently more relevant features of that report were the following.

I had forecast that *if* the continuing trend in executed U.S. national economic policy of practice which had been expressed, under specialist Arthur Burns, in the aftermath of the U.S. Korean War, were to be continued, into the medium and long term, through the middle of the 1960s, a menacing trend

5. My standpoint in all of these and related later developments, was the Riemannian principle of *dynamics*, as opposed to Cartesian mechanistic-statistical methods, a Riemannian view which I had firmly adopted, from early 1953 on, as the basis for treating the phenomena of social systems. Notably, there were certain complications in my professional career during this period, complications arising, then as also later, from my repeated refusal to accept a proposition presented to me by a certain nasty element within the U.S. Department of Justice at that and some later times.

in developments must be expected to emerge during the second half of the 1960s, leading toward a threatened breakdown of the Bretton Woods fixed-exchange-rate monetary system. In none of these publicized reports was I ever mistaken. The collapse of August 1971, and the ensuing, celebrated Queens College debate between me and Professor Abba Lerner, mark the forecast result.<sup>6</sup>

## The Science of ‘If’: Dynamics

By the time President Dwight Eisenhower completed his terms in office, and despite the attempted reforms by President John F. Kennedy, the most widely taught and practiced modern academic and business-practice traditions in the customary university teaching, and practice of forecasting of developments in economy, had become thoroughly, intrinsically incompetent. In my adult lifetime, all but a diminishing few of my possible intellectual rivals among the leading, and younger academic, business, and related long-range forecasters, in the Americas, or in western and central Europe, have always been wrong, and that more or less disastrously, in their outlook on the subject of so-called “business cycles.”

This incompetence has principally three leading aspects.

Firstly, generally, in the U.S.A. and western and central Europe prior to and since 1971-1972, the tendency which has been carried, more and more, to lunatic extremes, has been to rely upon more radically monetarist assumptions, assumptions which assume that all success depends upon making the “financial community” happy over the span of the relatively short to medium term. The assumption is, that the secret of economics is to make “the suckers,” such as typical Wall Street investors, happy. The critics of that sort of nonsense have become a rapidly diminishing few.

Contrary to prevalent delusions in circles of governments and academia, it is not the financial market, but the physical economy which is real: it is the rate of increase of the physical standard of living, per capita and per square kilometer, which determines the actual health, and stability of the economy over the medium to long term: as in the U.S.A. presently, contrary to the foolish President George W. Bush, Jr.: “How good is your pension, and your cost of actually available and good health-care, when the time comes to retire?” The proper question is: *What is the rate of increase (or decrease) of the potential relative population-density, per capita, and per square ki-*

6. Unfortunately, most people have yet to recognize the difference between a forecast and a “prediction.” Anyone who thinks that we could predict a crucial turn on a certain exact date, is claiming to be a statistician, which is sufficient evidence that he or she thinks either in mechanistic, statistical terms, or is practicing voodoo, as Myron Scholes has done, and is therefore incompetent in economics.



*What is the difference between the methods for forecasting the weather, and forecasting human behavior?*

*lometer, of each and all regions of the nation, over the course of a generation or more?* On this account, the U.S. economy has been experiencing a *physical* net decline in output, per capita and per square kilometer, over the course of (approximately) 1968-2007 to date, especially since the awful bungle of the 2000, Gore-Lieberman Democrats’ Presidential campaign.

The second principal consideration, is the difference between the methods for forecasting weather and forecasting human behavior.

If we put the role of human behavior to one side, forecasting physical trends in the planet, and our Solar System, can produce useful results, but not mechanically predetermined results. Forecasting can be made successful, to the degree our science has been successfully developed for that purpose. In attempting to forecast human mass behavior, we are confronted with an additional, completely different challenge. For forecasting developments within social processes as such, we must emphasize attention to a voluntary capability unique to the human individual, a factor which does not exist in either inanimate processes, or living processes other than mankind.

This distinction of human, from plant and animal behavior, has two aspects, one ordinary, the other critical. There is the factor of somewhat animal-like, ordinary choice; but, there is also the crucial factor, which does not exist among lower forms of life, the power to change our societies’ characteristic powers as a species, through the individual, original human thinker’s discovery, or re-discovery of universal physical principles, as principles are typified for modern science by Johannes Kepler’s uniquely original discovery of

universal gravitation.<sup>7</sup> These discoveries of principle have an effect comparable to what might be considered as akin, in effect, to mankind's virtually willful evolution into a higher species, through fundamental and related scientific progress of the type which was forbidden by both the Olympian Zeus of Aeschylus' *Prometheus Bound*, and the present-day, neo-Malthusian dupes of London's "68er" and swindler Al Gore.

Thirdly, what I am stressing here, is the following point. To achieve a competent form of insight into these two factors which I have just listed, we must take a third qualitative consideration into account. No actual form of physical, or mental process can be competently represented by the kinds of Euclidean, Cartesian, or neo-Cartesian methods of the mechanistic-statistical forecasting used by the more typical modern economists. Real economic processes are not mechanistic-statistical, not empiricist processes, but are *dynamic*. Unfortunately, in the Americas or Europe today, virtually no leading politician, and very few among those trained in the subject of economics, have any competent conception of what the term "dynamic" means for the qualified scientist.

This use of the term *dynamic* is to be traced by any competent economist, or physical scientist otherwise, from the remarkable *quadrivium* of the Pythagorean science of *Sphaerics*, from which all *a priori* presumptions, such as the later Sophistry of Euclid, were banned; the relevant original term for the method of valid science, was *dynamis*.

The most famous example of the relevant application of *Sphaerics* was the proof of the construction of the doubling of a cube by the friend and collaborator of Plato, the Pythagorean Archytas of Tarentum. The revival of the use of the concept of *dynamis*, under the name of *dynamics*, was introduced, by name, to modern science by Gottfried Leibniz, in Leibniz's 1692-1695 exposure of the fraudulent, mechanistic-statistical character of the same method of Descartes from which the degenerated practice of quacks such as John von Neumann,<sup>8</sup> and forecasters such as LTCM's Myron Scholes was derived.

However, the modern revival of the Platonic form of *Sphaerics* was actually begun, first, prior to Leibniz's work, by Cardinal Nicholas of Cusa's *De Docta Ignorantia*; but it was Leibniz who made the crucial connection to the concept of *dynamis*. Cusa's method was that, combined with Cusa's follower Leonardo da Vinci, from which we have proximate origins of the entirety of the work of Johannes Kepler, the first fully competent modern mathematical physicist after Leo-

nardo da Vinci, and, as Albert Einstein has emphasized, the principal figure on which all competent science since, has depended.<sup>9</sup>

Therefore, all competent practice of economics today, depends upon a Riemannian insight into the principles of *physical economy*, as opposed to intrinsically usurious, monetarist schemes. This notion of physical economy includes a recognition of the inherently fraudulent and immoral character of the form of practice of usury known as *monetarism*, and demands an absolute contempt for Cartesian, or neo-Cartesian, statistical modes of so-called "economic forecasting."

## Since President John F. Kennedy

Bear the implications of this, just said, in mind, as we proceed. At this point in this report, for the moment, it is sufficient, to take into account the worthwhile approximations of good economic science encountered in the work of Presidents Franklin Roosevelt and the John F. Kennedy whose assassination cleared the way for the steps leading up to the wrecking of the foundations of what had been the successful U.S. economy. This change, after Kennedy's death, led to the policies of continued wrecking to become entrenched under the later, successive stages of wrecking actions under Presidents Nixon, Ford, and Carter.

The administration of President Kennedy had attempted serious, and extremely beneficial changes in U.S. economic policies; but, that excellent effort implicitly ended with his assassination in November 1963. His had been a worthwhile legacy which was soon suffocated by a lie, a lie like that of Prime Minister Tony Blair and his accomplice Dick Cheney later, a lie used to push the fear-stricken, corrupted U.S. Congress of 1964 into launching the folly of a U.S. long, wasting war in Indo-China.

Thus, the assassination of President Kennedy cleared the way for what has proven, since, to have been the kind of effect which I had projected as probable for the second half of the 1960s. This effect came fully to the surface during 1967-1968, first expressed as the collapse of the United Kingdom's economy under the wrecking conducted by the first Harold Wilson government, in late 1967, and the consequent, first U.S. steps, during February-March 1968, toward disintegration of the Bretton Woods monetary system.

So, I repeated my earlier warnings of my long-range fore-

7. By this use of "physical" I do not intend to exclude certain principles of Classical artistic composition which also have the quality of effect associated with what we might consider as universal physical principles. I shall clarify that point at a later point in this report.

8. John von Neumann and Oskar Morgenstern, *The Theory of Games and Economic Behavior* (Princeton: 1953). Von Neumann, like the crank Norbert Wiener, was a creature of Bertrand Russell, and like von Neumann, Wiener was expelled from Göttingen for "damned good" scientific and other reasons.

9. This attribution of the origins of a comprehensive form of competent modern physical science, to its origins in the discoveries of Kepler, was made by Academician V.I. Vernadsky, and Albert Einstein, respectively. Vernadsky emphasized the role of Bernhard Riemann; Einstein located all competent modern physical science within the development of modern physical science from roots in the discoveries of Kepler into the work of Riemann. The hatred of Nicholas of Cusa and his Fifteenth-Century followers by both the modern feudal reactionaries and the irrational, so-called Liberal followers of Paolo Sarpi, is contrasted with the scientific respect for Cusa in Russia, where he is known as Nikolai Kuzansky.





John F. Kennedy Library

*President Kennedy's administration attempted serious and beneficial changes in U.S. economic policies, including notably the initiation of the space program. But his assassination cut those efforts short. Here, he inspects the "Friendship 7" space capsule at Cape Canaveral, Fla., with Col. John Glenn, Jr. to his right.*

cast more forcefully, and more widely during the late 1960s, and into 1971. On August 15-16, 1971, U.S. President Nixon, acting under influences including that of George Shultz, "floated" the U.S. dollar, a measure Nixon had taken under the pretext of his publicly avowed devotion to the traditional enemy of U.S. independence, Lord Shelburne's lackey Adam Smith. At the beginning of 1972, George Shultz was entrusted with the task of formally destroying the remains of the Bretton Woods system.

During that time, I was the only notable, published economist who had forecast that looming outcome of the 1960s. The crucial feature of my forecast, was not that I had forecast merely the threatened breakdown of the Bretton Woods system; but, I had warned that such a breakdown would lead quickly toward a shift into approximations of a new fascist system of the type which we are now experiencing in a rather matured form under the model which the Bush-Cheney Administration has copied from the German author of Adolf Hitler's dictatorship, Carl Schmitt. That is the Schmitt who was also the inspiration for the current U.S. Federalist Society, and was the original sponsor of the man who became the model

for Chicago University's Professor Leo Strauss.<sup>10</sup>

However, Shultz's role during 1971-1972 was not simply an arbitrary decision by Nixon, made under the influence of Shultz et al. It was the culmination of a process of attempted wrecking of the Bretton Woods system, an attempt which had been launched already under President Harry S. Truman, which has been always steered, as under Truman, by President Franklin Roosevelt's enemies in official London, and promoted by those who took greater control over the U.S.A. under the conditions of widespread terror engendered by the assassination of President John F. Kennedy. Without that manifold process of intended wrecking, over the 1945-1971 interval, President Nixon's unconstitutional sabotage would not have become possible.

Now, as the 1997-1998 case of toleration for the unfortunate Myron Scholes, only illustrates today's prevalent delusions, the usual leading economists of today's age of Alan Greenspan have become vastly less competent than even the usual cases from the late 1960s and into the early 1970s age of Paul Volcker. This has been a leading factor in shaping the characteristic incompetence on nearly all crucial issues of economic policy, until now, of all presently leading pre-candidates for the Presidential nominations of the two parties (and

also, that of, apparently, Mayor Bloomberg).

Since those events, to the present date, the world as a whole has been constantly on an economic march toward monetary, and financial, globalized, fascist "Hell." This has been a course of development which had now pushed the entire world to the wobbly brink of a total, global collapse into a presently threatened "new dark age."

When every forecast which I have publicized, from the late 1950s, to the present, is considered in exactly those terms I have specified for my own forecasting (as distinct from malicious, or simply foolish misrepresentations of my forecasts by some others), the evidence today is, that I have never been mistaken, where, in each instance, my putative rivals, and also merely captious critics, have been consistently wrong, as dur-

10. It was my celebrated 1971 defeat of the leading Keynesian economist, Professor Sidney Hook's protégé Professor Abba Lerner, which marked me for what became the bitterest of hatred against me personally from leading empiricist, and implicitly treasonous circles within the U.S. Department of Justice, and also London circles, from that date to the present day.



ing the period of service of Presidents George H.W. Bush, Bill Clinton, and George Shultz's and Dick Cheney's patsy, George W. Bush, Jr.<sup>11</sup>

## The Subject of Dynamics

That difference in respect to competence, is essentially a matter of two things. First, as I have already emphasized, earlier in this introduction, the difference is a matter of method: my method is, essentially, a matter of *dynamics* in the sense given by Gottfried Leibniz and Bernhard Riemann, as opposed to the silly, mechanistic, neo-Cartesian forecasting methods which are customary among today's usual economists and political leaders, as by university professors of, and graduates in economics generally.

The intrinsically incompetent method of today's usual economist, or relevant university figures generally, on the subject, is a reliance upon the intrinsically incompetent, *mechanistic-statistical method* of "statistical projections" and emphasis on "exact numbers" methods and practices derived from the model of the bungler René Descartes and his cultish devotees. The example of the work of Myron Scholes, as in the matter of the 1998 crash of LTCM, is to be blamed, essentially, on the foolishness of those who trusted the work of Scholes and his like, in driving the hereditary irrelevance of the mechanistic-statistical methods of Descartes to a positivist's wild-eyed extreme.<sup>12</sup>

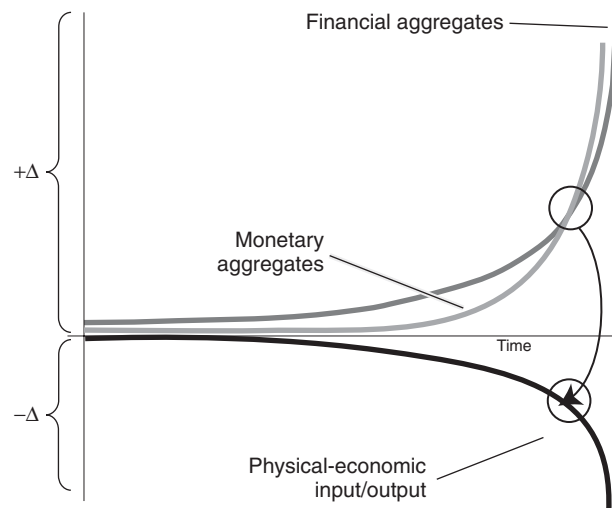
Now, review the concept underlying my forecasting of developments since 1972. Consider the summary comparison of change of ratios of monetary, financial, and net physical output over the course of the 1972-2007 interval, especially the "post-Soviet" interval 1992-2007 (**Figure 1**).

That forecast has shown exactly the pathway of choices which relevant events have followed, since 1996 to the present time.

The point to be made in these prefatory remarks, is not simply that I have been right in these matters, where presumed rival authorities, and sundry commentators have been persistently wrong. The crucial point to be considered, is the fact that my work has been premised on a correct principle of science, where my putative rivals have relied upon scientifically incompetent premises. The issue thus posed, is that of *dynam-*

FIGURE 1

## The Collapse Reaches a Critical Point of Instability



*The combined effect of the radical changes in U.S. economic policy and practice introduced under the 1969-1981 U.S. Presidencies, produced a curve of accelerating decline in net U.S. physical output per capita and per square kilometer; but accompanied by a relatively accelerating rate of growth of monetary and financial emission, which, by its nature, must converge ultimately, if continued, on something like the 1923 Weimar hyperinflation. This is precisely that current state of affairs in which a predominantly fictitious mass of speculative financial-monetary assets is now collapsing catastrophically.*

ics, as opposed to the incompetence of the systems of *mechanistic-statistical extrapolations* on which the empiricist and positivist number-mechanics rely.

I explain this matter of principle to which I have pointed above, as follows.

## The Modern Historical Background

Put aside the cases of opinions expressed by wishful dreamers, self-anointed, but illiterate know-it-alls, and many other people who are simply ignorant of competent professional considerations in the matter of the history of modern economy. By modern economy, I mean the period of globally extended European statecraft launched by the A.D. 1439 great ecumenical Council of Florence. Competent historians and economists will contrast modern European civilization, from approximately A.D. 1439 onward, to that earlier form of European society which was collapsed into a prolonged, medieval "New Dark Age" of civilization, an over-ripe collapse triggered by the epoch-making, calamitous, famous Fourteenth-Century bankruptcy of the Lombard banking house of Bardi.

11. The common problem with which I have had to contend, is that foolish fellows insist on proposing: "In other words, you are predicting...." I do not make statistical "predictions;" I define boundary conditions for dynamically determined processes.

12. The typical method of the incompetent forecaster, is to choose an exact time and condition for the proposed event. That approach ignores what can be loosely identified as "the factor of free will." That Cartesian or kindred method of "exact numbers," permits no reference to actually universal, lawful principles. Competent forecasting defines the approach to boundary conditions, an approach which might remind us of the famous story of "An Appointment in Samarra." Whenever, or by what choice of route, you reach Hell, if you are seeking that destination, that destination will gobble you up in its own choice of time and place.

Excepting the types of reforms associated with models of reference provided by such as Solon of Athens and Charlemagne, in all known ancient and medieval European and near-Eastern societies, the organization of society was modelled on the prescription which Aeschylus' *Prometheus Bound* associates with the Delphic cult's model for Lycurgus' Sparta, the latter a model in which the great mass of the population was bestialized under a system of virtual slavery such as serfdom.

The essential distinction to be emphasized here, is that modern European civilization, as the definition was introduced earlier by the work of Dante Alighieri, was later defined systematically by the combination of a crucial set of two pioneering works of Cardinal Nicholas of Cusa: his *Concordancia Catholica*, defining the principle of the modern European sovereign nation-state republic from which our own U.S. republic was derived, and his *De Docta Ignorantia*, which laid down the foundations for all competent expressions of modern European physical and related science. When we apply the essential principle of physical science from *De Docta Ignorantia* to the domain of Classical artistic composition, we have touched, in the outcome of the work of Cusa, that crucial aspect of modern European civilization which separates the foundations of our U.S. constitutional republic from all known ancient and medieval cultures. That is the principle which is otherwise expressed as the only unique distinction of man from beasts.<sup>13</sup>

For the purposes of the modern statesman and economist, the crucial developments which separated the new form of society launched by that Florence Council, from what might have been considered a mere revival of something like an earlier (e.g., "feudal") form of European society, were expressed in those two contributions by the man known to history as Cardinal Nicholas of Cusa, the founder of both the principle of the modern sovereign nation-state<sup>14</sup> and of modern physical science.<sup>15</sup>

In respect to the history of the quality of European civilization, the poet, dramatist, and historian Friedrich Schiller, defined the issue of that civilization as exemplified by the conflict between the evil legacy of Lycurgus of Sparta, and the benefit typified by the work of Solon of Athens. As a matter of fact, the great English Classical poet Percy Shelley paralleled historian Schiller's thesis, by, for example, contrasting the mission of the fabled Prometheus with the evil of the Delphic Olympian Zeus and (implicitly) Delphi's

Apollo-Dionysus cult. Heinrich Heine located decadence in the emergence of the Nineteenth-Century cult of Kantian and related expressions of Romanticism. I agree with the views of the matter by Schiller, Shelley, and Heine, as far as each goes; my work in the science of physical economy has depended upon my going deeper into the matter than these have done, as I do here, in the remainder of this prefatory section of my report. I begin with a crucial, specific discovery by Cusa.

## Science & Statecraft

In a brief review: Cusa's broader significance for modern physical science and economy, is his central role in reviving the largely lost knowledge of competent science, a discovery which he made in the course of his attention to the Classical Greek archives of Byzantium. What proved to have been his most crucial practical contribution to the founding of modern science, was his emphasis on correcting a systemic error in the work of Archimedes, Archimedes' mistaken claim to have solved the problem of defining the generation of the circle and parabola from the standpoint of a notion of quadrature (**Figure 2**). All of the distinct accomplishments in scientific method by modern physical science, from that time, to the present day, including economy, have depended for their earned authority upon the realization of the implications of Cusa's insight into that error by Archimedes.

This specific contribution by Cusa provided the basis for those discoveries by Johannes Kepler on which, as Albert Einstein emphasized, all competent practice of modern physical science depends. Kepler himself defined the principle of these discoveries in two, interdependent contributions which we have come to enjoy from Kepler's discovery of universal gravitation: as what was to become Gottfried Leibniz's uniquely original discovery of the elementary principle of the calculus (the essentially transcendental infinitesimal),<sup>16</sup> and as the development of the concept of physical-elliptical, and higher order transcendental functions by Carl F. Gauss, Bernhard Riemann, and others. These same discoveries are crucially indispensable for the competent understanding and practice of modern political economy.

To grasp the importance of these conceptions from *dynamics* for a science of physical economy, it is essential to recognize that a competent modern practice of economy as a science, depends absolutely on modern European science's foundations in the work of such outstanding followers of Cusa as Leonardo da Vinci and Kepler, and such outstanding followers of these modern geniuses as Fermat, Leibniz, Jean Bernouilli, Abraham Kästner, Gauss, Abel, Dirichlet, and Riemann. Without a grasp of these matters, no competent

13. I.e., Academician V.I. Vernadsky's concept of the Noösphere.

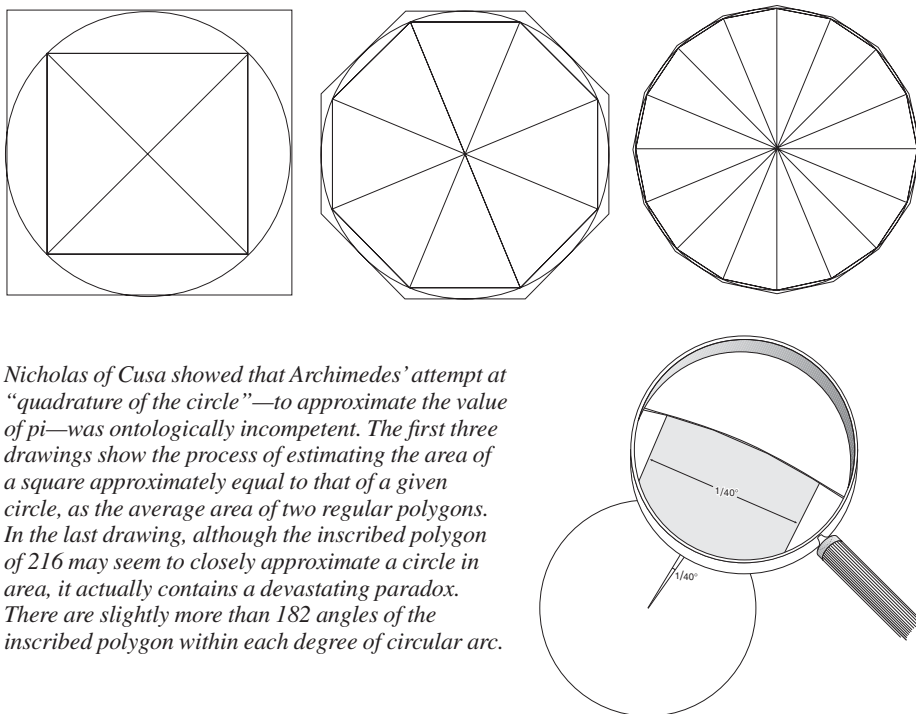
14. *Concordancia Catholica*, the "model" echoed by Cardinal Mazarin's role in founding the 1648 Peace of Westphalia.

15. E.g., *De Docta Ignorantia*. The actual launching of modern physical science as practiced science was accomplished, uniquely, by Johannes Kepler. Kepler's discoveries were accomplishments premised chiefly on Cusa's exposure of the fallacy of Archimedes' presumption that a circle, or parabola could be truly generated by methods akin to those of Euclidean geometry.

16. As explicitly and absolutely contrary to the incompetent underlying assumptions of such haters of Kepler, Leibniz, et al., as A. de Moivre, D'Alembert, Leonhard Euler, Lagrange, Laplace, Cauchy, Clausius, Grassmann, Lord Kelvin, et al.

FIGURE 2

## Quadrature of the Circle



Nicholas of Cusa showed that Archimedes' attempt at "quadrature of the circle"—to approximate the value of  $\pi$ —was ontologically incompetent. The first three drawings show the process of estimating the area of a square approximately equal to that of a given circle, as the average area of two regular polygons. In the last drawing, although the inscribed polygon of 216 may seem to closely approximate a circle in area, it actually contains a devastating paradox. There are slightly more than 182 angles of the inscribed polygon within each degree of circular arc.



EIRNS/Ulla Cicconi

A replica of the tomb of Nicholas of Cusa in Bernkastel-Kues, Germany.

working grasp of the principles of modern economy, such as our own constitutional form, were possible. The concept of the infinitesimal, as Leibniz derived that from the work of Kepler, provides the crucial relevant connections.

The concept of the *physical infinitesimal*, as Cusa exposed the indicated error of Archimedes, is what contrasts the uniquely original discoveries by Kepler to the honest failures of Copernicus and Brahe. Kepler recognized Cusa's principled argument against Archimedes in two successive, qualitative phases of Kepler's own absolutely original discoveries in astronomy.

1. Kepler's strenuously rigorous proof of the falseness of assuming the function of an *equant* in the Earth's and Mars' Solar orbit, led Kepler to the concept of "equal areas, equal times" of an elliptical Solar orbit. This discovery defined the efficient existence of the true physical infinitesimal (a *physical transcendental*) as an expression of a universal physical principle of gravitation.
2. Kepler's discovery of a mathematical-physical function for gravitation, which depended upon combining the ironical co-function of two senses, vision and hearing, provided the foundation for all competent approaches to the notion of universals in modern physical science, including a science of

physical economy. It defines the efficient form of physical meaning of the term "infinitesimal" for all physical science, and, also, all that which defines the difference of the potential creative powers of the mind of the human individual, from the nature of the beast.

*It is those creative powers, so defined, which define any competent attribution of meaning to the notion of those social functions of economy which are of crucial importance for the reshaping of the policy-making of the U.S.A. now.*

As Academician V.I. Vernadsky and Albert Einstein have defined this matter, so, in the case of Kepler's discovery of the universal physical principle of gravitation, all valid discoveries of any universal physical principle, are expressed in the form of a unique, *transcendental* quality of experimental proof of the existence of a universally efficient physical principle.<sup>17</sup> This argument is, of course, contrary to the academic classroom and other dogmas of ancient and modern Sophists, such as the empiricists and positivists, but so what? All competent use of the term "universal physical principle" has precisely the required meaning I have just stated here.

17. Vernadsky's uniquely original discovery of the principles of the Biosphere and Noösphere, are instances of this.

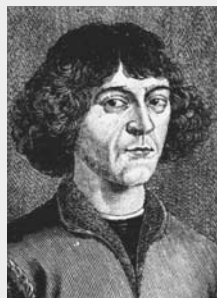
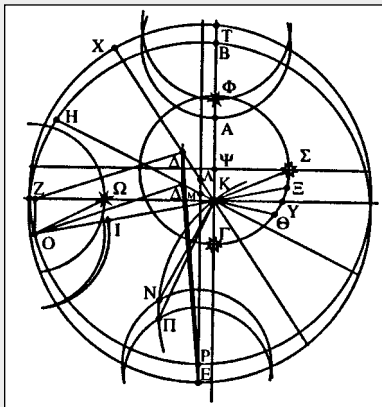
# The Keplerian Revolution

*In pathological mathematical methods, such as those used by the followers of Ptolemy, Copernicus, and Tycho Brahe, physical processes are merely described by the method of connecting observed points (“dots”) in ways which presume that all observed processes can be explained mathematically, as if at the blackboard. The diagrams shown here are from Kepler’s New Astronomy.*



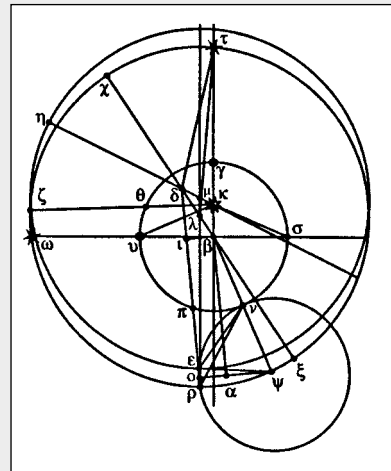
**Claudius Ptolemy**  
(2nd Century A.D.)

The diagram is Kepler’s representation of Ptolemy’s geocentric worldview. The Earth is at point K; the Greek letters show the paths of the apparent motion of the Sun and other heavenly bodies, travelling around in epicycles. These were purely geometrical constructs, required to “save the appearances”—or permit prediction of astronomical phenomena. Ptolemy made no claim to describe the physical reality which would make such bizarre movements possible.



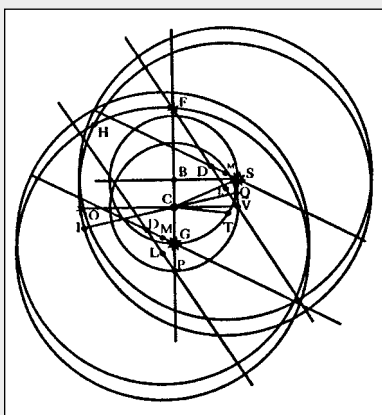
**Nicolaus Copernicus**  
(1473-1543)

His model of the cosmos moved the Sun to the center (at K), but still required a plethora of epicycles in order to “save the appearances,” because it was not based upon understanding of the physical causes of the motion of the heavenly bodies.



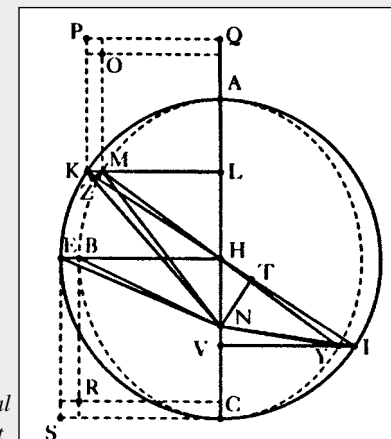
**Tycho Brahe**  
(1546-1601)

Tycho’s construct was an attempt at a compromise between the Ptolemaic and Copernican models. The stationary Earth is at C. The Sun (S) revolves around the Earth, as do the “outer” planets (Mars, Jupiter, Saturn); the “inner” planets (Mercury, Venus) revolve around the Sun.



**Johannes Kepler**  
(1571-1630)

For Kepler, the trajectory of action is determined by universal physical principles, not by “connecting the dots.” This diagram is one of many in the New Astronomy, by which he charts his discovery of the elliptical orbits and the principle of universal gravitation.



## Finite Physical Space-Time

Since the ancient Sophist Euclid, drooling and other credulous students of secondary and higher indoctrination, have been brainwashed into assuming such fairy tales as the notion that scientific thinking requires us to believe that competent mathematical thinking means accepting the Sophist’s voodoo of Euclidean or kindred sorts of “self-evident” definitions, ax-

ioms, and postulates. The most radical, and most vicious expression of this sort of practice of academic witchcraft, is met today among the dupes of such miserable creatures as the pro-Satanic Bertrand Russell, as in Russell’s *Principia Mathematica*, or the wickedly demented products of such Russell devotees as the late Professor Norbert Wiener (i.e., “information theory”) and the *Theory of Games* of John von Neumann,



or of the infernal wickedness of Russell's avowedly fascist accomplice H.G. Wells.<sup>18</sup>

All competent instruction of the young in the foundations of scientific thinking, requires the exclusion of the Sophist dogma of *a priori* set of definitions, axioms, and postulates. In other words, only a physical geometry such as that of the Pythagoreans and Plato, or modern Riemannian physical geometry, can be justified for the crafting of the scientific potential of the young mind.

The most significant root of the human errors about scientific knowledge, is the presumption which is central to the inherent, systemic fallacies of notions of sense-certainty associated with a literal reading of the apparent evidence of our senses. The correct view of this matter, is the recognition of the fact that what we think we see, literally, or hear literally, is not the merely apparent, not the actual form of that whose existence our sense-organs report to our brains. Thus, ignorant popular opinion imagines, wrongly, as the teaching of Euclidean or Cartesian geometry insists, that space is simply extended *infinitely*: the real universe is very large, yes; but, infinitely extended, never.

