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From the Associate Editor

Lyndon LaRouche initiated a project at *EIR*, in our issue of Sept. 3, 2004, to prepare computer-based animations of trends in the physical economy, to help policymakers understand the onrushing crisis. “The object,” he wrote, “is to get away from the inherently misleading accounting practice of comparing static cross-sections. The object is to convey a meaningful sense of economic processes as characteristically non-linear, long-wave, physical processes per se.”

In this week’s *Feature*, he evaluates where we stand now, underlining that the world economy is in the grip of a general physical breakdown crisis, which leaders remain ill-equipped to cope with. The problem remains the static, “connect-the-dots” approach prevalent among economists (starting with the two has-beens pictured on our cover). The animations prepared so far by *EIR* have contributed a significant improvement to policy discussion; but, LaRouche writes, “unfortunately, the pleasant sensation of this success in what we have done, tends to become a consoling distraction from the fact of what is not yet done.”

The key, as he elaborates in this issue, is to convey precisely the *non-linear* aspect of living processes—in this case, processes of human economic activity, including the necessity for creative discoveries. That requires an understanding of the deepest methodological issues of science and mathematics.

Elsewhere in this issue, we deepen the analysis presented last week, of the British “great game” of setting nations and civilizations against each other, as they did in the Sykes-Picot Accord of 1916. We begin with a report from Copenhagen on who’s behind the clashes over Danish cartoons attacking the Prophet Mohammed (including the role of George Shultz). Then, Rachel Douglas analyzes the British tradition of manipulation of Russia, dating back to the early years of the 20th Century—vital historical background not only for Russian leaders, but also their U.S. counterparts. And Jeffrey Steinberg reviews a book on how the British have steered “Islamicist” groups for over 100 years.

Meanwhile, the drumbeat for impeachment of Dick Cheney grows louder, as we document in *National* and the *Editorial*.

Susan Welsh

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*Suitable for
framing: Milton
Friedman (center)
with Alan
Greenspan (right).*



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Lyndon H. LaRouche, Jr. addresses the most pressing problem of our time: the inability of world leaders to cope with the onrushing physical-economic breakdown of the “globalized” free-market system. The pivotal issue on which the crucial strategic and related matters of policy-reform hang, which has not been generally grasped, he writes, is “the battle of the giants, the titanic struggle, begun in 1763-1776, between the Anglo-Dutch Liberal system and the legacy of the American System of political-economy.” In order to overcome this deficit in understanding, it is necessary to return to the basic principles of economics and scientific methodology generally.

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ECONOMY DESPITE ALAN GREENSPAN

What Connects the Dots?

by Lyndon H. LaRouche, Jr.

January 21, 2006

Both the U.S. economy, and also the world's economy, are now in the grip of the very advanced stage of what is, physically, not a mere economic depression, but a general physical breakdown-crisis of global society. Under any attempted continuation of the current, self-destructive trends in economic and related policies under U.S. President George W. Bush, Jr., the situation of the U.S.A. would become worse than merely precarious, that within a very short time to come.

In this light, there is no competent conduct of political business currently before the institutions of Federal, state, and local government which does not approach every leading issue of national and global policy from the standpoint of the immediate need to face the reality of a currently onrushing global economic breakdown-crisis of the existing world monetary-financial system as a whole. Failure to adopt an appropriate new global economic and monetary-financial system akin to President Franklin Roosevelt's intention for the Bretton Woods fixed-exchange-rate system, would represent reckless disregard for the continued existence of civilization.

In fact, there is no presently leading issue facing any and every part of the world, such as the spread of the continuing asymmetric warfare in Southwest Asia, and no other issue of U.S. national security or internal general welfare, whose solution does not depend on actions which must be premised on adopting a general, FDR-style, global economic and monetary reform as the entire platform on which solutions to any leading issue of policy must be addressed.

The pivotal issue on which all those strategic and related matters of policy-reform hang, is the battle of the giants, the titanic struggle, begun in 1763-1776, between the Anglo-

Dutch Liberal system and the legacy of the American System of political-economy. The issue now takes the form of a global struggle whose outcome will determine whether or not this planet will be organized on behalf of a cooperative search for promotion of the general welfare among the members of a system of perfectly sovereign nation-state republics, as Franklin Roosevelt had intended at the time of his death. Or, a new, global form of a Roman world-empire, in which that latter global system is maintained, as the Roman Empire of the Caesars was, by a system of permanent warfare, akin to that which the Bush-Cheney Administration has directed its adopted mission since no later than the time current Vice-President Cheney was U.S. Secretary of Defense under President George H.W. Bush I, the policy announced by a would-be imperial President George W. Bush II in his January 2002 "State of the Union" address.

The forces currently associated with President George W. Bush, Jr. and Britain's Prime Minister Tony Blair, could not actually win the kind of war which they are presently engaged in extending into Iran; but, their efforts to do that, unless prevented, would end civilization as we have known it, globally, in a new dark age whose effects would be extended for generations to come.

In this presently actual global strategic situation, the most crucial among the reforms needed, to avert a now looming threat of a collapse of not only the U.S. economy, but also the world's as a whole, is a type of reform in the international monetary system which could not be competently launched by any nation other than a U.S.A. which were operating under not only a return to pre-1971 monetary-financial policies, but under physical-economic, social, and regulatory policies which would be fiercely contrary to the tastes of the current



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The recent revival of a more or less global return to a nuclear-power policy, points in the direction of the necessary shift, LaRouche writes, but such improvements are only a beginning. "Much deeper and more general forms of changes in policies of governments and public opinion, are urgently needed, if we are to actually reverse the present lurches toward the looming nearby precipice of global despair." Shown here, the Byron nuclear power plant in Illinois.

U.S. Bush Administration. Without radical reversal of trends which have been in progress for about forty years, especially the most recent thirty-five years, the world as a whole, led by our presently collapsing U.S. economy, would be plunged, for reason of precisely that 1968-2005 policy-trend, into what has been defined as of the type of a "new dark age" experienced as the mid-Fourteenth-Century European New Dark Age. This time, this would be, surely, on a global scale.

If you prefer continuation of the trend of policies under President G.W. Bush, Jr.'s Administration, you are choosing the worst disaster our republic has experienced since its founding.

This threat of a new dark age could be averted, and a genuine physical-economy recovery set into motion. The new economic policy announced in the recent Harvard University address by U.S. Representative Nancy Pelosi, points in that general direction. The recent revival of a more or less global return to a nuclear-power policy, points sharply in that direction. Without these and other, kindred changes, there would be no hope for civilization globally during the decades ahead.

However, those improvements are only a beginning, a good beginning; but, a much deeper and more general form of changes in policies of governments and public opinion, is urgently needed, if we are to actually reverse the present lurches toward the looming nearby precipice of global despair.

For these and related purposes, we require a radical change in the way policy-shapers and public opinion think about shaping economic policies of nations. Improvement would not be sufficient; what would appear to most economists, and others, as very radical, more sophisticated ways

of defining and measuring economic performance, must be learned, and adopted now.

The Available Alternative to Disaster

Well-defined alternatives are available. As U.S. Representative Pelosi's recent Harvard University address indicates, some, if only some among these better alternatives, are widely understood among traditional industrial management, and among some others. Unfortunately, some essential parts of this happier perspective are not yet understood.

The most important of those concepts which have yet to be understood, is the role of technology in generating real physical improvement in both physical output and general conditions of life. Today, there is much use of the term "technology," but, largely as a result of a famous cultural paradigm-shift which struck during the late 1960s, there is little actual understanding among today's social strata of top management and the professions, of what the mere term "technology" should mean. That latter, crucial problem, the true practical-economic meaning of "the function of technology," is the focus of my attention in this present report.

For example: Recently, there has been important progress toward the new goals which I have assigned for the role of computer-assisted animations, goals which I had pointed out earlier. I had intended this as a step toward competence in study of the lessons urgently to be adduced, for today, lessons to be taken from physical-historical evidence accumulated during recent decades. However, so far, the unfortunate tendency is to rely too emphatically on only connect-the-dots approaches; the prevalent habits of reliance upon mechanistic approaches to historical-statistical views of anecdotal evi-

dence, die hard.

The catastrophic failure of the increasing, post-World War II reliance on so-called “linear programming” in taught economics, is an example of the problem. The intrinsic incompetence of Professor Norbert Wiener’s radically reductionist notion of so-called “information theory,” and the fantasies of his accomplice John von Neumann’s miserably failed, related, pseudo-scientific schemes in “mathematical economics” and “artificial intelligence,” are typical of this set of related, contemporary intellectual calamities of academic and related professional life.

Animations generated by connecting the dots of physical evidence, as my associates have done lately, in studying county-by-county changes in physical characteristics of the national economy, have been a significant improvement in the quality of policy-discussions occurring, where such reports have been circulated. Unfortunately, the pleasant sensation of this success in what we have done, tends to become a consoling distraction from the fact of what is not yet done.

The problem is, that simply transforming a series of data, or even a combination of series of data, into an animated simulation of lapsed-time photography, has the fault of being of the general form of the pre-school child’s method of connecting dots to generate an image. Flowery rhetoric used to attempt to lend color to mere description of such a construction, tends to shut down the thinking process at exactly the point of discussion of such economic animations at which actually creative thinking must begin. The efficient cause of the apparent movement from one dot to the next, is thereby reduced, implicitly, to a series of straight-line connections; no amount of flowery rhetoric could make such a display a representation of an actually creative process. A simplistic view of the process of dot-connection conceals something of crucial importance: the decisive factor of scientific creativity in the Platonic tradition, which is the key to all scientifically competent economics.

Simple animations have the specific virtue of exposing patterns of negative developments, and therefore also indicate which wrong-headed habits of policy-shaping have contributed to the dismal and rapidly worsening conditions experienced today. However, to project the effects of beneficial, alternative policies, requires a more sophisticated quality of modelling.

Therefore, the failure to recognize what a simplistic, so-called “conventional” classroom view conceals, would cause the attempted presentation to appear to argue in favor of something which never actually happens in a living process, such as a physical-economic process.

For example: As in the use of lapsed-time photography for study of behavior of growing plants, there is a tendency to be so much amused by the effect of a weed’s apparent expression of “his” or “her” intention, that the actual subject of the non-linear action, from within, generating the effect seen from without, is neglected.



USDA/Peggy Greb

“A weed’s growth is generated by the fact that it is a living process, rather than simply a chemical process. No mathematics of mere chemistry could actually account for the cause of the phenomena which the behavior of the living weed betrays.”

For example: A weed’s growth is generated by the fact that it is a living process, rather than simply a chemical process. No mathematics of mere chemistry could actually account for the cause of the phenomena which the behavior of the living weed betrays. The non-living phase of the chemistry of the weed does define the boundaries within which the animated photographic images steer the dynamical form of the weed’s behavior; but, without taking into account the principle of life which subsumes the chemical behavior, explanations of the phenomena are deplorable sophistries. *Only life produces life; only cognition generates cognitive (i.e., human, creative mental) processes.* It is only the creative powers uniquely specific to the potentials of the human individual mind, which define the difference between human societies and the habits of either rhesus monkeys, or of Solly Zuckerman’s baboons, or of Wolfgang Koehler’s great apes.

Progress is uniquely a product of the work of the creative powers of the individual human mind. No inanimate device, no mere animal life, could willfully create the changes in mass behavior on which economic progress depends absolutely.

The same type of issue of scientific method, arises, in a negative way, in the determination of the exact point of death of persons. At what point is the individual resuscitatable? At what point is the principle of life, and also the principle of cognition unique to human individuals among all species, reconnectable to the biology of the living person at the moment of apparent death? This determination is affected by available, relevant technologies and medical skills; but the fact of the distinction between life and death of that human individual, exists, however the expression of that distinction may be presented in different ways under different technological settings.

To this effect, the important challenge presented by computer animations of economic data, is to isolate the kind of non-linear (e.g., *dynamic*) action which is generating the change of state associated with the motion. The observed motion is the shadow of the reality, not the reality whose mere shadow is projected by its passing.

For all cases, the prerequisite for competent use of statistical animations, is learning to think as Johannes Kepler did, in his use of statistics for his uniquely original discovery of the universal principles of gravitation, and of Fermat's experimental discovery of that principle of "quickest" time which, together with the central discoveries by Kepler, underlie all competent modern thought about physical processes, including national economies.

These issues of scientific method are crucial for the competent practice of modern economic studies. As I refer to this subject in the following body of this report, new global conditions, as implied in the growth of the ratio of consumption of raw materials to production for a growing world population, should compel nations to submit to profound scientific issues of physical-economy which are on the frontiers of current practice, and are largely beyond what is taught and practiced among relevant professionals today. The matter of the needed approach to the use of animations in economic policy-crafting and analysis, is typical of the challenges to be faced on this account.

Like life and cognition, gravity is a universal physical principle, a principle which can not be adduced statistically from a mechanistic type of mathematical-probabilistic construction in Cartesian space. The relevant, appropriate method, is the same method of *dynamics* associated with the application of that form of Classical Greek physical geometry known as *Sphaerics*: the method which is associated with the elementary discoveries of principle by the Pythagoreans, Plato, et al., as by Kepler, Fermat, and Leibniz, in modern times. It is this principle, acting as Kepler shows the discovered principle of universal gravitation to act, which is the cause of the transformation bridging the interval between any two successive points in an actually animated, real-life form of process-image. The simple animation, however useful it may be, is merely the image of the action; *it is not the representation of the causal element of the adumbrated form of the action which has been presented to the senses.*

Thus, to emphasize the crucial illustrative point: *In living processes, such as physical-economic processes, the scientifically significant qualities of connections are never generated in a straight-line, mechanistic-Cartesian mode. These processes are always elementarily dynamic (in Leibniz's sense of the Classical Greek origin of his use of that term, dynamic), not statistically mechanistic ones; and, the movements within them are always caused by what is called a non-linear form of action, a process of transformation, which is, mathematically, expressed as a form of transcendental function.*

In real economies, as opposed to the fantasies of ordinary statistical methods, significant action never follows anything akin to straight-line connections. Here lies the root-cause of the intrinsic incompetence of using accountants' efforts, which may be quite appropriate for financial accounting, but are utterly incompetent in efforts to explain a real-life economic process, as a process. This caution is to be observed not only in defining limits for the use of financial accounting practice, but in warning against the perils of scientific illiteracy expressed by the standpoint of the methods of economics practice commonly taught in universities and relevant other locations today.

For this reason, we should always reference the transformation of a series of physical states in an economic process, to follow, once again, the exemplary way in which Johannes Kepler, uniquely, discovered the universal physical principle of gravitation.

To that end, we must proceed as I indicated in presenting the lessons laid out in the *EIR* Christmas feature, "The Principle of 'Power' " (Dec. 23, 2005). As I shall indicate within the body of this report: think of Archytas' construction of the doubling of the cube, and the significance attributed to that construction by Eratosthenes. Add to this, the implications of Fermat's experimental discovery of the principle of quickest time.

Therefore, we must add the Leibniz-Bernoulli construc-

Kepler's Revolutionary Discoveries

The most crippling error in mathematics, economics, and physical science today, is the hysterical refusal to acknowledge the work of Johannes Kepler, Pierre Fermat, and Gottfried Leibniz—not Newton!—in developing the calculus. This video, accessible to the layman, uses animated graphics to teach Kepler's principles of planetary motion, without resorting to mathematical formalism.

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EIRNS/Joe Smalley

A LaRouche Youth Movement pedagogical workshop in Washington, D.C., Jan. 10, 2006.

tion of the catenary-cued principle of universal physical least action, and its complement, Leibniz's original (pre-Euler) discovery of natural logarithmic functions.

Look ahead from those precedents, to add Riemann's emphasis on his use of what he defined as his Dirichlet's Principle, in his developing the notion of physical hypergeometries. Adduce the notion of a universal physical principle exemplified by these elementary cases, and apply that notion of a physical principle, so illustrated, to the domain of that physical economy which is the reality for which the financial economy is merely a shadow.

See that the elementary expression of the relevant class of non-linear forms of action, is Leibniz's catenary-cued universal physical principle of least action, as this explicitly *dynamic* notion of generalized mathematical-physical function was developed further through the work of Carl F. Gauss, Bernhard Riemann, and their associated circles in science. All competent representation of the physical characteristics of actual economic-social processes, are expressions of the Gauss-Riemann outgrowths of Leibniz's universal principle of physical least action.

To that, in today's global setting, we must, as I have said earlier, add the following qualification. Since the work of Russia's V.I. Vernadsky, in his rigorous definitions of the functional distinctions of Biosphere and Noösphere from the chemistry of non-living processes, we must include the principles of life *per se* and cognition *per se*, as universal, functional phase-space differentiations within the universe considered as a whole. In economic processes, which is to emphasize the

action governed by the mind of living human individuals upon the physical form of the economic process, this three-phase functional distinction is crucial in attempting to adduce the factor of motivation ordering the observable "dots" of statistical analysis.

The relevant types of non-linear forms of causal action linking successive, "observable" points in an economic, or related process, are of the form expressed by such types of transcendental functions. Walking a student through the steps by which Kepler transcended the errors of Copernicus and Brahe, in the discovery of the principle of universal gravitation, introduces the habits of creative thinking which it is indispensable that we must develop further for grasping the practical meaning of the dynamic form of "non-linear" functions as a replacement for intrinsically defective mechanistic methods

of the type commonly employed in statistical economic studies today.

In Review of the Challenge

In recent years, especially the recent twelve months, I have published much bearing on this subject of the required methods of economics practice for today. Since not every present reader has studied those relevant previous publications, a summary of the most crucial points for this present discussion is now in order here.

The needed application of the LaRouche-Riemann method, is merely illustrated by my emphasis on the "Triple Curve" pedagogy and the physical-economic implications of the Riemannian shock-wave function. For most among today's relevant professional and other observers, the implications of my relevant, original discoveries in this field, still hang, unharvested, on their intellectual vines [**Figure 1** and **Figure 2**]. Correcting the crucial omission of that needed method, is something which must be done now, if we are to devise an effective U.S. policy for recovery from what is already a rapidly accelerating systemic breakdown-crisis of the U.S. and world economies. I emphasize the argument made in my January 27, 2006 *EIR* report, "How To Capitalize a Recovery."

Applying those reflections, as criticism, to recently popular professional fads in mathematical economics, there are no actually linear solutions for the general goals implicitly posed by the work of the late Professor Wassily Leontief. For that same reason, his rivals among what he, and I, respectively,

FIGURE 1

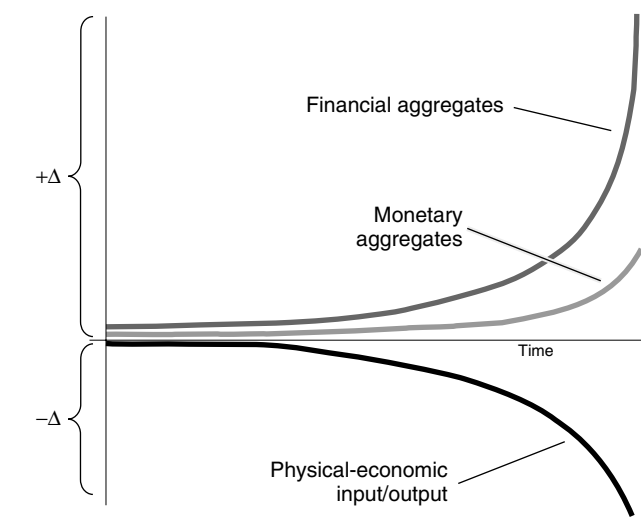
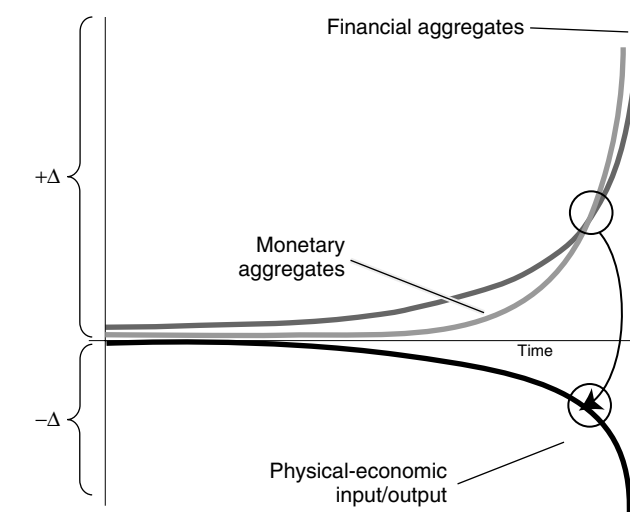
LaRouche's Typical Collapse Function

FIGURE 2

The Collapse Reaches a Critical Point Of Instability

LaRouche's "Triple Curve" heuristic diagram, in its 1995 (left) and 1999 versions. In Figure 2, the rate of growth of monetary aggregates passes that of financial aggregates, leading to hyperinflation. Under President George W. Bush's disastrous misleadership, the rate of collapse has been greatly accelerated in a way which corresponds to Figure 2.

rightly derided, during the 1950s, as "the ivory tower" faction of econometrics of Koopmans et al., were, like the latter's present-day successors, the present-day hedge-fund forecasters, even at their relatively least worst, have been usually worse than wrong, most of the time. The sometimes subtle, but often explicit influence of the axiomatic-like assumptions of ivory-tower fanatics such as the circles of Koopmans, Norbert Wiener, and John von Neumann, as integral features of both most contemporary academic instruction and practice in modern financial management by both governments and private enterprises, has been among the principal contributing, willful factors, of virtual "brain damage," in misleading the economies of Europe and the Americas into the ruinous condition of threatened imminent general collapse in which we find the world of today.

The roots of the sheer lunacy of today's rampant hedge-fund bubbles, are already found in the establishment of the still-lingering global hegemony of the Anglo-Dutch Liberal, empiricist system of financial accounting, a system whose imperial overreach was established during the course of the Eighteenth Century. The difference between then and now, is between the dangerously neurotic system of accounting belief and practice prevalent into the mid-1960s, and the frankly psychotic, and often criminal, "ivory tower" states of mind dominant in international financial and related practice since the 1971-1972 launching of the present, "post-industrial" form of floating-exchange-rate monetary system.

Thus, in the U.S.A. in particular, we have shifted, in a

series of radical reforms made during and since 1971-1981, such that, whereas the U.S. economy, with all its troubles, was still operating at a net gain over the course of the ups-and-downs during 1945-1965 interval, in physical terms, per capita and per square kilometer, since 1971-1972 the physical economy of the U.S.A. has been collapsing at a generally accelerating rate, throughout the 1981-2005 interval to date. Under President George W. Bush, Jr.'s disastrous misleadership, the rate of collapse has been greatly accelerated in a way which corresponds to the second-phase, post-1999, version of my "Triple Curve" illustration [Figure 2].

To summarize the 1981-2005 pattern for the U.S.A. itself, consider the following. I repeat that which I have often said before, inasmuch as those references are needed for clarity in addressing the special issue of scientific method emphasized in this present report.

The Pattern of Decline to Date

The first significant, post-1971 effort to reawaken the already crippled U.S. economy, came in the form of President Ronald Reagan's March 23, 1983 attempt to secure Soviet agreement to what Reagan named "A Strategic Defense Initiative (SDI)."

Had the Soviet government agreed to negotiate such a proposal, the net result would have been a return to the kind of science-driver program associated with the Kennedy manned Moon-landing mobilization. All of the leading forces of continental Western Europe were readied to cooperate in such an

escape from the Bertrand Russell-Kissingerian trap of thermonuclear “revenge weapons,” had the Soviet government been willing to explore this alternative.

It has turned out, subsequently, that the Soviet rejection of President Reagan’s proffer doomed the Soviet system to what the former Soviet bloc nations of Europe have suffered up to the present time; the support which Andropov’s rejection received from the wave of hatred unleashed against the SDI from within the U.S. influential ranks of both the “Bush babies” of the Reagan Administration and the Democratic Party, virtually eliminated any hope of escape from the downward turn of the post-1971/1981 U.S. and western European economies.

As I have reported many times since then, during the first half of 1983, I had warned that the Soviet refusal of President Reagan’s offer ensured a collapse of the Soviet system “within about five years.” The Soviet-led Comecon system collapsed, in fact, over the course of 1989. In the meantime, the other, more pedestrian, Reagan Administration economic policies of the 1980s, led into the 1929-like stock-market collapse of October 1987. The attempt to postpone the effects of that 1987 collapse, by incoming Federal Reserve Chairman Alan Greenspan’s policy of John-Law-style financial-derivatives “bubbles,” postponed the entry into the actual financial collapse-phase until the Spring-Summer 2000 plunge of the “IT” bubble, with the entry into the presently onrushing collapse-phase of the hedge-fund-driven mortgage-based-securities “bubble.” The two pedagogical models of “Triple Curves” provide a conceptual overview of the two successive phases of the long-wave 1971-2005 process to date.

Presently, the most deadly of the added features in the development of these financial-speculative bubbles, has been what is known, inside the U.S.A. itself, as the doctrine of “shareholder value,” as that modern Sophist’s doctrine is associated with the public utterances of U.S. Supreme Court Associate Justice Antonin Scalia. From the standpoint of its implications for the science of physical economy, Scalia’s argument is, functionally, clinically, as much as morally insane in and of itself, as cruelly immoral action against the people of the U.S.A. in its effects. It is not an original doctrine; in theology, Scalia’s stated doctrine, including his virtually schizophrenic, Queenly Alice-in-Wonderland doctrine of “text,” dates, philosophically, to the notorious irrationalisms of the medieval William of Ockham, and, more recently, a radically extreme form of the empiricist theology of Venice’s Paolo Sarpi. In modern political contexts, those assumptions, as he describes them, are explicitly pro-fascist in their implications.

This crucial fact about the characteristics of post-1971 trends in international monetary and economic policies, brings us to the presently explosively crucial scientific issue posed now as the crisis brought about by the recent nearly thirty-five years under the floating-exchange-rate IMF system.