The truth about sense-certainty is presented to us in the clearest, and relatively simplest way, by Johannes Kepler's uniquely original discoveries of the universal principle of gravitation. In the first instance, Kepler proves the existence of gravitation in terms of an elliptical function; in the second instance, he defines the measure of gravitation within the Solar System as a functional expression of the principle of organization, gravitation, of the Solar planetary system. As Albert Einstein was to emphasize, the fact that the universe is organized according to the principle of gravitation, illustrates the demonstration that the universe, while very large, is, nonetheless finite, because it is *enveloped ontologically, bounded*, by a universal principle of gravitation, and, in other expressions of the universe's existence as a unified physical field.<sup>19</sup>

The same kind of general conclusion was reached, in a refined way, for chemistry, by Academician V.I. Vernadsky's proofs of the partition of the universe into three physical-chemically distinct phase-spaces, including the Biosphere and Noösphere.

So, experimental physical science demonstrates that our universe is bounded, as finite, by what unique methods of experiment identify as an efficiently functioning universe of physical principles. This does not imply that the universe is of a fixed size, but, is, rather, developing and expanding relatively, but, nonetheless, remains finite, and is anti-entropic, rather

than what is falsely presumed, by ignorant believers, to be entropic.

The corollary of these considerations, is that we must never esteem our sense-perceptual processes as "self-evidently true." Rather, we must regard our senses as we regard any other scientific instruments, biological, or man-made, and, as limited in the authority of their findings in the same way as any instrument we create to complement those sense-perceptual powers which are delivered, so to speak, with the baby.

The latter conclusion was delivered to modern science through Johannes Kepler's discovery of the quantification of a universal physical principle of gravitation from study of the organization of a cluster of the planets of the Solar System. This same principle was clarified for the asteroid orbits by Carl F. Gauss. It was not sufficient to rely upon spatial evidence in the form of vision; without including the harmonics of what we associate with the sense of hearing, the measurable, "wavicle" quantum principle of gravitation could not have been discovered.

So, we must think about the proper, practical meaning of terms such as science and education, if we are to recover our seemingly lost penchant for national progress.

## How Our Nation Was Ruined

The crucial difference with which civilization as a whole is confronted in our selection of a new President, is that civilization has reached a great breaking-point in the history of our planet considered as a whole. For what we face now, there is no precedent in the actual experience of any person presently living on this planet. The planet as a whole is now gripped by a general physical-economic crisis which has no precedent since times when new dark ages were heralded by the disintegration of earlier, past forms of once great empires.

Therefore: "Who is the devil which has taken over the minds of the leading typical representatives of our own, as many other nations?" The most crucial of all of the top-down problems of our society today, is that our once-great republic, like the people of the nations of the Ancient Greek, Shakespeare, and Schiller tragedies, has been taken over by the type of reigning mental disease which gripped the generation of Rome's Caesars, Norman England, and the great religious warfare during most of the 1492-1648 interval in Europe.

In particular, since the death of President Franklin Roosevelt, the planet as a whole has been gripped by a long wave of degeneration in the essential features of the morality and culture of the planet considered as a functionally unified whole process.

What I have just summarized in that way, presents a terrible problem to the believer in what is called empiricism. *Empiricism*, otherwise known as *Liberalism*, was introduced to modern society by the Venetian Paolo Sarpi and Sarpi's personal lackey Galileo Galilei. *Empiricism*, or *Liberalism*, was cooked up by Sarpi as a trick for solving a Sixteenth-

18. E.g. Russell ally H.G. Wells' followers of the "Wikipedia" hoax.

19. If the reader wishes proof of these features of Kepler's work, he or she will find more than adequate, and, in fact, incomparably good elaboration on these points in the published work of the LaRouche Youth Movement (LYM) on its website. Ignore the largely silly, attempted plagiarism published after the presentation of the LYM's work.

Century political problem identified in the writings on modern strategy by Niccolò Machiavelli. The problem, as Sarpi defined it, was to permit some of the kinds of innovation in technology which made Cardinal Nicholas of Cusa's definition of the sovereign nation-state's science, strategically superior to Venice's efforts to turn back the clock to the feudal system of imperial world-rule by usury. Sarpi's point was to allow some technological and other innovation, where the older faction of Venice wished to stop progress altogether. So, Sarpi intended to create a new form of financier imperialism, called Anglo-Dutch Liberalism today, which would permit some innovations, but would, nonetheless, deny the existence of universal physical principles to be known to typical members of society. In principle, Sarpi took the same position on the "discovery of fire" as the Delphic Olympian Zeus. To copy a new technique (in some cases) was permitted; but, it was not permitted to allow knowledge of the universal principle on which that technique's use had depended.

Thus, Sarpi rejected the strict "zero growth" ideology of the Sophists Aristotle and Euclid, but adopted the utter irrationality of the medieval madman William of Ockham. Sarpi's outlawing of the acknowledgment of the existence of discoverable universal physical principles, is what is to be known as philosophical Liberalism— *Anglo-Dutch Liberalism*—in matters of both science and morality.

That denial of actually knowable truth of universal principle in science, is known, as I have just said, as *Liberalism*, or, in its more radical expressions, as *positivism*, or *existentialism*. The variant of that doctrine, to the same effect, is typified by the fraudulent positivist dogma of the fanatical Ernst Mach, by the *Principia Mathematica* of Bertrand Russell, and by such depraved cult-followers of Russell as Norbert Wiener ("information theory") and John von Neumann ("artificial intelligence").

Therefore Sarpi and his followers, who are chiefly known, variously, as empiricists, positivists, or Liberals, do not accept the actual existence of universal physical principles, except as mere "footprints," such as mathematical formulas used to describe an effect. The method of René Descartes is a typical product of the methods of Sarpi and Galileo, as also of modern empiricists and positivists generally. All Anglo-Dutch "economic" doctrine, such as that of Bernard Mandeville, François Quesnay, and that plagiarist (of Quesnay and Turgot) Adam Smith, and their ideological followers, is premised on the same Liberals' hoax by modern European forms of Sophistry.

Modern philosophical Liberalism, is, therefore, a modern extension of the ancient Sophistry (and related superstitions) familiar to scholars from that decadence of ancient Classical Greece leading into the hoax associated with the name of Euclid. The decline of the U.S.A., from its recovery under the leadership of President Franklin Roosevelt, and the U.S.'s decline, since the death of President John F. Kennedy, into the pile of the neo-Malthusian, post-industrial rubbish which it, like western and central Europe, has become today, is an echo



Paramount Pictures, "An Inconvenient Truth"

*The decline of the United States into "the pile of the neo-Malthusian, post-industrial rubbish which it, like western and central Europe, has become today," is an echo of the Sophistry that destroyed Athens. Al Gore's squawking about "global warming" is a prime example.*

of the same principle of moral degeneracy, known as Sophistry, which destroyed ancient Classical Athens. The typical moral and intellectual disorientation which usually characterizes the "white collar Baby Boomer" today, is, clinically, a modern echo of the same moral disorder which led ancient Athens to its self-destruction through its adoption of the same form of corruption, then known as Sophistry, and now as Paolo Sarpi's and Galileo's Liberalism.

The leading source of dysfunction among the white-collar middle-class stratum in the age-interval 50-65 today (the so-called "68ers"), which has been the principal, leading source of self-inflicted incompetence of our nation and western and central Europe, its decadence, today, is just that. It is exactly that ideological corruption which has led our republic down the same pathway of ruinous long wars, under the "68er" influence, as ancient Athens' self-destruction through the Peloponnesian War then, today.

It has been the substitution of Liberalism, and its popularized, degenerated forms of culture and recreation, for the efforts to maintain a Classical culture in education, science, art, and physical economy, which is responsible for all of the degeneracy in which our own economy and that of western and central Europe have been plunged during the recent forty-odd years. The hatred of science associated with grossly perverse

figures such as former Vice-President Al Gore, is typical of the moral and intellectual decadence, and outright fraud, which is carrying our republic, and the world generally, toward absolute ruin today.

What has ruined us so severely, and increasingly, since the murder of President John F. Kennedy, and what had already weakened us morally since the death of President Franklin Roosevelt, is the decadence which the leading white-collar edge of the generation of returning World War II veterans permitted to be done to our culture with the accession of Winston Churchill's admirer, Harry S. Truman. It was the orchestrated conflicts, between Classical and Popular, and between "blue collar" and "white collar," which have divided and now almost destroyed us since my generation's White Collar children were victimized by a new Liberalism, children then, who grew up to become the leading edge of the "anti-Blue Collar" Liberals of the 68er generation.

Without the "White Collar" generation born between 1945 and 1958, we would not have had the "68ers" in the Americas and Europe, and we would not have had that cult of "post-industrial" utopias which has brought the world at large to the verge of the deepest, longest, and worst dark age in the history of known European civilization.

## I. The World's Presently Onrushing Breakdown-Crisis

The one-page "Leaders" editorial for the November 17-23, 2007 edition of Britain's *Economist*,<sup>20</sup> gloated over the current folly of our United States of America, in the following terms:

"In 1929, days after the stock-market crash, the Harvard Economic Society reassured its subscribers: 'A severe depression is outside the range of probability.' In a survey in March 2001, 95% of American economists said there would not be a recession, even though one had already started. Today, most economists do not forecast a recession in America, but the profession's pitiful forecasting record offers little comfort."

That far, that *Economist* editorial statement was nearly right, at least formally accurate in its choice of language. However, the same paragraph concludes:

"Our latest assessment [see page 80] suggests that the United States may well be heading for recession."<sup>21</sup>

20. Page 13.

21. The relevant items on page 80 ff. are two. The first, "Getting worried downtown," is utter rubbish. The kindest thing to be said about the second, "Dizzy in Boomtown," is that it might appear sane comment, but only briefly, that only as a moment of relief from the first. Neither casts any useful light on



*The Dec. 1-7 issue of the London Economist cheers what they hope will be the end of the U.S. experiment in republican government—and the collapse of the dollar.*

Suddenly, with that sentence added, the *Economist* was wrong. In fact, it is the United Kingdom in its present form, which is now, apparently foredoomed to a dirtier and quicker disaster than that which now, admittedly, threatens the U.S.A. Northern Rock, for example, is no Gibraltar. Those in London, and London's dupes elsewhere, who dream of a triumphant London-ruled western and central Europe, risen Phoenix-like from the ashes of a doomed U.S.A., should be classed in the legacy of fools whose chosen destiny is akin to that of the backward-looking, Biblical "Lot's Wife." "More salt, Mrs. Lot?"

Actually, the U.S. economy had been in a long wave of physical-economic recession in net *physical* capital formation, in basic economic infrastructure and related, net physical capital-goods, and monetary accounts, since as early as the rather brutal cuts during the term of U.S. Federal fiscal year 1967-1968, a U.S. recession which had been triggered, in

the seriously relevant subject of the editorial statement on page 13. The essential point to be made on the *Economist's* coverage, is that the underlying features of the entire U.S. financial-monetary and economic processes since October 1987 have been dominated by former Chairman Greenspan's hyper-inflationary trickery, which turned really nasty with the sharp 2000 downturn in the Y2K bubble, and the lunatic surge in hyper-inflationary trickery under Dick Cheney puppet George W. Bush, Jr.



1967, by the essentially incredible first Harold Wilson U.K. government's collapse of Sterling. The effect of these 1967-68 developments was later echoed, and accelerated by the inauguration of U.S. President Richard Nixon, especially Nixon's August 15-16, 1971, virtually treasonous actions in bringing down the Bretton Woods monetary agreements.

Since that time, through the January 1981 inauguration of President Ronald Reagan, the U.S. economy underwent two successive phases of steep downturn, and, despite much, soaring, monetary-financial inflation, has never actually enjoyed *a net physical recovery* since then, up to the approximately July 25, 2007 outbreak of what is now threatened to be the steepest, global, and most deadly physical-economic and monetary depression in the nation's history. However, taking the fact of accelerated, already wild-eyed monetary inflation into account, contrary to the *Economist* editorial of November 17th, the imperial economy of the U.K. at home is already plunging, into an even steeper depression than the U.S., and is bringing most of Euro-dominated Europe down with it. Like the poor old prostitute she really is at heart, the City of London is running out of her aging financial tricks.

A proper understanding of these developments requires some remarks on the nature of the collapsing Anglo-Dutch Liberal world system's role and character as the planet's still leading position as a failed, global imperial power.

## That Brutish Empire!

The most misleading feature of the book which Lord Shelburne's lackey Gibbon presented to him as *The Decline and Fall of the Roman Empire*, is the suggestion that the British Empire which had been virtually established by the 1763 Peace of Paris, was to become a copy of the empire of the Roman Caesars, or, as Gibbon recommended to Shelburne, the adopted model of the Byzantine reform of the Roman Empire by Julian the Apostate. By and large, that recommendation of the model of Julian the Apostate has been carried forward in actual practice. Nonetheless, the suggestion that Queen Elizabeth II reigns in the manner of Augustus, Tiberius, or Nero would be gravely misleading.

With certain adjustments taken into account, the Anglo-Dutch Liberals' empire, which was established according to the intention of Venetian Party reformer Paolo Sarpi, is essentially, still today, that medieval Venetian empire, usually mislabeled as the system of the Norman crusaders. It was Venice's financier oligarchy which actually ruled the crusading imperial domain of that time, managing, while looting the same empire itself, through exhausting the Norman chivalry either with what were euphemistically termed "crusades," as through tiresome, ultimately fruitless expeditions into nearby Asia, or Byzantium, or simply preoccupying the armored Norman beasts with the pleasures of making wars upon one another, always financed by loans at usurious Venetian or Lombard rates.

What became known as the British empire-in-fact, since



*There is very little difference between the essential character of the Anglo-Dutch Liberal financier class and its North American financier offshoots today, and the pirates (such as Bluebeard, shown here) who Liberally infested the Caribbean in past centuries.*

the February 1763 Peace of Paris, has actually been the empire dominated by an Anglo-Dutch Liberal financier class, one created by the strategically motivated migration of financier and kindred elements of the New Venetian party of Paolo Sarpi, into the maritime districts of the northern seacoasts of Europe, chiefly today's Netherlands and the United Kingdom. There is really very little difference in their deplorable essential character, still today, between the actually reigning Anglo-Dutch Liberal financier class and its present North American financier offshoots, on the one side of the relevant history, and, on the other, the notorious pirates who Liberally infested the Caribbean of Cayman Islands notoriety during the course of the Sixteenth, Seventeenth, and Eighteenth Centuries.

It is to be recalled, that that British empire-in-fact established in February 1763, under the already rising leadership of Lord Shelburne, conducted the early phases of its attempted global rule largely through the private armies and maritime forces of, principally, the British East India Company. For much of its earlier history, the reigning monarch of the United Kingdom was essentially a public convenience of the Company, with much of the actual power passed down from chief thug Shelburne, to his Foreign Office creature Jeremy Ben-



tham, and, in turn, to Bentham's trained successor Lord Palmerston. It was when a U.S.A. led by President Abraham Lincoln defeated both Palmerston's own treasonous American Confederacy, and launched the defeat of the combined forces rallied against President Benito Juárez's Mexico, by London, Napoleon III's France, the Habsburg monarchy, and London's wholly owned Spanish slave-traffickers in Mexico, that London recognized the U.S.A. of Lincoln's heritage as being the ponderable force which must be subverted and destroyed for the advantage of Britain. London made arrangements, such as two Twentieth-Century "world wars," in the effort to eradicate the once-growing American influence on the continent of Europe, and in Asia, once and for all.

Some, admittedly very silly Americans have exhibited their own lack of intelligence by considering that British empire our oldest and dearest ally.<sup>22</sup> The views expressed somewhat gently in the cited *Economist's* editorial, are neither recent nor accidental. After all, it was the Old Lady of Threadneedle Street which created and installed Germany's dictator Adolf Hitler, with help from the Basel of the Hjalmar Schacht who was, on London's behalf, the virtual sponsor of Adolf Hitler's rise to power. This was, at a relevant time, the same Schacht who had been the protégé of the Bank for International Settlements, and a protégé of the one-time head of the Bank of England, the Montagu Norman associated with New York City's Brown Brothers, Harriman. These were the British circles of Winston Churchill, which, like the awful, and thoroughly anti-African racist Field Marshal Montgomery of El Alamein, never really forgave President Franklin Roosevelt for causing Adolf Hitler to be defeated "prematurely."

After all, there is nothing really inconsistent in Fabian London's promotion of the careers of its agents Mr. and Mrs. Lynne Cheney, this done against the most vital interests of our U.S.A. Puppet Dick Cheney's role in the British-designed scheme for a "revolution in military affairs," and the antics and profits of BAE to which he has been linked politically, have successfully destroyed the power and reputation of the U.S.A. more extensively and profoundly than any outside power could have done without the Cheneys' assistance.

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22. The U.S.A., had been usually allied (against our traditional enemy in London) with friends on continental Europe, until the assassination of U.S. President William McKinley, when the U.S. switched sides under two faithful heirs of the treasonous Confederacy, Presidents Theodore Roosevelt (nephew and protégé of the London-based Confederacy spy Bulloch) and the Ku Klux Klan figure Woodrow Wilson. Coolidge and Hoover were no significant improvement. Putting Presidents Taft and the mysteriously poisoned Harding to one side, the U.S.A. did not recover its earlier patriotic tradition of McKinley et al., until the inauguration of the President Franklin Roosevelt whom British interests have hated and whose patriotic tradition London and our own present American Tories and Fabians had sought to exterminate since the day of Franklin Roosevelt's death. Our republic's patriotic traditions have often been better served by private associations, such as the Society of the Cincinnati, during those times when London actually controlled our incumbent government.

Those who defend Cheney's incumbency still today, may be properly considered in that light.

The British Empire is, essentially, a joint-stock company representing financier partners, and also predatory rivals, of many ancestries and political vintages. Betwixt and between the pleasures of cutting one another's throats for profit, the joint-stock company of that emotionally childish brutish, infernal financial rabble, requires a certain kind of "nanny," a political instrument of government, an instrument lodged chiefly in the monarchy and parliaments of the Anglo-Dutch Liberal system, to regulate its predatory affairs.

The British monarch is no emperor, but a sort of corporate functionary, whose role is required to keep some semblance of order among a thieving, murdering, predatory financier-oligarchical rabble, the latter a special kind of financial slime-mold, which appears to please itself to spell night-hood with a prefixed "k."

### Why Be So Very Brutish?

In the meantime, the only relatively healthy economies still to be found in the world at large, are, for the moment, in the East Asian bloc of China, Japan, and Korea, with Britain's enemy Russia still too dependent on fuel exports to be more than a very interesting runner-up, and India's hopeful nuclear-power prospects notable. However, even in those locations, the rate of current collapse in the new world depression now hitting the Americas and western and central Europe, is a clear, increasingly infectious menace to the well-being of even the relatively healthier East Asia industrializing bloc. If the U.S.A. continues to go down, as it has been doing since about this recent July 25th, it will take down the economy of the entire planet with it.

For example: Throughout the trans-Atlantic community in general, the presently onrushing, deep, world, physical-economic depression-process, is not merely a depression in the sense of 1929-1933; it also mimics that hyper-inflationary bubble, this time on broader than a trans-Atlantic scale, which struck Weimar Germany with full force during the second half of 1923. The world at large is thus presently gripped by waves of breakdown crises of national and international systems, a breakdown-crisis whose nearest precedent was what became known as "The New Dark Age" of Europe's mid-Fourteenth Century.

I emphasize. This onrushing breakdown-crisis of the present world monetary-financial system, does doom the present world "Anglo-Saxon" (i.e., Anglo-Dutch Liberal) monetary-financial system itself. If nations persist in clinging to the effort to rescue that virtually globalized monetary-financial system, the physical economies of the world will be dragged down into a general breakdown-crisis worse than that experienced under the collapse of the 14th-Century Lombard banking system. However, if we are prepared to dump that hopelessly doomed, Anglo-Dutch Liberal form of financial-monetary system itself, the physical economy of

leading nations could be put through an accelerating process of recovery.

Those leading circles which disagree with me on that point, should be either herded, by growing popular assent, out of leading political postings, or, in the alternative, placed under appropriately civilized forms of protective supervision and peaceful, diversionary recreation, all for their own, and our nation's safety, and for the good grace of our souls.

Essentially, the necessary measures will take the form of placing all monetary-financial systems of the world, at least the leading ones which choose to survive, into receivership-in-bankruptcy, Franklin Roosevelt-style, by their respective, sovereign national governments. Globalization and kindred echoes of the Tower of Babel, must be summarily scrapped, and fully protectionist forms of national sovereignty reestablished, forms echoing the Bretton Woods reform of President Franklin Roosevelt, to the effect prescribed by the Preamble of the U.S. Federal Constitution and the principles of the 1648 Peace of Westphalia.

Yet, before taking up the point of the available option for economic recovery, we have some essential other matters of business to take into account.

### My 'Triple Curve'<sup>23</sup>

As reported here earlier, at the beginning of 1996, I published the first of what were to become two successive versions of what I entitled a "Triple Curve" schematic representation of the general, global breakdown-crisis of the world monetary system which was, then, already in motion. This was circulated widely as a leading feature of my 1996 campaign for the Democratic Presidential nomination. When the deep recession-phase of the run-up to the present world breakdown-crisis hit, during approximately Spring 2000, I was prompted, thus, to produce a slightly revised version of the "Triple Curve" scheme, to reflect the crucial change in composition of the three curves which had just manifested itself at about that time.

This "Triple Curve" did not purport to show exact numbers; no competent economist relies on "exact numbers"—after all, they are only numbers, and usually, these days, especially, exact numbers involve a considerable amount of either official or other fraud, or the delusions of the credulous. As the onrush and aftermath of the August-October phase of the LTCM crisis illustrates this point, no competent forecasting, or related studies, will focus on exact numbers (which are customarily wrong, willfully or otherwise, by their very nature). It will be focussed on interactive trend-relationships (dynamics) within an economic process considered as a dynamic whole; this method of reporting, in use by me since (actually) the closing weeks of 1995, has remained valid, in its two successive forms, respectively, since that time.

Under the Enron-like, leveraged U.S. internal financial

23. See page 12.



*In EIR's Jan. 1, 1996 issue, we first highlighted LaRouche's "Typical Collapse Function," a schematic representation of the breakdown of the world monetary and economic system. In Spring 2000, developments prompted LaRouche to update the graphic, as Figure 1 shows.*

"derivatives" and related swindles, which had already contributed significantly to the October 1987, "1929-style" collapse of the U.S. stock market, and since the entry of Alan Greenspan into the post of Federal Reserve Chairman, the character of the trans-Atlantic financial system has been, more and more, the leveraging of anticipated yields on investments into purely fictitious use of merely nominal "multiplier factors." These were, in turn, misrepresented, fraudulently, as newly generated, actual capital values. The present mass of nominal claims generated in the fashion of a "John Law Bubble," a fraudulent "Ponzi" or a "Pyramid Club" scheme, is a scheme which has now reached many, many times the total actual value of physical assets of the world as a whole, into an amount totalling to countless quadrillions of nominal equivalent of U.S. dollar value. The situation of nominal financial claims in today's world at large, now approaches that of the Weimar Reichsmark of late 1923.

This process has been characterized by, and complicated by what has become known as "out-sourcing." These are the effects of the transfer of physical production out from North America and western and central Europe, and into "cheap labor" markets in poorer nations, such as those of Central and

South America, Africa, and Asia. The effect of this pattern of out-sourcing, has produced a relative net decline, globally, in physical product per capita and per square kilometer, especially in nations which have abandoned more and more of their productive output, as a result of the cheapening of production in places where it occurs, this at the same time greatly increasing the amount of outstanding nominal debt of all nations.

The notable feature of this process of “out-sourcing,” is that the cheapness of labor in the nations to which production of Europe’s and North America’s requirements is transferred, is a result of not only the offsetting of the inferior productivity of labor in nations to whose cheap labor production is transferred, but the failure to meet environmental and other infrastructure and related capital improvements in both the nations from which production is exported, and within the nations to which production is exported.

So, notably, “out-sourcing” not only relied upon cheaper production labor in targetted supplier nations, and not only destroyed much of capital goods, infrastructure, and productive potential of the labor-force left behind, but, in this way, effected a significant margin of net lowering of the productive potential of the world as a whole. In effect, “out-sourcing” has lowered the net physical value of the potential relative population-density of the planet as a whole.

That effect is seen most clearly in the economies of North America and Europe, where the decline in the amount, and per-capita value of physical output, per-capita and per-square-kilometer, has been catastrophic. In Europe and North America, most emphatically, this is expressed in breakdown levels of contraction of essential infrastructure as much as, or even much more, in useful physical production and essential services such as health-care, education, and pensions.

At the same time, there has been a collapse, as in North America and Europe, in employment and investment in useful production and services, accompanied by a ruin of the class of productive investors, and the replacement of productive capital and productive capitalists by a fungus-like growth of parasitical, (temporarily) super-rich, and soon bankrupted speculators. The effect is worse than that of the John-Law-style “bubbles” of the early Eighteenth Century, and remarkably like that rise of the purely usurious power of wealth concentrated in Venice-orchestrated Lombard banking, which plunged Europe into the Fourteenth-Century New Dark Age.

The function intended, and provided by my introduction of the Triple Curve as a needed pedagogical device, was to equip politically and otherwise responsible people with a way of organizing the portrayal of observable trends in a way which would show the direction in which current policies of national practice were leading the most relevant nations of the present world system. It is not the simple amount, but the direction and rate of change, principally in physical, more than financial terms, which points the way matters have been going, and continue to plunge at a rapidly accelerating rate.

The most significant political effect of the trend so far exposed to view in that manner, has been the transfer of political power from the hands of both the general population and productively employed investment and management, to a purely parasitical political-financier oligarchy typified by the excrescence known as “hedge funds” and kindred, purely parasitical classes. The control of the leading candidacies for Presidential nominations, by competition for funds from the purely parasitical class of usurers, is the most notably pathological feature of the behavior of both the present U.S. Congress and the pre-Presidential candidacies. “Say, Merry Christmas, everyone! and, trust your choice of Presidential pre-candidate, if you, personally, can still afford to say so!”

*Dear would-be candidates:* Be more prudent. Instead of letting someone else’s money talk, and his paid slogan talk for you, learn, once again, to think, and to speak for yourself. However, when you talk, know what you are talking about. For a change: be a citizen, not the sucker you have been for now, more than eight years past.

## Measuring a Real Economy

The accelerating worthlessness of currencies today, should have warned us afresh, that money as such produces no real wealth, and (therefore) earns no profit by its own actions. Decent interest on loans is not properly a source of profit, but a lender’s risk-tax.<sup>24</sup> Sensible economies, which are essentially physical economies, support a money-system, which sane and honest governments create, and regulate as a monopoly by government. As our own Federal Constitution provides for this, money, or national credit, is uttered only by government, as *both* a.) *a medium of exchange* and, b.) *a system of credit*. As for the mythical beast, called “intrinsically honest money,” it, like Harry Potter, never actually existed, and never could.

There are, admittedly, some people who are either deluded into believing that money itself produces wealth, as through the practice of usury, or who find it convenient to cause their intended victims, such as the dupes of the childish myths of marginal utility, to believe that money itself actually produces wealth. There are also certain types of duped and deranged religious fanatics, who go so far off as to believe in the genesis of “a primeval hoard of money.”

Nonetheless, there are many foolish people today who believe, more or less desperately, in “the magic of money” and its “markets.”

In any given setting, any species of living creature, excepting mankind, has a presently, relatively fixed *range* of variable, potential relative population-density. The conditions which determine this estimable value are functionally complex, but they exist nonetheless. These values are conditional, and are set by dynamics, rather than statistical methods. The

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24. When we consider the velocity of financial turnover on securities markets, to call the activity of this market an “investment,” is itself a kind of fraud in and of itself.



density of population of any species, or variety, varies, but only dynamically, with factors of competition among species and varieties, and with variability of the conditions which they inhabit.

Moreover, none of those conditions are simply competitive. I repeat: none are calculable in Cartesian terms; they are, in the final analysis, *dynamic*, as Leibniz denounced Descartes in Leibniz's own definition of *dynamic*, a conception which Leibniz had revived, during 1692-1695, as a translation of the Classical Greek *dynamis*, from the practice of the ancient Pythagoreans and Plato.<sup>25</sup>

During the course of the Twentieth Century, the application of *Riemannian dynamics* produced the discovery of two new, categorical types of phase-spaces, in addition to the phase-space defined as being a domain of non-living matter. These additional phase-spaces were the *Biosphere* and *Noösphere*, the former the domain of living processes and their specific residues, and the latter the domain of the cognitive potential of the human species and its specific residues.

Both of these added universal domains were defined for physical chemistry by Russia's Academician V.I. Vernadsky. During approximately the same general time-frame, Albert Einstein identified the evidence which showed that the known universe as a whole is also a dynamic process, rather than a mechanistic one. These discoveries eliminated all credible basis for continuing to promote the arbitrary assumption, and deliberate hoax, as by Clausius, Grassmann, and Kelvin, called a "second law of thermodynamics"; the universe which we inhabit is essentially an anti-entropic domain, from which both Aristotle's and Euclid's notions of a universe of space-time are to be excluded by minds which are both literate and sane.

The considerations which I have just identified, summarily, in the preceding two paragraphs, are the proper starting-point, today, for presenting a competent view of a science of physical economy.

In all sane experience of this real universe, money has no intrinsic value as an object-in-itself. All real values are defined by the measure of *universal anti-entropy* as the fundamental metrical principle of mankind's interaction with the universe which we inhabit. This value is expressed for society in terms of an effect called *potential relative population-density*. It is not necessary to have a different measure of actual value for economies, since the measure of value for the society as a whole defines the implied functional notion of value for the specific product, or particular action within that social process as a whole.

25. Gottfried Leibniz, *Specimen Dynamicum* (1695).



PRNewsFoto via Newscom

"There are many foolish people today who believe, more or less desperately, in 'the magic of money' and its 'markets.'" Here, striking it rich on "Wheel of Fortune."

In a sane society, money, so to speak, experiences a notion of its own relative value, according to the way in which it is circulated, and its circulation is regulated. Money never has any independent economic value, but only a relative one, one which is defined politically, by its function within the physical dynamics of a physical-economic process as a whole. Only an idiot, or virtually brainwashed dupe, could have believed that the wrecking of the Bretton Woods system, under President Nixon, and the Trilateral Commission's wrecking of the U.S. fair-trade system, under Zbigniew Brzezinski's influence on the President Carter Administration, was anything better than a product of either insanity, or virtual treason.

Contrary to the relevant impulses of Shultz, Brzezinski's Trilateral Commission, et al., in a sane and moral society all gambling and other forms of usury are regarded as crimes, since they corrupt the mental processes and morals of both the population and society's institutions, as in the case of the legalization of usury under the direction of the Trilateral Commission's Chairman Paul Volcker of the constitutionally dubious Federal Reserve System; it appeared that this had destroyed the economy and morals of the U.S.A., until the performance of Alan Greenspan provoked longing for the return of Volcker, as Paulson and Bernanke may be now sparking a wish for the return of even Alan Greenspan. It was no coincidence that the Trilateral Commission itself had pre-defined Chairman Volcker's action as a method dedicated to "the controlled disintegration of the economy."

The Trilateral Commission has nearly succeeded in its adopted mission; our economy has been virtually destroyed, as if this had been done by some evil intruder from outer space. What has been virtually destroyed in this fashion, must be restored, and the relevant practices reversed.



The principal scientific contribution which I have made to our knowledge of the workings of political economy, has been expressed in the manner in which I have defined both the notion of *potential relative population-density* and its application. At the present time, under present crisis-conditions, when money is no longer even an approximate standard of value, we must now turn to dig deeper into the roots of that modern conception of potential relative population-density to find our solution.

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## II. Science & National Cultures

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*There are no nations among the beasts.*

From close observation of the behavior of those who would pretend, successfully, or mistakenly, to be thinking and acting as “statesmen,” we should be able to recognize the function of contrasting qualities of passion in relevant decision-making. On this account, insight into the principles and implications of the development of artistic principles is crucial, especially under crisis-conditions. The world is presently gripped by increasingly intense crisis-conditions.

In the introduction to this present report, I have already pointed out, that not only was Nicholas of Cusa the principal author of the key principle of all competent modern science (as in his *De Docta Ignorantia*), but also the author of the concept of the modern sovereign form of nation-state (in his, earlier, ecumenical *Concordancia Catholica*). Now, we have come to the point of this report, of showing that these discoveries, those of modern science and the principle of the modern nation-state, share, like Kepler’s discovery of the general principle of organization of our Solar system, a common root in both physical-scientific principle with the passions which must be associated with Classical-artistic principle.