1. What Is ‘The Rate of Profit’?

As I have emphasized in my “How To Capitalize a Recovery.”¹ there are, in fact, two significant notions of a rate of profit. One translates into monetary policy today, as a rate of return on investment in money; the second, the rate of *physical* return on an investment of *physical* capital, as this latter is distinct from the circulation of money as such. In both cases, economic value is not defined mathematically by a fixed value, such as that of monetary gold, or a price of petroleum, as such; it is defined by what is often described as the variable rate of “return on investment.” *However, the effect of ignoring the qualitative discrepancy between the two notions of “return on investment,” monetary versus physical, has repeatedly confronted the modern trans-Atlantic form of European economy and its global extension, in the form of crises.*

Put the fact of this qualitative discrepancy in the form of the following question: *What should be understood by “return on investment”?* Should we signify “return” as measured in simple monetary terms; or, should we measure the *physical-economic gains*, per capita and per square kilometer, for the society’s development of its *physical-productive powers as a whole society*? To solve that riddle, the origins of certain presently commonplace, wrong assumptions, shared between professional and public opinion, must be carefully examined, as we shall do now.

This division, which is best labelled the fundamental difference of principle, between the standpoint of Anglo-Dutch empiricism and the opposing standpoint of the American followers of Gottfried Leibniz, such as Benjamin Franklin and Alexander Hamilton, is expressed in economics and law as the continuing opposition, in the principles of economic policy, of the U.S. constitutional tradition of Benjamin Franklin and his followers, to the opposing tradition of Anglo-Dutch Liberalism.

This division is between what became the only globally significant strategic factor in shaping the leading controversies respecting the principles of national and world economy from the 1763-1789 formation of what was to become the U.S.A. to the present day. All the crises inhering in the currently prevalent principal conflicts in so-called “economics” ideology, are rooted in the irreconcilable differences of moral and scientific principle which, categorically, separate the American System of political-economy of Franklin, Alexander Hamilton, Frederick List, Henry C. Carey, Abraham Lincoln, Franklin D. Roosevelt, et al., from the caricature of what had been then the already wretched British doctrine which has been promoted lately as the virtually economic-suicidal perversity of performance by the current U.S. Bush Administration.

1. Lyndon H. LaRouche, Jr. “How To Capitalize a Recovery,” *EIR*, Jan. 27, 2006.

For example:

The Anglo-Dutch Liberal dogma for economics, which, unfortunately, all presently conventional British, Marxist, and popular opinion has derived from the empiricist doctrine of Venice's Paolo Sarpi, insists that the principle of political-economy is premised on *a systemically irrational doctrine: that the mass behavior of society must be controlled by what are, in fact, certain irrational motives of the isolable individual, as by a simple hedonistic principle, such as "individual greed."* In that Liberal or kindred view, this factor, as expressed by such terms as "individual greed," represents a general, axiomatic principle of conflict which is alleged, by them, to be inherent in the relationships among persons. This is taught as being a conflict embedded in what is a universal principle, a principle governing both the behavior of the isolated individual toward nature, and what is assumed to be the inevitable, "jungle-like" conflict among all persons.

This typically Venetian (e.g., neo-Ockhamite) doctrine, of a society controlled by an irrational impulse for conflict of the individual with society, was introduced to an English-language tradition in modern Europe through a student, Thomas Hobbes, of Paolo Sarpi's personal lackey, Galileo Galilei. Slightly different versions of this same dogma were codified by Bernard Mandeville; John Locke; David Hume; the Physiocrats Quesnay and Turgot; by the plagiarist of Quesnay and Turgot, Lord Shelburne's lackey, Adam Smith; and, by Jeremy Bentham's founding of the doctrine of utilitarianism, as in his 1787 *In Defense of Usury* and his 1789 opus, *An Introduction to the Principles of Morals and Legislation*. This became the standard doctrine of the British East India Company's Haileybury school, and was the effect of the Haileybury school's influence on Lord Palmerston's Young Europe asset, Karl Marx.²

2. Karl Marx was recruited to the Young Germany branch of the "Young Europe" organization of British Lord Palmerston's Giuseppe Mazzini, beginning thus a career which brought Marx, as a protégé of the "Young Europe" organization, under the supervision of the British Foreign Office's Urquhart, at a time when Urquhart was based in the British Museum as the general secretary managing the correspondence of the Young Europe organization throughout Europe, and, probably, also, the Young America branch which was to provide the seedling organization for what became London's Confederate States of America conspiracy. Urquhart played a crucial role in shaping the mind of Karl Marx from that point on. It was Mazzini, who was the convenor of the London meeting at which the so-called "First International" was founded, at which Marx was appointed, publicly, by Mazzini, as the secretary of that latter organization. Marx's 1850s howler, his paper purporting to expose Lord Palmerston as a Russian spy, indicates that Marx either did not know, or had not wished to know that it was Palmerston who actually owned him. Meanwhile, Marx was heavily indoctrinated in the British Foreign Office's certification of the silly fool Adam Smith, and the Quesnay from whom Smith plagiarized so liberally, as the virtual founder of "the only scientific" doctrine of political economy. It was in this context, that St. Ives (d'Alveydre) founded the anarcho-syndicalist branch of the Martinist Freemasonry, the Synarchist conspiracy, which, among other of its ironical outgrowths, created the leading fascist dictatorships of the 1922-1945 interval.

It is of crucial importance, on account of the grave practical issues under consideration in this present report, that this absolute opposition of the American to the Anglo-Dutch Liberal system, be understood in the fashion I argue those distinctions in this presently ongoing account of the issues. It is of special importance to recognize, that on the issues posed by the presently onrushing world crisis, the Marxist legacy in economics as an academic theory, must be understood, in retrospect, as, not outside the bounds of the British dogma, but as a rival branch of that same dogma. The issues of economic crisis which threaten the world today, reflect the common principles of folly which have been the onrushing cause of the present crisis of the Anglo-Dutch system and the preceding collapse of the Soviet economic system.

The historical-political significance of that opposition to the Anglo-Dutch Liberal system, of what U.S. Treasury Secretary Alexander Hamilton and other U.S. patriots defined as the American System of political-economy, is the most crucial, practical political-philosophical issue confronting the world as a whole at the present moment of an onrushing global existential crisis of global civilization. In fact, it is, functionally, the only significant formal issue of the world at this moment of accelerating crisis.

As I have pointed out repeatedly over more than a half-century to date, on certain crucial issues of economy, the views expressed by Marx in his four-volume *Capital* have functional verisimilitude for many of the common topics of modern economy, although critics of Marx and of most Marxist doctrinaires, such as critic Rosa Luxemburg on the subject of imperialism, were relatively competent, even brilliantly so, where the prevalent views of leading Marxists were wrong. However, none of this would have been relevant had the world at large, including most of the leading avowed socialists, not been dupes of the doctrine of that British system of which Marx himself was an exponent. The American System of political-economy, the only significant system grounded in relevant principles of Leibnizian physical science, was little known to Twentieth Century life prior to President Franklin Roosevelt's Administration, but, since the Harry Truman Presidency, virtually unknown to academic, popular, and official opinion on economics.

The crucial scientific incompetence of Karl Marx's work as an economist *per se*, lies in the bounds of the issue of what he terms "theories of surplus value." He refuses to locate physical-economic growth per capita and per square kilometer in the application of individual discovery of universal physical and related principles to general practice. His adoption of the Anglo-Dutch Liberal version of Venetian dogma on this account, has the same ontological implications as a fallacy of composition, as the doctrine of "imaginary numbers" of d'Alembert, Euler, Lagrange, et al. For him the physical efficiency of the actual creative powers of the individual mind do not exist. Therefore, he fails, utterly, to account for the physical source of the marginal gain in productivity of

labor from which physical economic growth per capita and per square kilometer is derived. Thus, he falls into the same utterly irrational superstitions which are characteristic of the Anglo-Dutch Liberal system generally.

Now, the world has entered a phase in which the British system—the Anglo-Dutch Liberal system of the recent three centuries—is due to become extinct, and its Marxist relics with it. What might be seen as the Alan Greenspan era of wild-eyed bubbling in financial derivatives has carried the previous Liberal system to the point of its virtual global extinction as a species, like the age of dinosaurs before it. A recovery of the real economy were possible, if the American System of political-economy of Leibniz, Franklin, Hamilton, Franklin Roosevelt, et al., were adopted for this purpose. However, now, largely to the credit of Alan Greenspan, the Liberal system, with its Marxian sub-species, has reached the threshold of its imminent, self-inflicted extinction as a form of organized human life. Atlas—the Atlas of Heinrich Heine’s poem!—has, indeed, shrugged, or is about to do so.

To understand this problem and its remedies, we must shift to a fresh approach, an approach consistent with the anti-Liberal American System of political-economy, but with certain crucially important new features added.

For example:

In any serious consideration of the need to prevent a rather immediate general physical collapse of the U.S. economy, the most important concept which must be put across first, if we are to find agreement on means to save the U.S.A. itself from this crisis, is the notion of the fundamental difference between the British notion of “return on investment,” as a matter of individual greed, and the American System’s underlying constitutional principle of a beneficial, physical return on a physical investment for the present and future society as a whole. This difference, can not be competently understood, except from that vantage-point in viewing modern trans-Atlantic history. As I shall show in this report, that specific issue is the dividing line between the imminent fall of global civilization, in the presently onrushing global economic crisis of today, and the escape to safety from the imminent threat of a planetary new dark age.

The issue on which I place the greatest emphasis in this report, is not simply an axiomatic difference in the elementary definition of economics as such. It is also, inseparably, a fundamental difference respecting both the nature of mankind, and the most elementary principles of physical-scientific work.

I proceed accordingly.

Science and Culture

The philosophical principle underlying the American System of political-economy, is to be traced principally, and explicitly so, from its origins within the Classical Greek humanist culture of Solon of Athens and Plato. In this philosophy, the fundamental law of human nature is *not* that of irratio-

nal conflict and greed. Rather, our constitutional law is derived from the Classical Greek concept of *agapē*, as presented through the mouth of Socrates in Plato’s *Republic*, and as affirmed as the Christian principle of natural law, most notably, in the Greek spoken and written by the Apostles John and Paul. This became known in modern European civilization as the *commonwealth* principle of Louis XI’s reform in France and Henry VII’s reform in England; it is expressed as the anti-Locke principle of “the pursuit of happiness” uttered by Gottfried Leibniz. This was copied explicitly from Leibniz by the U.S. 1776 Declaration of Independence, and restated in the highest rank of importance for law in the “general welfare clause” of the Preamble of the U.S. Federal Constitution.

The study of the history of European civilization from this vantage-point, is pivoted on the role of the best produced from Classical Greece’s development in laying the foundations for all leading efforts, since that time, to establish a form of society consistent with the spiritual, as much as the physical requirements of a civilized life. The defense of this commitment against the contrary role of the influence of the wicked Delphi cult of Apollo and its spread of Sophistry in bringing about the self-destruction of a corrupted Athens, is the crucial historical, conceptual benchmark from which the crafting of all competent studies of the history of European civilization, to the present day, have been premised, until now.

Such a study of the history of the process of evolution of European civilization begins with the choice of a benchmark of reference defined as approximately the Seventh Century B.C. onward, through, approximately, the deaths of the leading scientists Eratosthenes and Archimedes. This is a period which began during a time when Egypt, menaced by the evil of Babylon and its allies, relied significantly on maritime allies such as the Ionians, for the eastern Mediterranean, and the Etruscan branch of what had been the Hittite culture, for the western Mediterranean.³

Taking that interval of ancient Greek history as a benchmark, we should study the greater span of history, by looking backward and forward from that point of general historical reference. The question of interpretation of evidence, actual or merely putative, from earlier periods of such a cultural series, must emphasize material evidence of a type which has crucial bearing on distinctively human behavior, such as the

3. The evidence is that the leading cultures of the world emerged as trans-oceanic maritime cultures, appearing thus to post-Flood Mediterranean culture. Although Egypt is noted as a culture based on Nile riparian development, the study of Egyptian geometry, such as that of the Great Pyramids and the impact of Egyptian *Sphaerics* in the founding of the Classical Greek geometry and astronomy of Thales and the Pythagoreans, coincides with other evidence, and shows that major riparian cultures of that time, such as a Dravidian maritime language-group’s initial development of Mesopotamia, as rivalled by that of the earlier development of the Nile, need only be contrasted with the corruption of Classical Greek geometry by Euclid et al., reifying the Classical geometry of the Pythagoreans by replacing the sphere with the flat surface as the primary root of a doctrine of mathematics.



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The Romans' murder of Archimedes was a key inflection-point in the rise of the Roman Empire, bringing on a long dark age in European history, relative to the Greece of Thales, Solon, Socrates, and Plato.

evidence that the leading edge of culture from earlier periods, expresses dependency upon the impact and related influence of ancient maritime cultures, including material evidence uniquely relevant for the study of transoceanic maritime cultures. The methods used rightly emphasize the model of Kepler's uniquely original discovery of the principle of universal gravitation.

With the self-destruction of Athens by Sophists such as the Democratic Party, which conducted the judicial murder of Socrates, the worst outcome was avoided through the influence of Plato and his Platonic Academy of Athens, up through the deaths of the great representative thinker Eratosthenes and the murder, by the Romans, of his correspondent Archimedes of Syracuse. The rise of the Roman Empire, the emergence of Byzantium as successor to Rome in the western Mediterranean, and the medieval abomination of the partnership of Venetian financier-oligarchs and crusading Norman chivalry, represent a long dark age in European history, relative to the Greece of the tradition of Thales, Solon of Athens, Socrates, and Plato.

Thus, the rise of modern European civilization was based, almost entirely, on resurrection of the legacy of the Platonic Academy and such among its predecessors as Solon and the Pythagoreans, a resurrection pivotted on the great ecumenical Council of Florence, and the intellectual influence of Cardinal Nicholas of Cusa and his associates of that great Renaissance. Cusa's *Concordantia Catholica*, defined the principle of the

modern sovereign nation-state republic, while his *De Docta Ignorantia* gave birth to all valid currents of modern European experimental physical science.

In response to the Venetian financier oligarchy's role in abandoning Constantinople to the Ottoman conquest, Cusa organized his associates around the project of great navigational explorations, traversing oceans to the west and east. It was through the direct influence of Cusa's writings of this plan, that Christopher Columbus was recruited to the project of trans-Atlantic exploration, as essential features of this were provided to Columbus, as Cusa's writings were supplemented through Columbus's correspondence with Cusa's collaborator in this project, Toscanelli.

However, the succession of the Fall of Constantinople and the launching of the Spanish Inquisition by the monstrous Torquemada, unleashed waves of religious warfare within Europe which persisted until Cardinal Mazarin's intervention to bring about the 1648 Peace of Westphalia on which civilized forms

of political life have depended since.

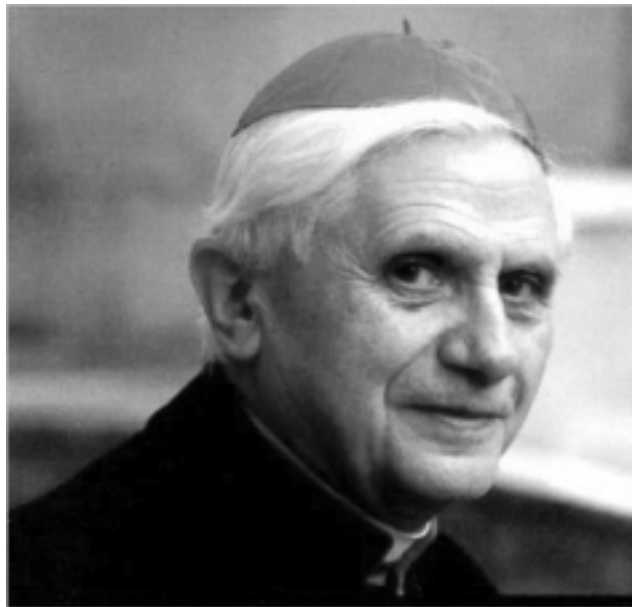
In this process, from 1453 through 1648, much of the progress gained by the Renaissance was lost. Although the city of Venice lost its formal imperial power over the course of the Seventeenth Century, a powerful offshoot of the Venetian financier-oligarchy rose around the Dutch and later British India Companies. It was during this period, which began with the defeat of the Spanish Armada, that the way across the Atlantic was open to colonization by the Dutch, English, and French maritime cultures. The closely related establishment of the Massachusetts Plymouth and Commonwealth settlements, and the later settlement by William Penn, established actual governments, which, in their internal affairs, were only loosely tied to the English monarch, but not the Parliament, until that February 1763 Treaty of Paris which established the British East India Company as an empire-in-fact.

Nonetheless, the concept of the commonwealth, which was spread into Massachusetts, Pennsylvania, and Virginia, was a concept, traced in the U.S.A.'s English tradition, to the present day, through Sir Thomas More, to England's Henry VII, and, thus, from France's Louis XI. France under Louis XI, and England liberated from Richard III by Richmond, were expressions of the revival of the Christian expression of the Classical Greek tradition of Solon, Socrates, and Plato. It was on these premises that our War of Independence was fought on behalf of the commonwealth principle affirmed in the Preamble of our Federal Constitution, against the British

East India Company's imperial tyranny. That process, coming into focus in the same 1789 during which Lord Shelburne's London launched the French Revolution with the latter's subsequent Jacobin Terror and Napoleonic tyranny, defines the presently extended historical roots of the systemic difference between the American System of political-economy, and the characteristic systemic weaknesses among the parliamentary systems of Europe still today.

The commonwealth principle, on which the politics and economic practice of the young U.S.A. were premised, is to be recognized as the echo of the role of the figure of Socrates within Plato's *Republic*. It has been the principles of science and culture generally, which the Fifteenth-Century Renaissance adduced from the warnings given by the example of the ruinous Peloponnesian War, which defines the U.S. republic as in the footsteps of Socrates and Plato, whereas the British system established under leaders such as Lord Shelburne's crew, represents the contrary image, the image of a most notorious figure of Plato's reflections on the Peloponnesian War, the Thrasymachus on which the Nazi Crown Jurist, and his sometime protégé Professor Leo Strauss, premised what became the tyrannical world-outlook of the so-called Federalist Society.

The great principle upon which all that is the best in our American System and its tradition is premised, is the same principle of *agapē* which has been presented afresh as the



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Pope Benedict XVI has presented afresh the principle of agapē in his first Encyclical, "Deus Caritas Est" ("God Is Love"). This is the great principle upon which all that is best in the American System is premised.

theme of the first Encyclical proclaimed by a new Pope, Benedict XVI, *Deus Caritas Est* ("God Is Love"). This is the principle, set forth by Plato as the Socratic foundation of his *Republic*. It is the principle emphasized, as *agapē*, by the Christian Apostles John and Paul, as in *I Corinthians* 13, and in, implicitly, the whole constitutional law of the U.S. Federal Republic, as affirmed as reigning over all features of that Constitution, from its position in the Preamble as the supreme principle of natural law of our republic.

That principle can be competently understood only when we situate it, relative to the legacy of the Classical Greece of Solon, Socrates, and Plato, as the great Christian Apostles John and Paul recognized the import of Plato's *Timaeus*. The latter work, when read in the context of the historical perspective, since ancient Greece, which I have outlined, has a special relevance for our attention here.

Usually, in classrooms and under kindred auspices, the most celebrated feature of the *Timaeus*, is the included emphasis on the subject of the fundamental ontological implications of the five regular solids. The point to be emphasized for our purposes here, is the customary mystification of Plato's work on that specific topic, by those who attempt to interpret the significance of the solids from the vantage-point of Aristotle and Euclid. The point which I make here, in this specific location, is that the commonplace blunder among scholars on this matter of the Platonic Solids, is of absolutely crucial importance for understanding the implications of my own discoveries within the body of a science of physical economy. [See **Figures 3 and 4.**]

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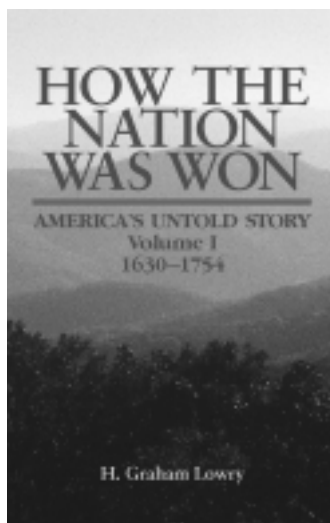
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Once we read Plato's argument there from the standpoint of the Pythagorean view of a physical geometry based solely upon the application of the Egyptian astrophysical principle of *Sphaerics*, instead of contorting geometry, as Euclid does, by adopting the Babylonian cult of flat-Earth geometry as the starting point for his reification of the preceding Classical Greek geometry of *Sphaerics* (by the arbitrary, and falsifying introduction of definitions, axioms, and postulates), there is room for none of the usual nonsense one meets in supposedly learned discussions of Plato's treatment of the so-called Platonic Solids.

Implicitly, what I have just underscored, was the actual approach which can be traced with confidence from Nicholas of Cusa's *De Docta Ignorantia*, and the work of such explicit followers of Cusa as Luca Pacioli, Leonardo da Vinci, and Kepler, and, hence Fermat, Leibniz, Gauss, and Riemann, with notable emphasis on the way in which Riemann features what he terms "Dirichlet's Principle" in respect to the subject of physical hypergeometries.

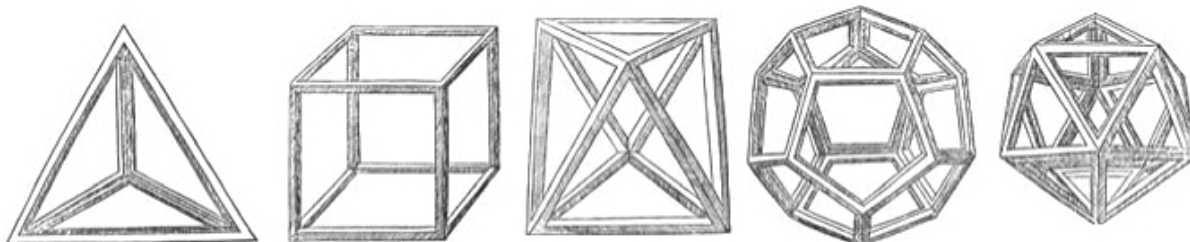
Although the typical reader of this writing may not be inclined to take up the latter feature of Riemann's work, the implications of what I have just said, must be taken into account, as being of presently crucial practical importance for organizing a now desperately needed resurrection of an almost deceased U.S. economy.

Culture and Morals

The principle of the general welfare, also known as *agapē*, was also known in American English as Cotton Mather's and Benjamin Franklin's natural-law principle of statecraft generally, and of economy in particular, as the commitment of the moral individual "to do good." During the early decades of the Eighteenth Century, this pivotal principle of the U.S. system of constitutional law was counterposed in an exemplary way as a conflict between Cotton Mather's commitment "to do good," and the British system of John Locke. This policy of Mather, Franklin, and Leibniz, was opposed to not only the dogma of John Locke, but also the dogma of Mandeville. Mandeville argued explicitly that the public good was, as the Mont Pelerin Society Sophist Milton Friedman was to avow the defense of illegal drug trafficking, in a famous April 1980 broadcast interview with Phil Donahue. Locke and Mandeville typify the natural product of license allowed for the pursuit of private vices, as Adam Smith had argued in his 1759 *Theory of the Moral Sentiments*.

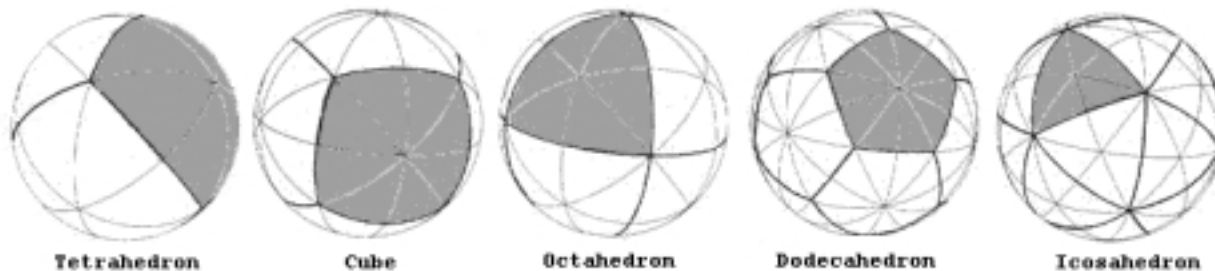
Thus, the general premise of the social theory of Paolo Sarpi's new Venetian school of philosophy, on which Anglo-Dutch Liberal belief and practice is based, is that individual man is essentially a vicious and predatory beast to other individuals and society alike. However, these followers of the empiricism of Sarpi and his lackey Galileo, argue, as Adam

FIGURE 3



The Platonic solids, drawn here by Leonardo da Vinci, are the only regular solids that can be constructed within a sphere. Plato's work on this topic is customarily mystified, by those who attempt to interpret the significance of the solids from the vantage-point of Aristotle and Euclid.

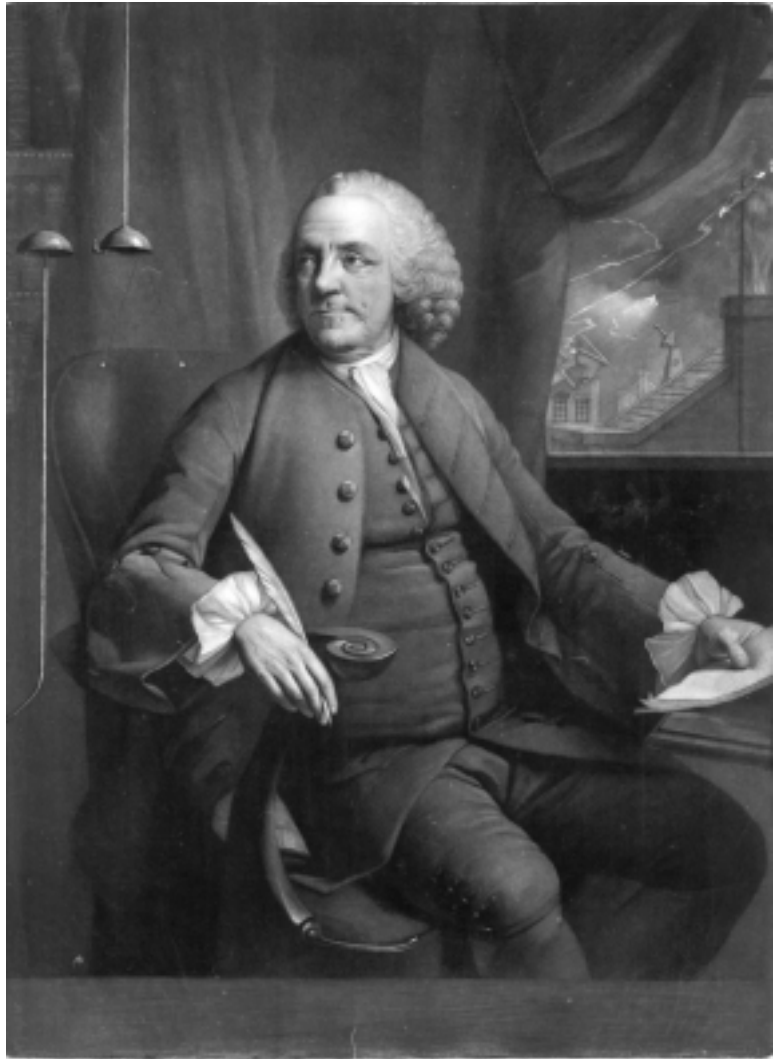
FIGURE 4



The Platonic solids on a sphere. Approaching them from the standpoint of the astrophysical principle of *Sphaerics*, leaves room for "none of the usual nonsense one meets in supposedly learned discussions" of Plato's treatment of the solids.