Without insight into the implications of what I have said in those words, it were extremely difficult for today’s leading political figures, even to begin to understand the nature of the required remedies for the presently onrushing threat of a planetary new dark age. The issues I have just posed, in preceding elements of this report, in this mode, especially the notion of the identity of *value* in economic processes, are the very same ideas on which a competent leadership, such as that of one qualified to head the government of our own United States amid today’s mounting, national and global disasters, might depend.

However, without an appropriate, accompanying passion for truth, formally true formulations in politics are impossible. Truth in national policy-shaping, is a matter of the effect which government and others produce for the future. On this account, the policies of our own government (in particular) have been increasingly incompetent, even in relatively short-term foresights, over the decades since the assassination of President John F. Kennedy, especially since

the trans-Atlantic, Dionysian tumult of 1968.<sup>26</sup>

Therefore, to emphasize the implications of taking the long view in such matters, I introduce this chapter’s content, with a few more or less indispensable, prefatory statements respecting what is the presently known, usual form of composition of extended European society leading into to the A.D. 1439 Council of Florence.

### The Historical Precedent

With certain important exceptions, as only typified by cases such as Solon’s reform of Athens and the system of Charlemagne, the presently known aspects of ancient and medieval cultures of the so-called Near East and Europe were premised on holding the majority of the human population in a condition either of slaves or serfs, an arrangement called then “the oligarchical model,” in which the majority of society was degraded to a status comparable to that of wild animals to be hunted down, either taken captive for slavery or serfdom, or killed, as the Spanish did much the same under the notorious aftermath of Torquemada’s legacy, and as their British and Dutch successors continued this practice, through, chiefly, London’s Nineteenth Century auxiliary, the Spanish monarchy. These royal criminals and their like, butchered populations of northerly west Africa, throughout the course of the period from the beginning of the Sixteenth Century, deep into the last half of the Nineteenth Century.

This was, essentially, that same condition imposed upon the relatively greater mass of humanity which the cult of Delphi supplied to the system of Sparta, the violation of humanity on behalf of which, the legendary figure of Aeschylus’ Olympian Zeus condemned Prometheus to perpetual, inquisitorial torment.

Those debased practices, are traced by European history from origins which were known to Europeans as the imperial and related systems of west Asia, systems of practice classified as the oligarchical model; these had been spread from Tyre and other locations, into expressions such as the emergence of the Roman and Byzantine empires, and, thence, the Venetian and neo-Venetian systems of the respective medieval and modern centuries. The Anglo-Dutch Liberal system is essentially the current continuation of that tradition of the inherently tragic “oligarchical model” typified by the Olympians represented in the performance of Aeschylus’ *Prometheus Bound*.

The echoes of Charlemagne’s relatively magnificent reforms were echoed later in the best efforts at reforms by the frustrated Hohenstaufen, against the Venetian medieval tyr-

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26. For example, were today’s politicians to succeed in promoting the wildly fraudulent, actually genocidal fascist “carbon” policies presented by former U.S. Vice-President Al Gore et al., surviving members of future generations would curse all such politicians bitterly in the hearing of their family’s descendants, by name, just as I denounce such persons for their stated as intended crimes today.

anny, as these needed reforms had been typified, intellectually, later, by great intellectual figures such as Abelard, and, still later, after the fall of the Hohenstaufen, in Dante Alighieri's design for a revival of the Italian language from Romantic (e.g., Venetian) captivity. It was in the environment of readings from Dante's *Commedia* delivered in the public streets of Florence, that the great Florentine Renaissance blossomed coincidentally with both Brunelleschi's catenary-formed cupola of Santa Maria del Fiore, and with the birth of modern European civilization.<sup>27</sup>

So, in mankind's known past, a pathway of development of cultures spans centuries, or even longer terms.

The key to all this, is something very elementary for modern physical science, which I have already pointed out in earlier parts of this report: Cusa's recognition of the crucial fallacy permeating Archimedes' attempt to define the circle and parabola in terms of the notion of quadrature. Here, in this chapter, we apply the same principle met in physical science in its aspect as the related principle of social relations.

The historical foundations for the emergence of what we now know as the concept of the nation-state, are to be recognized in the most essential human features of a language-culture: the same transcendental feature which separates a literate use of the English language's *comma* from the greatly inferior intellectual domain of the mechanical rules of *The New York Times* style-book. For this purpose, we require the same principle of the *Pythagorean comma*, from which to adduce *that breath of Classical irony* which separates the underlying, common intention of the well-supported Florentine *bel canto* singing of the Classical counterpoint of J.S. Bach and such of his followers as W. A. Mozart, Ludwig van Beethoven, and Franz Schubert (for



Dante Alighieri (1265-1321) designed the revival of the Italian language. The environment of readings from his *Commedia* in the streets of Florence, coincided with the birth of modern European civilization. Dante is shown here in a fresco by Andrea del Castagno, ca. 1450.

example),<sup>28</sup> from Aristotelean or worse expressions of popularized human bestiality.

This principle is that which sets computer-programmed talking, automatic dolls, and also today's customary popular entertainments, apart from, and far beneath the thinking and the productions suited to the work of actual human beings. It is the same principle, expressed in the use of spoken and written language, which separates science from brutishness. *It is the transcendental principle of the comma.*

The issue of combat which this conception entails, is the same posed by the surviving middle portion of Aeschylus' *Prometheus* trilogy, *Prometheus Bound*. The transcendental breath of the *comma*, as with the Pythagoreans, corresponds, in an uttered mode of speech rich in cognitive ferment, to the expression of a thought from the same domain of human creativity which sets the potential of the individual human mind apart from the limited capabilities of the beasts, and from the aspirations of those brutalized persons, Wikipedians and others, who are

content to force others to live as slaves, serfs, or worse.

A clearer view of the relevant connections implied here thus far, is made available by contrasting the modalities of actual modern science (that of Cusa, Leonardo, Kepler, Leibniz, for example) with the bestiality rampant in the denial of the existence of human creativity by the cult-circles of Leibniz-haters such as Abbé Antonio Conti, Voltaire, Abraham de Moivre, D'Alembert, Leonhard Euler, Lagrange, Laplace, Cauchy, Clausius, Grassmann, Kelvin, and so on.<sup>29</sup> The issue

27. As Leibniz and Jean Bernouilli were to demonstrate in their crafting of the concept of a universal principle of physical least-action, their introduction of the catenary function was the first explicit recognition of the catenary as expressing a physical principle, since Bernouilli's use of it for the construction of the cupola.

28. And, doubtless, Leonardo da Vinci of his largely mislaid *De Musica*.

29. Euler was not as stupid as his associations with the empiricist network of Conti, Voltaire, D'Alembert, Maupertuis, and his dupe Lagrange, imply. His break with the science of Leibniz and Jean Bernouilli, was simply a product of political opportunism, not science. With the followers of Mach and Bertrand Russell, and their Twentieth-Century followers, such as Norbert Wiener and John von Neumann, corruption has passed over, with the "Frankfurt School" existentialists, and with the likes of Fabians such as Mr. and Mrs. Lynne Cheney, into the domain of the overtly Satanic. Mrs. Cheney's pet brute, her husband, exemplifies the hatred which a brutish locker-room dolt expresses as the impulse to destroy anyone to whom he is vastly intellectually and morally inferior.

is to be recognized, in that specific physical-science context, as what is more commonly referenced as the principle of the Leibniz infinitesimal. That infinitesimal is, as I have already emphasized in this present location, the key to recognizing the fallacy underlying Archimedes' quadrature of the circle. Denying this principle of the so-called "infinitesimal," better named *the transcendental*, amounts, implicitly, to the same thing, ontologically, as a denial of the existence of the human soul. On Archimedes' part, such an offense would have been certainly unintentional.

This is the same quality identified as the principle of *Classical irony* for poetry, drama, and polyphony. It is that aspect of the use of language, for polyphony as more rigorously defined by Johann Sebastian Bach, as a vehicle for imparting such higher functions unique to the human mind, which points our attention to the indispensable role of the sovereign nation-state in the promotion and defense of true human freedom. I mean a defense against the efforts of those evil forces seeking now to impose a recreation of the Tower of Babel, or some alleged "universal language," a born-dead *lingua franca*, such as so-called Esperanto, upon which the hapless, brutalized victims of "globalization" might be foredoomed to depend.

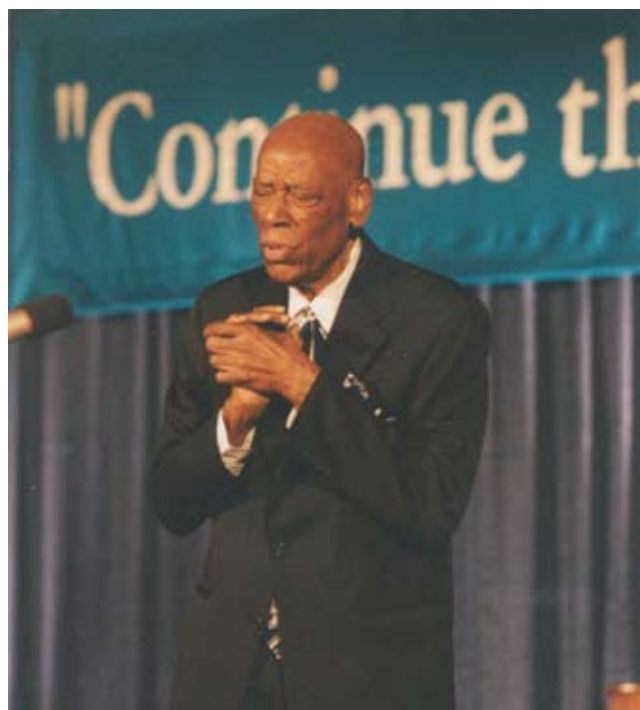
The point being made as central to the subject of this present chapter, requires that we bring together what might appear to some as somewhat unrelated elements, as follows.

## Words of Wisdom: What Is Metaphor?

Like the rings of an ancient, legendary Sequoia, the "bole" of a culture expresses, under its outer surface, an ancient history of generations of the experience of the people who share the heritage of that language. For the English-speaking novice in study of such matters, William Empson's *Seven Types of Ambiguity*<sup>30</sup> would be a good beginning.

The generator of such a succession of concentric "rings" is the same principle of the human mind which we should associate with an "evolutionary" succession of discoveries of, and adjustments of discovered principle, changes which are passed from one generation to another, and also across "lines" of interaction, to similar effects, with other branches of culture. Unlike the succession of the cross-sections of the rings of the bole of a tree, the process is qualitatively evolutionary.

The principle of action which distinguishes this cultural-evolutionary transformation in human cultures, is to be recognized in the actions of the principle of irony, which is the same principle as actual human creativity. This principle is expressed, essentially, in its most clearly distinct form as metaphor, as a discovery of a universal physical principle is discovered, such that old words acquire new meanings, as in creative forms of punning. Here we would wish to point to Percy Shelley's passage from his *In Defence of Poetry*: "... profound and impassioned conceptions respecting man and



EIRNS/Stuart Lewis

*The late William Warfield, a world-renowned baritone and reciter of poetry, performs at a conference of the Schiller Institute, ca. 2003. His performances of Franz Schubert's setting of Goethe's "Erlkönig" and Paul Lawrence Dunbar's poem "When Malindy Sings" were special favorites at Schiller Institute events.*

nature." The essential quality of this process is typified by the evolution of well-tempered counterpoint, from Bach's "48" through the influence of the van Swieten Vienna salon on the work of Haydn, Mozart, Beethoven, et al.

The literate user of a literate form of language uses and adds to the literate forms of development of a language steeped in a growing mass of such ironies. In this process, each irony partakes of the same role within the speaker's use of the language, which proceeds as the accumulation of discoveries by a creative scientist or poet. This is illustrated very well if we trace the development of emerging archetypes within musical composition from origins in Handel and Bach, most notably, from Bach's development, through Haydn, Mozart, Beethoven, and so on, especially Beethoven's own development through his last string quartets. Each composer quotes his predecessors, and their contemporaries, such that the accumulated material quotes itself in novel forms, as in a convention of gifted scientists meeting, from time to time, over the span of a generation or two of highly creative activity in discoveries.

Each of these discoveries embedded in the fabric of the user's language's development to date, has the function of a *comma*. This is the "location," so to speak of the function of human creativity, a function which exists in no known living creature but mankind. In that sense, the *New York Times* style-book practices inhumanity.

30. New York: Riverhead, 2004.



Such is a living language, as distinct from a synthesized language which is born dead, and will essentially remain so. It is the implicit aggregation of discoveries, each in the form of ironies expressing the Pythagorean function of the *comma*, which defines the richness of a well-developed language, and defines its uniqueness relative to other languages.

The true meaning of a European language, for example, is not discovered until we of modern times have also considered such exemplary cases as the use of a sung language in the compositions of Handel, J.S. Bach, and such among their faithful students as Haydn, Mozart, Beethoven, and Schubert, and the musical settings of poetry from Heinrich Heine by Schubert and Schumann. It is only in such music, or the kindred of that music in Classical poetry, that the creative potential of the spoken language is truly brought to life. It is such Classical modes in music and poetry which must teach prose how to think.

It is to be noted with great emphasis at this point, that creativity can be expressed through language only in this way which I have just indicated. It is the function of irony in the literate use of such language which adapts itself to that principle of creativity which flows through the greatest achievements of modern European science. It is the role of such irony in the use of language which defines truly human speech; it is a language rich in its accustomed ironies, and with the punctuation and such which such a use of language demands, which is a comma-rich form of language suited to the fostering of a creative people.

Languages may vary in respect to such specific attributes, but, since the findings of physical science are the same in terms of experimental demonstration for speakers of different sets of languages, we are assured that human creativity is a quality which is universal in the “design” of the human mind’s development; the underlying principle of human creativity, remains essentially the same, however its expression may differ in specific qualifies, from case to case of one language or another.

A language has, thus, a certain, greater or lesser degree of rich immortality. As the language grows in its uses, new discoveries become interwoven with the preceding fabric, and each idea presented interacts with that fabric, and tends to modify it. The language is thus undergoing something comparable to genetic evolution. It is the ironical juxtaposition which is the relative richness of the language used, and the basis for the increase of the implicitly musical power “of imparting and receiving profound and impassioned conceptions respecting man and nature.”

This process of development of a language in use, is “genetic,” in the sense that the Kepler-Leibniz principle of the calculus is a means of an accretion of genetic powers. It is to that background that the language speaks. It is that background’s resonance which the creative thinker hears as he or she speaks.

## As in Kepler’s Case

So, Kepler’s discovery of the lawful internal organization of the Solar System, provided the foundation for all competent approaches to the language of modern physical science, and also to the place of science in song.

The lack, or degree of musical quality expressed in the use of a language is, in itself, a statement about the culture of the user, both performer and hearer.

It should be the standard for the definition and use of Metaphor, that it expresses the kind of ontological distinction we encounter otherwise in the transcendental expression of the principal astrophysical discoveries by Johannes Kepler, and in the closely related matter of the uniquely original discovery of the *ontologically transcendental* calculus by Gottfried Leibniz.

This notion of the *transcendental*, as defined by Nicholas of Cusa’s *De Docta Ignorantia*, and as expressed by Kepler’s uniquely original discovery of universal gravitation, points to the existence of ontologically real and efficient universal physical principles existing beyond their comprehension by sense-perception as such. Thus, each discovery of what is an authentically, experimentally demonstrable “law of our universe,” is expressed as a real power existing, as defiantly real, but outside the bounds of the simply experienced, observable causal connections up to the point that discovery of the transcendental principle was demonstrated to be a newly observed controllable feature of the power of some agency such as the human will.

The development of the role of the catenary, by the collaboration of Leibniz and Jean Bernoulli, in defining the principle of universal least action, is an excellent illustration of that point.

In this context, transcendental signifies an efficient intervention from outside the domain of what is otherwise known: like an “invisible force” in the universe, whose efficient existence is suddenly made known by what Bernhard Riemann defined as a *unique experiment*. Kepler’s discovery of gravitation, as efficient action from “outside the apparently finite,” is the most appropriate modern illustration. The most notable ancient illustration is the successful construction of the doubling of a cube by Plato’s friend and collaborator, the ancient Pythagorean Archytas. The principle expressed by Archytas’ discovery is precisely an example of the principle of the *comma*, as Pythagoras defined this.

It is therefore notable for a competent understanding of Leibniz’s discovery, that the principal opponents of Leibniz, which include Euler and Lagrange, most emphatically, or Laplace, Cauchy, Clausius, Grassmann, and Lord Kelvin after them, were out-and-out hoaxsters, turncoat Euler quite wittingly so. This takes our attention on the matter here back to the matter of Cusa’s discovery of the error in Archimedes’ attempt to define the circle by quadrature. Meanwhile, Euler’s baldly incompetent attack, and its barefaced crudity in Euler’s sophistry in his 1761 *Letters to a German Princess*,



EIRNS/Chris Jadatz

Members of the LaRouche Youth Movement in Los Angeles sing Mozart's "Ave Verum Corpus" on Nov. 24. Lyndon LaRouche is seated, on the right. LaRouche comments that the qualitative change that occurs in both performers and audience, through the development of the music, corresponds to the principle of dynamics in general.

convicts Euler of fraud on the basis of the evidence of his own writing.

For example, in a classroom sense of first approximation, the term *transcendental*, as applied to the case of Leibniz's discovery of the calculus, has the same significance as Kepler's discovery of the principle of the planetary orbit as a form of action beyond its comprehension in terms of linear intervals. This is to be meant in the same sense as Cusa's rejection of Archimedes' erroneous use of quadrature as a form of approximation for defining the generation of the circle. The role of the catenary function in crafting the Leibniz-Bernoulli definition of a universal principle of physical least action, expresses the same distinction in an hereditary fashion.

*Without a solid grounding in this notion of the transcendental, there is no recognition of the competence of valid principles of economy.* In the practice of physical economy, it is the discovery of either universal physical principles, or of new ways of applying those principles practically, which is the *comma* of economic-scientific practice, just as the transcendental is the crucial principle of Cusa follower Leonardo da Vinci's discoveries in both physical science and his revolutionary escape from linear projection in Classical artistic composition.

## Science as Classical Art

To illustrate the same point: As I have treated this matter earlier in this report, in reference to the work of Vernadsky and Einstein, universal gravitation has the attributes of a transcendental, not merely a sense-phenomenon, since it acts efficiently upon the universe, in measurable effect, but is not a finite object *within the domain of sense-perception*.<sup>31</sup> In the

31. For what should be obvious reasons, scientific practice should always prefer the term *transcendental* to "infinitesimal." This must be done to avoid falling into the same error met in Archimedes' attempted definition of the circle.

matter which is momentarily at hand, we are to consider cognitive expressions mediated through the use of not only bare speech, but as sung speech, or speech made transcendental by being expressed in forms of expression reflecting the essential principles of song, preferably Florentine *bel canto* notions of song, rather than the bellowing and whining of Allegheny marital tragedies, or imported grunts from the sewers of Liverpool.

I had a recent occasion to refer to the essential principle involved, in a comment which I appended orally to a rehearsal of Wolfgang Mozart's *Ave Verum Corpus*. To assist the performance in "hanging together," that in the same sense the counsel could be delivered to the performance of a Classical drama on stage, a certain, transcendental, controlling sense of Classical irony must prevail. Ask: What is the subject of the occasion of the motet? What is in the mind of that body of mourners of the murdered Jesus Christ, mourners for which musicians of the chorus and the instrumentalists are surrogate on that occasion? Capture the real-life moment of the minds of those viewing the body of Christ; what is the transformation, the development which the Christians experience during the span of the performance of that composition? Let the transcendental sense of that setting be the controlling idea, *the enveloping dynamic*, which guides the chorus and its direction on the occasion of the musical performance. That is, implicitly, the required intention of the performance of a work of the reliably devoted composer such as Bach, Mozart, Beethoven, et al.

In the instance of Mozart's *Ave Verum Corpus*, it is Mozart's development of the unfolding composition by use of a series of what might appear to some to be dissonant Lydian intervals, which is crucial for the purpose which I have just indicated here. In Classical musical composition since J.S. Bach, most emphatically, it is shift from one quality of tonality to a next, which is the location of the necessary, *connecting* transcendental which conveys that "non-linear" ontological





Giotto's fresco of "The Lamentation" (1304-06). The Classical artist, like the musician, seeks to "capture the real-life moment of the minds of those viewing the body of Christ; what is the transformation, the development which the Christians experience during the span of the performance of that composition?"

development which moves the creative quality of passion in the performer and sensitive audience from one cognitive experience to the next. This type of qualitative change through development, corresponds, in music, to the principle of dynamics in general.

The concept which I have sought to express, as economically as seems possible, by the expression "hanging together," is a reflection of something essential to a successful composition and performance of a Classical drama, or of musical composition and its performance, something which is never expressed by the explicitly stated elements which that principle of "hanging together" subsumes.

It is the idea which must be expressed by the performance, but not stated "mechanically" by the voices of the performers, but which, like Kepler's discovery of universal gravitation, "is there," that *implicitly*, and in a very compelling way. The essential point to be grasped on this account, is the distinction of the transcendental, as this appears in the Classical work, from the animal, in both the intentionally and unintentionally "Romantic." The failure to grasp this con-

ception which I have pointed out here, would be an infallible source of intellectual failure on the part of the relevant performers, composers, teachers of arts, or critics, such as Romantics generally. The issue is the element of passion corresponding to the experience of cognitive creativity, as in a physical-scientific discovery of principle, as distinguished from animal-like excitement.

Or, from the domain of Classical tragedy, take the comparable type of case of the role of elementary irony in Classical drama, of Shakespeare's *Julius Caesar*, or the role of the ghost in *Hamlet*, or, the most brilliantly insightful intention of Friedrich Schiller in devoting the opening of the superbly tragic, historically exquisite *Wallenstein* trilogy to the subject of Wallenstein's camp.

Contrary to the Nineteenth-Century Romantics and their modern heirs, the tragic individual as such is not the essential subject in the competently performed Classical drama. For Shakespeare and Schiller, for example, or Eugene O'Neill's *The Iceman Cometh*, it is the society, not the individual member, which holds the tragedy's collective victim in its



grasp. To make this point, Shakespeare and Schiller sometimes introduce certain figures of reference within the tragedy. Typical are figures such as the Queen in Schiller's *Don Carlos*, who is outside the grip of the tragedy, but compelled to view it from on stage, that the audience might see it so, too. Schiller's synthesis of the two children in *Wallenstein*, performs that same function.

There are, otherwise, no heroes among the parts assigned to the main body of the actors in a tragedy; it is the society, *systemically*, not the individual, which is tragic. Tragedy is the membership of a foolish, self-doomed society, like the U.S. Senate and House of 2006-2007, in its process of "going along to get along," to get the nation itself into that living Hell which the greater mass of our population has been virtually consigned, top down, to inhabit today. Hear the voices of the Presidential pre-candidates: "But we needed the campaign money!" and, that said, they kept walking into the self-inflicted doom of our republic.

In this matter: as it is in the domain of the Classical theater, so it is in life generally. The proper task of the Classical stage is to impart the truth usually unseen by ordinary opinion, through the medium of Classical composition and its appropriate performance. It is the sense of looming tragedy, so defined, which identifies the necessary duty of the true statesman operating within the setting of a civilization's existential crisis, like that of today.

Take the case of the members of the U.S. Congress since no later than February 2006. There, in that pathetic exhibition of Sophistry, on that political stage, is a presently living tragedy for you to consider, and hopefully, to remedy before it is too late to do so!<sup>32</sup>

## Two Principles of Economics

There are principally two principled kinds of action which define the ongoing history of an economy. One is the application of the creative potential of the individual human mind to the physical task of progress as such. The other is the matter of employing the same quality of human intellectual potential for motivating appropriate actions, socially, by other members of society, or society as a whole (social action). Both modes of action are essentially transcendental.

The readers will tend, usually, to find the first class of economic action more readily understandable, if they are inclined to do so, as typically "anti-blue-collar" "Baby Boomers" today are not. It is the management of human behavior in society as such, which people are less able to consider, usually,

chiefly, because it involves implied criticism of their own personal expressions of social behavior. "Getting others to obey me!" is usually the more readily accepted choice of solution for problems in human social behavior, by man or monkey alike.

Thus, for exactly such motives, the Nazi Party of Hermann Göring, Adolf Hitler, et al. were among the leading representatives of the "environmentalist" movement of the 1920s and later, as the so-called "greenies" of the recent three-and-half decades represent this problem. The, fervently anti-blue-collar followers of former Vice-President Al Gore, represent the most menacing such, top-down expressions of fascist potential on this planet today. During the course of the 1970s and 1980s, the "greenies" of West Germany emerged as the most deadly fascist-insurrectionary threat in Europe, a movement which reached the point of outrightly murderous insurrectionary violence beyond anything seen in Europe otherwise during those times.

However, the combination of today's followers of Al Gore and the growing terrorist movement, ripe for fascism, mobilized around an orchestrated (top down) organization of computerized killer-games, is presently emerging as an incoming outbreak of the trans-Atlantic complement to the terrorism of Southwest Asia.

Meanwhile, on happier choices of discussion:

## The Present Economic Situation

It would be fair, today, to estimate that the recovery, even the survival of the U.S. economy demands, an immediate policy under which about half of all capital investment would be as public investment in basic economic infrastructure, as distinct from production for human consumption otherwise. The principal investments will be in the order of a quarter- to a half-century net life as capital formation, chiefly in four categories: a.) mass transport of people and freight, with increasing emphasis upon magnetic levitation for transport of people and high-grade freight, this done as complete gridding of the national territory; b.) long-term investment in nuclear-fission power and related technologies of capital formation, including space-exploration and development; c.) development of management of water and rural territories; d.) new city and suburban development, with all that that implies.

The included requirement would be a reversal of the trend toward "out-sourcing" and post-industrial development, with increasing emphasis on capital intensity and increase of energy-flux density in modes of production and urban life.

In all of this the factor of rising human population of the planet, now requires an orientation away from drawing down relatively richer concentrations of so-called natural resources, by turning to emphasis on very high-energy-flux-density modes for global management of resources. It is time to end rape as a principle of economy, and shift the emphasis to modern "farming" of essential resources, as we should emphasize

32. In respect to the idea of the historical figure as *the* tragic individual, consider the real-life equivalent of Edward Arlington Robinson's "Miniver Cheevy" so much admired by President Theodore Roosevelt; it is the poet, not Miniver, who is tragic. The tragedy would be expressed, not by Miniver Cheevy, but by a political constituency silly, or wicked enough (like President Theodore Roosevelt) to make another ordinary selection of a Presidential candidate, as Theodore Roosevelt endorsed what became the White House's ranking Ku Klux Klan fanatic Woodrow Wilson.

increasing diversity of types of products of agriculture, forestry, and fisheries under conditions of high rates of gain in relevant technologies.

We must recognize the post-1967-1968 shift toward what has been called “post-industrial society,” as among the most lunatic sorts of wildly utopian schemes yet foisted upon mankind.

Since approximately 1967-68, in the global aftermath of the assassination of U.S. President John F. Kennedy, the rise of the anti-blue-collar fanaticism of the white-collar-bred Baby-Boomer generation, has produced a down-shift in the status of the lower eighty percentile of the family income-brackets of our population, a change for the worse, called by the Trilateral Commission a “controlled disintegration of our economy,” which was completed in its most essential features during the 1969-1980 administrations of Presidents Nixon, Ford, and Carter.

Over the course of the 1980s, as the Soviet Union declined under the wrecking policies of Andropov and Gorbachev, the trans-Atlantic partners, the U.S.A. and the United Kingdom, prepared the way for what would follow. I was the only notable economist who had publicly forecast the collapse of the Soviet Union under that Andropov-Gorbachev leadership “in about five years,” in 1983, and repeated this forecast over the remaining course of that decade. Indeed, on October 12, 1988, in Berlin, I announced the immediately impending collapse of the eastern European Comecon bloc, beginning with Poland, but I was the only notable public personality who had been confident of this even at that late time. The administration of President George H.W. Bush, for example, was caught flat-footed.

If the ordinary people of western or eastern Europe expected any lasting benefit from the fall of the Wall, they were soon informed to the contrary by reality. What was done to the people of the former East Germany, by the complicity of President Bush with the Thatcher and Mitterrand governments, was criminal, as the Germans on both the former eastern and western side were soon to discover, along with each and all of the states of the former Comecon. The result has been an increasing relative pauperization, by physical standards of life, of the lower eighty-percentile of the income-brackets on both sides of the Atlantic, combined with a collapsing of the farms and industries, but the soaring of the portion of total national wealth appropriated by parasitical classes in the nations on either side of the Atlantic.

In all this, as I have pointed out at an earlier point, here, the increase of the standard of living by a minority of the population in some nations, especially in East and South Asia, has become part of a general collapse of physical productivity and the physical standard of living of the net majority of the population world-wide. What is about to occur, next, on that account, will be suddenly catastrophic, unless November 2008 and beyond were to produce the effects to which this, my present report is dedicated.

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### III. Our Actual Options

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The nations of the U.S.A. and western and central Europe are presently bankrupt, without doubt; and, under any attempted continuation of the presently prevalent arrangements, hopelessly so. All applications of what have been installed as monetarist methods are not merely useless; their continued application to the patient now could be fatal to civilization as a whole. ***There is no possible remedy, which does not begin by placing the entire system into receivership, as bankrupt, on the initiative of a relevant coalition of the U.S. and other governments.***

I have already specified one of the needed provisions, that of supplying sweeping bankruptcy protection for mortgaged households, but also for the deserving quality of Federal- and state-chartered, regular banking institutions. However, that is only the essential first step. The necessary further, blanket actions must come, as I have recently proposed to a relevant international audience, through emergency negotiation between the U.S.A. and certain other governments, including Russia, China, and India, to freeze the relative values of the group of respective currencies at an adopted fixed parity among them.<sup>33</sup>

If these measures are not adopted and implemented very soon, there is little likelihood that civilization, in its present form, will continue to exist throughout this planet much longer. What is already in process, is the steepest and deepest collapse of an international monetary system, and its associated financial institutions, since Europe’s Fourteenth-Century “New Dark Age.” Pretending that that is not already the case, would be the role of the functional equivalent of behavior suited to virtual morons or lunatics.

After all, as one gifted intellect once spoke of the 1929-1933 financial crash, what is falling is “only money,” only paper, or, today, even more ephemeral stuff. Puff! And another dozen billions of dollars, there, yesterday, has been wiped off the books of account. Cough, and perhaps even hundreds of billions of the worthless stuff is simply blown away. Calm your fears; it is only money. Once you accept that fact, you have already moved a goodly distance in the direction of a solution.

“But, I promised my daughter a brand new Pierce-Arrow limousine for her high-school graduation!” Sorry, buddy; they don’t make Pierce-Arrow limousines any more.

We know, presently, that the world’s present financial-monetary stratosphere is, chiefly, less than worthless paper—just a few sparks removed from being less than nothing; but, we do require, urgently, a functioning monetary system, right

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33. Cf. Lyndon H. LaRouche, Jr., *The U.S.A., Russia, & China*, Los Angeles conference address. The conference, entitled “Forum on the U.S.-China Relationship and the Peaceful Reunification of China,” was sponsored by the Institute of Sino Strategic Studies, on Saturday, November 24, 2007. See *EIR*, Dec. 7, 2007.

now, today, to prevent a breakdown in the essential features of the world's physical economy. What do we do then?

At the start, there are two steps we must take. We must put all central banking systems into receivership, including the U.S. Federal Reserve System, and place all monetary and central banking authority directly under each nation's government, under what might be termed a "greenback policy." This eliminates existing central banking systems which now exert top-down authorities higher than governments, but, does this to the "bucket shops," without letting any *real* bank go under.

Second, we must stabilize currencies in international exchange and trade. If a group of leading nations, including the U.S.A., Russia, China, and India, agree to fix their currencies at some level proximate to the relative prices of some chosen date prior to July 25, 2007, we will have then planted the first cornerstone of a return to a global fixed-exchange-rate system. With that step, we will have stabilized prices and currencies relatively on a world market which will be dominated by a set of cooperating powers including the U.S.A., Russia, China, and India, and whoever besides is willing and qualified to join. For this purpose, the U.S.A. must be included in that arrangement, or, contrary to certain very silly Europeans, the entire global effort would collapse at the outset.

Our aim must be to establish a channel of international, hard-commodity trade, combined with long-term investment, at a base-line of between 1% and 2% per annum, above which the needed recovery would not be manageably stable at the outset.

At that point, further needed measures will include the requirement for some crucial agreements on outlines for principal flows of trade and investment during a period of not less than two generations ahead, a time-span of about fifty years, a lapse of time estimable as that required to work off the instabilities accumulated under the terrible mistakes in policy-shaping over the 1971-2007 interval to date. Here, the principles of physical economy, as distinguished from monetary thinking, come into full play.

Take some examples of this:

### **We Need Power!**

For example, there will be no workable remedies without a massive, accelerated shift to emphasis on high-energy-flux-density nuclear-fission and, hopefully, soon, thermonuclear-fusion reactors. This action will provide us the world's principal source of power for a long time to come. Contrary to some very silly, but, typically, nonetheless, rather widespread leading opinion, the importance of this emphasis lies not merely in quantities of power required, but, most emphatically, in the physical-chemical qualities of generated power—the required "energy-flux density" of power, needed for specific, crucially leading categories of application.

Petroleum is chiefly a chemical feed-stock. As the periodic table should suggest, nuclear power will dominate, in combination with a by-product of nuclear-power generated

hydrogen-based fuels for powered vehicles and related uses.

Very high energy-flux-density power is needed for its physical-chemical characteristics, that even more so than for the mere quantity of power needed. Typical is the case of the massive, and urgent need, including remedies for the continued, menacing, drawing down of fossil-water supplies being used up for human needs. We must now rely, widely, upon desalination of water for human consumption, and as part of the program for replacing present chemical fuels by hydrogen-based fuels generated "locally" through high-temperature gas-cooled and comparable nuclear reactors.<sup>34</sup>

We must green vast areas of present desert, although this would—brrr!—cool the climate significantly in many hot parts of the world, through generation of valid water-supplies, micro-climates, and related chlorophyll effects, but that will menace only presently hot, desert, and like regions.

Usable power of this sort, is the most effective of presently available modes for increasing the effective productive powers of labor per capita and per square kilometer of relevant territory, and for improving controls over the climate otherwise.

Such a program for power, carries with it a massive increase of the ration of investment in basic economic infrastructure generally; but, it also carries with it the means for rapid advances in productivity per capita and per square kilometer. This implies a fair estimate that over half of the total investment over the coming two generations will be concentrated in, principally, capital-intensive development of public categories of basic economic infrastructure. Petroleum must become, predominantly, a chemical feedstock, processed in locations in the vicinity of its extraction. Nuclear-fission and thermonuclear-fusion development is therefore crucial.<sup>35</sup>

### **Reverse Globalization Now!**

This perspective means, among other things, that the increase of physical productivity, per capita of the relevant portions of the adult populations, will soar, provided that we abandon "globalization," and turn to international cooperation among nations which are sovereign participants in a "protectionist" (e.g., "fair trade," rather than "free trade") modality. *The crucial issues here, include, as a leading consideration, the fact that "globalization" causes the equivalent of grave "brain damage" to the minds of affected populations and their labor-forces, through globalization's stupefying effects*

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34. Instead of hauling low value-per-ton petroleum, at high costs of transport, great distances, and instead of permitting reliance on the petroleum to fall under the control of parasites of the spot market and similar neo-Venetian-style predatory interests, as presently.

35. Contrary to economic simpletons, the physical value of sources of power lies not in their countable calories as such, but their energy-flux density: their power to do the work of physical-chemical change on the universe we inhabit. One would suggest that simpletons study the Sun's operations, but for the fact that they would destroy their sight by taking our suggestion to mean that they should be staring at it for long hours.



*on popular and related literacy-rates, that for reasons considered earlier in this report.*

The mechanisms for organizing long-term investments, both within and across national borders, will be long-term treaty-agreements oriented chiefly to national and international development of basic economic infrastructure, within, and across national borders. These investments, buttressed by congruent long-term tariff and trade agreements, must shape the planet's life for the span of the coming initial two generations, and beyond.

## End Our Megaloppiness!

Since that public misfortune known as the reign of President Theodore Roosevelt, and from related causes, there has been virtually no *net productive* development of large areas of the available territory of North America, as we should recognize this long wave of the Twentieth-Century trend, since President Theodore Roosevelt and his confederates, in the territory of the U.S. between mid-America's western, proverbial twenty-inch rainfall-line and the Coastal range. Virtually none of the feasible and sorely needed development of the water system of North America, from Alaska and Canada, could occur as long as presently manifest mental states of variously predatory or simply stupid policy-shapers continue to shape policies.

Charlemagne, viewing such a state of affairs from afar, would be rightly disgusted by the performance of our government on this account.

The slogan should be: In a sanely composed use of national territories, through aid of such benefits as improved public mass transportation, most households would reside within no more than between a quarter and half an hour's personal travel, each way, from the door of their residence to place of employment, or back, and in most other customary functions of the work-day week.

A few words on this issue of present habits and future policy should be sufficient to illustrate the point.

To illustrate that point, members of the U.S. Congress and relevant others, should study the lunacy of the configuration within an area defined by today's twenty-to-thirty-hours commuting, or more, each week, within the Washington, D.C. area of Maryland, Virginia, and West Virginia, as a capital example of the presently lunatic state of affairs. Emphasis must be shifted to medium-sized central urban areas, located within large areas of countryside used for agriculture and recreation, centered on regional "mother" cities of not more than a few millions inhabitants, and usually less: which would have been a healthy economic and environmental state of affairs, in contrast to the usurious mentalities which exploit what is curiously misnamed real-estate "development" during recent decades.

We must recognize the insanities of both locating principal concentrations of residences at an increasing distance from place of employment, and concentrating most of the employment centered in high-density areas of wealth among a very large ration of relatively very unskilled and poorly paid



Highway and Transportation History website

*How not to run an economy: The lunatic traffic configurations of the area around Washington, D.C. force residents to spend 20 to 30 hours per week commuting, some from as far away as West Virginia and Pennsylvania.*

"service workers." Whereas, skilled and better paid employees, excepting the wealthiest, must travel exorbitant distances, by commuting. People who impose such ridiculous conditions should not be considered competent in matters affecting the nation's economic development.<sup>36</sup>

Over the course of the post-World War II period, especially since about the time of the inauguration of President Richard Nixon, the evolution of U.S. public policy of practice, has destroyed the inherent potential productivity-rates throughout

36. Treasury Secretary Alexander Hamilton and his ally, and Franklin Roosevelt ancestor Isaac Roosevelt, could they speak to us now, might have doubts on placing a U.S. financial center, Manhattan, within reach of the paws of such among our nation's worst traitors, such as British agent Aaron Burr and his London-steered Bank of Manhattan, who placed in the U.S. Presidency a President Andrew "Trail of Tears" Jackson, who had been an Aaron Burr confederate, and served as President in the interest of then Burr political controller of 1837 Panic notoriety, and de facto Burr political heir, Martin van Buren.

the continental U.S.A. as a whole. The keys to these recent three-and-a-half decades of an insane trend in our nation's Federal policy of practice, have been correlated with the destruction of the institution of the scientifically and technologically advancing practice of the family, or multi-family farm of several hundred or more acres, and the small and medium-sized industries amid large regional areas of rural, suburban, agricultural, and reserve-land, functioning as satellites of reasonably large major cities of our Federal states. Good gravy! Look at Cleveland, Ohio, now, and as it used to be about the time of World War II and a bit later.

The spectacle we see, looking as if down from the skies above, as from satellites, and looking at this spectacle of change, as if by a half-century of lapsed-time aerial photography, should cause brave men and women to weep for our republic. This was insane! None of this was ever necessary! How could our people, and their governments, especially our Federal government, have been such awfully dumb, damned fools as to "go along to get along" with this virtually treasonous travesty?!

Damn the unnecessary, absolutely counterproductive proliferation of dependency upon those automobiles, after all! We now enjoy the awful fruit of a post-war policy of destroying our nation's former, and inherently safer and socially more efficient, high-speed long-range and medium-range rail (and, now, magnetic levitation) transport, for the sake of building up the sales and use of "carbon-burning" vehicular fuels, at a great increase of costs of all kinds to households and communities. As a result of policies negating decentralized dispersion of industries and of related destruction of constantly modernized mass rail and comparably superior ground-level transit of people and freight, all of this muddled by the sheer insanity of the reliance upon filthy and wasting automotive traffic in gasoline and diesel highway vehicles for long-distance transport or commuters, we have turned the organization of our national territory, and its role in the life and work of our people into an Orwellian nightmare which only a mad Englishman could honestly pretend to enjoy, or wish to cause to be inflicted upon us.

## Our History of Unreal-Estate

This insanity began in such places as along the national defense highway projects, as, for example, near Philadelphia, Pennsylvania, where the 1950s saw the idea of Levittowns adapted to integral residential and shopping communities as blobs of real-estate-speculation in the new suburban areas associated with the development of the national-defense-highway system.

The blobs which this produced in the new "suburban" areas similarly defined, also became the map of the interior of the mind of the progeny of that new "white collar," "organization man" class of the 1950s. The new "upper middle-class influentials," the forerunners of the recent decades' legendary "Soccer Moms" and "SUV Dads," became a self-reinforcing

suburbanite cult-life, of people fleeing from the smells and tax burdens of urban and rural blue-collar life, to become the seemingly "privileged" new upper- and middle-class constituency of the "68ers," bloated with that hatred of blue-collar ways of life and people which we should recall from the streets and riots of 1968 in both the U.S.A. and abroad at that time.

Sociologists such as Emile Durkheim, were they still alive today, would have been more than a little bit inclined to study and to report on these interlocking changes in the dominant trends among the middle to higher income-brackets of white-collar life, and their effects on the nation and its leading edge of economic and mass-political behavior, today. Our republic, among other places, has largely degenerated, intellectually and morally, over most of the period since the close of World War II. In the majority of our republic, the lower-ranking majority of our population has slipped down in actual status, from citizens to members of an Orwellian sort of underclass, to something out of the nightmare fables of Nazi-like H.G. Wells of *The Shape of Things To Come*.

It was systemic follies such as this, through their influence on economic, social, and ideological patterns of mass behavior, have tended to transform our national political and economic system, today, into something akin to the account, by Jonathan Swift, of Gulliver's travel to the Liberal England symbolized by *Laputa*.

Monstrously large industrial and other complexes functioning as places of employment, need not be banned, but they should be limited to necessary exceptions, while places of employment should be linked to local places of habitation by means of high-speed, low-cost mass-transit.

The thinking aspect of economic policies of practice must be kept closer to the aspects of management and design close to the machine-tool designers of the local production units, rather than financial speculators, and representatives of Wall Street and City of London finances whose personal interest in production and product as such is relatively minimal at most.

If our politicians had even minimal comprehension of the attributable life-cycle of a type of product of good quality and usefulness, often a decade or more, our nation would have insisted on the original Henry Ford approach to utility of product rather than Wall Street's re-orientation of the design of "new models" to the hectic standard of the New York, or Paris garment district.<sup>37</sup>

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37. Consider the case of Milan, Italy's transformation from prominence in engineering of quality engineering of industrial products, to the marketing of bulimic girls displaying contemptible rags of which a former time's Manhattan's garment district would have been greatly ashamed. Consider the present trend of the "fashion industry" to suggest, as the *New York Times* has lately reported, that garments are designed on the basis of a principle of nudity, but with a few bits of rag and trinket thrown upon the poor starved model to refute the evidence that the models used are, in fact, essentially naked. Measured, acre by acre, what is being merchandised is not clothing, but skin. How far from an actuality of starving prostitutes, and even slavery, is that industry now?





FDR Library

*Franklin D. Roosevelt during a 1932 Presidential campaign tour. Under Roosevelt's leadership, our republic returned to the impulse which had created the United States as a constitutional republic unique in world history. We can do the same again, but time is running very short.*

Generally, small to medium-sized industries and other essential places of employment, are to be encouraged for their tendency to promote entrepreneurial ingenuity, rather than corporate bureaucratization and "golden parachutes" as preferred modes of escape from reality. Give our land back to its people, by eradicating the folly of the degeneration of both our national land-use and social standards of living and breeding a new generation. Let us now declare the development of the Noösphere to be now, our national and our global policy.

## Agapē

The core of the process of moral degeneration which has gripped Europe and the Americas, in particular, since the death of U.S. President Franklin Roosevelt, is a migration of public morality, downward, from the peaks of political power, to the gutters of the streets below. From virtually the day President Franklin Roosevelt died, we as a nation, had moved abruptly away from our constitutional principle of *agapē* ("the pursuit of happiness," "the general welfare," of both ourselves and the mankind we swore to defend from fascism and its like), to precisely those qualities of strategic impulses which had characterized the passions of a pro-Satanic Torquemada and the whores of Paolo Sarpi's Liberalism, in what had been the plunge of both Habsburg and Liberal Europe into the carnage of the Thirty Years' War. These are today the same degraded passions which authored a U.S. Indo-China War launched by lies, and similar motives for the present wars, authored by a blend of lies and craven Congressional credulities, in Southwest Asia, and, now threatened, beyond, all in a Congress where "war, lies, and politicians, even some Presidential pre-candidates, owned by despicable usurers, are on the table."

Are those avowedly devoted Christians and others who have supported these expressions of Satanic passions, to be considered what has been sometimes termed "a moral majority"? You tell me that such citizens of ours believe that "God loves me," when I read them, more preying than praying, "God loves ME! And I shall prosper eternally, without pain, and rent-free."

The special irony of all this and its like, is our present search for opportunities to define this or that nation on which we depended yesterday, as today's "foreign enemy." We brought Mexico's poor and others from below our borders as virtual slave labor; but, now, degenerates in high political places are organizing

lynch-mob efforts against those we lured among us to be virtual slaves.

In all of this, we are destroying our own republic, for all of which, like pathetic "Miniver Cheevy," we "have reasons." And amid much of all this despicable moral filth occupying even much of our leading institutions, we insist that "our way of life" under a lying, depraved Vice-President, and a sick-minded President Bush, must not be allowed to become that of Venezuela's President Chávez, who sought to become the "the decider" for life, or, in George Bush's case, perhaps for death, for the world at large.

Does it not occur to the wiser ones among us, that we are *not* being destroyed by intruding "outsiders." Rather, a real enemy, a principle of evil, akin to our republic's ancient evil from London, has induced us to destroy ourselves.

In this state of affairs, we must see ourselves as situated like those assembled for what became known as the Peace of Westphalia, on the same principle of *Agapē*, *the benefit of the other*, on which our republic was founded. If we are to survive, we must now become what we were created by our founders to be: *A temple of liberty and beacon of hope for all mankind*. We must abandon the dirty politics which pervades still in our nation's capital and elsewhere today, to return to a commitment, from our Constitution, which had been the promise of us to the world at large, when Franklin D. Roosevelt had been our President.

I swear to you, with all that I am or might become, that this change in policy could succeed, even now, with the right choice of President in the year to come, and policies which that future President must presently avow, in words and practice, now, if our republic, and also civilization on this planet, is to survive, for some generations still to come.



# Behind the Annapolis Meet And the Iran NIE Shock

by Jeffrey Steinberg

The war party faction in the Bush Administration has suffered a pair of stunning political setbacks to their plans for further military confrontations in Southwest Asia. The danger of yet another Persian Gulf war is not over; but the prospects of perpetual war in the world's oil patch is reduced, for the first time in a long while.

First, the Nov. 27 summit meeting in Annapolis, Md. was a qualified success, robbing Vice President Dick Cheney of the opportunity to seize upon a breakdown of the Israel-Palestine peace process to press for the immediate bombing of Iran. As one well-informed Washington intelligence source put it, "The Annapolis conference did not fail, and that alone represents a modest success."

Sources close to the Vice President say that he was furious that the Annapolis conference took place, and that the State Department even extended an invitation to one of Cheney's most detested "rogue states," Syria—and, what is worse, they attended. Cheney, the sources elaborated, had hoped the failure at Annapolis would discredit Secretary of State Condoleezza Rice in the eyes of the President, dash any prospects of an Arab-Israeli peace deal, and revive Cheney's argument that Bush's "Presidential legacy" must be ensured, by wiping out Iran's nuclear ambitions, militarily.

Second, on Dec. 3, the U.S. intelligence community's long-awaited National Intelligence Estimate (NIE) on Iran's nuclear weapons program—at least 18 months in preparation—was released by the Director of National Intelligence, with the shocker key finding that Iran had halted its weaponization efforts in Autumn 2003, and had probably not resumed them, as of Summer 2007.

Washington sources have confirmed to *EIR* that the White House decision to release the NIE on Iran's nuclear program, including a five-page public version of the key findings, was,

in part, driven by the fear that, if the Bush Administration continued to conceal the report, it would soon be leaked to the national media, creating a scandal, far more damaging than the Nixon-era leak of the Pentagon Papers. The release of the declassified summary findings has, for now, blown a further hole in Cheney's plans to bomb Iran before the Administration leaves office.

The Vice President himself all but admitted that the White House had been forced to publicly release the NIE, which expresses the judgment of 16 U.S. intelligence agencies, under pressure from the intelligence community. In a Dec. 5, interview with the online neoconservative Capitol Hill journal *Politico*, Cheney explained, "There was a general belief that we all shared that it was important to put out—that it was not likely to stay classified for long, anyway." Asked point blank if the NIE would have been leaked to the media, Cheney responded, "Everything leaks."

According to the sources, senior officials in the U.S. intelligence community had made it clear that there were people willing to go to jail in order to reveal the NIE findings and avert an unwarranted bombing of Iran; and that if the Administration continued to block its release, it would trigger another round of political warfare, pitting the CIA and other intelligence agencies against the White House. "It would have been far, far bloodier than the Valerie Plame affair," one senior ex-intelligence official told *EIR*.

It is widely known that the top U.S. military brass, along with Defense Secretary Robert Gates, are opposed to any military attack on Iran. Drafts of the NIE had been completed months ago, and sources tell *EIR* that the drafts were sent back for further work, largely due to Cheney's efforts to block any findings that would undercut his war drive.

Coincident with the NIE release, *Newsweek* published a



White House/Chris Greenberg

*Cheney and the neocons, both inside the Beltway, and in Israel, were doubly outflanked when the latest NIE undercut their plans for war against Iran; and by the qualified success of the Annapolis peace conference. Shown here: Israeli Prime Minister Ehud Olmert; President Bush, and Palestinian President Mahmoud Abbas, at Annapolis, Nov. 27.*

lengthy profile of Defense Secretary Gates, on Dec. 1, 2007, reporting, among other things, that he had met with the Democratic Senate Policy Committee in late September, and had candidly told them, “It would be a strategic calamity to attack Iran at this time.” Gates has ordered military commanders in the Persian Gulf to be on guard for any incident that might “accidentally” trigger a military brush-up with Iran—a sound policy, given that several former CENTCOM (U.S. Central Command) commanders have voiced serious worries about a “Gulf of Tonkin incident” that could quickly lead to a full-scale war.

Furthermore, Cheney has by no means given up on his Iran bombing scheme. According a Dec. 6 *New York Times* account, just two weeks before the release of the NIE, top White House officials were briefed in detail, and Cheney pitched a fit over some of the key findings, including that Iran had halted its weaponization program. Intelligence community briefers were prepared to answer the Cheney challenges, reporting that they had conducted “red team” exercises, and concluded that the intelligence reports and intercepts about the shutdown of the weapons component of the Iranian nuclear program, on which they based the finding, were not Iranian disinformation.

Intelligence community sources intimately familiar with the Cheney circles said that the Vice President will now focus

much greater attention on Iran’s activities inside Iraq, and will look for an alternative argument for starting a military confrontation with the Islamic Republic. In June 2007, Gen. Kevin Bergner, a former military aide to Elliott Abrams at the National Security Council, was dispatched to Baghdad, to take over as intelligence briefer. According to U.S. journalists recently in Baghdad, Bergner has been feeding a steady stream of alarmist, and often uncorroborated “intelligence” on stepped up Iranian activities, in support of insurgents in the country, in an effort to keep Cheney’s “Plan B” alive.

### The ‘Bush Legacy’ Factor

Lyndon LaRouche has recently emphasized that there is a significant “Bush legacy” factor at play, that likely contributed to both the new-found enthusiasm for Middle East diplomacy, and the decision to publicly release the NIE findings. Former President George H.W. Bush and former First Lady Barbara Bush, according to sources close to the family, are horrified at the prospect of G.W. leaving office with no accomplishments to show for his eight years in power. The Israel-Palestine and Israel-Syria peace deals offer the last, best chance to salvage the Bush Presidency, and a Bush family legacy that also hangs in the balance. Texas sources point to

George Prescott Bush, the son of former Florida governor Jeb Bush, and a prominent Dallas-area attorney and Naval Reserve intelligence officer, as a future Bush family political star. The Bush family sees itself as an American dynasty, and does not wish to go down in history as the architects of America’s ultimate decline.

Bolstering the “legacy factor,” *EIR* reported last week that former Bush Sr. National Security Advisor and alter ego Brent Scowcroft, played a pivotal role, in aiding Secretary of State Rice in her diplomatic efforts, leading into the Annapolis summit. The inclusion of Syria in the meeting opened the prospect for a Syria-Israel peace deal in the immediate period ahead. Such a deal has been promoted by LaRouche as a key to rebuilding momentum towards a larger peace agreement, along the lines of the Beirut Declaration of the Arab League, the December 2006 Iraq Study Group call for a regional peace conference, and his own “LaRouche Doctrine for Southwest Asia,” by far the most comprehensive blueprint for long-term stability in the region, first published in April 2004.

According to several senior U.S. intelligence sources, two times before, an Israeli-Syrian final agreement was nearly signed: in 1994-95, and again in 2000. In the first instance, in the immediate aftermath of the 1992 Madrid Summit and the Oslo Accords, the United States had pledged \$11 billion in

sophisticated surveillance systems to Israel, to guarantee its security against a Syrian attack; and had additionally promised to place a U.S. combat battalion on the Golan Heights, similar to the U.S. observer force in the Sinai, once the Golan had been returned to the Syrians. The deal was stalled when Israeli Prime Minister Yitzhak Rabin was assassinated in 1995.

Again, in 2000, President Bill Clinton met in Geneva with then-Israeli Prime Minister Ehud Barak, and Syrian President Hafez al-Assad, and a variation on the earlier agreement was almost finalized. There are varying explanations why the Geneva effort broke down at the last moment, none of which are definitive. The point is, as one senior U.S. intelligence official told *EIR* recently, “an Israel-Syria final peace deal is 99% worked out already, and could be finalized in a matter of days.” Such an agreement, the source continued, “would tilt the entire situation in the region—away from war.”

Indeed, those who saw Annapolis as a step towards building a Sunni Arab/Israeli axis of war against Iran, were seriously set back by statements from Saudi Arabia, that the Arabs have no interest in confrontation with “the Persians.” Indeed, on Dec. 4, Iran’s President Mahmoud Ahmadinejad showed up at the Gulf Cooperation Council summit, “holding hands” with Saudi Arabia’s King Abdullah. It was the first time an Iranian President had ever been invited to the GCC session.

### The ‘War Party’ Goes Ballistic

Predictably, Beltway neocons and their Israeli co-thinkers have gone ballistic over the Annapolis conference and the NIE. The day after the report was released, the Conference of Presidents of Major American Jewish Organizations, held an emergency conference call, according to the Jewish Telegraphic Agency. The group’s executive vice chairman, Malcolm Hoenlein, said that they would be sending letters to all of the Presidential candidates, urging them to ignore the NIE, and make no reference to it in their campaign activities. Hoenlein also said that the organization would focus its own efforts at Iran’s continuing role in sponsoring international terrorism—a track totally consistent with Dick Cheney’s “Plan B.”

AIPAC (the American Israel Public Affairs Committee) also responded immediately to the NIE—with predictable sophist spin. Spokesman Josh Block told the JTA that the NIE,

far from exonerating Iran, proved that the Islamic Republic was pursuing a nuclear bomb. “Far from acquitting Iran,” he told the JTA, “the NIE reveals that Tehran continues to violate the international community’s calls to end the pursuit of the fuel cycle and the ability to make highly enriched uranium, concludes that Iran has utilized and has at its disposal a hidden, secret second unacknowledged, unmonitored track for enriching bomb fuel, and has engaged in a nuclear weaponization program, an assessment never before made public by the American intelligence community.” Block concluded, “All in all, it’s a clarion call for additional and continued effort to pressure Iran economically and politically to end its illicit nuclear program.”

Other leading Washington neocons from the American Enterprise Institute, including Norman Podhoretz and Danielle Pletka, made similar statements, attempting to trash the findings, denounced the U.S. intelligence community, and urged action against Iran.

But the climate has, for the moment, shifted even further against their war cries.

In response to the NIE, the Council on Foreign Relations pre-released an article, scheduled to appear in the January/February 2008 edition of *Foreign Affairs*, calling for the United States to pursue “dialogue, compromise, and commerce” with Iran, as part of a larger scheme to create a new, inclusive regional security and economic structure, with Iran included as a full participant. Authors Ray Takeyh and Vali Nasr argue, “Engaging Iran while regulating its rising power within an inclusive regional security arrangement is the best way of stabilizing Iraq, placating the United States’ Arab allies, helping along the Arab-Israeli peace process, and even giving a new direction to negotiations over Iran’s nuclear program. Because this approach includes all the relevant players, it is also the most sustainable and the least taxing strategy for the United States in the Middle East.”

Asked, during a conference call on Dec. 5, whether they thought the Bush Administration would embrace their call for an inclusive strategy towards Iran, abandoning the nearly 30-year policy of containment and confrontation, both Takeyh and Nasr said they were skeptical; however, just a few weeks back, most strategists were convinced that the United States was almost certainly going to bomb Iran, before Bush and Cheney leave office.

Any fundamental shift in Bush Administration policy towards Iran, even at this late date, hinges on the removal of Vice President Cheney from office, now. As the neocon uproar shows, the war party is smarting from a pair of significant setbacks; but they are not about to give up on their confrontation agenda—unless and until their man at the White House is removed from the scene.

If the Family Bush is serious about using the next year to salvage some legacy for G.W., they would do well to exert their newfound leverage, to see to it that the Vice President makes for the exit—the sooner the better.

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# No Respite in Afghanistan

by Ramtanu Maitra

The November report of the U.S. National Security Council (NSC) on the war in Afghanistan has caused some flutter, and has reminded Americans that besides Iraq, U.S. troops are on a mission in Afghanistan to eliminate the Islamic extremists. The report card after six years of waging war there indicates that “success” is a mirage: that the wide-ranging strategic goals that the Bush Administration set for 2007 have not been met, even as U.S. and NATO forces have scored significant combat successes against resurgent Taliban fighters, according to U.S. officials.

Expressing concern over what the NSC report had to say, U.S. Secretary of Defense Robert Gates went unannounced to Kabul on Dec. 3. This was his third visit since he assumed his post in December 2006. Besides his scheduled meetings with President Hamid Karzai and the NATO commander, it is evident that Gates was there to evaluate the situation on ground. He was keen not to show any panic when he told newspeople: “I’m not worried about a backslide as much as I am [about] how we continue the momentum going forward. . . . One of the clear concerns that we all have is that in the last two or three years, there has been a continuing increase in the overall level of violence.”

Speaking about Gates’s visit, a senior U.S. defense official was quoted saying that the U.S. military is concerned, and is looking for definitive signs of greater activity by al-Qaeda and foreign fighters, but the United States has not seen enough proof to draw final conclusions. The official discussed the terrorist network on condition of anonymity because of the security concerns, CBS news said.

The NSC report, and Gates’s stated concerns, may come as a surprise to some Americans, who would like to believe what is pleasant, and not make much effort to know the reality. But long before this report was released, it was well established that “success” in Afghanistan is unrealizable, because it has not even been defined. The NSC report does not identify the “wide-ranging strategic goals of the Bush Administration” that the soldiers from the United States and Europe (NATO) were trying to achieve.

## A Reality Check

Now, not everyone associated with the Afghanistan war would like to admit things are not going right. For instance, NATO Secretary General Jaap de Hoop Scheffer, a clownish figure, who hops from one base to another, says, contrary to the negative media stories, “We see an increase in the standard



of living of Afghan people here and we see a lot of reconstruction and development going on. In other words, there is reason for optimism in Afghanistan.” One wonders.

Those who are interested in the on-the-ground realities, and are not willing to devour the fantasies spoon-fed by the powers-that-be, for the reasons-that-be, should evaluate the Afghan situation on the basis of the following four factors.

To begin with, it must be understood by now, after six years of warfare, that the Afghan terrain does not allow a conventional army to maintain control over rural areas—which means about 95% of Afghanistan. Conventional armies can win battles, decimate the enemies that they meet, but they will never successfully occupy Afghanistan. The British, in the early 1900s, and the Soviets in the 1980s, went pell-mell into Afghanistan, overestimating their own valor and underestimating the Afghans’ will to defend their nation, customs, and tradition. They got the lesson they deserved.

Nothing much has changed since. Despite the cacophony about having set up a democratic system in Afghanistan, the reality is different.

To begin with, it is difficult to fathom how the occupying forces can set up a democratic system, when the majority of the victim-nations are eager to destroy the occupiers. As a result, democracy has remained a mirage. Even President Hamid Karzai would agree.

In other words, the only way a reasonably stable Afghanistan can emerge—and it will, once foreign troops leave that country—is when a political process, however tough and time-consuming that may be, brings about a participation of Afghans from North, South, East, and West. Afghanistan cannot be occupied and controlled by foreign troops with the help

TABLE 1

**Opium Production in Afghanistan**

(Metric Tons)

1994	1995	1996	1997	1998	1999	2000
3,400	2,300	2,200	2,800	2,700	4,600	3,300
2001	2002	2003	2004	2005	2006	2007
185	3,400	3,600	4,200	4,500	6,700	8,200

Source: National Security Council.

of Afghan warlords and drug barons—the unspoken strategy of the Bush Administration to realize its “strategic goals”—whatever they may be.

### Occupy To Protect, or Destroy, Opium?

Second, Afghanistan is now the world’s largest opium producer; it accounts for about 95% of world’s opium/heroin production and more than 50% of Afghanistan’s GDP comes from opium/heroin. Has it been like this ever since opium/heroin production was recorded? Not so.

Look at the some of the opium production figures (Table 1). There are three things to note here. The despicable Taliban took control of most of Afghanistan in 1995. Opium production, which was hovering around 2,000-3,000 metric tons after the defeated Soviet Army left Afghanistan in 1989, rose to 4,600 tons in 1999. The next year, the Taliban went hammer and tongs against opium production and brought it down to 185 metric tons. In the Winter of 2001, the United States invaded to eliminate the drug-producing, terrorist-sheltering, Stone-Age Islamicists, the Taliban.

Look what happened after that: Thanks to the occupiers’ vigilance, opium production in Afghanistan began setting new records every year. In 2007, the recorded amount is 8,200 metric tons—about four times the amount produced in 1988.

Who benefits from such massive growth in opium production? Everybody does, according to a private group of analysts; narco-corruption is present at all levels of the Afghan government. Every corrupt governor, police chief, or ministry official is a recruiting agent for the Taliban. Public officials trying to build a new transparent Afghan state, where impunity is no longer the rule, are undermined by corruption around them. Local people see hypocrisy, when most counter-narcotics efforts appear directed at poor farmers—who may not even own the land—while the well-connected flaunt their drug wealth with lavish houses and SUVs.

Another ruse is used from time to time to smooth the ruffled feathers of anti-drug moralists in the United States and elsewhere. This ruse comes in the form of huge efforts made by the Afghan government, with the help of U.S. troops, to eradicate opium. One such lie came to light recently: The UN report on opium production in 2007 singled out the province of Balkh as a “leading example” of an opium-free province,

saying other areas should follow “the model of this northern region where leadership, incentives and security have led farmers to turn their backs on opium.”

But the fields of Balkh province in northern Afghanistan exhibit ten-foot-tall cannabis plants, flourishing where opium was previously planted! The crop—the source of both marijuana and hashish—can be just as profitable as opium, but draws none of the scrutiny from Afghan officials bent on eradicating poppies. Cannabis cultivation rose 40% in Afghanistan this year, to 173,000 acres from 123,550 in 2006, the UN Office on Drugs and Crime estimated in its 2007 survey. The opium crop is being grown in at least 18 of Afghanistan’s 34 provinces, according to the survey released in October.

In addition, even where opium was eradicated, it was done in such a way that it makes one wonder. A *New Yorker* magazine article cited an Uruzgan province farmer’s complaint to the Virginia’s DynCorps eradication team, that they had not only destroyed the poppies, but also wheat and vegetables. He also charged that only tribes alienated from the Karzai government had their fields eradicated, while those politically aligned with the government were “missed.”

What this private group either did not investigate, or did not tell us, is that in the era of globalization and liberalization, with massive subprime mortgage losses and slaughter of hedge funds, cash vanishes like camphor. But, opium brings in real money. It helps some of the liquidity-starved banks, which are now a part of the casino-style financial system, to generate cash and stay afloat. The opium explosion in Afghanistan is a reality, while the “strategic objective” of the Bush Administration in Afghanistan will remain a miasma, to say the least.