Cotton Mather (left) and Benjamin Franklin developed the natural-law principle of statecraft generally, and of economy in particular, as the commitment of the moral individual "to do good." This was in fundamental opposition to the British system of John Locke.



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Smith copied Mandeville in 1759 and later; they argued for the purely ideological rationalization, that the universe is constructed to such effect that what they define as the inherently immoral beast, the human individual, is acting in a way intended to give us the best possible ultimate result for society, through certain mysterious agencies, operating as if from under the floorboards of the universe, agencies of which, they insist, the acting human individual could have no rational comprehension.

Thus, in the argument of the Anglo-Dutch Liberal tradition, we have two diametrically opposed conceptions of the fundamental principles of statecraft in general, and the economy in particular. Both of these derived conceptions are rooted in a pathological notion of the nature of man. I now quote here, once again, the relevant piece of shameless sophistry from Smith's *Theory of the Moral Sentiments* which I have cited on relevant other occasions, as follows:

"... The administration of the great system of the universe ... the care of the universal happiness of all rational and

sensible beings, is the business of God and not of man. To man is allotted a much humbler department, but one much more suitable to the weakness of his powers, and to the narrowness of his comprehension; the care of his own happiness, of that of his family, his friends, his country. . . . But though we are . . . endowed with a very strong desire of those ends, it has been intrusted to the slow and uncertain determinations of our reason to find out the proper means of bringing them about. Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and the dread of pain, *prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them.*"⁴

In those lines from Smith's 1759 publication, we have *two inconsistent, directly contrary kinds of alleged principles*

4. Lyndon H. LaRouche, Jr. and David P. Goldman, *The Ugly Truth About Milton Friedman* (New York: New Benjamin Franklin, 1980), p. 107. Emphasis added.



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Adam Smith's 1776 *The Wealth of Nations* was principally a diatribe against the U.S. Declaration of Independence.

combined, as if this were a single functional principle! On the one hand, we have a purely hedonistic, irrational set of impulses which allegedly govern human behavior; but, the result of that behavior is, according to Smith, totally unrelated to what he asserts to be the intended result of his witless hedonistic groping.

Adam Smith wrote those lines as a follower and imitator of the so-called "moral philosophy" of David Hume, who was admittedly no paragon of clinical sanity, but Smith carried these same notions forward in time to the period, beginning 1763, he had become a personal lackey of one of the most evil men of that century, the Lord Shelburne who had emerged as the leading political force within the British East India Company's international political operations, to become the actual architect of the French Revolution of July 14, 1789, of the terrorist reign of the British Foreign Office's "secret committees" agents Danton and Marat, of the Jacobin Terror. Bentham became the head of the Foreign Office's "secret committee" for these operations, and the coordinator of the work of the Haileybury school which laid down the foundations of British imperial doctrines of political-economy which are continued in the form of modern adaptations to the present day. In this way, Shelburne was a key figure behind the launching of that Martinist Freemasonic cult, in France, which orchestrated the French Revolution, the career of Napoleon Bonaparte, and, subsequently, the banker-controlled Synarchist movement which gave the world the Mussolini, Hitler, Franco, and kindred fascist regimes of the 1922-1945 interval.

According to his family records, Smith was assigned by Shelburne personally, from 1763, to design the disruption of the progressive economies of Britain's North American colonies. Smith's 1776 *The Wealth of Nations* was principally a diatribe against the U.S. Declaration of Independence. The content of that book reflected extensive apparent plagia-

rism of the work which Smith had studied during his extensive spying in France during the 1763-1776 interval, the work of the Physiocrats Dr. François Quesnay and A.R.J. Turgot, most notably Turgot's *Reflections on the Formation and Distribution of Wealth*.⁵

Look closely at the implications of the emphasized excerpt from Smith's 1759 publication, which I have just quoted above: "...prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them."

In that 1759 piece, as in his later *The Wealth of Nations*, sophist Smith demands unquestioning faith in the authority of a rule, such as "free trade," for which he not only fails to supply any scientific evidence; he insists that it is impossible for any of the believers in his dogma to know whether that rule is scientific or not. It is a matter of blind faith, as he insists in the 1759 location; it is the same in his explicit discussion of political-economy, in 1776 and later. More notably, all of the arguments of the empiricist writers on political-economy which I have identified above, including Locke's presentation of his notion of "property," are premised on the same kind of dubious assertion which Smith makes in that passage from his 1759 text.

Quesnay's kindred argument is of special contemporary importance on this account, because of Karl Marx's implied adoption of the same hollow assertion, in his praise of Physiocrat Quesnay's *Tableau Économique*. In all of the cases of the empiricists to whose work I have made reference here, the same mode of argument made by Smith's 1759 work, serves as the formal-logical sophistry on which the entire edifice of each of those author's system depends.

The significance of Quesnay's *Tableau*, is that whereas it provides an instructive map of the schematic organization of the physical economy of that time, as Marx recognized that fact, it accompanies that description of the matter by a wildly lunatic explanation, a piece of which is, practically, and otherwise, utterly immoral lunacy, a lunacy on which the entire "free trade" dogma of the Anglo-Dutch Liberal system is premised to the present day.

In the case of Quesnay, he insists, as does Mandeville, that the entire physical edifice of a national economy depends upon a fairy-tale quality of childish belief in magic. He insists that what modern usage would identify as the profit of the estate, is the result of the magical power of the title awarded to the relevant aristocrat, as the proprietor of the estate. According to Quesnay, the farmers and other artisans employed on the estate are no more than human cattle, entitled to no more share of the wealth produced there than a milk-cow, who must be given just enough of the product to continue to function as a milk-cow. Yet, at the same time, no matter how

5. A.R.Y. Turgot, *Réflexions sur la formation et la distribution des richesses* (1766).



USDA/Bill Tarpenning

"According to Quesnay, the farmers and other artisans employed on the estate are no more than human cattle, entitled to no more share of the wealth produced there than a milk-cow, who must be given just enough of the product to continue to function as a milk-cow." This remains to this day the essential principle of imperial and oligarchical societies.

much the landlord of the case is merely an indolent parasite, it is to him that Quesnay awards the title *of the creator of the net product of the estate*. Whence this profit? As for John Locke, the generation of the profit is attributed to nothing more than an act of sympathetic magic, the mere existence of a virtual mere piece of paper, a title to ownership of the estate, or ownership of the hereditary slave, *nothing more than mere title to property!*

This argument for *laissez-faire*, by Quesnay, and also Turgot, becomes plagiarist Adam Smith's "free trade." Owners of garbage cans take note; Adam Smith is a plagiarist who steals trash.

Engels As an Enemy of Science

The same genre of argument pops up again, this time out of the mouth of Britain's Frederick Engels. Engels insists that the source of mankind's gain in physical wealth, relative to the higher apes, is the evolution of the "opposable thumb." Engels complements that piece of his nonsense by locating the profit of production in the "horny hand of labor," perhaps hinting at Engels' own reputation, like that of the G.W.F. Hegel whom Engels admired, for a "horny hand" with the ladies. The same argument appears as a feature of the socialist movement's social doctrine, especially among those proud, avowed "proletarians" who evaded the fact, that it is the participation of farmer and industrial labor in harvesting the fruits of a fundamental scientific progress in the Pythagorean tradition, which is the efficient source of those scientific revolutions on which the increase of the human population to more

than six billions has been made possible.

The essential, and impassioned hatred of actual science, as expressed so by Britain's Frederick Engels, is the same expressed by the Olympian Zeus of Aeschylus' *Prometheus Bound* and by the typical, "brainwashed," anti-science Luddite of the Americas' and Europe's contemporary, so-called "68er" generation. Zeus' objection is to the existence of the distinction between man and ape. The topic is the torture of Prometheus, this time not at Guantanamo, on the account of the charge that Prometheus had given people the knowledge of the use of fire, to say nothing of the nuclear power radiated from the Sun. From most ancient known times, through the Emperor Diocletian, and the suppression of the quality of education proffered to the children of freed slaves in the post-Lincoln U.S.A., the essential principle of imperial and related tyrannies by the few, is the assignment of the subjugated many to a cow-like condition of life, by

the denial of the ordinary individual's knowledgeable access to the experience of reenacting the discovery of universal physical principles.

The putative great socialist, Engels, admires the working men and women of Karl Marx's tale, but actually only, like objects in a museum-collection, as mere cattle, or house pets. Thus, like the Olympian Zeus, or the Emperor Diocletian later, or MIT's Professors Noam Chomsky and Marvin Minsky, Engels denies the ordinary folk any actually uniquely human quality which might distinguish them from apes!⁶

Contrary to Engels, the issue of all economics practice as science, is the principled difference between man and ape. That difference is typified by the human act of discovery of a universal physical, or comparable artistic principle, by means of which, humanity's physical power in and over the universe, is increased in a qualitative way.

So, mankind, in whom ape-like qualities would not permit a planetary human population of more than some relatively few millions of living individuals, now represents over six billions.

This power which sets the human individual apart from, and above the apes, is, literally, power as the ancient Pytha-

6. Chomsky and Minsky were associated with an "artificial intelligence" project conducted at MIT's Rochester Laboratory for Electronics (RLE). The project combined the proposals of two acolytes of Britain's Bertrand Russell, Norbert Wiener and John von Neumann, who insisted that human intelligence, including creativity, could be reduced to a mechanistic schema. Those conceits are fully in accord with Engels' views on the nature of man.

goreans and Plato define it, by the Greek term *dynamis*, which Leibniz revived for modern scientific use as the term *dynamic*, a term which he presented as a means for conceptual insight into the intrinsic scientific incompetence of the mechanistic methods of Descartes and Newton. This is the significance of the central point of the contributions by me, and my young adult associates, to the Christmas 2005 edition of the political intelligence weekly *Executive Intelligence Review*.

As I shall emphasize in the course of this present chapter of this report, and in comparable locations, the nature of a universal physical principle, such as the principle of the use of fire, or Kepler's discovery of universal gravitation, or the mastery of nuclear fission and thermonuclear fusion, has the apparent ontological form of an *infinitesimal*. I mean this as I stress the common incompetence of the empiricists Descartes, Newton, and that among such of their mechanistically inclined followers as d'Alembert, de Moivre, Euler, and Lagrange, who denied hysterically the existence of Leibniz's infinitesimals. Whereas, the greatest achievements in modern science since Kepler and Fermat, have been those associated with a view opposite to their own, the view by Leibniz, and the circles of collaborators of Carl F. Gauss, Bernhard Riemann, and, later, such as Albert Einstein.

If we look back to the pre-Aristotelean, pre-Euclidean Greek science which was associated with the roster of the contributions by such as Thales, the Pythagoreans, and of that circle of Plato's associates which excluded Demosthenes and his student Aristotle, virtually all of the valid principles and related materials contained within the famous set of *Euclid's Elements*, had been developed prior to any significant work by Aristotle or others. All of the most relevant content of Euclid's *Elements* had been developed by a better method, by the circles of the Pythagoreans and Plato, before either Aristotle or the Euclidean came visibly on to the scene. As is shown most plainly by the ironies of the concluding sections reporting some of the outcome of *Sphaerics*, in *Euclid's Elements*, the special significance of the relevant content of the *Elements*, is what has been done to reify this material from the vantage point of what is fairly best-described as blind faith in a "flat Earth" universe, as the famous mathematician and teacher of young Carl F. Gauss, Abraham Kästner had pointed out in Kästner's own definition of the anti-Euclidean geometry on which much of the development of mathematics by Gauss himself was based.

The crucial issue of scientific principle here, is the implication of the Egyptian method of *Sphaerics*, as opposed to the Babylonian cult of what Euclid's set of definitions and axioms define, systemically, as representing the geometry of an axiomatically flat-Earth universe.

That is to emphasize, as Kästner did, that where Egyptian astrophysics and related science starts from the spherical character of the observation of the physical universe in which we live, the Babylonian legacy starts from the working, aprioristic assumption that the universe is primarily an outgrowth

of the flat area implicit in the set of definitions and subsumed axioms of Euclidean elementary plane geometry. The idea of a solid Euclidean geometry is essentially an extension of the axiomatics of a Euclidean plane geometry. Notably, these "flat Earth" definitions of the universe, do not provide for the existence of an efficiently physical universe, but treat the real world as merely a kind of abstract real-estate-development scheme.