### How Widespread Is the Enemy?

The third factor to measure is the conditions that prevail along the Afghan-Pakistan border. The border between Afghanistan and Pakistan is known as the Durand Line, drawn in the sand by a long-dead employee of the British colonialists, Mortimer Durand, more than 100 years ago. It never existed in the minds of the Afghans, and it is defunct now.

When the Bush Administration jumped in to “smoke out” Osama bin Laden, those who had even a faint understanding of the terrain pointed out that the western part of Pakistan, west of the Indus River, would become as much an enemy territory—if not an extension of Afghanistan to the east—as Afghanistan itself. How do you handle that?

If you are trying to find out how “well” the foreign occupiers are doing in Afghanistan, check out the part of Pakistan west of the Indus River. In the real world, this part of Pakistan has become virtually independent. Islamabad’s writ does not extend that far west. Islamabad, for reasons not difficult to understand, does not want to press the issue more than it has done already.

It is likely that the Bush Administration in its haste to

“smoke out” Osama bin Laden, did not quite understand what it was doing. Perhaps London did, and instigated it. An independent nation, virtually underground, depending on others, is something the British Empire always encouraged. For London, it is not a bad idea, and, in fact, it is a great idea, to set up a tribal nation at the crossroads to Iran, Central Asia, Russia, and the Indian subcontinent. So, it is likely that the Bush Administration did not quite achieve its undefined “strategic objective,” but perhaps, London did.

## **Killing of the Innocents**

The fourth factor is the level of violence. There is no question that violence begets violence: Just follow the indiscriminate bombing that the Afghan villagers were subjected to over the last six years (only a handful of them were Taliban sympathizers to begin with, but now most of those still living are anti-U.S. and anti-NATO). The numbers would add up to a few thousands. But, for the media consumption of American citizens, all of them were the despicable—but drug-eradicating—Taliban.

Now, this indiscriminate bombing is not liked by any Afghan, even those who are the beneficiaries of the U.S.-NATO presence. Consider for instance, President Karzai, an American puppet who endorses almost anything the foreign forces do. But, even he speaks out against this indiscriminate killing of Afghan men, women, and children. But do his protests end such actions? No.

On Nov. 29, Afghan officials reported that U.S. forces “mistakenly” killed at least a dozen road construction workers in air strikes in eastern Afghanistan. As many as 14 engineers and laborers were killed in the incident in Nuristan province, which officials blamed on faulty intelligence, possibly fed by the Taliban. The workers, who had been contracted by the U.S. military to build a road in the mountainous province, were sleeping in their tents when they were killed, according to Sayed Noorullah Jalili, director of the road construction company Amerifa.

“All of our poor workers have been killed,” Jalili said. “I don’t think the Americans were targeting our people. I’m sure it’s the enemy of the Afghans who gave the Americans this wrong information.”

Former Secretary of Defense Donald Rumsfeld would have said, “stuff happens.” But this is not the only “stuff” that is happening out there, and these incidents will continue, with the policy Washington has embraced. And the nature of the “stuff” may get pretty dangerous.

## **Why No Accountability?**

Coming back to the NSC report, it was evident that some lights were shone on the subject, to clear up facts which had been drowned out by earlier propaganda. Last Summer, columns and columns of copy appeared in mainstream media showing the success of Operation Medusa—launched against the Taliban in the drug-infested province of Helmand. The

report quotes Seth Jones of the Rand Corp. saying that in last year’s Operation Medusa, Canadian combat troops fought hard for control of the Panjwai district, south of Kandahar. “Four weeks ago,” he said, “the levels of Taliban in Panjwai ... were back up to pre-Operation Medusa.”

The report pointed out that experts said the Taliban’s control has extended beyond the group’s traditional southern territory, with extremists making substantial inroads this year into the western provinces of Farah, Herat, and others along the Iranian border, even as they regularly challenge eastern-based U.S. forces. “We’re seeing definite expanded strongholds,” said a U.S. official who declined to be identified by agency. “That’s not going to stop in 2008.... If anything, it’s gaining momentum.”

Northern Afghanistan, ethnically separate from the Pashtun-dominated Taliban, is still considered relatively peaceful, although officials regard a Nov. 6 suicide bombing in northern Baghlan province that killed more than 80 people—most of them children—as an ominous sign. Though U.S. intelligence officials initially questioned the Taliban’s denial of responsibility, they now believe the bomb was the work of Hezb-e-Islami, a Taliban ally, even as suspicion has grown in Afghanistan that most of the deaths were caused by Afghan police officers responding to the explosion. Hezb-e-Islami, headed by a mullah, beneficiary of a great deal of largess (American taxpayers’ money) and one of Washington’s former favorite blue-eyed Afghans, Gulbuddin Hekmatyar, is active all along Afghanistan’s eastern border.

The report also debunks some of the bite-size opinions churned out by the Bush Administration’s propaganda machine. One such is about the suicide bombers. It was previously said that the suicide bombers were introduced in Afghanistan as a desperate measure, because the insurgents were in their last throes. But Afghanistan, which never experienced suicide bombers until 2007, is now terrorized by them. The report quoted a former senior U.S. commander who said that suicide attacks are a “hugely effective tactic,” imported from Iraq to Afghanistan, and convincing Afghans that the Coalition cannot protect them. “The idea that [suicide bombs] are a sign of desperation, that’s ludicrous,” he said.

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# Russia's Nuclear Energy Plan For the Next Fifty Years

by Marsha Freeman

While the United States wastes precious time, trying to come to a political “consensus” on what kind and how much Federal support should be provided for the revival of nuclear energy development, in Russia, the decision has been made to deploy all of the necessary resources—human, industrial, and financial—to create a fundamental shift in energy policy. Russia is going nuclear.

The annual conference of the American Nuclear Society, held Nov. 12-15 in Washington, provided a contrast between the Russian approach, which has made the national commitment to create the nuclear energy infrastructure for the next 50 years, and the straitjacket of the “free market” in the United States, which is stalling the revival of nuclear power. At that event, Dr. Alexander Chebeskov, from the Institute for Physics and Power Engineering (IPPE), in Obninsk, laid out the systematic multi-decade plan of new nuclear technologies to take Russia into the next century.

One of the first questions from his American audience was, who will pay for this program? The Federal program, to build 20 or so new nuclear power plants in the near term “was accepted,” he replied, and will be “financed from the Federal budget, using money from the export of oil.” No comparable Federal commitment has been made in the United States.

A follow-on question was asked, about the degree of “public acceptance” of nuclear power. The “public attitude is rather good,” Dr. Chebeskov replied. Twenty years ago, during the earthquake in Armenia, “people had to burn trees, books, and furniture” when the power plants had to be shut down. “In the [Russian] Far East, we have the same situation,” of a severe shortage of power. “People need electricity at home, and this is their first priority.” Three or four people out of five are in favor of nuclear power, he reported.

With the decision by the Federal government to pursue this course, the Russian scientific and engineering community



Alexander Chebeskov, Viktor Dekusar

*This photograph of the construction site of the BN-800 fast-breeder reactor was taken in August 2007. The scheduled date of completion is 2012. The BN-800 is a commercial demonstration plant, whose design will be used for the deployment of half a dozen breeders over the next 20 years.*

is formulating the progression of nuclear technologies needed to meet Russia's energy requirements through the middle of this century. The goal is to make nuclear fission a renewable, virtually limitless resource for the Russian economy, based on the highest energy-dense technologies.

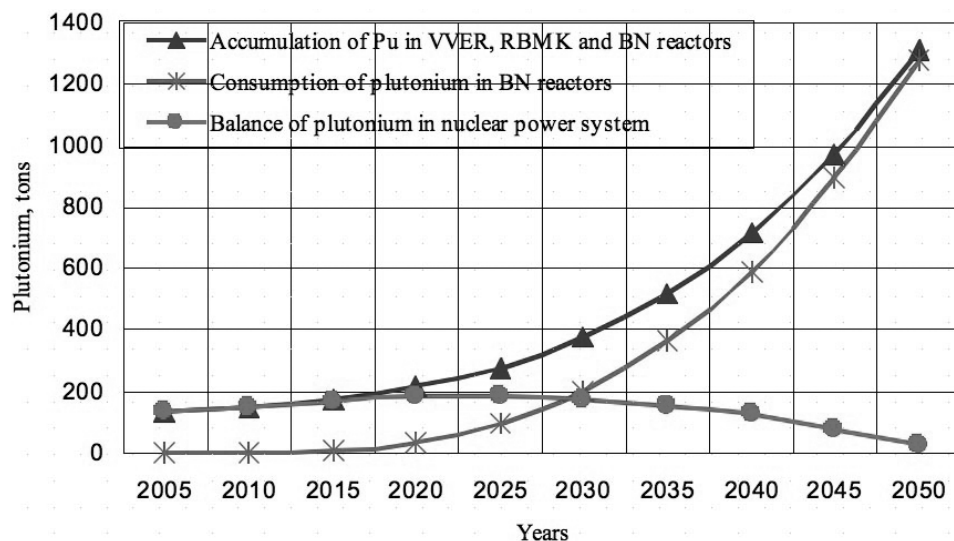
## The First Phase

Time is of the essence, Dr. Chebeskov stated. Russia's economic growth has been accelerating since 2000, and there has been a sharp increase in demand for electricity, which has exceeded projections two-fold.

Burning fossil fuels entails many problems, as they are finite, dirty, and becoming more and more expensive, Dr. Chebeskov stated. In Russia, fossil fuel plants are also very old and inefficient, and must be replaced. By 2030, he said, Russia will be short of oil, and export of oil and natural gas abroad is “more attractive.” The goal is to look forward at least a half century, and create a “stable kernel”

FIGURE 1

## Consumption of Plutonium by Fast-Breeder Reactors



Source: Alexander Chebeskov and Viktor Dekusar, "Valuation of the Scenario for Innovative Russian Nuclear Power Development."

*By 2020, Russia plans to introduce the first small series of BN fast-breeder reactors, which will use plutonium in their mix of fuel. By mid-century, the pace of breeder introduction will allow the full use of plutonium stocks from power reactor spent fuel, and the breeders themselves, as plutonium consumption matches production.*

of technologies in the energy sector. This will be based on nuclear power.

Russia's nuclear development will occur in two phases: from now to 2030, and from 2030-50. Between 2007 and 2020, Russia plans to increase the share of nuclear energy production for electricity from the current 16% of the total, represented by 23.2 gigawatts of nuclear capacity, to at least 25%, or at least 40 GW. By 2030, 60 GW of nuclear capacity are planned to be on line. The near-term deployment of new reactors will be based mainly on upgraded VVER pressurized water reactor designs.

The two main problems of contemporary nuclear systems, Dr. Chebeskov explained, are that they cannot effectively use plentiful, but not fissile, mined natural uranium. Secondly, today's open cycle, where fuel is used only once, necessitates long-term storage of spent fuel, along with the storage of tailings left over from the uranium enrichment process to make fuel, and of the plutonium that is separated from spent fuel. Both of these "problems" will be solved with new technologies.

To meet the goals for 2030, Russia will add new capacity at the rate of 2-3 GW of new nuclear power per year, in order to replace decommissioned units and add new capacity. Next-generation VVER units will be larger, to increase the rate of growth of capacity. Also, "grid-appropriate" units—meaning smaller-scale reactors—to "meet remote regional demands and to export to developing countries," will be deployed. Last

Spring, the keel was laid for the barge that will be the platform for Russia's first 70 MW floating nuclear power plant, for the energy-short city of Severodvinsk, in the Arkhangelsk region, producing both electricity and heat.

The plan is to "match exports" to the number of units and amount of fabricated nuclear fuel deployed domestically. This will require creating a broad technical base, and completing the consolidation of the previously separate branches of the Russian nuclear industry, which is under way. The Russian nuclear agency Rosatom has already secured contracts to construct new nuclear power plants in eastern Europe and India, and is in the process of bidding on units that will be built in new nuclear nations.

At an international nuclear conference in Moscow in November, Russian nuclear official Alexander Glukhov described the construction opportunities abroad that are of interest to Russia, including in Vietnam, Indonesia, and Morocco. "But central and eastern European countries, particularly the Czech Republic, Bulgaria, and Slovakia, are the most interesting markets," in the near term, in addition to Ukraine and Belarus.

This plan for new nuclear power plants must be assured a reliable supply of fuel. Dr. Chebeskov estimated that, assuming a 50-year operating life for existing and new VVER reactors, with a total installed capacity of 100 GW by mid-century, up to 1 million tons of natural uranium would be needed, to extract enough fissile fuel for the reactors. The total natural uranium resources in Russia, he reported, are currently assessed to be from 600,000 to 1 million tons. Clearly, other sources of nuclear fuel will be required.

For the near term, Russia has instituted a new program, called "Uranium for Russia," based on exploration for new deposits within the Russian Federation. Agreements and contracts for the import of resources are also being put into place, notably with resource-rich Kazakhstan. In September, Russia and Australia signed a bilateral agreement, under which Russia will buy uranium at the rate of 4,000 tons per year, and at the end of November, Russia and Canada agreed to jointly prospect for uranium on their territories, and establish joint ventures for extraction.

But in the medium to long term, it will be the application

of new technologies that will provide the resources to expand the use of nuclear fission energy, providing the bridge to nuclear fusion power.

By 2030, at the end of the first phase, seven fast-breeder reactors, which create new fuel, are planned to be commissioned, reaching 60 GW of capacity. After 2031, fast-breeder reactors will replace conventional VVERs for new capacity, and some of the operating VVERs may be converted to the thorium-uranium fuel cycle, using uranium-233 produced in fast reactors.

## Creating New Resources

Dr. Chebeskov proudly reported that work has been under way in Russia for more than 50 years on scientific, design, and technology development for nuclear power plants and the nuclear fuel cycle. In 1954, the 5 MW Obninsk reactor became the first in the world to produce electricity, at the institute where Dr. Chebeskov works.

This heritage is the foundation for the second phase, 2030-50, for nuclear technology development. It is a plan which requires that a "fuel resource must last for an historically meaningful period (hundreds of years)." The objective is to "use innovative technology to switch to a new energy resource—plentiful uranium-238—by the middle of the 21st Century." This will require the "transition to a new technological platform, with the total closure of the fuel cycle, based

on fast reactors," he explained. The advanced nuclear research and development program to implement this plan is already substantially under way.

By 2012, Russia will complete construction of the BN-800 commercial demonstration fast reactor, a follow-on to its BN-600 sodium-cooled fast reactor, which has been operating for 27 years. Fast-breeder reactors provide a number of advantages over conventional reactors. The BN-800 will use mixed oxide, or MOX, fuel. MOX fuel is made up of 5-9% plutonium, using a material now considered as "waste," from conventional power plants and nuclear weapons production. In the near term (to 2030), the plan is to construct a small number of commercial fast-breeder reactors, based on the operating experience of the BN series, which will use recycled plutonium as a fuel.

Russian fast reactors not only create a "new" resource by using recycled plutonium, but are also designed to breed at least as much fuel as they use. By placing a blanket of plentiful fertile but not fissile material—such as uranium-238 or thorium-232—in the path of the energetic neutrons produced in the fission process, fissile isotopes, such as plutonium-239, are created, which can then be used as fuel in reactors.

When the BN-800 is completed in 2012, it will demonstrate fast reactor technology on an industrial scale. During the first phase to 2030, a small number of industrial-scale breeders reactors will be deployed. A new design for a sodi-

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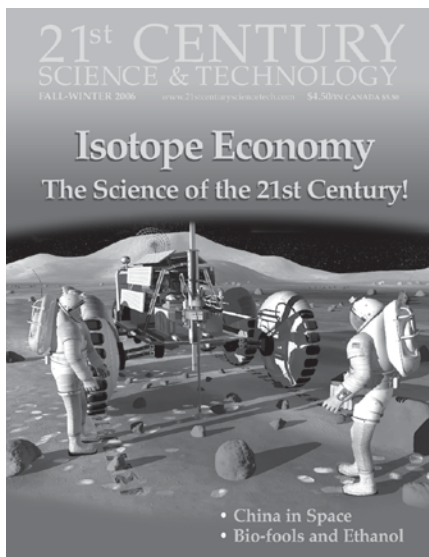
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um-cooled fast reactor, which is more efficient than water-cooled designs, the BN-1800, and designs using other liquid metal coolants, are being developed, and are at varying levels of maturity.

When natural uranium (U-238) is enriched, to concentrate the fissile isotope, U-235, to a few percent, only a small percent of the natural uranium is used. As an example, for the 23.2 GW of current nuclear capacity in Russia, 3,800 tons of natural uranium must be mined or taken out of stocks, per year. After enrichment, a little over 600 tons of fuel are created, with the remaining 3,200 tons left as “enrichment tails,” or depleted uranium. In Russia, uranium enrichment tails are accumulating at a rate of about 4,000 tons per year. These tailings can be enriched, as an additional source of reactor fuel.

In terms of reprocessing reactor spent fuel, to extract the more than 95% of the material that can be recycled and re-used, the Russian RT-1 plant has been operating since 1971, reprocessing spent fuel from VVER-440 reactors and the BN-600 fast reactor. In addition to creating a new resource, reprocessing also helps to eliminate the need for large-scale spent fuel storage. Reprocessing 1,000 tons of spent fuel from conventional reactors, such as the VVER, reduces the spent fuel to 100 tons, a ten-fold reduction. The decision has not yet been made to reprocess the spent fuel from the graphite-moderated RBMK reactors, Dr. Chebeskov reported. In order to manage the spent fuel from the 50 GW of VVER reactors expected to be operating in the near term—or more than double current online capacity—it is estimated that a reprocessing plant with a capacity up to 1,000 tons per year is required, and will be built.

In this transition to a full nuclear closed cycle economy, a small series of fast-breeder reactors is planned, with 5 GW capacity each. A fuel-manufacturing facility, that can produce about 100 tons of MOX fuel per year for the breeders, is also required. At an experimental level, the fabrication of MOX fuel for fast reactors has already been demonstrated.

For the long term, Russia plans to develop the technology to efficiently use its reserves of natural uranium itself as a fuel, not just as a feedstock to extract a tiny percentage of fissile U-235. Fast-breeder reactors will be introduced with breeding ratios greater than one, meaning they will produce more fuel than they consume. Both uranium-238 and thorium-232 will be used in the breeder blanket as fertile material, to be irradiated and transmuted into fissile isotopes. Russia is estimated to have about 3% of world thorium resources, or 75,000 tons.

Nuclear power technologies being developed in Russia also include follow-on advanced-generation fast reactors, and the Gas Turbine-Modular Helium Reactor, based on a design by General Atomics, to burn plutonium from nuclear weapons, and to produce hydrogen.

For Russia, the next 50 years will be used to build the bridge to a nuclear future. With or without the United States, other countries will soon be following suit.

# Defend Germany's National Interests

by Helga Zepp-LaRouche

*This statement was issued on Dec. 3, 2007 by Helga Zepp-LaRouche, chairwoman of the Civil Rights Solidarity Movement (BüSo) party in Germany. The statement was translated from German, and subheads added.*

It very frequently occurs, that the ideological blindness of “simple” citizens leads to decisions that injure their self-interest to the core. But it is among the freedoms of democracy, that the citizens act like this, provided they do not violate the law. However, such behavior is more problematic, if it occurs in the case of the Federal Chancellor, Angela Merkel. Indeed, she determines the policy guidelines, but she has also sworn an oath of office, to defend the welfare of the German people, and to prevent harm to them.

The positions that the Federal Chancellor has taken in the recent period with regard to Russia, China, and Iran, not only damage German economic interests and thereby, jobs; they also infringe fundamentally upon the security interests of Germany, because they send Germany out of bounds in pursuit of a neoconservative agenda, and contribute to an atmosphere of confrontation. Either Mrs. Merkel is impervious to advice, or she really does not understand the complexity of historical processes. Perhaps she actually believed she was standing up for democracy and human rights, when she was taken in by the theatrics of Garry Kasparov on the occasion of her meeting with Russian President Vladimir Putin in Samara. That Kasparov is part of a new British “Great Game” against Russia, would have become clear to her, had she taken into account his connection to the former manager of his chess tournaments, John Arnold Bredenkamp, a supporter of the late racist regime in Rhodesia (now Zimbabwe).

## China Takes Offense

That China would react so strongly to her reception of the Dalai Lama, who is also sponsored by the powers which are attempting to carve up China's territorial unity, should also have been clear to her. Again: Is Mrs. Merkel only impervious to advice, or does she share the objectives of neoconservative confrontation, which can only end in a catastrophe? And the Federation of German Industries (BDI) is correct in its criticism of her, that her talk about sanctions against Iran does not help democracy in Iran, but only damages German-Iranian relations.

She receives the bill for this policy in the case of China, by return mail: While long-planned meetings with representa-

tives of Germany were cancelled on all levels, on the occasion of the visit of French President Nicolas Sarkozy to China, China elevated its relationship to France to the highest strategic significance, and concluded economic agreements with him in double-digit billion amounts. Neither the Pope nor Italian Prime Minister Romano Prodi found it advisable to receive the Dalai Lama.

The behavior of Mrs. Merkel is all the more disastrous, in that it occurs at a time, when Germany would have every reason to improve its relationship with China and Russia, instead of damaging it. For the systemic financial collapse, triggered, but not caused by the U.S. mortgage crisis, has, in the meantime, gripped the entire international banking sector, and has long ago evolved from a storm into a hurricane, whose full destructive force will increase further in the coming months. The collapse of the dollar is not an internal U.S. affair, about which all of the most short-sighted anti-American people can gloat; it has long ago exceeded the threshold of pain for Asian and European exports.

This is precisely the reason, why the official Chinese news media, from Xinhua, via the *People's Daily* and the *China Daily*, to the most important financial press, have so prominently picked up the press conference by Lyndon LaRouche preceding a "Forum on U.S.-Chinese Relationship and Peaceful Reunification of China" in Los Angeles [see *EIR*, Dec. 7]. In his presentation, LaRouche emphasized that the crisis of the global financial system has advanced so far, and the constellation of power in the world has developed in such a way, that only the four strongest nations, namely, the U.S.A., Russia, China, and India, are in combination strong enough, to jointly undertake an orderly reorganization of the world financial system in time. For China, with its 1.4 billion people, what is at stake is nothing less than the stability of the country, which China, after its experiences above all in the 19th and 20th centuries, would never again like to see in danger. President Hu Jintao also announced a series of steps and conferences, which have as their theme, the macro-economic stability and protection above all of the poor people of China.

Therefore, Germany would have every reason to orient itself toward China and Russia, and to strive in common with these nations toward an exit from the financial crisis. In the U.S.A., the most important steps in this direction come from the growing movement for the implementation of LaRouche's legislative proposal, the Homeowners and Bank Protection Act (HBPA), which is supported by a growing number of cit-



German government  
*Chancellor Angela Merkel just doesn't seem to get it, on either domestic or foreign policy.*

ies. If there is to be any exit at all from the world financial crisis, then it will lie in the most important nations of this world coming to an agreement on a New Bretton Woods and a New Deal for the world economy in the tradition of Franklin Roosevelt, as opposed to the neoconservative, neoliberal policy of confrontation.

## What Kind of 'Democracy and Human Rights'?

More generally, the focus on "democracy and human rights," which Mrs. Merkel, who is an attorney, has of late so often adopted, is thus a concern. For which is better for people: if, for example, China provides credit to African nations and helps them to build infrastructure; or if Europe, in referring to human rights, denies these states the credit and the assistance they need for infrastructure development? And how does the International Monetary Fund observe human rights, when for decades it has insisted that the developing nations, instead of financing their health-care and educational systems, should rather pay their debt, which the IMF has constantly increased by its demand for currency devaluations?

And what about the human rights of children and teenagers in Europe, who are not protected by any law against menticide, where, through killer video games, which glorify violence, children and teenagers are exposed to a brutality, which they obviously cannot handle, and which turns more and more students into monsters running amok, who kill themselves, their teachers, and their schoolmates?

And what about the human rights of the unemployed, who lose their jobs through the unbridled manipulations of the "locusts," plunge into poverty and long-term unemployment, thanks to Hartz IV, and are thus bilked out of the earnings of their life's work, only because the Federal Chancellor, according to her own words, does not want to have an "orgy of re-regulation of the hedge funds by the state"?

Those who live in glass houses, should not throw stones. There are not a few people in the developing nations, who recognized long ago, that in the so-called industrial nations, the violations of human rights and democracy take place merely in a more sophisticated and cleverly devised way.

Those who live in glass houses, should not throw stones. There are not a few people in the developing nations, who recognized long ago, that in the so-called industrial nations, the violations of human rights and democracy take place merely in a more sophisticated and cleverly devised way.

In any case, it is in the fundamental self-interest of Germany, that in the face of the coming hurricanes, earthquakes, and tsunamis of the world economy, we seek close collaboration with Russia, China, India, and the actual America, which is now making itself heard in the tradition of Franklin D. Roosevelt.

# 'No Killer Video Games For Christmas!'

*The German Society of Psychotherapists (GwG) called for a total ban on violent computer games, in a statement issued Nov. 28 from Cologne. The Society is the largest psychotherapist association in Europe. Here are excerpts from the GwG press release, titled "Brutal Computer Games Destroy Compassion; No Killer Games for Christmas." The statement has been translated for EIR. The full text is available at [www.larouchepac.com](http://www.larouchepac.com) (English) and [www.gwg-ev.org](http://www.gwg-ev.org) (German).*

Psychotherapists demand the prohibition of computer games in which young people are rewarded for the killing and torture of human beings. Such games are increasingly marketed in a toned-down manner as "shooter games." The idea of media literacy frequently functions as a smokescreen—today, children and teenagers need "media education."

Cologne: Surveys show that computer games are a huge business for the manufacturer in the Christmas economic boom. For most teenage users, violence-promoting games are a catastrophe from the standpoint of their psychological development. That is the experience of many specialized staff members of the Society for Scientific Person-Centered Psychotherapy (GwG), from psychotherapeutic counseling centers and school psychological services.

The GwG is the largest European professional association for psychotherapy and counseling. It now demands that games which glorify violence be legally prohibited, so that the basic consensus of a humane society is preserved. "Killer games are like landmines for the soul," says Elke Ostbomk-Fischer, university lecturer and a member of the GwG. "The media disregard of young people has reached such a terrifying scale in recent years, that politically responsible persons have to immediately take action, before an entire generation of children and teenagers is sucked into a maelstrom of violence."

Elke Ostbomk-Fischer is thus in agreement with leading criminologists and scientists, who are critical of the media. "Many of these games are inhuman and violate the Basic Law [the German constitution]. Therefore, their production and distribution are liable to prosecution."

More and more, increasingly younger children are losing their natural compassion, when they are immersed for hours and days in the most brutal action-world, in which destruction and killing are experienced as amusement and

fascination. Particularly, young people are frequently affected by this. They then behave increasingly aggressively, and can hardly be won over to social rules of human cooperation.

An increasing number of teenagers spend more time with addictive PC-games than in school. "Many parents feel increasingly helpless and desperate in the face of the overwhelming power of the media. Often they are scolded by their children as 'backward,' if they react skeptically to the child's desire for a gift," says Karl-Otto Hentze, psychotherapist and general secretary of the GwG. Children who are versed in the Internet, frequently persuade their parents with arguments circulated on the Internet by scientists associated with the computer industry....

According to the "Bundesrat [upper house of the German Parliament] Printed Page 2007-0001-0100/ 76-07," killer games are "game programs, which represent cruel or otherwise inhuman violent actions against human beings or human-like creatures, and enable the player to participate in displayed violent actions of such a type." Such games were originally developed for the U.S. military as simulations of war. They have the objective of breaking down the inhibitions which soldiers have against killing, and of increasing their "killer-efficiency." The U.S. military psychologist David Grossman urgently warns that these methods of conditioning to violence work in the same way with children and teenagers, when they intensively play such violence-oriented programs.

## 'Media Education' Instead of 'Media Literacy'

Game manufacturers have misappropriated the concept of "media literacy" for a long time. The companies finance research and continuing education projects for "more media literacy." They have an interest, of course, in preventing the legal prohibition of killer games. Some experts support them in this with arguments such as, for example, "prohibitions only increase the appeal." (That would also apply to red stop lights, to theft, and even to murder.)

They have an additional strategy of evaluating computer games as "objects of cultural value." "Media literacy" in this sense, promotes the precise knowledge of game types, equipment, and technical details. Killing and violence can thus be accepted as an "artistic convention."

## Media Education Includes Education of the Heart

In contrast, media education includes education of the heart. The basic principle is the explicit orientation to the ethical conventions of human rights. The overall concept and standard is the Basic Law [the German constitution]. "Media education" promotes a cooperative culture of association with one's fellow man. Without critical training, it is difficult to distinguish educationally reasonable advice from sales-promotional advice....



# Meltdown of World Financial System Is Fully Under Way

by Helga Zepp-LaRouche

*Mrs. LaRouche is chairwoman of the Civil Rights Solidarity Movement (BüSo) in Germany. This statement, issued on Dec. 7, was excerpted and translated from from German.*

What is playing out these days on the international financial markets, is unprecedented. Even if ordinary citizens don't yet understand it, the bankers and financiers are finding themselves in a state of shock. The collapse, which began in July with the U.S. mortgage crisis, and in August led into an international credit crunch, is proceeding inexorably and encompassing all sections of the world financial and economic system. The global financial system has "frozen up," and even though the financial institutions have not admitted it, in reality all the beautiful "creative financial instruments" which Alan Greenspan established, and which provided the foundation for "the greatest casino-economy of all times," have evaporated.

We find ourselves in an advanced phase of the greatest collapse in the history of financial markets. There is still the possibility of escaping the most horrific consequences of this systemic crisis—provided that governments are ready immediately to replace the totally bankrupt system of globalization with a new financial architecture: a New Bretton Woods system in the tradition of Franklin D. Roosevelt.

Look back a short time ago: On July 25, the American economic scientist Lyndon LaRouche declared at a webcast in Washington: "The global financial system has already collapsed—what we are now witnessing are only the effects, which are now coming gradually to light." And, in contradiction to the various ignoramuses and specialists in denial, who speak of "small rearrangements and adjustments" of a few small hedge funds, the developments of the past four and a half months have fully vindicated LaRouche.

The dollar has gone into a nosedive, which has been broken, at best for a few days, by interest rate cuts, only to then collapse further. The infusion of more than \$750 billion in liquidity by the central banks, and the interest rate cuts, primarily by the Fed, which the other central banks were then compelled to follow, have led to a dangerous hyperinflationary process, which has included, first and foremost, agricultural products, energy, and raw materials prices.

After the longest possible deception maneuvers about their own losses, the banks, bit by bit, have admitted what they could no longer cover up. Only very hesitantly, the big investment banks began to write off billions in debt. Citigroup, for example, wrote off at first \$6.5 billion, and then yet another \$11 billion. Citigroup alone had \$34 *trillion* in outstanding derivatives contracts, which could detonate the worldwide derivatives markets of an estimated \$750 trillion, and with it, the whole world financial system....

## A Mountain of 'Junk'

The investment bankers are sitting on a gigantic mountain of so-called toxic waste, unsalable "creative" financial paper; no one trusts anyone else, because he doesn't know whether a newly issued loan can be paid back, and because he doesn't know what losses are still pending. The banks are hoarding liquidity, as if it were their grandmothers' prize preserves.

"What we are currently observing, is no less than a collapse of the modern banking system, a complex of leveraged lending, which is so difficult to understand that the head of the Federal Reserve himself, Ben Bernanke, back in August, needed a private course, face to face, from the hedge funds managers," said Bill Gross, the asset manager of the capital asset firm Pimco.

The mistrust is understandable, because the list of dead

bodies that have been hidden in the cellar, is getting longer and longer. An array of investment banks is currently being investigated by the American Securities and Exchange Commission and New York Attorney General Andrew Cuomo, as to whether they sold risky mortgage-backed securities to investors worldwide in bad faith—knowing that they were as good as worthless.

Currently under investigation are Goldman Sachs, Deutsche Bank, Merrill Lynch, Bear Stearns, Morgan Stanley, and also the huge quasi-governmental mortgage insurers Fannie Mae and Freddie Mac. Deutsche Bank alone, which was warned of the junk status of the subprime mortgages in January 2006 by their chief appraiser, Greg Lippmann, had bought, during that year, paper nominally worth \$28.6 billion, and then another \$12 billion during the first nine months of 2007.

Not only have the mortgage-based securities been exposed as junk, but also the large mass of so-called Structured Investment Vehicles (SIV), from superpowerful investors, is finding itself devalued in the shortest period of time to the level of junk. Several have already found themselves in liquidation. Affected also are communities or schools, such as the Florida Local Government Investment Pool, in which its reserves, of which now very little remains, have been invested. And there is now no money to pay teachers, or to apply to social programs for the families who are becoming homeless, when their houses are foreclosed on.

### **Guilty: Alan Greenspan**

If there is a person who bears more guilt for this mega-disaster than any one else, it is Alan Greenspan, the former head of the Fed. We have him to thank for the fact that we have all these wonderful “financial innovations,” which his successor, Bernanke doesn’t understand. When Greenspan took office in 1987, he responded to the then ongoing crash, which was comparable to the Black Friday of 1929, by establishing, bit by bit, all these “creative financial instruments,” whose very complexity underlies the problem. To this category belong derivatives, credit-derivatives, the CDOs, the SIVs, the MBSs, and the ABCPs, but also the hedge funds, the investment companies, the special-purpose entities, the conduits, investment vehicles, etc. Thus was the lie spread, that all these instruments “spread the risk on many shoulders,” and therefore minimize it—a milk-maid’s accounting....

Naturally, as long as the huge bubble of convoluted financial instruments was growing, as long as everyone in the casino-economy was participating in making super-profits, the profiteers could keep up the illusion that they had discovered the “perpetual motion machine.” That 80% of the world’s population was becoming ever poorer, yes—that was an inconvenient small side-effect, that could be ignored.

The only problem is that the bubble has to keep growing. At the moment there’s a break in the market, as in this case of the American subprime mortgage market, the bubble comes

to a point of collapse, in which the leverage reverses, which actually threatens what bankers call a “cluster-risk.” When in March of 2000, the bubble of the IT market, the so-called “dot-com bubble,” collapsed, and about \$16 trillion in capital disappeared, Greenspan lowered the interest rates in order to save many of his banker-friends. Thus, he not only created a yet bigger bubble, but, with the subprime market, created such a high-risk business, that its ephemeral nature must be obvious to any thinking human being.

Now, a long while later, it has dawned on several economists, that a total systemic collapse has begun, and that the blue-chip mortgage market, the real estate market, have been affected by the MBS and CDO market, so that massive collapses in consumption and production are imminent, and that it could come to a *run* on the banks and other financial institutions....

In the face of growing panic among the Wall Street bankers, the White House has recently leaked that the Administration will not fail to provide liquidity in an emergency. The problem is only: This is exactly what the Reichsbank did in 1923, and in November 1923 it ended, because the price rises had reached the absurd. On Nov. 15, 1923, 1 kilogram of rye bread cost 5.145 billion Reichsmarks. As a result of the hyperinflation, first everyone was a millionaire, and then people’s savings disappeared. Today the problem is not limited to one country, as then, but spreads through the entire world....

### **We Need LaRouche’s New Bretton Woods!**

The casino economy has already created an enormous redistribution of wealth from the poor to the rich. Some have become billionaires and multi-millionaires, and the politicians, who have made this possible through corresponding changes in the laws, have also not fared badly. The overwhelming majority, however, must suffer heavy losses in their living standard.

The reality is that only the reorganization of the global financial system proposed by Lyndon LaRouche can solve the problem. The unpayable debts must be cancelled, the “creative financial instruments,” in any case; but the real economy, the general welfare, and the banks must be saved. The only good thing is that LaRouche’s ideas are finding an ever broader circulation, as shown in the publication in the official Chinese press about LaRouche’s proposal that the United States, China, Russia, and India must cooperate for a new organization of the world financial system (See *EIR*, Dec. 7, 2007). And many other notable politicians and statesmen are also speaking out now for a New Bretton Woods System or a New Deal for the world economy—among them Russian President Putin, Argentine President Kirchner, former Italian Economics Minister Tremonti, and former French Prime Minister Rocard, to name a few. And if Germany is to be saved, then in the coming period, some there will have to find the courage to propose a New Bretton Woods.

# China's Role in the New Just World Economic Order

by Helga Zepp-LaRouche

*This speech was prepared for the "Forum on the U.S.-China Relationship and the Peaceful Reunification of China," sponsored by the Institute of Sino Strategic Studies, Los Angeles, Nov. 24. The speech was delivered on Mrs. LaRouche's behalf by Leni Rubinstein. Subheads have been added.*

Through a system of globalization oriented exclusively to profit maximization, so many grave injustices, and such an immense gap between rich and poor have been created, that one can only wonder, how is it possible that so many representatives of leading institutions could believe that this could simply continue forever. But the beneficiaries of this casino economy, the billionaires and millionaires, still seem to be fanatically supporting the chaos and destruction which their own privileges have brought to the broader part of humanity. But, perhaps their indifference is only the result of the unrestrained brutalization of our society, clearly seen in those violent video games and the Internet, which are marketed to us as entertainment.

Nonetheless, the illusion of a virtual reality of perpetual profits has been shattered with a roar in recent days. The systemic collapse of the global financial system has entered its end-phase. Recall that the Chinese character for crisis, also means chance: Although until recently, it seemed as if international financial institutions were more powerful than governments, it is now clear, that the alternative is between worldwide chaos, and the establishment of a new financial architecture. And, while, in times of calm, it seems almost impossible to implement fundamental changes, suddenly, great transformations are possible, when it becomes clear that the current path absolutely does not work.

What we must now put on the agenda, is a real vision for the 21st Century, a system of peace that makes possible the survival of all peoples and nations on this planet, one that adheres to the inalienable rights of humanity. And, we must act with passion, for the civilization of all humanity—the rich heritage of our forefathers, and the life and happiness of future generations—is in danger.

As the Comecon and Warsaw Pact began to disintegrate between 1989-1991, there was a chance to intervene in history. Lyndon LaRouche and the Schiller Institute proposed, at that time, the building of the Eurasian Land-Bridge, that is, the idea to link the population and industrial centers of Europe to those of Asia, through infrastructure development corri-

dors. With the fall of the Iron Curtain, the Eurasian continent could be integrated, economically and through the construction of industrial corridors, to create the same basic economic conditions for the long-isolated, landlocked regions of Eurasia, as were previously enjoyed by countries along oceans and rivers. For a long time this program was only an idea, that we had presented at numerous conferences and seminars.

## The Eurasian Land-Bridge Perspective

In the Spring of 1996, this author was one of the speakers at a conference in Beijing on this theme, in which representatives of 34 nations participated. The Chinese government declared the development of the Eurasian Land-Bridge to be a strategic, long-term perspective looking ahead to the year 2010, and began to realize various parts of it. But, there were many setbacks, from the so-called Asian financial crisis of 1997-98, to geopolitical obstacles of various types.

It is an irony of history, that it is probably the unilateralism of the Bush-Cheney Administration which can take credit, for the fact that many of the Eurasian nations came together faster than would have been the case under normal conditions. This is true, in particular, for the strategic partnership among China, Russia, and India. But also, many other projects of our original concept of the Eurasian Land-Bridge are in various stages of implementation.

These include the joyful process of economic cooperation between North and South Korea, whose progress China and Russia, especially, have assisted. The two main railroad lines of the Koreas will be connected with the Trans-Siberian Railroad and the main railroad lines in the south of China. Also of strategic importance, is the largely Russia-promoted project to extend the Trans-Siberian Railroad through a 6,000-kilometer rail line and a 100-kilometer tunnel under the Bering Strait, linking up with Alaska, Canada, and the continental United States—a rail connection that eventually will include Chile.

But, in view of the rapidly escalating systemic collapse, it is necessary to emphatically place on the agenda, that the development of the Eurasian Land-Bridge must be the cornerstone for rebuilding the world economy. A special session of the United Nations General Assembly could be called, or, a summit at the level of heads of state could be convened, to take on this question. It is not only necessary to call into being the New Bretton Woods system proposed by Lyndon





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*Helga Zepp-LaRouche's campaign for the Eurasian Land-Bridge in the 1990s earned her the title of the "Silk Road Lady." Here (right), she stands near the eastern terminal of the Land-Bridge in Lianyungang, in 1998, with Mary Burdman and Jonathan Tennenbaum.*

LaRouche, but also an economic development program must be decided upon, to which the new financial architecture will be applied.

## The New Deal Precedent

For this, there are definite historical precedents that can be drawn upon. The obvious example is the policy of the New Deal, set into motion by President Franklin Delano Roosevelt, which led the United States out of the Great Depression. Also, the Marshall Plan for the rebuilding of Germany had important conceptual roots in the Roosevelt economic policy. It is important, for example, that Russian President Vladimir Putin, on the occasion of the celebrations for the 125th birthday of FDR, spoke of the necessity of a New Deal for Russia. Similarly, Argentine President Néstor Kirchner proposed a New Deal for Argentina; and the same demand has surfaced in many other countries.

What is now needed is a New Deal for the whole world.

The unrestrained free trade of globalization has created around the planet, with few exceptions, conditions where the circumstances of life have gotten worse, if not impossible, for the majority of the population. And I believe, although China until now has seen itself more as Middle Kingdom, than as a world power, nonetheless, in view of China's Confucian tradition, it is conscious of its universal responsibility to help make possible the harmonic development of all nations on this planet.

I would like in this context to focus attention on Africa. If a new just world order is to come into being, a New Deal for Africa must be placed at the top of the agenda. For, a new order, which does not remove the consequences of 500 years of colonialism, the slave trade, and exploitation, cannot function, because it will not remove the inherently moral problem imbedded within the present policy of globalization. Because China is, until now, the sole nation which has helped Africa, without hypocritical conditionalities, but in mutual interest, in the development of industry and infrastructure, China can play an important role in bringing Africa into a world development plan.

A glimpse at a map makes clear that as a precondition for real development, Africa needs infrastructure, including a continental transportation system comparable to Europe's, with a railroad network from north to south, and from east to west, integrated with highway and road networks, and canal systems. The Omega Plan of Senegalese President Abdoulaye Wade and the Renaissance Plan of South African President Thabo Mbeki, which led to NEPAD (the New Partnership for Africa's Development), certainly go in the right direction. But, the lack of adequate financing of even NEPAD, makes clear that a more ambitious effort is necessary.

Africa represents, with her 700 million human beings, 12% of the world's population, but has only 2% of world energy consumption. A large part of the population has access neither to clean water, nor electricity, nor minimal medical care. To create humane conditions of life in Africa, there must be a serious commitment to overcome the underdevelopment of the continent in the foreseeable future; that means, there must be a crash program for the development of infrastructure, agriculture, and industry. China has been exemplary in its efforts to teach African students and upgrade the skills of workers, in sending agricultural experts and engineers, building schools and hospitals, and the cancellation of debts.

## Development for Africa, Not Globalization

In order to seriously conquer the gap in development, it is necessary to dispose of the axioms of globalization, and to return to the idea of the Development Decade of the 1950s and 1960s. As such, all the concepts, like "sustainable development," "appropriate technology," "population control," etc., are but Orwellian doublespeak for the dictate that the African nations must never be allowed to become anything but raw materials producers.

We must stop treating the Africa states as if they were the youngest child in a family of many children, who are obligated always to wear the hand-me-down clothes of their older siblings. Instead, Africa, in the coming international division of labor in the context of a New Just Economic Order, will be leading in certain areas in cutting-edge technologies.

The fact that China and South Africa both have built the advanced model of the Pebble Bed Modular Reactor nuclear plant is the best proof of the correctness of this thesis. If South Africa realizes its intention, to build the PBMR for export for all the nations of Africa, and not merely for itself, it will give a dramatic impulse to the productivity of its economy, beyond just the expanded availability of electricity. The transition to a hydrogen economy, the production of synthetic natural gas, the production of fuel out of coal or refinery waste, process heat for refineries or chemical factories, desalination of large quantities of salt water, make clear, that Africa has the potential in the foreseeable future, to stand equal with the community of nations.

Lyndon LaRouche proposed in his book about the next 50 years of our planet ["The Dialogue of Eurasian Civilizations: Earth's Next Fifty Years," *EIR*, Jan. 7, 2004], that the imbalances among different states, could be overcome by a multi-lateral web of treaties, by means of which the currently less-developed states would have available long-term credit lines, which would be repaid only when the capacity to do so has been created. If Africa is supported now in bringing its infra-

structure, agriculture, and industry up to modern levels, it has the potential to be a breadbasket for the world, supplying long-term, guaranteed food security to countries with limited usable land, like China.

In certain circles in Europe and the United States, there is a certain consternation about China's economic activity in Africa. But what counts, is that the African nations are happy that in return for selling raw materials, they receive real support for their own infrastructure and economic development. And by the way, Europe and the United States are perfectly free, in a similar way, to cooperate economically with Africa.

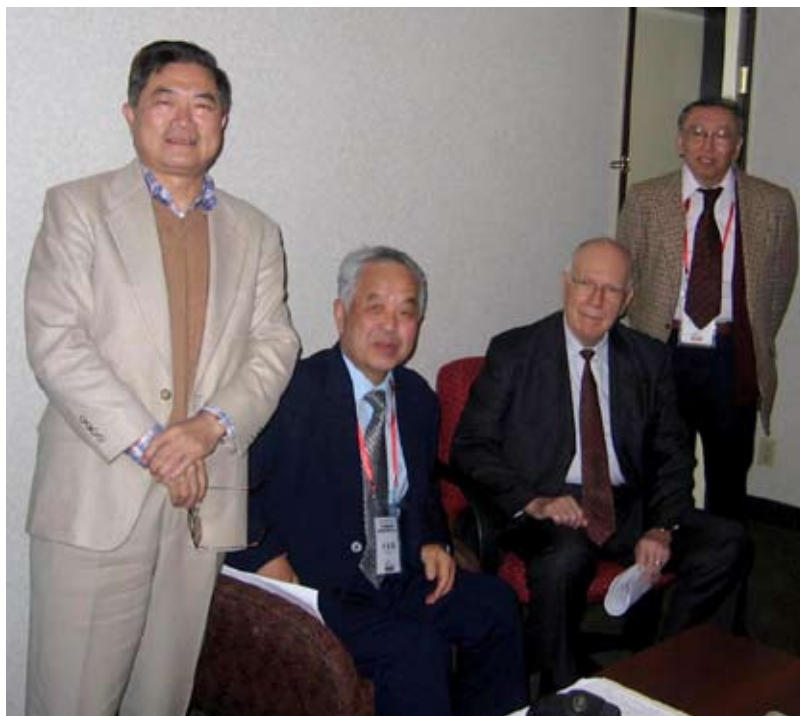
When there is success in the next period to put the proposal of Lyndon LaRouche for a new financial architecture on the agenda, then it becomes an absolutely realistic perspective, to extend the Eurasian Land-Bridge through corridors, via Egypt, and through tunnels and over bridges, to Africa. And why shouldn't it be possible to go with the Transrapid from Chile, across the Bering Strait, over Russia and China, to Indonesia; or over Egypt to the Cape of Good Hope?

If we come to agreement on the common goals of humanity, and understand that the national interest is, above all, realizable in harmony with those of other peoples, then, not only can we become masters of the current storm on the finance markets and overcome the threatening chaos with a rational system, but also, bring into being a new epoch for Mankind.

## China Forum

As *EIR* reported last week, Lyndon LaRouche was a featured speaker at a "Forum on U.S.-China Relationship and Peaceful Reunification of China," in Los Angeles on Nov. 23-24. It was sponsored by the Institute of Sino Strategic Studies and several other organizations, and brought together scholars, journalists, and activists from the People's Republic of China, Taiwan, and the United States, including representatives of the Chinese Consulate in Los Angeles.

Here, Mr. LaRouche is shown at the Forum with Prof. Guo Zhenyuan, a senior research fellow from the Chinese Institute of International Studies (seated on left), and fellow conference participants Victor Chang (left) and Wang Chung-ping (right).



# LaRouche, FDR, and Nuclear Power in Southeast Asia

by Mike Billington

Malaysia and the Philippines are experiencing nearly opposite socio-economic conditions. Malaysia is relatively stable, economically strong relative to the region, and generally optimistic about the future, while the Philippines is an economic disaster, with a population living in a state of fear, both economically and socially; the government is generally despised and subject to regular coup attempts and impeachment efforts. Yet, in both nations, leading elements of the governments and the private sectors are increasingly aware of the global economic catastrophe sweeping over them, and are opening up to the ideas of Lyndon LaRouche as the necessary means to radically transform their fate. Nuclear power is a focus for both, as a central means for leaping forward into an energy-independent, technology-driven economy, rather than continuing to serve as exporters of consumer goods and services for the West.

During a November tour of Malaysia and the Philippines, *EIR* Asia correspondents Mike and Gail Billington found people increasingly shell-shocked by the unfolding collapse of the international banking system, and anxious to discuss LaRouche's call for returning to the Bretton Woods policies espoused by Franklin Roosevelt, unleashing great infrastructure projects as the physical economic foundation of a new financial system. In the case of the Philippines, the small, but increasingly influential Philippines LaRouche Society, and a core of young Filipinos who constitute a chapter of the worldwide LaRouche Youth Movement (LYM), are providing both political leaders and the nation's youth with a universal perspective for dealing with the devastation afflicting their country.

## Malaysia: The Legacy of Dr. Mahathir

The Billingtons held a series of meetings in Malaysia, both private and semi-public, with leaders in the Malaysian scientific community, government officials responsible for science and technology, and private entrepreneurs. Together with the LaRouche movement's close collaborator Mohd Peter Davis, a visiting scientist at the leading research university, UPM (Universiti Putra Malaysia), the LaRouche representatives presented a perspective for Malaysia to play a leading role in reversing the current descent into a new dark age, and bringing about a new world economic order.

In a meeting with the director general and the top staff of the official Nuclear Malaysia Agency, Mike Billington warned that Malaysia must not abandon the global leadership it asserted during the 1997-98 "Asian Crisis." At that time, then-Prime Minister Dr. Mahathir bin Mohamad refused to allow the hedge funds to loot his nation, as they were doing to Malaysia's Southeast Asian neighbors, through speculation against their national currencies. Instead, Mahathir imposed currency controls on the Malaysian ringgit, set a fixed exchange rate, and told the International Monetary Fund (IMF) and World Bank that Malaysia would retain sovereign control over its domestic economy and financial policies. While this created a firewall around the national economy and the general welfare of the population, Mahathir also never failed to add that his ability to protect his nation against the international financial powers was limited, and that the world's leading powers had the historical responsibility to end the speculative floating-exchange-rate financial system and return to a new Bretton Woods arrangement like that promoted by Lyndon LaRouche (see "Malaysia's Mahathir: Back to Production, Dump Globalization," by Gail G. Billington, *EIR*, Oct. 18, 2002, [http://www.larouchepub.com/other/2002/2940\\_mahathir.html](http://www.larouchepub.com/other/2002/2940_mahathir.html)).

Today, LaRouche's Four-Power perspective—for Russia, China, India, and the United States (under new leadership) to agree to a new global financial order based on the original Bretton Woods of Franklin Roosevelt, and on great infrastructure development projects as the physical economic base of such a system—has brought about the means to realize that goal. The Nuclear Malaysia officials were quite conscious of the importance of such a new international alliance of great powers, as a basis for directing their own nation's policies toward large-scale infrastructure projects.

While the Nuclear Malaysia Agency is primarily dedicated to achieving a nuclear power program for the nation, it believes the means to that end must include convincing the government and the people that transforming the nation requires a broad package of new technologies. Agency officials explained their concept of development corridors, "a nuclear-hydrogen supergrid with liquid hydrogen-cooled electric power superconductors, alongside maglev trains to connect the nations of Asia," along with new nuclear powered cities, or nuplexes constructed along the routes. In the same meet-





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*A break during the seminar, where a perspective was presented for Malaysia to play a leading role in bringing about a new world economic order (left to right): Mohd Peter Davis and Andri Rahman, friends of EIR in Malaysia, EIR Asia correspondents Gail and Mike Billington, and “Honeycomb Housing” architect Mazlin Ghazali, with his model.*

ing, LaRouche ally Davis strongly encouraged the Agency directors to transform the Asian Railroad—the rail line connecting Singapore with Kunming, China, long championed by Dr. Mahathir—into a maglev line, on the theme that Malaysia and its neighbors “should not be the last nations to use an old technology.”

Davis also presented several ideas for new, indigenous Malaysian industries to foster the global infrastructure renaissance, including a housing concept known as honeycomb housing with thermal-comfort construction (see [www.21stcenturysciencetech.com/2006\\_articles/HoneycombHousing.pdf](http://www.21stcenturysciencetech.com/2006_articles/HoneycombHousing.pdf)), and for Malaysia to become the tree nursery for the world, utilizing the ideal biological growth conditions in the country to produce literally billions of saplings for use in greening the deserts of the world.

A plan for cooperation in mobilizing the population behind such a scientific transformation was set in motion.

## **The Philippines: Revive the Marcos Industrial Plans**

The physical and social dissolution of the Philippines is palpable to any visitor. Nearly every young person has some personal horror story which has afflicted his or her life in the past few years. Graduates with degrees in economics or engineering at leading universities are forced to take jobs at colonial “call centers,” servicing consumers in the United States on a midnight shift, as their talents are wasted, despite the desperate needs of the nation. Their fathers are being sent to

the Mideast or elsewhere as “overseas workers” in order to earn foreign exchange with which to pay the (illegitimate) foreign debt, leaving broken families behind. One youth’s father was misdiagnosed at the public hospital for over a year—only to discover too late that he had a brain tumor—because he could not afford to see one of the few doctors on call. Thousands of doctors and nurses have been sent out of the country by the Overseas Filipino Workers program, leaving the hospitals understaffed, or even forced to close. Barefoot children line every traffic stop, pleading for a peso for food, when they belong in school.

One week before the Billington trip, a story flashed across the national press about an 11-year-old who hung herself, leaving a diary explaining that her parents could no longer afford to feed her and her siblings, so she decided to help her siblings by committing suicide. Virtually the same day, Philippine President Gloria Macapagal Arroyo an-

nounced that the nation’s economic ills have been largely solved, because the debt was being paid on time, through regressive taxes and the export of their people as virtual commodities.

In this context, Butch Valdes, the head of the Philippine LaRouche Society, together with the Philippine LYM, intervened forcefully in the debate over the nation’s energy future. First, they attended numerous meetings on the Al Gore-spawned global warming hoax, exposing it as a racist, genocidal attack on the development of the third world, and against industrial progress generally.

Then, they intervened in a series of conferences called to discuss the potential of nuclear power, taking with them the material produced by the international LaRouche movement on the nuclear revival required to turn a global collapse into a global renaissance (see [www.larouchepub.com/eiw/public/2007/2007\\_30-39/2007\\_30-39/2007-31/pdf/45-47\\_730.pdf](http://www.larouchepub.com/eiw/public/2007/2007_30-39/2007_30-39/2007-31/pdf/45-47_730.pdf)).

The nuclear issue is deeply political in the Philippines. The centerpiece of the Eleven Industrial Development Projects under the regime of President Ferdinand Marcos was the Westinghouse nuclear plant in Bata’an—the first commercial nuclear power facility in Southeast Asia. It was precisely this commitment to industrialization and nuclear power which motivated then-U.S. Secretary of State George Shultz, and his Undersecretary Paul Wolfowitz, to orchestrate the “People’s Power” coup which overthrew Marcos in 1986, placing a puppet of the Anglo-Dutch financial oligarchy in power. The first



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*Philippines LaRouche Youth Movement leaders Ver Archivido (left), performing Bach's "Chaconne" on the classical guitar, and Marlou Mumar, speaking on nuclear power, at the conference in Manila.*

act of the new regime, under the direction of Shultz, was to mothball the totally completed nuclear power plant, which was ready to turn on at the time, while also assuring Washington that the Philippine people would pay every cent of the nuclear reactor's cost of production, while receiving no benefit! The Philippines never recovered from this act of imperial depravity.

After 21 years, most Filipinos are now, finally, beginning to understand what they actually did to themselves in their "People's Power" campaign against the "dictator" Ferdinand Marcos.

The response to the LaRouche Society intervention on the nuclear issue was extraordinary. Not only were the global warming hoaxers exposed, but several serious government and private sector leaders sought out collaboration with the LaRouche Society and the LYM. The Undersecretary of Energy, Mariano Salazar, who personally intervened against those who wanted to exclude the LaRouche Youth from a major nuclear conference, is now proudly presenting his budget proposal for the energy sector, which contains a provision for nuclear energy for the first time since the coup against Marcos. Salazar knows that the alternative energy programs demanded by the so-called international community can provide only a small fraction of the energy needed for a real industrial economy—a fact which exposes the actual intention of the green, "Gorey" fanatics.

With offers from the Koreans to refurbish the mothballed Bata'an plant, and/or to build a new nuclear facility, and with other options also under consideration, the Department of Energy is optimistic that the anti-nuclear brainwashing can now be overcome.

Perhaps the best proof of the potential for that breakthrough is the case of the chairman emeritus of the Chamber of Commerce of the Philippines Foundation, Ramon Pedrosa. Pedrosa, who is now devoting much of his energy to the revival of nuclear power, is the first to admit that he was among the leaders of the anti-Marcos ferment in the 1980s, and against the nuclear power plant in particular—simply because it was tied to Marcos! Now, Pedrosa proclaims "*Mea culpa*"—an important self-recognition of how the nation was fooled into destroying its own development under the guise of defeating a dictator.

Pedrosa has led the effort at the Chamber to prepare a nuclear-development perspective for the government and the Congress, drawing on the LaRouche Society's Valdes for assistance. In meetings during the Billington visit, Pedrosa recognized that nuclear power, as important as it is, is only one part of the required program for the transformation of the Philippines, and has called for cooperation in developing a 50-year

plan for the nation, reviving the Marcos Eleven Industrial Development projects, in the context of LaRouche's proposal for a Four-Power agreement for a New Bretton Woods and great infrastructure projects internationally.

## FDR and the Youth

The Franklin Roosevelt tradition represented by LaRouche and his collaborators today has a deep resonance in the Philippines. Roosevelt, as one of his first acts as President in the 1930s, asserted that the U.S. flirtation with imperialism would come to an end. In 1936, FDR granted the Philippines full independence, to take effect after a ten-year trusteeship. Had Roosevelt lived beyond 1945, his plan for using the Philippines model of trusteeships leading to independence, for all the former European colonies which had been occupied by the Japanese, would have been realized, and there would have been no Vietnam War, and no genocide in Cambodia.

LaRouche has always looked at the Philippines to play a central role in Asia, as the only nation which shares its Asian culture with the culture of the European Renaissance. The Philippines national hero, Jose Rizal, not only translated the revolutionary work of the European Northern Renaissance, Friedrich Schiller's *William Tell*, into Tagalog, the native tongue of the Filipinos, but also quoted Schiller (from his *Shakespeare's Ghost*) in the dedication of his own revolutionary novel, *Noli Me Tangere* (Touch Me Not). The Philippines can, and must, lead the way in bridging the gap between European Renaissance culture and Asian culture.

In this light, the final two days of the Billington visit to the Philippines were most promising. A two-day conference was





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*The Radio Mindanao studio in Manila, where Butch Valdes addresses the nation with news from LaRouche and EIR, with Mike Billington (right) and Philippines LaRouche Youth Movement leaders Kristoff Bolanos and Marlou Mumar (back to the camera).*

held in Manila, attended by about 100 students, friends of the LaRouche Society, and others who had heard of the conference on Valdes's daily radio broadcast. On the first day, Billington presented an international economic and strategic briefing, a class on the fight between the American System and the British System in Asia after World War II, and a class on the basics of *bel canto* singing, including teaching the group two Classical vocal canons.

However, the highlight of the event came on the second day, when the Philippines LYM took over, demonstrating the emergence of the young leadership required to save the Philippines from its current horrific state of poverty and decay. One of the leading youth members, Ver Archivido, performed the "Chaconne" from Bach's Partita No. 2 for unaccompanied violin, transcribed for guitar by the great Classical guitarist Andrés Segovia, with such clarity and transparency in the long lines of development, that the audience was riveted throughout the performance, despite the fact that most of them had never heard such complex music, nor perhaps any Classical music at all. Archivido and three other youth presented classes on Eratosthenes' measurement of the circumference of the Earth; the hoax of global warming; the emerging nuclear renaissance; a workshop on *sphaerics*, including a demonstration of the primacy of physical geometry over Euclidian axiomatics; a Platonic dialogue on doubling the square; a physical geometric proof of the Pythagorean Theorem; and the generation of lines, points, and the Platonic solids through circular action. Above all, they conveyed to the youthful audience the urgency of joining the LaRouche movement, both for their own education, and as the only hope for creating a future for themselves and their nation.

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## Interview: Del. Joanne Benson

# Can Maryland Public Hospital Be Saved?

*Here are excerpts from an interview with Maryland state Delegate Joanne C. Benson (D-Dist. 24), on the fight to save Prince Georges County Hospital. The interview was conducted by telephone, by Patricia Salisbury, on Dec. 6.*



**EIR:** Delegate Benson, the recent special session of the Maryland State Legislature has brought the issue of the Prince Georges County Hospital system into focus, with frequent reports on a financial crisis, and even the possibility that the very existence of the hospital is in jeopardy.

**Benson:** Now let me tell you, the Prince Georges County Hospital system, which is managed by Dimensions Healthcare, is a hospital system that last year serviced 180,000 people. The vast majority of the people that were serviced, used the emergency room as a primary care provider because they had nowhere else to go. And we are talking about people who are sick. The Dimensions System is the only hospital system that is owned by a county in the state of Maryland.

**EIR:** So, it is a public hospital system?

**Benson:** Yes, it is. The hospital has been in trouble for the past ten years, and each year a band-aid approach has been used to try to fix the problem. It has not worked.

... We are talking about a shock trauma center where the survival rate of persons brought into shock trauma is somewhere around 85%. It is among the highest in the nation.... They have a pre-natal unit that is among the best in the state. So we are not talking about a hospital where you have people—doctors and nurses and staff—who don't care about the hospital.

The problem, as we see it, and I sit on the Health and Government Operations Committee, is that we need another approach in trying to deal with this hospital. We need to come up with an authority that is going to manage this hospital in such a way that the state will buy in, and the county will buy in. In other words, it's been very, very difficult for all parties involved to sit down at the table, and come up with a solution to



save this hospital, but it can be done. Last year, we began to work, starting with the [legislative] session in January, on how we could best save this hospital, and get the hospital on its feet. We asked the county and the county executive to come up with a plan. . . . When the county and county executive did not produce a plan, we did not want it to be like the year before, when we had to come up at the ninth hour and beg for \$6 million to keep the hospital afloat. And so when they did not come up with a plan, we came up with one of our own.

**EIR:** And could you tell me what that was?

**Benson:** The main feature of the plan was to initiate an authority that would be persons chosen by the governor and by the county executive to manage the hospital, because not only are we talking about 180,000 people who use the hospital, we are talking about 2,400 people who work at the hospital. The main feature of the authority would be to come up with a plan to find the financial means. In the last bill, the State of Maryland was going to put up \$175 million, and another sum was to be put up by the county. And at the ninth hour, the county council backed out, which put us back to square one. So this year, we are going to come up with the same kind of bill.

Let me go back for a minute. The Hospital Dimensions system was formed in 1982, and it was formed because the county government said they could not manage the hospital. . . . And so, the hospital has been in trouble for the past eight to ten years. We have had a loss of everything—poor bond ratings, loss of a market share. Nothing but problems. . . . What we are talking about here is a hospital that has been limping along.

**EIR:** And has its plant, equipment, and services deteriorated over that period?

**Benson:** I don't think that services have. The one saving grace for us, and we ought to be extremely grateful, is that the vast majority of the people that work at the hospital are not necessarily there for the money. . . . We have a number of doctors and nurses who are there because of their commitment to the kinds of people that come there. . . . The hospital staff, they have been incredible, really and truly. . . . It is the financial piece that is creating the problem.

**EIR:** And your legislation in the upcoming session—is this an attempt to reassert the public control of the hospital and eliminate the kind of middle-man management?

**Benson:** That is exactly what we are trying to do. We want to create a hospital authority.

**EIR:** In a way, your proposal seems to go against the trend to step back from the public management, or even public oversight of health care, to bring in private companies which, in the conditions of economic crisis, are not serving to improve health care.

**Benson:** The focus here is dealing with the financial piece, bringing some order and credibility to the hospital. . . . We will have the hospital authority, which will be a state-sponsored, not-for-profit entity, and we are going to be governed by a board of directors who will be chosen by the governor and the county executive. And the prime purpose of the authority will be to develop a long-term solution to the problems we face with the hospital.