Take the case of Kepler's discovery of gravitation. At no part of the orbit does the functional equivalent of a straight line exist. Unlike the circle, the elliptical orbit of the planets never experiences "straightness," even in the most infinitesimal of infinitesimal intervals. The same point was emphasized by the Nicholas of Cusa, who had emphasized the Earth's orbit of the Sun before the Sixteenth Century; Cusa emphasized, first in one of his sermons, that Archimedes' attempt to approximate *pi* was brilliant, but, nonetheless, ontologically incompetent. [See **Figure 5.**] The argument by Cusa became a crucial feature, in his *De Docta Ignorantia* and beyond, of his founding of the entire sweep of modern experimental physical science.

As the later leading figure of the Platonic Academy, Eratosthenes emphasized, the most crucial case to be referenced on this account, is the proof, by construction, originally by Plato's friend and collaborator, the Pythagorean Archytas, of the exact doubling of the cube, without use of arithmetic, by methods of construction based upon the principles of *Sphaerics*. The replication of that discovery of Archytas, by modern students, is the most convenient pedagogical approach, still today, for grounding students in the essential methods and principles of a constructive physical geometry, and in the rudiments of science in general, the science of physical economy in particular.

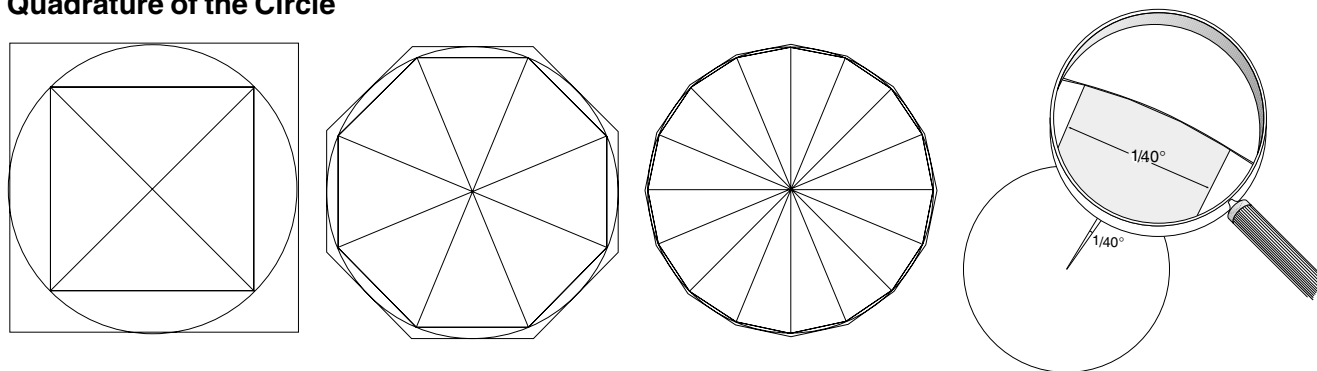
The Historical Setting of Gauss's 1799 Paper

The modern significance of Archytas' original accomplishment, is made clearer by relevant study of the implications of Carl F. Gauss's 1799 publication of his doctoral dissertation exposing the frauds of d'Alembert, Euler, Lagrange, et al. on the matter of the Fundamental Theorem of Algebra.⁷

The most crucial discoveries of late Eighteenth- and Nineteenth-Century physical science, were set into motion by a leading mathematician of the Eighteenth Century, Abraham Kästner, who pointed out the crucial fallacy of all taught derivatives of Euclidean geometry. Kästner is the founder of a *modern anti-Euclidean physical geometry*. He recognized the fraudulent feature at the center of both what is called Euclidean geometry, and also so-called "non-Euclidean geometries," the fraudulent nature, from the outset, of a Euclidean notion of definitions, axioms, and postulates.

7. Published as *Demonstratio Nova Theorematis Omnem Functionem Algebraicam Rationalem Integram*. . . (Helmstadii: 1799). In C.F. Gauss, *Werke* III, pp. 1-31. Sundry translations.

FIGURE 5

Quadrature of the Circle

Fidelio

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 2^{16} 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.

The influence of Kästner, one of the two principal teachers of young Carl F. Gauss, was of crucial importance for Gauss's own contributions to the development of an anti-Euclidean, physical geometry. Behind what might seem to some to be the paradoxical quality of Gauss's discussions of the subject of the non-Euclidean geometries of Lobatschevsky and Janos Bolyai with both Janos and his father, Farkas Bolyai, was Gauss's own understanding of not a non-Euclidean, but an anti-Euclidean physical geometry, a fact which was reflected in a crucial way in the argument which Gauss made against the Berlin Newtonians associated with Euler, in Gauss's own 1799 doctoral dissertation.

During the period beginning with Napoleon's occupations in Germany, Gauss was singled out for an especially vicious attack from Napoleonic and related quarters. The attack on Lagrange in Gauss's 1799 dissertation, and Napoleon's sponsorship of Lagrange, must be considered relevant, as the intervention on Gauss's behalf, by the circles of Lazare Carnot and Carnot's École Polytechnique associate Alexander von Humboldt, is relevant in the rescue of Gauss from a very nasty predicament at that time.

Without changing the views which he had implicitly set forth in his 1799 doctoral dissertation,⁸ Gauss adhered to the same commitment to an anti-Euclidean geometry throughout his mature development; but, nonetheless, he carefully minimized the risk of making himself once again the personal target of the circles of his reductionist adversaries of 1797-1799. So, the deeper significance of this successive work of Kästner and Gauss was not to be made fully clear to modern science until work done by Bernhard Riemann, beginning

with Riemann's 1854 habilitation dissertation, and continued through Riemann's work on Abelian functions and physical hypergeometries.⁹

Looking back to Gauss's 1799 dissertation from the vantage-point of the later work of Riemann, we encounter the crucial importance of that 1799 paper for the science of physical economy.

I restate here certain aspects of the same issues which I have addressed in earlier various published locations, most notably in my "Vernadsky and Dirichlet's Principle," and, in collaboration with some associates, "The Principle of 'Power.'" ¹⁰ In this instance, I underscore the references to that material which have crucial implications for the understanding of those principles of the science of physical economy which have crucial importance for dealing with the global economic crisis now at hand.

The needed understanding demands looking at modern economy back from its origin in the founding of both the modern nation-state and modern experimental physical science, which occurred as a set of developments centered in Golden Renaissance Italy, to the methods which that Renaissance adopted as resurrections of scientific work of Pythagoreans such as Archytas and of Archytas' friend and collaborator Plato.¹¹

9. As noted in the 2005 Christmas edition, "The Principle of 'Power,'" of *EIR*. Albert Einstein's recognition of the revolutionary validity for modern science of the combined work of Kepler and Riemann, is relevant here.

10. *EIR*, June 3, 2005; Dec. 23, 2005.

11. The development of the modern European form of sovereign nation-state economy dates from the European developments during the Italy-centered Fifteenth Century, as exemplified by the establishment of the commonwealth forms of state under France's Louis XI and England's Henry VII. Excepting

8. E.g., Gauss to Farkas Bolyai, March 6, 1832; to C.L. Gerling, Feb. 4, 1844.

Modern physical science, which is, in fact, a characteristic outgrowth of the birth of the modern nation-state, was born, chiefly in Fifteenth-Century Renaissance Italy, with outstanding contributions by Filippo Brunelleschi, such as his application of the catenary principle to the construction of the cupola of the Cathedral of Florence, but in a more comprehensive way, by Cardinal Nicholas of Cusa's *De Docta Ignorantia*, and later work by himself and such publicly avowed followers as Luca Pacioli, Leonardo da Vinci, and Johannes Kepler; but, also, in practice, by John Napier¹² and William Gilbert.

These and related developments represented a comprehensive revival, under emerging modern political conditions, of the ancient Greek science established by such pre-Aristotelean, pre-Euclidean figures as Thales, the Pythagoreans, Plato, and their respective followers and collaborators. If we trace the developments associated with the approximately two generations of Gauss's contributions to science to their origins, we must locate the combined development during the unfolding of about a hundred years of combined Classical artistic and physical scientific development since the impact of the legacy of Johann Sebastian Bach, and the Abraham Kästner of Leipzig whose promotion of the legacy of both Leibniz and Bach was not only a central feature of the German Classical revival of the late Eighteenth Century, and of the support for the cause of the independence of the U.S.A., but a crucial figure in the preparation of European science of that time for the role of Kästner's young pupil Carl F. Gauss.

To grasp the significance of that approximate century of Classical artistic composition and physical science, from the aftermath of 1763 through the death of Riemann, we must view these developments against a certain specific historical backdrop. To comprehend the history of European science and Classical artistic composition as a whole, the influence of Aristotle, Euclid, et al., had already, back then, represented the onset of a turn, backwards, to the same standpoint of philosophical reductionism from which modern empiricism, Kantianism, and the radical positivist outcrops of their influence are derived.

The ebbs and flows within about seven centuries of modern European civilization as a whole, must be measured against developments in modern physical science from Cusa

through the work of Bernhard Riemann, and represent, essentially, the rebirth of ancient scientific knowledge as a kind of awakening from a decades-long little dark age in science since the death of Leibniz. It was not until the work of Riemann, that modern science recaptured fully the essential principles of the method of scientific thought associated with those followers of the Egyptian astrophysical science of *Sphaerics* typified by Thales, the Pythagoreans, and Plato. During the entire sweep of those modern centuries, the ebbs and flows in science and in Classical artistic activity have been closely correlated phenomena. An adequate understanding of the principle of a science of physical-economy brings these functional connections into the required quality of focus.

With respect to that Eighteenth-Century little dark age, the progress of modern science since Cusa, Pacioli, and Leonardo is associated, most notably, with two periods since that time: the Seventeenth-Century publications of Kepler, Fermat, Huyghens, Leibniz, and Jean Bernoulli, and the work of the Monge-Carnot phase of France's École Polytechnique, and that of the circles of Germany's Alexander von Humboldt, typified by Gauss, Dirichlet, and Riemann. In between the death of Leibniz and the middle to late Eighteenth-Century Classical renaissance associated with the names of Kästner, Lessing, Moses Mendelssohn, and the period of the early École Polytechnique: the "Voltairean" Eighteenth-Century empiricist "Enlightenment," was, thus, as I have just said, relatively, a "little dark age" of mystification of science by the empiricist reductionists.

The Crucial Issue Posed by That Paper

Now, that said, look backwards toward the close of the Eighteenth-Century, to Carl Gauss's 1799 publication of his doctoral dissertation. In this setting, the figure of Alexander von Humboldt, as being representative of both the Monge-Carnot École Polytechnique of which he, von Humboldt, was an active member and close personal associate of Carnot, bridges a following interval of slightly more than a half-century of the greatest period of epistemological florescence in modern physical science since the late Seventeenth Century. It was also the closest approximation of a recapturing of the vitality of outlook we should associate with the period of the collaboration among the Pythagoreans, the circles of Socrates, and Plato.¹³

the fact that all forms, and phases of development of society are subsumed by the specific characteristics of human society, the notion that modern economy can be traced back to ancient or medieval forms exists only in the incompetence of childish intellectual fantasies. Even European imperialism, which dates from relevant systems based in ancient Mesopotamia, is the superimposition of an ancient disease upon the modern form of society established, in principle, during the European Fifteenth-Century Renaissance.

12. Napier, the pioneer in developing logarithms, is notable for his remarkable echoing of Pythagorean-Platonic *Sphaerics* in his design of what Gauss rediscovered as Napier's design of the *Pentagramma Mirificum*. See Gauss, *Werke*, "III. Pentagramma Mirificum," pp. 481-490, and VIII, pp. 101-117. Riemann, "III. Vorlesungen über die hypergeometrische Reihe," pp. 69-93, *Riemanns Gesammelte Mathematische Werke* (New York: Dover Publications reprint edition, 1953), *Nachträge*, pp. 69-93.

13. The decay of the French science of the École Polytechnique dates from rising dictator Napoleon Bonaparte's sponsorship of Euler's protégé Lagrange as an empiricist counterfoil to the Leibnizians of the Monge-Carnot École Polytechnique. The implications of that adoption of Lagrange's doctrinal influence were to be seen more clearly with the role of the Duke of Wellington, the British occupation agent, in bringing the decadent Bourbon Restoration monarchy into power in Paris. Under this arrangement, the representatives of the Lagrange current, Laplace and Cauchy, took over the École, expelled Gaspard Monge and Lazare Carnot, and began a corrosive campaign of intellectual corruption which, by the middle of the 1820s, left the École a shattered, corrupted wreck of its former self. At that point, Alexander von Humboldt and his École protégé Dirichlet, retired to Prussia, and the Ger-

The crucial significance of Gauss's doctoral dissertation for the science of physical economy today, is to be considered in that light. The point of most immediate relevance at this point in this report, is the implicit connection of Gauss to the work of Archytas and his friend Plato, as centered on the related challenges of the construction of the doubling of the cube by Archytas, and Plato's treatment, especially in his *Timaeus* dialogue, of what have become known in modern usage as "The Platonic Solids."