**EIR:** And as I understand it, the state and county, like so many around the country, are in financial crisis.

**Benson:** Yes, they are.

**EIR:** The question is, will any authority created be able to accomplish the job of prioritizing the needs of the hospital and the people it serves in this collapsing financial situation. I know that proposals have been made in terms of the amount of money needed by the hospital. What, in your view, is needed financially?

**Benson:** What we thought we would do is to have the county and the state put up money. The state agreed to put up \$158 million, because in order for us to do what really needs to be done, we need a little over \$300 million. Up to \$335 million.

**EIR:** Can you spell out what that money is actually needed for?

**Benson:** Well, you know we have a bond debt, and we need to deal with the pensions of the workers. We are gravely concerned about that, and [about] a modernization of the facility or building a brand new facility. Because all the health facilities that come under the umbrella of Dimensions are in dire need of upgrade. And of course, the operating costs. . . . We, the legislators, the people in Prince Georges County, are in adamant 100% opposition to the closing of the hospital. . . .

Now, we just came up with another health bill here, and included in that bill is this: Money will be allocated to the hospital, but in the form of \$300 million under one condition—that the county executive and the county council come up with, and hammer out an agreement, because they are the stumbling block. We are not going to fool around with them this year. . . . We have all this political foolishness going on which is keeping us from coming up with a peaceful solution to this problem. So this year, we are going to put a bill in. . . . Because let's face it, if this hospital were to close, it would have a ripple effect all over the great State of Maryland. . . .

**EIR:** How soon do you think the issue will be joined there?

**Benson:** We are going to bring this bill in as an emergency bill, and it will be a top priority piece for the Prince Georges County delegation in January. . . .

# EIR Testifies on LaRouche's HBPA Solution to Crisis

by Anita Gallagher

An extraordinary hearing of the Pennsylvania Legislature's House Intergovernmental Affairs Committee on Nov. 29 examined Lyndon LaRouche's Homeowners and Bank Protection Act of 2007 (HBPA), which, as two *EIR* experts testified, is the only solution to the financial meltdown, now occurring, with housing as its trigger. The Pennsylvania legislation, House Resolution 418, calls on the U.S. Congress to enact the HBPA to put a "firewall" between the homeowners and legitimate banks on the one side, and the institutions that created mortgage-backed securities for speculation. (See "Pennsylvania Breakthrough on LaRouche's Firewall Bill," *EIR* Dec. 7, 2007.)

At the conclusion of the three-hour, high-content session, Committee chair Rep. Curtis Thomas (D-Phila.) announced, "We will move this resolution," and individual members of the committee told *EIR* that this was their intention. Rep. Harold James (D-Phila.), HR 418's prime sponsor, has drafted a letter to the Pennsylvania Congressional delegation, urging them to make it Federal law.

In the short period since the hearing, *EIR* founder Lyndon LaRouche has been proven right, that the United States and the entire world faces an accelerating financial disintegration, because of the speculative bubble pumped up for 20 years by Alan Greenspan. On Dec. 3, U.S. Treasury Secretary Henry Paulson called for a partial mortgage interest-rate "freeze" and mortgage refinancing by lenders—a "King Canute" plan, in fact, calling on the tidal wave of foreclosures to voluntarily recede (see box)—most importantly, to stop the U.S. Congress from acting for the General Welfare, as it did in passing Franklin Roosevelt's homeowners' protection legislation in 1933. Democratic Presidential candidate Sen. Hillary Clinton (N.Y.) had already written an open letter to Paulson, which was posted on her campaign website Dec. 1, demanding that he put a freeze on foreclosures, or else, she would introduce

legislation to do so herself.

So, reality has settled the question: Millions of U.S. families are, and will be, foreclosed, and governments, at all levels, are now forced to acknowledge and respond to that reality. But, the equally vital second part of the LaRouche-authored legislation—to keep state and Federally chartered banks open—has not been addressed at all.

That firewall must be erected immediately, between useful banks, and parasitical speculative institutions, as the exploding banking crisis is now threatening the real economy. For example, the Florida State Loan Fund, a short-term account in which its municipalities keep funds, blocked all withdrawals on Nov. 29, after \$12 million of the Fund's \$27 million capital was yanked out. The Fund had invested in SIVs (structured investment vehicles), which had been downgraded. This sent half a dozen counties scurrying for short-term loans to meet teacher payrolls on Nov. 30. The SIVs, invested in mortgage-backed securities (MBS) of the most exotic sort, are behind Citibank's \$20 billion-plus writeoff, its 45,000 layoffs, as well as the bank earthquakes of the *Landesbanken* (state-chartered banks) in Germany, Paribas, the largest bank in France, as well as the insolvency in Florida.

At this legislative hearing, Pennsylvania became the first state in America to take up the solution.

## Pennsylvania Should Lead the Congress

Nine members of the Intergovernmental Affairs Committee, including six Democrats, attended the hearing. Representative James, the initiator of HR 418, spoke first, calling on "the Commonwealth of Pennsylvania and our Congressional delegation to take national leadership, in the Spirit of 1776."

Then James laid out both sides of the problem to the Committee: "We are witnessing the collapse of a financial bubble of tens of trillions of dollars of mortgages, mortgage-backed



*EIR's Richard Freeman (left) and Paul Gallagher (center) testified at historic hearings of the Intergovernmental Affairs Committee of the Pennsylvania legislature Nov. 29, on the urgency of enacting Lyndon LaRouche's Homeowners and Bank Protection Act (HBPA). Sitting behind them is Berks County Judge Jeffrey Sprecher, who also testified.*

securities, and financial derivatives.... [The intention of HR 418 is] to stop the bailout of speculators, hedge funds, and inflated financial securities, while at the same time keeping the doors open of the state and Federal chartered banks, especially our local community banks...." The nation needs to "freeze the foreclosure process" because the crisis is "too big to handle on a state by state, or case by case basis."

James also told the Committee, "[T]he Pennsylvania Congressional delegation has an overwhelming mandate for action in this crisis." Besides 40-plus bipartisan sponsors for HR 418, 12 City Councils in the state have passed the resolution, including New Castle, Johnstown, Erie, Ellwood City, Monessen, West Mifflin, Berwick, Canonsburg, Sunbury, and the two largest cities and foreclosure hotspots in the state, Philadelphia and Pittsburgh. The City Council of Newark, New Jersey, the largest city in that state, has also passed the resolution.

Rep. Bill Kortz (D-Allegheny) asked James about HR 418's provision that "monthly payments," the equivalent of rent, would be paid to local banks, and whether James had a certain percentage in mind. The legislation envisages that a state-delegated office will set fair rent values for an interim period, until overvalued home prices come down.

The entire hearing, including this exchange, is reported in a four-page detailed summary in *The Pennsylvania Letter*, a publication of Pennsylvania Legislative Services, which goes to the entire legislature, and to hundreds of lobbyists, business associations, and others, by subscription. The hearing was also broadcast on the state cable television network.

Following the testimony of James, Steve Kaplan, secretary of the Pennsylvania Department of Banking, brought the committee back to lower-level non-solutions, such as telephone help lines and "plain language" summaries of mortgage contracts.

### **'Trying To Wrap My Mind Around This'**

Those attending the hearing were visibly shocked when *EIR* Economics co-editor Paul Gallagher next outlined the stark dimensions of the real crisis: "A bubble unlike anything in the history of the United States and world economy ... \$20 trillion in new mortgage debt and mortgage-backed securities issued since 2001." Home prices are now declining rapidly, by perhaps 20%, or even more.

This is uncharted territory, Gal-

lagher said, which will put many mortgages "upside down," where homeowners have negative equity, and thus no way out but foreclosure. Congress must act on the HBPA, but, so far, it has done nothing to address the real crisis.

The ranking Republican, Rep. David Steil (Bucks), began pressing Gallagher on what it meant to freeze all mortgages. The answer is that all mortgages are in danger, and all require implicit and automatic protection if and when it is required. Asked by Steil, what percentage of assets at major banks are represented by anticipated subprime loan losses, Gallagher replied that as a percentage of assets, it is a small amount, but as a percentage of their regulatory capital, it's capable of "wiping it out." Rep. Mark Cohen (D-Phila.) asked, what led to the run-up in home prices? Gallagher said it came from investment capital all over the world, and those mortgages were used as leverage to create other securities. Rep. Scott Perry (R-York), said, "I'm trying to wrap my mind around what you are saying." Would freezing the mortgage market help to prop up financial [i.e., speculative—ed.] institutions like Countrywide? There would be no bailout for them, said Gallagher, because they are not chartered banks.

*EIR's* Richard Freeman next described how President Franklin Roosevelt handled the mortgage crisis in the 1930s Depression. Freeman destroyed the three arguments most often voiced against the HBPA: 1) that it has never been done before; 2) that it violates the law; and 3) that it is a scheme to bail out the banks. Freeman showed that it parallels what FDR sent to Congress, and Congress passed on April 13, 1933; that freezes on foreclosures were upheld at the state level, and





*Pennsylvania State Rep. Harold James (D-Phila.), who introduced HR 418, which calls on Congress to enact the HPBA, urged “the Commonwealth of Pennsylvania and our Congressional delegation to take national leadership, in the Spirit of 1776.”*

even ultimately by the anti-FDR Supreme Court; and that the HBPA stops a bailout of speculators with its firewall.

### **State Bonds Would Help Only 300 Families!**

To drive the discussion of the financial issue, Committee chair Thomas called on Brian Hudson, executive director of the Pennsylvania Housing and Finance Agency, to testify ahead of his scheduled slot. His organization is the state’s leading finance organization for affordable homes and rental units. Hudson said the PHFA has two programs to help subprime homeowners in trouble: one to transfer those with exotic mortgages into fixed 30-year loans; and the second, a loan program aimed at those who cannot afford their mortgages. In an exchange with Rep. Steve Samuelson (D-Northampton), Hudson said if his agency sold \$100-125 million in taxable bonds, PHFA would, as a conservative estimate, only be able to help 250-300 families a year! This shows why only a Federal, blanket approach will work.

Next, Harrisburg City Councilwoman and LOVESHIP, Inc., (a housing counseling service) founder Linda Thompson testified that the number of those seeking help has quadrupled in the second and third quarters of 2007. She stressed that keeping people in their homes is key to the survival of their communities.

The final witness was Judge Jeffrey Sprecher, of the Berks County Court of Common Pleas. In October, Sprecher had frozen foreclosures of 800 plaintiffs in Berks County, and required them to pay a monthly “rent” payment, which would be released to the mortgage companies as long as no foreclosure action was taken.

Written testimony was submitted by Congressman Paul Kanjorski (D-Pa.), which did not endorse HR 418, and by HBPA opponent Daniel Reisteter, for the Pennsylvania Bankers Association.

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## **Testimony on Pennsylvania HR 418**

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### **Paul Gallagher: Threat of An Unstoppable Collapse**

*Gallagher is the Economics co-editor for EIR.*

1. What the United States faces now is not a “housing crisis,” but a dollar crash and a banking crisis. . . . HR 418 supports an emergency legislative action which could be called “the first firewall” to protect the people and the real economy, from an unstoppable collapse of vast mountains of mortgage-asset-based debts. . . .

You see that in a sudden eruption after 2001, some \$14 trillion in new mortgage debt was issued in a few years in the United States. . . . On top of this, some \$7 trillion in mortgage-backed securities were issued in the same few years—a mortgage debt bubble, thus, of over \$20 trillion . . . driving a stupendous escalation of the price of homes. . . . Mortgage-backed debts have been used as “assets” to generate much more leveraged debts by hedge funds, private equity funds, money-center banks.

Now, housing economists such as Dr. Robert Shiller have told the Joint Economic Committee that home prices—we cannot say “home values,” but home prices—are in the process of declining rapidly by perhaps 20%, perhaps more. This is uncharted territory. One study by First American Core Logic found that with just the first 10% drop in median home price, 25% of mortgages originated in 2005, and 39% of those originated in 2006, go “upside-down,” wherein their mortgage debt is greater than the sale price of their home. This process drives both mass foreclosures and massive bank losses.

2. That foreclosures must be stopped by legislative action, is becoming very clear. Nearly half a million homeowners will have lost their homes to foreclosure actions during 2007. The prospect in 2008 is much worse: Nearly 2 million adjustable rate mortgages will reset to higher rates.

You are meeting here, in part, because no Congressional action has been taken to stop foreclosures. The “great hope” of Fannie Mae and Freddie Mac expanding dramatically to buy up and refinance subprime mortgages, has been proven a delusion. . . .

What remains urgent, is for Congress to stop foreclosures by law—by a national mortgage foreclosure holiday during the mortgage/price collapse; a state determination of fair-market rent equivalents to be paid to participating banks by homeowners with problem mortgages; and Federal protection



*State Rep. Curtis Thomas (D-Phila.), chairman of the Intergovernmental Affairs Committee, told the hearing, “We will move this resolution.”*

of chartered banks.

3. Banks are taking and will take great losses no matter whether Congress acts or not. On Nov. 25, the European Central Bank, which has made a full \$1 trillion in weekly liquidity injections into the British and European banks since early August, announced it would step up that pace of cash injections. On Nov. 26, the Federal Reserve announced that it would do the same, to try to bring down interbank lending rates and liquify securities markets. The mortgage meltdown and bank crisis have triggered a U.S. dollar crash.

4. We should stop the massive bailing out of non-banks, non-depository institutions typified by Countrywide Financial Corp. or by the hedge funds and investment banks securitizing mortgages...

## Richard Freeman: Historical Precedents for the HBPA

*Freeman is a senior economics writer for EIR.*

In recent weeks, in direct proportion as HR 418 has gained support and endorsers, questions have been raised and criticism has been hurled at the resolution.... [T]he critics claim that a plan, such as the Homeowners and Bank Protection Act, has never been adopted before in history; second, they claim that it violates the law....

What Roosevelt and like spirits did during the 1930s was to adopt solutions guided by the overarching principle of the General Welfare clause of the U.S. Constitution....

On April 13, 1933, President Roosevelt declared, “[T]he broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of

social and economic stability, and that to protect homeowners from inequitable enforced liquidation in a time of general distress is a *proper concern of government*” (emphasis added)....

Contrary to the claim that the HBPA’s stress on a mortgage moratorium is unique in history, in fact, 25 of the then 48 states existing in the Union, introduced or adopted some form of law meant to institute a partial or full moratorium on mortgage payments, and that would keep people in their homes.... The most famous full or partial moratorium, or moratory law, as they are called—occurred in Minnesota. In 1933, the Minnesota legislature passed the Minnesota Mortgage Moratorium Act ... [which stated] that people who had a mortgage, known as mortgagors, who were unable to make their mortgage payments, could seek at a state court, an alteration of their payment schedule to lower the level of their payments, usually to a rental equivalent. During this time, they stayed in their homes. The law provided for a significant two-year period in which they could work on their payment schedule....

The law was originally intended for farmers. However, when a couple, Mr. and Mrs. John Blaisdell ... successfully applied and got protection under the Minnesota Moratorium Act, the company which held the Blaisdells’ mortgage ... sued them.... The State Supreme Court of Minnesota upheld the Moratorium Act as constitutional.... [T]he U.S. Supreme Court, which had a definite anti-Roosevelt slant, in 1934, by a five to four vote, did likewise.... [T]he majority ... stated: “*The reservation by the state of the authority to pass reasonable laws FOR THE WELFARE OF ITS CITIZENS is an implied condition of every contract. While an emergency may not be a source of power, it may furnish the occasion for the use of power already possessed [by the state]*” (emphasis added).

Moratoria legislation abounded across America. In six states—Arizona, Iowa, Oklahoma, Illinois, Michigan, and Rhode Island—legislation that instituted a two-year continuance—effectively a postponement—of all pending foreclosure cases, was either introduced or passed in 1933. In Massachusetts, legislation was introduced to stay all home foreclosures until the chief executive of the state declared that “the emergency creating the necessity for this legislation no longer exists.”

## Linda Thompson: The HBPA Will Protect Homeowners

*Thompson is a member of the Harrisburg City Council and founder of LOVESHIP, Inc.*

I am here today to speak to you and urge your support of House Resolution 418, a piece of legislation that may indeed be key to the economic survival of many low- and moderate-income individuals and families.

At my non-profit organization, LOVESHIP, Inc., one of the services I provide is financial counseling to individuals and families in the first stages of mortgage foreclosure.... These are often hard-working, solid citizens who have been “sweet-talked” into mortgages they cannot afford, by unscrupulous lenders; they are on the brink of financial collapse and bankruptcy....

The HBPA that I am asking you to support offers two main protections to homeowners. The first homeowner

protection would call for freezing existing home mortgages for a period of time, and restructuring and adjusting them to fair prices.... Adjusting the interest rate to a fair and reasonable number would reduce monthly expenses for these victims and allow families to remain in their homes.

The second homeowner protection is a moratorium on home foreclosures for a transitional period, during which time homeowners would make the equivalent of rental pay-

## Paulson/Bush ‘Roadblock’ Action on Foreclosures

It might be called “King Canute’s plan” to slow the waves of home foreclosures. But the mortgage-foreclosure “plan” announced by both President George Bush and Treasury Secretary Henry Paulson on Dec. 6, is actually intended to put a roadblock in the way of any action by Congress to stop the huge national wave of home foreclosures. Lyndon LaRouche—with his proposed Homeowners and Bank Protection Act (HBPA), which is by now well-known to most Members of Congress and hundreds of state legislators around the country—and others have demanded a national moratorium on foreclosures; only LaRouche’s proposal also protects chartered banks from being brought down by the mortgage bubble collapse. Paulson’s “plan” intends to rule out action by Congress along either line of LaRouche’s HBPA.

Paulson called the plan “a private sector effort.” He said frankly on Dec. 6, “The investment community [is] on board and [is] a clear beneficiary of this approach”—referring to the American Securitization Forum, the investment banks and hedge funds which pushed for trillions in high-interest, high-cost mortgages they could “securitize” and build mountains of debt “leverage” upon. The Securities and Exchange Commission, and New York Attorney General Andrew Cuomo, are investigating the way that some of these investment banks, from 2006 on, *dumped* and *shorted* their own mortgage-backed securities (MBS)—knowing they were collapsing in value—even as they sold tens of billions of the same MBS to funds, other banks, and investors worldwide.

At a Dec. 3 housing conference in Washington, Paulson had detailed that the “plan” divides homeowners with mortgage problems into four categories, and proposes to help only some of those, in two of the categories, to avoid foreclosure. Those who can prove they qualified for prime fixed-rate loans but were pushed into higher-interest subprimes; and those with low credit scores who can prove that they can’t afford the subprime adjustable mortgage reset

rate, but can continue to afford the introductory rate, and are not delinquent, and have only one mortgage loan in danger, and live in the home; can get an interest-rate freeze long enough, supposedly, to negotiate a new prime mortgage—which will cost them money up front. One whole category, Paulson says, “will go back to being renters.”

The “plan” allows “not one Federal dollar” to protect and keep chartered banks open, and dumps all the debt costs of helping homeowners, onto the states.

And it completely ignores the national home price collapse underway as the mortgage bubble melts down. This price drop, by making hundreds of billions of homeowners’ “equity” vanish, is crucial in driving the national foreclosure locomotive.

Former Federal Reserve Board governor Lyle Gramley, at the Dec. 3 conference with Paulson, said the Treasury plan won’t work because it would require a slow and costly “loan-by-loan” analysis to see who qualifies for the rate freeze. Moody’s Economy.com economist Mark Zandi said it would not work because a 15-20% home price decline is hitting, a 5-7% price decline has already hit, and refinancing doesn’t work in that condition. The CEO of Washington Mutual was pessimistic about it because prime mortgage defaults are rising sharply and prices are falling.

Sen. Hillary Clinton (D-N.Y.), at a Wall Street forum Dec. 5, challenged Paulson by proposing a foreclosure moratorium of “at least 90 days,” and a five-year freeze on mortgage interest rates for homeowners who are delinquent on their mortgages, as well as those who are current—no “categories.” An immediate “no moratorium” response came from the Mortgage Bankers Association, whose spokesman accompanied Paulson at his press conference Dec. 6. This showed that Clinton, appropriating just a bit of what LaRouche has proposed, had “crossed the forbidden line” into reality and seriousness, in dealing with the foreclosure crisis and financial crash. Others, including Presidential candidate John Edwards and various members of Congress today, were making various criticisms and caveats to Paulson’s announcement, but treating this incompetent “King Canute plan” as the only game in town.

—Paul Gallagher



ments to designated banks, which payments the banks will use to stabilize the mortgage lending market.

On behalf of homeowners who are burdened by their housing costs, a rising foreclosure rate, and increasing pressures on those with little home equity or adjustable rate mortgages which are impossible to pay, I strongly urge you to support HR 418.... With your support of this Resolution, more Pennsylvania citizens will maintain the security of homeownership, and not lose this American dream they fought hard to achieve.

## Judge Jeffrey K. Sprecher: Neighborhoods Are Destroyed

*Sprecher is a judge in the Berks County Court of Common Pleas.*

As you know, the number of residential mortgages going into foreclosure hit a record in the first quarter of this year.... Lenders and investors do not make money on foreclosures. Losses range from 20 cents to 60 cents on the dollar. Lenders typically lose \$50,000 or more on one foreclosure... [L]osses are not just suffered by the homeowners....

And it is not just the homeowners and the lenders who lose. Homes in foreclosure that become vacant provide sites for crime, or other neighborhood problems. One foreclosure can impose up to \$34,000 in direct costs on local government agencies, including inspections, court actions, police and fire department efforts, potential demolition, unpaid water and sewage, and trash removal. One foreclosure can also result in greatly reduced property value and home equity for nearby homes in the neighborhood.

Last month, a class action suit was filed in my court on behalf of more than 800 plaintiffs residing in central and southeastern Pennsylvania. [Summary: A mortgage broker failed to forward the homeowners' payments to their mortgage companies; they thought they had paid, only to learn they owe \$150,000 or more, and are being foreclosed without full and *additional* payment!—ed.]

Our aforementioned class action suit 1) declared a moratorium on all home foreclosures; 2) required homeowners to make good faith payments monthly in escrow; 3) would allow for the timely release of the funds to the mortgage companies provided no foreclosure action be taken; 4) provided as a goal the resolution of each case in an equitable manner for all parties concerned.

Now that the case is no longer before me [it was removed to Federal Court four weeks ago—ed.], I can report the feedback I received.... Dozens of homeowners ... were ecstatic. The general public, and even bankers, supported the plan of action.... Based on my experience and knowledge, I support 100% HR 418 and any proposed legislation consistent with it.

## LYM Brings Reality To League of Cities

by Natalie Lovegren,  
LaRouche Youth Movement

As Lyndon LaRouche develops in "Johannes Kepler & the Democratic Challenge: The New Politics" (*EIR*, Dec. 8, 2006), the mass effect, which is represented as dynamics in physical science, is a physical principle. Contrary to popular opinion, creating a mass effect does not require a mass of people, nor brute force. It is not the liberal fantasy of thousands of people demanding democracy and justice, or the might of the mob, through their righteous indignation, overpowering and crushing the will of elected officials.

It is simple, strategic, scientific, and most important—fun!

But the key to creating a political effect, is that you must intend to help people into the real world.

Four members of the LaRouche Youth Movement attended the National League of Cities Annual Convention November 13-17, in New Orleans, for the purpose of escalating the national mobilization of recruiting elected officials to endorse Lyndon LaRouche's Homeowners and Bank Protection Act of 2007 (HBPA). More than 4,000 city officials: city council members, commissioners, and mayors were at the convention.

For the majority of these city officials, reality is already pressing down upon them: As they see more neglect and insanity stemming from the Federal government, cities are left to deal with desperate citizens, an impossible budget situation, and no real solutions on the local level. Holding the conference in the still-Katrina-devastated city of New Orleans provided an environment where people were faced with the severity of the national economic collapse.

Bringing in the HBPA was viewed by many as a godsend. Many elected officials signed the petition to support the HBPA, without much hesitation, saying, "We need to do *something now!*" Some who signed were confident in the quality of the proposal because they were familiar with LaRouche. Others were very rigorous about studying the proposal, asking plenty of questions about each point, and returning later to sign.

The fact that the massively leveraged housing bubble was created by the now hemorrhaging financial system was not a surprise to anyone. Financial breakdown and economic devastation were not taboo concepts, but familiar fears growing in the minds of these elected officials. Ironically, the subject was glaringly absent from the convention's agenda, although the currently ongoing international financial breakdown now



EIRNS

*Having fun and bringing reality to the National League of Cities convention in New Orleans: The LaRouche Youth Movement table outside the convention site.*

determines every aspect of the functionality of these cities. Nor were housing foreclosures on the agenda for discussion, in any form.

Many officials approached our table, which displayed the large signs, “FREEZE FORECLOSURES!” and “Save your city from foreclosure with the HBPA!” eager to discuss LaRouche’s proposal. Our organizing was effective because we were presenting people with a reality of which they already had a prescience, and guiding them to the solution for which they were already looking.

The four of us alternated between attending various discussion panels to engage individuals inside the convention, and manning the table outside, which was set up at a consistently high traffic location, where officials could come and discuss the HBPA, or sign the petition at their leisure. At the table, officials could view lists of HBPA signers from different levels of government around the country. Some, after locating on the list their trusted friends and co-workers, signed themselves up.

More than 2,000 HBPA leaflets were distributed to the conference attendees. We also distributed several hundred copies of HBPA resolutions that have been passed or introduced by various city councils nationwide, encouraging these city officials to do the same in their hometown.

On the third day of the conference, LYM member Stephanie Nelson was invited to address a meeting of the NBC-LEO (National Black Caucus of Local Elected Officials), where

she gave a concise address to the more than 100 members in attendance:

“Long before even the first signs of the mortgage crisis, Lyndon LaRouche warned that the growth in the housing market was a bubble, that would threaten the already collapsing banking system. We are now seeing this play out. So he has drafted legislation for Congress which would freeze foreclosures and protect the banking system. What has been done by the Congress up to this point is far from adequate; their bills so far only deal with regulating future mortgages. They have done nothing to defend the millions to be foreclosed on in the next couple of years, and worse than nothing to protect the banks. So the attendees, as individuals and bodies, should endorse LaRouche’s HBPA.”

Twenty NBC-LEO members then signed the petition.

Many who signed said that they had done so because they either had read through the proposal on a previous day, discussed it with others, or had already spoken with LaRouche organizers, in

their home cities, prior to coming to the conference. Several, from different cities, came up to the table exclaiming to us that *they* know about foreclosures, because *their* city was the worst!

Inside the convention, one Tennessee councilwoman was inspired by a discussion with a passionate LYM member about the history of FDR’s Tennessee Valley Authority, and LaRouche’s ideas for redeveloping the physical economy. She brought a friend over to sign the petition the next day, explaining, “This is a good thing! I know—I asked a million questions about it!”

A discussion with a Texas commissioner about Martin Luther King provoked a couple of LYM organizers to think about the nature of passion as necessary for creating political change. What inheres in human beings that they respond to the passion of a leader like MLK? The LYM discussed addressing his commission upon their return to Texas, and the next day, his fellow commissioner came over to our table to sign the petition.

A veteran, and member of the NBC-LEO, after describing his long-term political fight for principle against the “good ol’ boys” in his town, encouraged the LYM to keep up the good work. “I realized, it just takes a lot of courage. You just have to have courage to make substantial changes.”

Eighty-two elected officials left the Big Easy having endorsed the HBPA—now it’s up to the 435 in Congress to stop taking the easy road, and do the same.

# What Drives Iraq War Veterans to Suicide?

by Carl Osgood

What happens when young people already immersed in the video-game culture of murder and mayhem are inducted into the military and deployed into a real war?

The growing crisis of mental illness and suicide among veterans of the Iraq War is generally being treated as a number of individual cases brought on by traumatic experiences, and the inability, or refusal, of the Pentagon and the Department of Veterans Affairs to appropriately deal with them. (The Army goes so far as to claim that most “personality disorders” are pre-existing conditions, and not at all the result of a soldier being in a combat zone.) But the growing addiction of youth to violent video games suggests another possibility. *EIR* has shown that the development of Internet social networking sites and mass-market homicidal video games is producing an entire generation of zombies, as evidenced by the massacre at Virginia Tech last Spring, and more recently, in Finland.<sup>1</sup>

Reports are widespread of high rates of mental illness among veterans of the Iraq War. Some experts estimate that as many as one-third of the 1.5 million service members who have deployed to Iraq will suffer some sort of mental illness.

Veterans with mental illness, including those who are discharged for “misconduct” or “personality disorder” (28,000 soldiers since 2003), are obviously at higher risk of experiencing almost everything that can go wrong in a person’s life. Most often, they end up in the justice system; but suicide is also a great risk, including among veterans who have left the military with honorable discharges and the full range of benefits. There has been anecdotal evidence for some years that suicide was a major problem among veterans of the Iraq War, especially among reservists, but there was no indication of the magnitude of the problem until a CBS News report broadcast on Nov. 14.

CBS was unable to get definitive figures from the Pentagon or the Department of Veterans Affairs, so it turned to the states. The data provided by 45 states documented 6,256 suicides among veterans in 2005 alone, an average of 120 per week. Overall, veterans were twice as likely to commit suicide as non-veterans; those aged 20 to 24—i.e., veterans of

the Iraq and Afghanistan wars—were 2 to 4 times more likely to commit suicide as non-veterans from the same age group. Paul Sullivan, executive director of Veterans for Common Sense, called this an epidemic. Sen. Patty Murray (D-Wash.) added that “we have really failed those who have served our country.”

## Younger Vets at Risk

But the results of the CBS research should not have come as a surprise. Earlier data cited in a new report from the University of Michigan School of Public Health, published in the December 2007 *American Journal of Public Health*, shows that the prevalence of significant depressive symptoms among veterans is 31%, which is 2 to 5 times higher than in the general U.S. population. The Michigan study also found that the highest suicide rate was among younger veterans. The study suggests that “mental health professionals treating depressed veterans must be cognizant of these higher risks among younger veterans, who are perhaps particularly suffering from recent combat exposure...” The study found the same result among depressed veterans with a diagnosis of post traumatic stress disorder, indicating “that younger veterans may be a particularly high risk group...”

At least one veterans advocate thinks that the CBS numbers may be low. David Pelkey, national director of American Combat Veterans of War, an organization of Vietnam vets that helps Marines at Camp Pendleton, Calif. work through their combat experiences, and himself a highly decorated Vietnam War combat veteran, described, in a Nov. 19 interview, how many young Marines take to the highways at high speed, on their motorcycles, in an effort to recapture the adrenaline rush of combat. He considers this suicidal behavior, even though, if a Marine dies in a motorcycle accident as a result of racing on the highway, it will not be recorded as a suicide. He noted that in one month alone, this year, there were some 40 motorcycle accidents involving Marines at Camp Pendleton. The reaction of the Marine Corps was to bring California State Highway Patrol officials onto the base to lecture Marines about motorcycle safety. “What they need to do is get to the core issue, which is the combat stress issue,” Pelkey said. “That’s what’s pushing the whole thing.”

One crucial difference between today’s generation of veterans and those of the Vietnam War is that, in the 1960s there were no video games. While methods of training soldiers to break down the natural resistance to killing another human being were already in place at the time of Vietnam, today’s young recruit is likely to have already killed hundreds of virtual “bad guys” in video games before he ever picks up a military-issued rifle for the first time. “If you’re continually around killing and destruction and stuff like that, it kind of singses your conscience a little bit,” says Pelkey.

Some might see that as a gross understatement.

1. See Lyndon H. LaRouche, Jr., “From Milken & Enron to Perugia: ‘Extreme Events,’” *EIR*, Nov. 23, 2007; and “Is the Devil in Your Laptop?” *EIR*, Dec. 7, 2007. The two are combined in a LaRouche PAC pamphlet, “Is the Devil in Your Laptop?” Available at [www.larouchepac.com](http://www.larouchepac.com).



## The Big Arctic Melt: All Hype and Scare

*Refuting hysterical claims that the ice of the Arctic is disappearing because of man-made CO<sub>2</sub>, real science shows a refreeze in the Arctic, and a record snowfall in Antarctica. By Gregory Murphy.*

The latest scare in Al Gore's global warming house of horrors is that the Arctic ice cap will melt, producing a catastrophic sea-level rise and making the polar bear extinct—all because of man-made climate change.

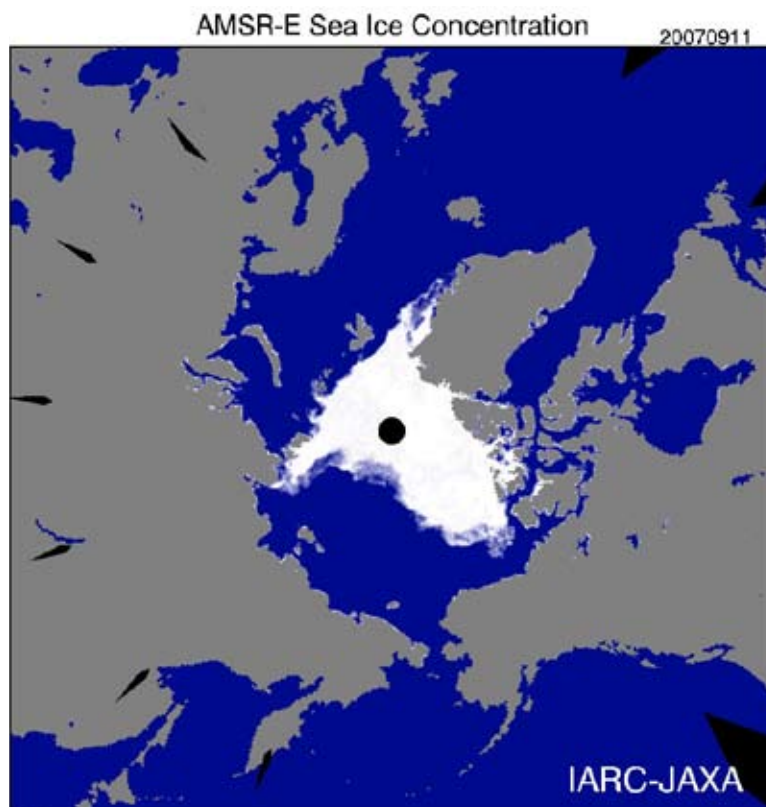
But after the great melt scare, none of the press bothered to tell the public that there is now a great refreeze, a *record early refreeze* that has transformed all that melt to ice! Even the National Oceanographic and Atmospheric Administration (NOAA), when questioned by a scientist, admitted that it had no intention of updating its melt statistics (and press releases) with similar numbers on the refreeze.

And where is the *New York Times* article on the refreeze, to take just one media example? This “newspaper of record” has published scary articles saying that this year's Arctic Sea ice melt was the largest since the start of satellite monitoring of the ice caps in 1979. One article, written by Nicholas Kristof, appeared Aug. 16, titled “The Big Melt,” and two others, written by Andrew Revkin, “Arctic Sea Ice Melting Faster, a Study Finds” (May 1), and “Scientists Report Severe Retreat of Arctic Ice” (Sept. 21.), are prime examples of alarmist rants designed to get the reader concerned about global warming. Yet, the articles fail to say anything about the real scientific factors which influence the Arctic ice cycle, which caused this year's record sea ice melt.

The Kristof and Revkin articles promote the climate model study published in the May issue of the American Geophysical Union's *Geophysical Research Letters*, written by Marika M. Holland (of the National Center for Atmospheric Research) et al. The

FIGURE 1a

**This Year's 'Record' Arctic Sea Melt...**



On Sept. 11, 2007, scientists recorded the largest Arctic sea ice melt since the 1978 start of satellite monitoring of the Arctic—but not the largest melt ever, as claimed. This satellite image (showing the ice as white) was produced using the new Advanced Microwave Scanning Radiometer for the Earth Observing System onboard the Aqua satellite.

Sources: International Arctic Research Center and Japan Aerospace Exploration Agency.

main purpose of this study, “Arctic Sea Ice Decline: Faster Than Forecast,” is to show that the Arctic Sea ice would melt at a faster rate, concluding that the Arctic would be ice-free by 2030.

It should be noted that since the paper was published, the phrase about being “sea-ice-free by 2030” has been changed to a milder version: “the Arctic will experience ice-free summers by 2030.” But again the media has not picked up this retreat from Arctic alarmism, and still promotes Al Gore’s lies.

## Unreliable Climate Models

The British press has also been up front in the ice-melt alarm. On July 3, *The Guardian*’s resident climate ranter (and LaRouche-hater) George Monbiot wrote a column entitled “Global Warming: The Sudden Change of State,” saying that he had just “finished reading a scientific paper on the train this weekend, [when] I found, to my amazement, that my hands were shaking. This has never happened to me before, but nor have I ever read anything like it.” The paper that Monbiot was talking about was published by a team led by global-warming

scientist James Hansen. Hansen’s paper says that the sea-level estimates of the Intergovernmental Panel on Climate Change (IPCC) were not alarmist enough, that Arctic Sea ice can undergo a very fast change and melt very quickly. (Hansen, by the way, is the NASA scientist who claims that he was “muzzled” by the Bush Administration, although he managed to give 2,000 interviews on global warming.)

As Monbiot notes, Hansen’s paper says that 25 million years ago, the temperatures were 3-5°C warmer than today, and sea levels rose 25 meters, not just the approximately 1 meter that the IPCC forecasts for the next 100 years, in its latest report. Monbiot thus uses Hansen’s data to invoke fear in the reader by saying that the IPCC is *grossly underestimating* the problem.

Hansen’s paper, “Climate Change and Trace Gases,” published in the *Philosophical Transactions of the Royal Society* on May 18, says that sea levels will rise 25 meters—or is it 95 miles? It is hard to tell, since this hysterical paper, like that of Holland et al., is based on unreliable climate models.

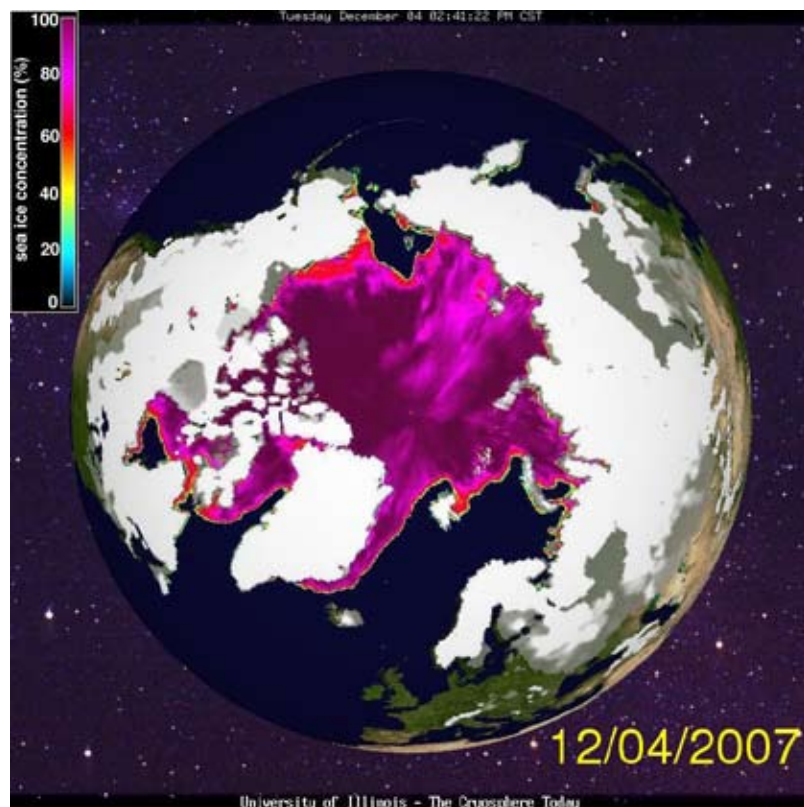
The same May issue of *Geophysical Research Letters* in which the paper by Holland et al. appears, publishes another paper written by Ian Eisenman, of the Department of Earth and Planetary Sciences at Harvard University, which attacks the unreliability of global climate models (GCMs), in simulating Arctic Sea ice conditions. This paper points out that climate models cannot accurately model the changes in clouds, or even the effects of ice albedo (the extent to which it reflects light), and concludes that Arctic Sea ice models cannot be relied upon for credible predictions of the future.

Eisenman states: “These results suggest that most state-of-the-art GCMs are simulating observationally consistent present day ice cover because the model errors associated with simulated cloudiness are being compensated by tuning parameters such as the ice albedo. In other words, errors in parameter values are being introduced to the GCM sea ice components to compensate for simulation errors in the atmospheric components. Hence the widely anticipated and advertised demise of multi-year sea ice in the Arctic Ocean cannot be effectively argued on the basis of GCM predictions taken at face value.”

At an Oct. 30 meeting of the American Association for the Advancement of Science in Washington, D.C., Dr. Richard Alley, a climatologist at Pennsylvania State University, stated that the only way to model the ice flows and ice sheets was to model them as a big white blob that is not coupled to the ocean and does not move! Alley admitted, in response to a question about how the ice sheets are modelled, that this

FIGURE 1b

## ...And This Year’s Record Arctic Refreeze



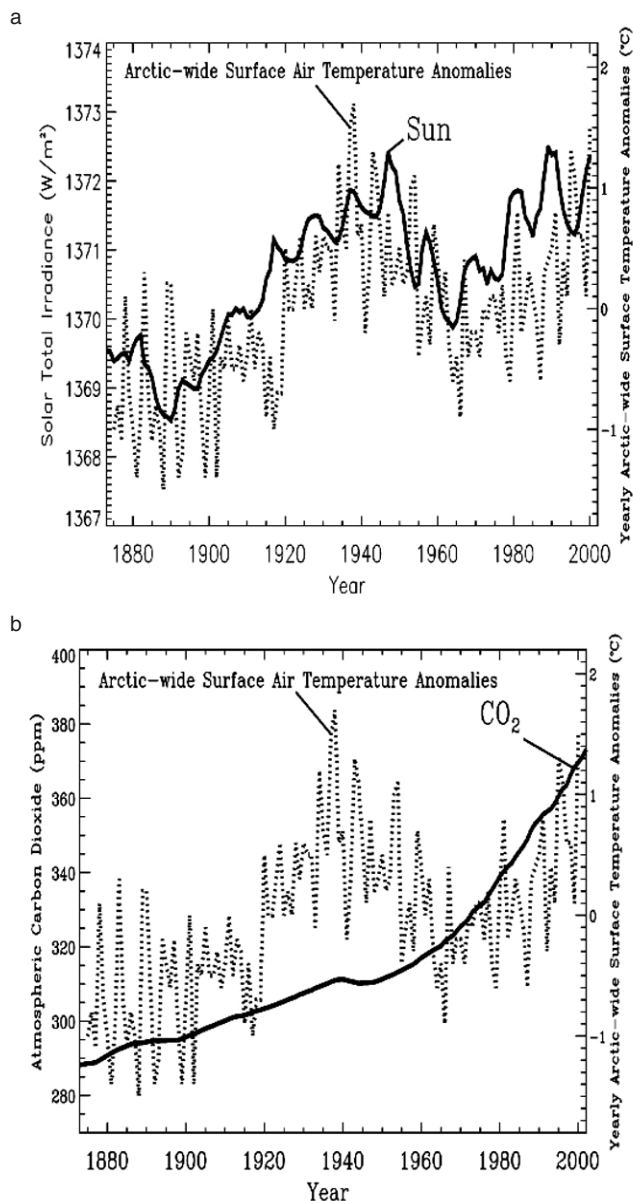
This satellite image of the Arctic from Dec. 4 shows that the much-hyped Arctic sea ice melt this year has been refreezing at a near record rate, which has led researchers to speculate that the Arctic ice cap will completely close by the start of the new year. (Ice concentrations are the darker areas.) This near-record refreezing is not being acknowledged in the media, and has been only quietly mentioned on the National Snow and Ice Data Center webpage.

does not translate into reality—a good reason that the models should not be trusted to determine policy.

Readers should keep in mind the fact that the “record” sea ice melt they are hearing about is only based on the last 29

FIGURE 2

## The Sun, Not CO<sub>2</sub>, Correlates to Arctic Temperature



The annual mean Arctic-wide surface air temperature anomalies (dotted lines) are shown here compared with Solar activity (Solar irradiance in watts per square meter) in (a) and CO<sub>2</sub> in parts per million in (b). There is a good correlation of temperature with the Sun, and a lack of correlation with CO<sub>2</sub>, emphasizing that carbon dioxide plays only a tiny role in determining the climate of the Arctic.

Source: Willie Soon, 2005.

years of satellite monitoring. But even as recently as the 1930s, Arctic temperatures were 2-5°C warmer than today. *That actual measured temperature in the 1930s is even larger than the temperature the IPCC is projecting for the next 100 years!*

Until the era of satellite monitoring, sea-ice records were pulled together from ship logs and buoy-monitoring systems. With the advent of the nuclear-powered submarine in the 1950s, which for the first time, made possible a sonar mapping of the Arctic ice pack, the monitoring became more accurate. When these records were pulled together, there was a large error margin; satellite data, in comparison, have only a 10% error margin. So it has been only in the past 29 years that researchers have had reliable data on the state of the Arctic ice pack, and this relatively short period of time is not enough to truly determine the natural cycle of the Arctic Sea ice. With so short a period of data, how can the computer models even come close to predicting what the sea ice pack will look like in, say, 50 years?

## The Real Science Behind Arctic Climate

Now that we have looked at the unreliability of climate models, and the hype, let's discuss the real science that determines the Arctic climate. Here is a short discussion of the discoveries I made while researching this issue. What I found was a very complex answer to my question about what really determines the Arctic climate. Although the answer is complex, if you look at the Arctic from a dynamic standpoint, you can clearly see that the hype is totally unfounded, and that there are several factors that determine the rate at which the Arctic melts or freezes.

One of the main factors is Solar activity, which seems to correspond well with Arctic Sea air temperature. This correlation is discussed in a paper by Harvard astrophysicist Willie Soon, “Variable Solar Irradiance as a Plausible Agent for Multidecadal Variations in the Arctic-Wide Surface Air Temperature Record of the Past 130 Years,” published in *Geophysical Research Letters* on Aug. 27, 2005. Dr. Soon showed that Solar activity was a large factor in the Arctic ice cycle, compared with the relatively tiny role that man-made CO<sub>2</sub> plays (Figure 2).

Another major factor in determining the Arctic Sea ice cycle is the Arctic Oscillation, a variation in weather patterns with a cycle of about one decade. The Arctic Oscillation exhibits a “negative phase” with relatively high pressure over the polar region and low pressure at mid-latitudes (about 45° North), and a “positive phase” in which the pattern is reversed. (Figure 3).

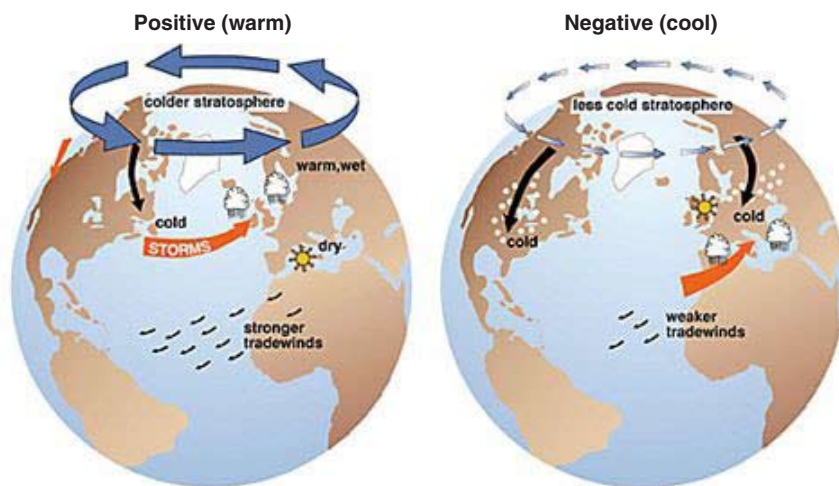
In the positive phase, higher pressure at mid-latitudes drives ocean storms farther north, and these changes in the circulation pattern bring wetter weather to Alaska, Scotland, and Scandinavia, while bringing drier conditions to the western United States and the Mediterranean.

In the “positive phase,” of the Arctic Oscillation, frigid Winter air does not extend as far into the middle of North America as it would during the negative phase of the oscillation. This keeps much of the United States east of the Rocky



FIGURE 3

## The Decadal Arctic Oscillation's Warm and Cool Phases



*In the positive (warm) phase of the Arctic Oscillation, there is lower than normal atmospheric pressure over the Arctic and higher than normal atmospheric pressure over the central Atlantic, which drives warmer air farther north towards the Arctic, and also drives warmer water from the Atlantic Ocean into the Arctic Basin.*

*In the negative (cool) phase of the Arctic Oscillation, there is higher than normal atmospheric pressure over the Arctic, and lower than normal atmospheric pressure over the central Atlantic, which pushes colder air farther south. In the cooler periods, strong surface winds maintain a powerful clockwise gyre in the Arctic Basin, which keeps the warm water from the Atlantic at bay.*

Source: J. Wallace, University of Washington.

Mountains warmer than normal, but leaves Greenland and Newfoundland colder than usual. Weather patterns in the negative phase are in general opposite to those of the positive phase, as illustrated below. Generally, the positive phase of the Arctic Oscillation explains the relatively mild Winters that parts of the United States have had over the past two years.

In a discussion with a British astrophysicist, I asked what the relationship is between Solar activity and the Arctic Oscillation. He said that with more research and study, Arctic researchers will find a direct relationship between the 11-year Solar cycle and the Arctic Oscillation, which seems, from the data, to cycle on a decadal pattern. With a larger data base than used at present, this would be borne out, he said.

### Oscillation Cycles

Global oscillations act on a decadal and multidecadal cycle. The major oscillations, like the Arctic Oscillation, seem to act on a decadal cycle. Polar researcher Igor Polykov, of the International Arctic Research Center at the University of Alaska at Fairbanks, has found what he refers to as a low-frequency oscillation (LFO), which seems to act on a cycle of 30-80 years. This LFO has a similar pattern of positive or warming mode, and negative or cooling mode, but the LFO acts to control the flow of warm and more saline Atlantic water into the Arctic Basin (**Figure 4**).

When the LFO is in the positive or warming mode, it brings in saltier water from the Atlantic Ocean. This rising salt content in the Arctic Basin leads to smaller amounts of sea ice forming in the Winter. Then, in the Summer, when the ice melts, the warmer water causes what the climate alarmists call the largest sea ice melt in history.

When the LFO is in negative, or cooling mode, this oscillation slows the intake of the more saline water, and allows cooler water from the Pacific Ocean to enter the Arctic Basin. This oscillation switches between positive and negative over a period of 30-80 years. Dr. Polykov found this oscillation while he was compiling a temperature database for the Arctic Basin. He compared sea surface temperature and sea bottom pressure, and found that in the 1930-40 period, the Arctic was in a positive oscillation pattern, and then from 1950 to 1975, it was in a negative oscillation pattern.

Dr. Polykov warns that while this discovery of the 30- to 80-year oscillation is a breakthrough, still with better data and more research, scientists will

be able to identify it more specifically.

In an unpublished paper written for the International Polar Year 2007, Dr. Polykov outlined another exciting discovery of how the Sub-Polar Gyre is acting to determine the climate in the Arctic. The Sub-Polar Gyre is an ocean current that acts like a switch gear for a railroad. When there is an increase of pressure at the sea bottom, the Gyre switches and helps to bring in warmer water from the Atlantic. When sea bottom pressure decreases, the Gyre switches to bring in cooler water from the Pacific.

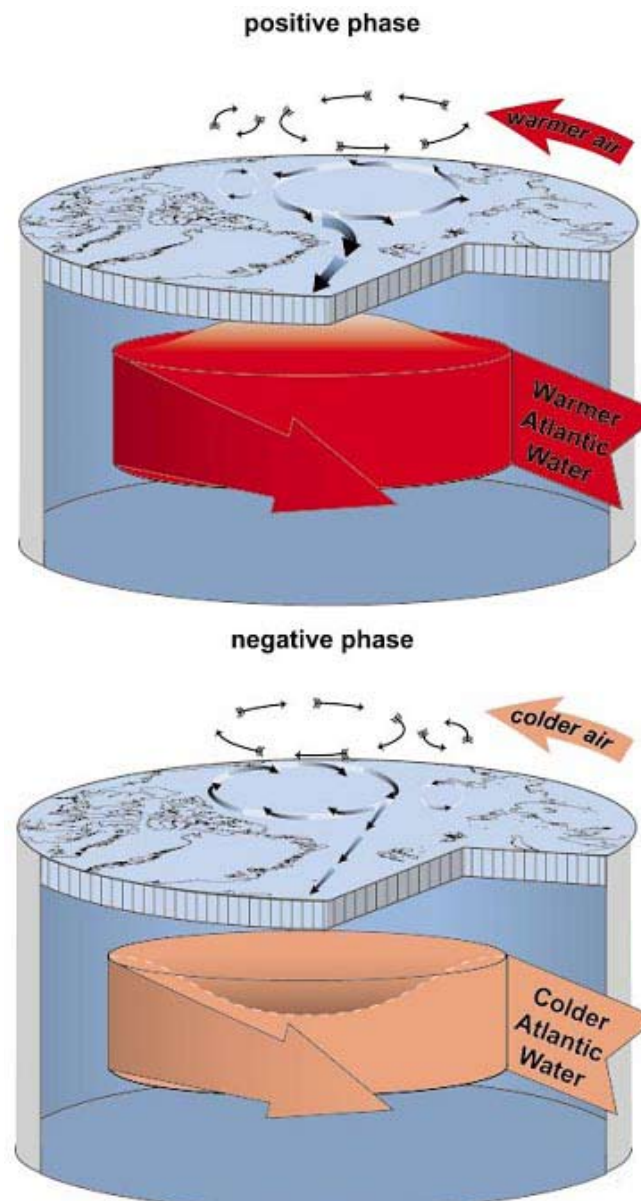
Dr. Polykov notes that this is breakthrough research, and there is still more work to be done to identify the time scale that this Gyre operates on. So with more research, more interesting questions come to light, such as: How does Solar activity help determine the switching of the Sub-Polar Gyre? Such questions and research cast significant doubts on Al Gore's and the IPCC's consensus that the science is settled.

The Arctic Sea ice melting and refreezing is like a grand symphony of several natural oscillations with decadal and multidecadal cycles.

Wind also plays a big role in this symphony. A few research papers have looked at the role of wind in this year's sea ice melt. On Oct. 7, 2007, NASA released a study saying that this record sea ice melt was caused in large part by the changing of Arctic wind patterns. As more research is done, it is

FIGURE 4

## The Low-Frequency Arctic Oscillation (30- to 80-Year Cycle)



*In the positive (warming) phase of the Low Frequency Oscillation, warmer water from the Atlantic Ocean enters the Arctic Basin and the air circulation pattern is counterclockwise, bringing warmer air into the Arctic. In the negative (cooling) phase, colder Atlantic Ocean water enters the Arctic Basin, and the air circulation pattern is clockwise, bringing colder air into the Arctic.*

*This oscillation was discovered by Igor Polykov of the International Arctic Research Center in Fairbanks, Alaska, while he was correlating Arctic-wide air temperatures and Arctic Ocean sea-level pressures. The Low-Frequency Oscillation has a periodicity of 30-80 years.*

Source: Igor Polykov, 2004.

clear how small a role man-made CO<sub>2</sub> plays in Arctic climate. The NASA study showed that over the past two Winters, the Arctic ice had been moved to lower latitudes by the changing of the wind patterns to a more southerly direction. This change brought the sea ice pack into contact with warmer water from the Atlantic Ocean, causing a decrease in the amount of seasonal ice to form; over the past two years, this produced two record Arctic ice melts.

Climate alarmists like Al Gordo don't want you to see that other factors, working in concert with each other, are what determine the extent of sea ice melt and refreezing. Once you get a sense of the overall dynamics of the Arctic, it is silly to say that the large melts are caused by man-made CO<sub>2</sub>.

## Ignorance of History

The news media has also scared people with the idea that this record ice melt is different from any in the past, saying that this year's melt has opened the Northwest Passage "for the first time in human record." This is not true. The Northwest Passage has been open several times in the recent past.

- In 1906, Norwegian explorer Ronald Amundsen and six crew members sailed the Northwest Passage from east to west, becoming the first to completely traverse the passage.

- In 1940, and again in 1944, a group of Canadians, led by Royal Canadian Mounted Police officer Henry Larsen, traversed the Northwest Passage.

These three expeditions occurred in periods when the Arctic was warmer than today. These warm periods were caused by natural cycles and occurred before the so-called increase in man-made CO<sub>2</sub>.

When one looks at the climate, there has to be a sense of the history of science and exploration. To this end, one must look at all available sources of data. When looking at the Arctic, researchers must consult old ship logs and logbooks for companies like the Hudson Bay Company, which give a valuable picture of the past. The Hudson Bay Company's logs document that over the 19th Century, part of the Northwest Passage was navigable, if ships stayed below certain latitudes. These data fill out the picture for the period before 1979, which is the point when satellites were launched to monitor the sea surface temperature, and pressure at sea surface and sea bottom.

This year's Arctic Sea ice melt was the largest since the start of the use of satellites to monitor the Arctic. But with all of the hype from NOAA and the international media, you read almost nowhere about the near-record *refreezing* that is taking



Library of Canada, 1908.

*Ronald Amundsen, who traversed the Northwest Passage in 1906.*



FIGURE 5

## Amundsen's 1906 Northwest Passage Route



Norwegian explorer Ronald Amundsen and his crew became the first to transit the fabled Northwest Passage in 1906, taking an east to west route. This expedition, and two later expeditions in the 1940s, all occurred when the Arctic was warmer than today, in some cases by 2-3°C. The global warming fearmongers ignore these historical facts.

Source: Jan Reimers, [www.Franheim.com](http://www.Franheim.com)

place right now. This refreezing, which is occurring about two weeks earlier than that of previous years, is noted in a very small news short on the National Snow and Ice Data Center webpage. It is easy to miss.

To put the melt in perspective: The average Winter sea ice maximum is about 14 million square kilometers, and the average sea ice melt is 6-10 million square kilometers. This year's melt was 12 million square kilometers, which is well within the bounds of natural variability, and happens all the time. As of Dec. 4, about 9 million square kilometers are frozen—meaning that water over 6 million square kilometers has refrozen since the low point in October.

Dr. Polyakov gave a statement to the climate blog of Sen. James Inhofe (R-Okla.), asking how we can say that this is the largest sea ice minimum ever, when in the 1930s, the Arctic was warmer than today but we didn't have satellites to monitor it; if we had had the satellites then, we would have seen less ice than we saw this year.

But, climate extremists want to ignore history. For example, Eileen Claussen, president of the Pew Center for Climate Change, told a plenary session of the American Nuclear Society meeting in Washington, D.C. Nov. 12, that this year's sea ice melt was "the biggest ever." Since the Earth has gone through several ice ages and interglacials, when there was *no ice* at all in the Arctic, Claussen is indeed irresponsibly alarmist.

Meanwhile, in the middle of this press deluge of ice melt, there has been little or no mention of the fact that Antarctica this year has had *the largest snowfall and sea ice extent on*

*record*. This record snowfall demonstrates the Earth's atmospheric circulation of moisture. With a record sea ice melt in the Arctic, some of that moisture is taken up by the Earth's atmospheric circulation and is deposited as snow in Antarctica.

To take another example of this, the much ballyhooed story that a rapid melt of the Greenland ice sheet would raise sea levels catastrophically, is just a scare. Geologists and oceanographers have emphasized that it would raise sea level a little, but most of the water would create the largest snowfall in Antarctica in history!

If today's population had not lost its sense of history, and had not developed an antipathy to science, it would not be possible for the global warming alarmists to scare people and policy-makers into backing anti-industrial policies that will lead to genocide. The best way to defeat Al Gore's global warming fascism, is for the youth of today to create a revival of the science of Leibniz, Kepler, and Gauss, and steer scientists away from their mind-deadening dependency on computer models.

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- Daily Arctic Sea ice maps can be viewed at: <http://www.ijis.iarc.uaf.edu/cgi-bin/seaice-monitor.cgi>. At this site, the reader can create a slideshow of sea ice maps for the past year, and see the dramatic refreeze of the so-called largest Arctic Sea ice melt since the start of satellite monitoring.



### *Will You Fight To Save Our Youth?*

As of Dec. 1, the LaRouche Political Action Committee began a mass organizing drive aimed at saving civilization itself: specifically, the youth generation that is currently being destroyed by the British cult of violent video games, and “social networking.” The tool LaRouche PAC is using is the blockbuster pamphlet “Is the Devil in Your Laptop?” which seeks to free youth from the mental slavery represented by MySpace, Facebook, and computer games, in order that they may be able to participate in the urgent political and intellectual tasks of rebuilding a bankrupt and degraded civilization.

The immediate reaction to the circulation of this pamphlet, written by members of the LaRouche Youth Movement, has been singular. Youth on college campuses are, almost to a person, grabbing the pamphlet and starting to read it on site. Discussion groups are forming to review the contents. Parents and teachers are showing interest as well. There are indications that the full 250,000 first run could be distributed in less than two weeks.

The urgency of this campaign’s success couldn’t be greater. Within the brief span of time in which the pamphlet was being written and printed, there were several murders by video-game-brainwashed youth. The most chilling, and paradigmatic of the problem, was that of the Omaha shopping mall murders by young Robert Hawkins.

Hawkins is exemplary of the phenomenon which Lyndon LaRouche, and the authors of the pamphlet, identify as “the new cult of the teenage suicide bomber,” an individual who is willing, nay, anxious, to give his life in pursuit of inflicting mass death on his victims. Numerous recent examples of this phenomenon, which included Seung Hui Cho, the Virginia Tech killer, and Pekka-Eric Auvinen, the Finnish high school killer, have documented the fact that the youth are operating as if within one of their favorite violent video games. The difference is, that a lot of real people ended up dead, including themselves.

If the violent video culture, being promoted by identifiable agents of British bestial ideology and finance, is not stopped, we are looking at a mass sui-

cide-killer phenomenon, within the West.

This is not the first time the LaRouche movement has tackled this problem. From the movement’s inception, LaRouche understood the need to go on the attack against the rock-drug-sex counterculture, itself also a British ideological disease imported into the United States. The use of computers for destroying the human mind developed alongside this degeneracy, and was applied not only in the areas of the media and “games,” but in training, and dehumanizing, the military and police.

In 1999, after the Columbine massacre, LaRouche coined the term the “New Violence,” to describe the phenomenon being created by methods such as Nintendo and other computer games, to produce stone killers among youth and law enforcement/military personnel. Soon after, Helga Zepp-LaRouche, founder of the Schiller Institute, launched a campaign for an international protocol for the banning of violent videos. She pointed out that, as early as 1972, the U.S. Surgeon General had warned that there was no doubt about the connection between violence in the media, and violent acts committed by children and young people. Yet, no public health measures to defend the youth had been taken, in alleged deference to “press freedom.”

A recent study from the University of Michigan, based on researching 50 years of effects of violent media on youth, documented that the violent video games have a stronger correlation with threatening public health with violent behavior, than any other activity studied, except smoking’s correlation with lung cancer. A German society of professional psychotherapists has also branded the games “land-mines for the soul.” (See article in this issue.)

There is no reversing the deadly damage that has *already* been done by tolerating this inhuman violence. The crime of *menticide* has been committed, consciously and to the peril of civilization itself. But, as the authors of the LPAC pamphlet show, we can, and must, wage the battle to save the victimized young generations. The youth *are* our future. What else is there to fight for?



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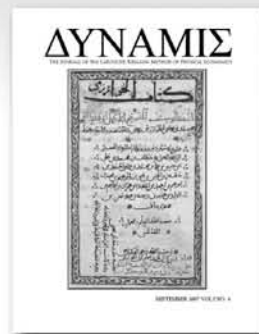
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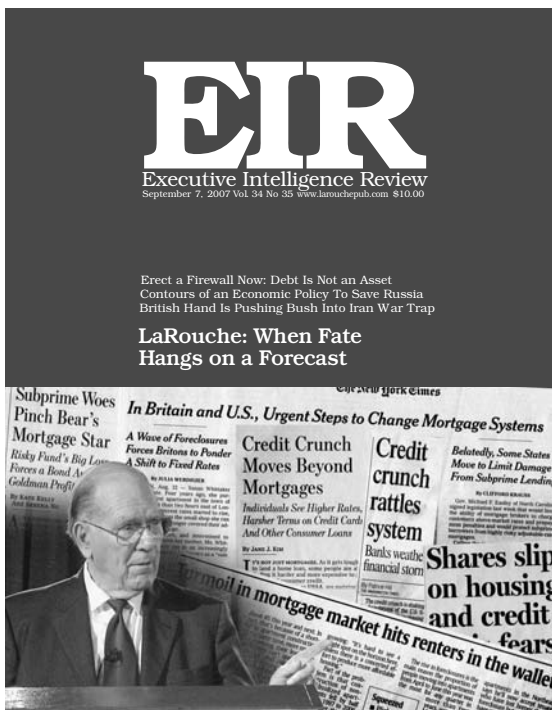
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