The indicated connection between the work of the ancient Pythagoreans, Plato, et al., and Gauss's 1799 doctoral dissertation, is found in the famous "Great Theorem" of Pierre de Fermat, that it is impossible to determine so-called "rational roots" for equations of greater than the second degree, a statement which is traced from the attempted treatment of cubic roots by modern mathematicians, such as the Sixteenth-Century Giralamo Cardano et al. Hence, the significance of the famous treatments of the subjects of cubic and biquadratic functions by Carl Gauss.

The significance of Fermat's marginal note, known as his "Great Theorem," is essentially ontological, rather than, as some ivory-tower mathematicians have presumed, merely formal. It is implicitly crucial in respects which have absolutely crucial significance for the practical comprehension of modern physical science, especially, for our subject in this report, the application of that science to the crucial issues of policy-shaping for modern economy. On this account, that so-called "Great Theorem" must be seen as cohering pervasively with the way Fermat's mind functioned in his definition of the "quickest pathway" of refraction-reflection, a definition which led into the development of the discovery of the epistemologically crucial, Leibniz-Bernoulli, catenary-cued principle of universal physical least action.

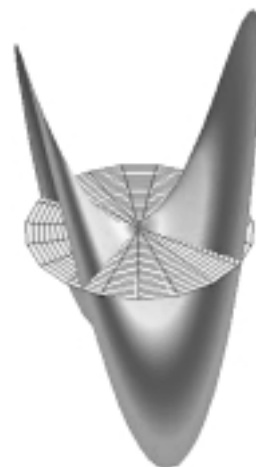
This matter became the subject of a famous collaboration, on the subject of cubic roots, between the empiricist ideologues d'Alembert and de Moivre, during which de Moivre exclaimed his opinion that some of the estimated roots of the algebraic representation of a cube must be "imaginary." This view was adopted by the circles of the Leibniz-hating Voltaire

many of von Humboldt, Gauss, Dirichlet, and Riemann assumed what had been France's earlier position, since 1648, of world leadership in physical science for the remainder of that century. With the mid-Nineteenth-Century intervention of London into Germany's science, as typified by the role of Lord Kelvin, Clausius, Grassmann, and Helmholtz, there was a significant decay in German science akin to what Laplace and Cauchy had done to corrupt France's École Polytechnique.



EIRNS/Dan Sturman

A geometric construction corresponding to Gauss's Fundamental Theorem of Algebra (right), created by the LaRouche Youth Movement in Philadelphia.



of that time, as the pivot of a comprehensive libel directed against Leibniz by the Leonhard Euler then based in Berlin. D'Alembert, Euler, and Euler's protégé Lagrange became the leading advocates of the view that some among the cubic roots, and implicitly also roots of biquadratic functions, were purely imaginary, which is to say, with only formal, but not ontological significance.

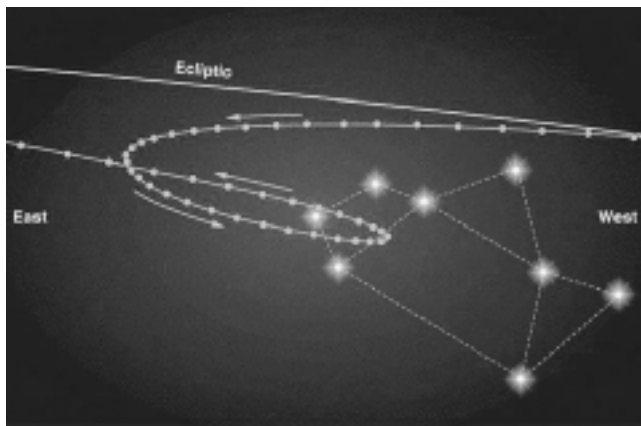
Since Plato's contemporary, and collaborator, the Pythagorean Archytas, had shown, by construction, what the nature of all of the roots of the generation of a cube must be, this conclusion by de Moivre, d'Alembert, Euler, Lagrange, et al., must have been absurd in fact. The clarification of that fact was the subject of Gauss's 1799 doctoral dissertation.

The argument which Gauss presents in his 31-page 1799 dissertation, is conclusive, and thoroughly so. The argument, and its authority, has been addressed in sufficient detail by various authorities over time, as by some among my immediate associates. Since that material is readily available, from such assorted relevant sources, I limit my treatment of that argument to a most crucial, but rarely acknowledged point: as now follows.

This limitation goes with the nature of the subject-matter of this report on economy. Indeed, it goes to the core of any competent conception of a science of physical economy, as the able reader will now soon begin to recognize.

Why is a universal physical principle always expressed experimentally, and therefore mathematically, as an infinitesimal, in the sense of Leibniz's catenary-cued universal principle of physical least action? Why is this that is bounded only by formal mathematical zero, and is nonetheless a physically efficient experimental presence? Why is the argument made by d'Alembert, de Moivre, Euler, Lagrange, et al., that the infinitesimal is "imaginary," not merely wrong, but intrinsically silly? The best answer to that question is to be found by asking a relevant question: Where does Leibniz's concep-

FIGURE 6



The puzzle of the “retrograde,” or looping, orbit of Mars puzzled astronomers for centuries, and was finally solved by Johannes Kepler.

tion of the infinitesimal originate, and why is that essential ontological conception absent from Newton’s counterfeit claim to have produced a “calculus” comparable to the original discovery made previously by Leibniz?

The calculus which was developed originally by Leibniz, and no one else, was a by-product of Johannes Kepler’s uniquely original discovery of universal gravitation. At the center of Kepler’s conceptually vast approach to the experimental methods he developed for his purpose, there was one central mathematical problem with two aspects. One was the notion of the infinitesimal, as the Leibniz calculus defines it in a more refined way by his universal principle of physical least action; the other was the notion of a deeper meaning underlying the notion of experimentally defined physical functions of an elliptical form.

In both aspects of the problem posed to future mathematicians by Kepler, the elliptical function which described the relationship of the orbiting of Mars and Earth with respect both to one another and to the Sun, showed that these elliptical functions could not be explained in terms of a simple elliptical cut of a cone. The often cited, “looping” of the image of a Mars viewed from Earth, is a convenient pedagogical event for the purpose of conveying a sense of the issue to the novice. [See **Figure 6.**] Since, in the first instance, the interval of action within the planetary orbit was both efficient, and yet infinitesimal, Kepler proposed that future mathematicians develop a calculus for representation of the inner dynamic of the generation of the elliptical orbit. The second instance, the elliptical form of the functions implied by the planetary system, the attempt to explain an elliptical orbit formally as a section cut through a cone, must be put aside.

In the meantime, Fermat’s resolution of the apparent discrepancy between reflection and refraction, through the discovery of an ontological, rather than merely formal resolu-

tion, produced Fermat’s principle of pathway of quickest action. Fermat’s solution prompted the Paris collaboration of Christiaan Huyghens and Leibniz on, among other subjects, this matter of the pathway of quickest time. This approach evoked the discovery of the calculus by Leibniz, and the subsequent Leibniz-Bernoulli development of the catenary-cued natural-logarithmic principle of universal physical least action.

The history of European science, especially along the track into Greece from Egyptian astronomy (as opposed to Babylonian), presented the human mind with the formal evidence of lawfulness of trajectories in the apparently spheroidal depths of the observed universe as a whole. This approach, known to ancient Greek civilization as the science of *Sphaerics*, presents us with objects which are universal, rather than objects confined by sensible boundaries to some part of observed space-time. These objects are efficient in every infinitesimal interval of the space in which they appear, and yet can not be contained within any of that subsumed physical space-time. Therefore, the universe defined by universal physical principles, is, as Einstein put the point, *finite but not bounded*.

Since the life’s work of Bernhard Riemann, we are far better equipped to conceptualize the implications of what I have just, once again, stated, on this subject. This added convenience bears the name, given by Riemann, of “Dirichlet’s Principle.” The foundations of this statement of principle, whose significance is located primarily within the domain of Riemannian physical hypergeometries, are nonetheless already implicit in the life’s work of Gauss.

As a matter of pedagogy, the implications of what I have just argued are as follows.

There are objects in the domain of the shadows cast upon sense-perception, which are presented in the form of finite objects of sense-perception. There are also infinite objects, notably of the class of experimentally validatable universal physical principles, which are experienced by sense-perception, but which do not appear in the form of finite objects. We can observe the presence of the latter only in terms of apparently anomalous behavior of the former. The latter appear to the mind as experimentally validatable as efficiently universal physical principles. Yet, they are objects, although not presented to us as discrete experiences within the bounds of sense-perception.

In other words, you experience the infinite object, the universal physical principle, as something which you are inside. The action of that which you are inside, then becomes quasi-visible to your cognitive machinery of sense-perception, as an infinitesimal. That infinitesimal is manifest as an effect which may appear in the very, very small; but, nonetheless, you can not catch it as an object held in hand, there; it eludes your attempt to grasp it as a discrete object. Yet, as an effect, it is there in a very efficient way, an experimentally demonstrable way.

However, it never conforms consistently in a way which

suggests objects in “empty” space. There is no division of matter, space, and time of the sort that the ignorant believer in sense-certainty demands. There is only physical space-time. It is the interaction of universal principles which define the apparent signs of existence of the universal. This brings us to *dynamics*.

We have thus identified two classes of objects met in the individual human mind. One are discrete objects, which represent the sense-perceptual form of finite objects in the real universe. The second are universal physical principles, which are not discrete objects, but are distinct objects nonetheless. Formally, in mathematics, we must present both types on a common ground, as objects of the mind. On condition that we recognize the distinctions between the two types, we may correlate the relations among these distinct types by aid of a common mathematical or other language. The simplest way of bringing such matters into discussion is found in the mathematical paradoxes of geometry which confront us in the matter of cubic and biquadratic functions, as these were explored by Gauss. As Riemann has shown, the continuation of that line of investigation leads us into the kind of common language of thought which Riemann associates with the term “Dirichlet’s Principle.”

At this point, it may be said, that this is what figures such as Riemann and Albert Einstein were talking about, and Kepler and Leibniz before them. Therefore, we have *dynamics*. That much said, so far, shift the focus to some relevant historical examples of the political implications of the *dynamics*.

2. The Dynamics of the Present Crisis

Rather than the notion of discrete objects bumping in the empty space of the customary empiricist mind, a notion which was denounced by Leibniz in his attack on the incompetent physics doctrines of Descartes, Leibniz defined a real universe whose ontological existence is manifoldly interactive. In that exposure of Descartes’ fatal methodological incompetence in matters of physical science, Leibniz demonstrated that the correct view of the physical universe is that associated with the use of the Greek term *dynamis*, as by the Pythagoreans and Plato. This exposure by Leibniz, of the systemic incompetence of the mechanistic method common to virtually all modern reductionists, is as relevant now, as then. Since then, a systemically competent physical science has been associated with Leibniz’s translation of Classical Greek as a view of physical processes as *dynamic*, as opposed to follies of a mechanistic method of Descartes and those, related modern statistical methods which are commonplace still today.

The point is, that virtually all popularized economic dogma taught on university campuses, and in kindred places

today, is one or another, more or less crude variety of radically reductionist, mechanistic-statistical method of Cartesian empiricism. All generally accepted financial-accounting method is an expression of a crude form of that mechanistic-statistical method. The present international monetary and related regulatory agencies, base the formal expression of their policy-shaping processes within the bounds of those intrinsically incompetent terms of reference.

Today, the standpoint of the development of the notions of the Biosphere and Noösphere by Vernadsky, provides us the appropriate conceptual framework in which to think about, and discuss the *dynamic* quality which sets the human species, and also its individual member, apart from all other forms of living and other existence in our universe. The needed, dynamical conceptions of physical economy required for mastering the present world existential crisis, are to be found, conveniently placed, in the overview of economic policy-shaping which I present in this chapter of the report.

To present that case, I begin with a selection of a few benchmark developments, which help us to make some telling points about relevant points in past and current history.

To understand the specific urgency of the subject of that controversy for the perilous current political situation of our U.S.A., we must situate the discussion within the bounds of today’s political significance of the controversy of *dynamic* versus *mechanistic* methods in science. We must employ that approach to the apparent theory underlying each and all of the sundry brand-labels of empiricist economic dogma. To that end, we must take into account, in review, of at least the summary features of the centuries-long conflict between the American and British systems of political-economy, as follows.

The significance of British Lord Shelburne’s use of his blunt instruments such as Adam Smith and Jeremy Bentham, is that the French Revolution, the Bonapartist wars, and the 1814-1815 Congress of Vienna, had the cumulative effect of virtually isolating, and undermining the newly founded U.S. republic over a long time. This relative isolation continued until the reversal of that containment through the victory, led by President Abraham Lincoln, against the combined forces of Lord Palmerston’s puppets, such as the Confederacy, France’s Napoleon III, and the temporary Habsburg reign by the tyrant Maximilian in Mexico.

After the U.S. victory against Lord Palmerston’s plots, the power and international influence of the U.S. model grew rapidly, to such effect that the world’s leading economist of that time, the U.S.A.’s Henry C. Carey, exerted great influence in Japan, for a time, in Bismarck’s Germany; in Russia of Czars Alexander II and Alexander III, as reflected in the work of D. I. Mendeleyev and Count Sergei Witte; and, otherwise, in sundry places where the American System of political-economy was often copied to great economic advantage.

This spread of the influence of the American “model” throughout the Americas, and in leading parts of continental

Eurasia and Japan, prompted the British Empire to orchestrate what became known as World War I, chiefly in the effort to crush the spread of the influence, throughout the continent of Eurasia, of the hated rival of the British system, the American System of political-economy. This World War I actually began through the alliance of the Prince of Wales, later Edward VII, with the Emperor of Japan, in the 1894-1895 launching of the first Sino-Japanese war, Japan's occupation of Korea, and Japan's British-directed 1905 naval attack on Russia.

The 1933-1945 U.S. Presidency of Franklin D. Roosevelt temporarily consolidated the U.S. economy and the American System as the leading force in the world, until the U.S.A. itself began to be thrown into ruins by the succession of the 1962 missile-crisis, the wave of fascist-international-directed assassination-attacks against France's President Charles de Gaulle, the assassination of President John F. Kennedy, the U.S. Indo-China War, the 1968er phenomena, and the subsequent, willfully destructive economic and social policies launched by such pro-Synarchist elements of the Anglo-Dutch Liberal financial establishment as Pinochet-linked Felix Rohatyn, under the Nixon Administration. The overt "cultural paradigm-shift" of the 1968-1981 interval, transformed the U.S.A. into an increasingly decadent appendage of an international financier power which is presently in control of the floating-exchange-rate system formally established at the 1972 Azores conference.

Nonetheless, despite the long periods of relative misfortune suffered by the U.S. economy in its centuries-long history of rivalry with the London-centered monetary-financier power, the American System of political-economy has always been a vastly superior economic system, relative to all rival designs, most notably to the Anglo-Dutch Liberal design. It has been only to the extent that the U.S.A. has been subjected to the imperial control which the Anglo-Dutch Liberal monetary-financial system has exerted in the field of international loans and trade, that the U.S.A. has been self-corrupted by the Anglo-Dutch Liberal penetration of the U.S. financial system, such that that modern Venetian model of the world monetary-financial system launched by Venice's Paolo Sarpi has been able to regain and maintain intellectual hegemony in the economic ideology of not only Europe but, all too often, inside the U.S.A. itself.

As a result of these and related circumstances, the hegemonic notions, still today, of financial accounting, of monetary and financial systems, and of taught "economic" belief, are adaptations to the radically reductionist dogmas of the Anglo-Dutch Liberalism launched by Paolo Sarpi's New Venetian Party. Locke, Mandeville, Quesnay, Turgot, Adam Smith, and Bentham, can not be competently discussed except when their dogmas are recognized as differing brand-labels of a common Anglo-Dutch Liberal—i.e., neo-Venetian—ideology, an ideology which must be recognized as being essentially a certain type of pagan religion, and, decidedly not an actually Christian one.

We have come, lately, in the wake of the most recent Davos Conference, to the long-overdue retirement of a public figure whom the future will probably regard as one of the most notorious charlatans of our recent history, currently retiring Federal Reserve Chairman Greenspan. We are confronted simultaneously by the spectacle of a European Central Bank which is, arguably, functionally, the probably worst, and most explicitly malicious piece of economic lunacy of modern economy's history of statecraft: a product of the hateful lust for destruction of the German economy on which all Europe depends, as this hate was expressed by the fanaticism expressed by Britain's Thatcher and France's echo of Napoleon III, François Mitterrand.

The present situation is, therefore, that which is portrayed by my pedagogical image of "The Triple Curve." The current rate of nominal monetary emission, is presently determined by the monetary cancer of "financial derivatives." That pedagogical tool, the Triple Curve, was first crafted by me as fulfillment of a commitment which I volunteered in the course of my participation in a 1995 Vatican conference on health and related matters; it was supplied and intended to clarify the relevant issues for the numerous participants there who were, largely, not professionals in such economics matters. The point was to make clear the functional relationship between, on the one side, the trends toward collapse in performance of society's physical capacity, and growing willingness to address the issues of health care and human life policies generally; and, on the other side, current world monetary-financial and economic policy since the radically morbid, and still worsening changes in intention and performance of the world monetary system, the latter changes launched on the initiative of the Administration of U.S. President Richard Nixon during 1971-1972.

The propagation, and continued use of the "Triple Curve" pedagogical tool by me, was prompted by the need to counter the presumption that levels of nominal obligations to pay, have been rising, whereas, at the same time, in fact, the actual physical output as measured per capita and per square kilometer, has been not only falling, but the discrepancy between rising prices and falling physical output, per capita and per square kilometer, has been accelerating over the course of, most clearly, the interval since the U.S.-led collapse of the original Bretton Woods System, and since the relevant 1971-1975 events in monetary reorganization.

Up to the time of the referenced, late 1995 Vatican conference, there had been three sets of developments of most notable, qualitative significance within this process of degeneration of the world's economy as a whole. *The first* were the effects of the August 1971 floating of the U.S. dollar by the Republican Nixon Administration, and the subsequent role of Nixon's George Shultz at the Azores monetary conference, where the original IMF system was replaced by the lunacy of a floating-exchange-rate system. *The second crucial development* was the wrecking of the internal economy of the U.S.A.

by the 1977-1981 U.S. Democratic Carter Administration, under the direction of Zbigniew Brzezinski's lunatic rampages as U.S. National Security Advisor. *The third, and most ruinous development*, has been the post-October 1987 role of Alan Greenspan in his assuming the function of U.S. Federal Reserve Chairman. At each of these three points, there was an acceleration of the previously prevailing functional rate of general monetary inflation, to rates now far beyond the threshold-levels already determined by the combined effects of the 1964-1972 U.S. War in Indo-China and the willful actions of the United Kingdom's disastrous first Harold Wilson government in collapsing that nation's physical economy, and unleashing factors of monetary chaos into the existing Bretton Woods System.

Although today's prevalent, errant opinion, views the 1971-2005 decline of the physical economies of the Americas and Europe as offset by an ostensible surge in growth in India and China, the fact is, that about seventy percent of the populations of the latter nations are gripped by a cruel impoverishment. This poverty reflects the fact that the prices of the exports by those nations are far below the levels needed to pay for the full *national cost* of the production of those nation's exports. The notion that the leading nations of Asia, such as Japan, China, India, Iran, and so forth, now represent the leading global economic and financial powers of the future, is a delusion. Any significant collapse of the levels of physical consumption in the European and North American markets, would have the political-psychological effect of a suggested "thermonuclear implosion" on the internal economies of leading Asian nations.

From the standpoint of the practice of idiocy known as the methods of financial accounting being currently applied by the IMF and others to shaping international monetary, financial, and physical-economic policies, it might appear that China, first, and India, second, are the most successfully rising economic powers in the world today. In physical reality, the opposite view must also be taken into account: They are among the largest of the monstrously vulnerable targets to be hit by any sharp collapse in the trans-Atlantic sector's, and Japan's, financial and physical condition. Reliance on current standards of financial accounting, rather than the methods of Leibnizian physical-economy, is, in that respect, the greatest of all current, catalytic threats to the world as a whole today.

Searching for Alternatives

Cutting national budgets, production, or physically essential services, as a response to general financial bankruptcy of a nation's, or the world economy, would be, and currently is, a virtually psychotic form of action against both the sovereignty of nations and the lives of their populations. What is needed, for any such contingency, is to maintain full employment in essential production and services, by whatever means are most suitable, and, treat that freezing of the level of physical collapse as a platform, from which to launch net physical

growth of the economy's useful employment of its labor force and output, per capita and per square kilometer.

This goal must emphasize a rapid shift in the composition of the U.S. labor-force, in particular, away from emphasis on unskilled services employment, toward more than comparable margins of increase of science-driven, relatively capital-intensive modes of employment, but also a progressive decrease of the ration of unskilled and semi-skilled employment of the U.S. labor-force as a whole. It must be recognized, at long last, that the increase of the ration of unskilled services employment, when combined with reduced physical capital-intensity, and low "energy-flux-density" modes in infrastructure and production, is, intrinsically, a highly inflationary impulse toward even ultimately hyperinflationary explosions.

It must be recognized that most of the growth in the services ration of employment is poorly disguised unemployment, disguised in the costume of implicitly inflationary, and of relatively useless forms of low-paid employment in make-work activity. In contrast to such current practice in the U.S.A. and elsewhere, we must recall the contrasting achievements under Harry Hopkins' leadership, in using public works programs to move a mass of more than four millions of unemployed which had been reduced almost to uselessness, into a crucially important component of the capital-intensive, science-intensive development of the powerful U.S. labor-force, which produced the world's greatest, most productive economy ever, under the leadership of President Franklin Roosevelt.

That is, in fact, a challenge which both the U.S.A. and western and central Europe will face very soon. In large degree, that is already the situation throughout much of the trans-Atlantic community of nations.

In the case of the U.S.A. itself, such action is the implicitly mandatory Constitutional obligation of the Federal government. Failure of any Federal agency or official to take that course of remedial action to stop the bleeding, and launch new net growth, would demand the immediate action of impeachment for reason of violation of the general welfare provisions of the Preamble of the Federal Constitution. Were the U.S. Supreme Court to rule against such compelling remedy on the intrinsically incompetent, and immoral pretext of "shareholder interest," the Federal Executive and U.S. Congress would be obliged, under the general-welfare principle of natural law, to go as far, promptly, to defend the general welfare, as to take prompt impeachment action to change the composition of the majority of the U.S. Supreme Court.

Although that latter action might be required, on the matter of the relevant authority, the highest-ranking lawful authority in our republic, is not the Supreme Court, but the organic, dynamic, whole implication of that Federal Constitution of the U.S.A., composed of both the U.S. Declaration of Independence and Federal Constitution. The leading expression of that authority, in natural law, is the Preamble of the Federal Constitution. The essence of the lawful existence of

Three Crucial Developments in the Degeneration of the World Economy



Zbigniew Brzezinski was the *éminence grise* of the Carter Administration, whose lunatic rampages further wrecked the U.S. economy.



National Archives/Oliver

President Nixon meets with Cabinet members, including George Shultz (right), on May 4, 1971, prior to the August floating of the dollar. Shultz was then director of the Office of Management and Budget; he replaced John Connally (second from left) as Treasury Secretary a year later.



people.fas.harvard.edu

Federal Reserve Board Chairman Alan Greenspan (left) and an apparently skeptical then-Treasury Secretary Robert Rubin. Greenspan's role has been the most ruinous of all, propelling the U.S. economy toward hyperinflation.

our republic, is *the commonwealth principle*, the principle of the general welfare, *agapē*, established in practice among modern governments by France's Louis XI and England's Henry VII. All of the demographic accomplishments in characteristics of government and economy, are reflections of the influence of changes in European statecraft and economy set into motion by the great ecumenical Council of Florence, a Council which reflected the bitter experience of Europe during, especially, the centuries under Venice-led *ultramontane* rule culminating in the ugly spectacle which was encapsulated by Boccaccio's *Decameron*.

The lesson for today, especially for globally extended European civilization, is a "Let us not go there again" response to the outcome of the medieval Venetian, *ultramontane* system of "globalization." The great threat to civilized life on this planet today, is the struggle by nostalgic neo-Venetian admirers, the veritable Miniver Cheevys of today's international financier cabals, to take the world into a globalized system like that under the feudal, *ultramontane* tyrannies

of Venetian financier oligarchy and Norman chivalry, a continuing Venetian tradition. It is that tradition which, today, has been the continuing threat to globally extended European civilization since the expulsion of the Jews from Spain by the monstrous Tomás de Torquemada. That was the Torquemada whom the Martinist Freemasonry's Count Joseph de Maistre chose as the model for the Count's personally tailored redesign of the imperial personality of his protégé Napoleon Bonaparte, the Napoleon who was the model, based on the murderously anti-Semitic Torquemada, for Adolf Hitler.

In this moment of onrushing threat of early general financial collapse, the obligation of government would be to ensure the continued operation of firms, to forbid those foreclosures or other liquidations which would tend to prevent defense of the general welfare, and to correct the causes of the bankrupt condition by lawful measures of government to launch a vigorous expansion, and technological progress of the physical economy. This expansion would be effected through the launching of an urgently needed, vast development of basic,

modern economic infrastructure, chiefly by government, and an accompanying, and dynamically interlinked expansion of the private sector's predominantly capital-intensive investment in scientifically and technologically progressive institutions.

In the present circumstance, the prompt first actions to be taken by governments, must be to eliminate the existence of so-called "hedge funds" and related expressions of so-called "financial derivatives" from the national and international economy. The practice of bidding to gain temporary control of stockholdings, to use that control to loot the firm for the advantage of the vultures who have seized control thus, and to then take the extracted financial loot as part of the means for the financial "Mongrel Horde's" looting other firms and nations, is a moral crime, and must be treated as a crime against the implicit moral law, the law of the obligation to subordinate other considerations of special interest to the promotion of the general welfare. Confiscation of looters' gains under such a principle of law, is not only lawful, but even mandatory, under such circumstances. Theft, by whatever means that scheme was accomplished, was theft, for which the beneficiaries of the moral crime are fully accountable.

Under the natural moral law of the modern sovereign nation-state republic, the existence of a business entity, especially a corporate form of such entity, is a privilege properly arranged by government. Excepting matters of freedom of speech or related considerations of individual human freedom, the private enterprise must adhere to the useful efforts it makes as its intended contributions to the general welfare, and must enjoy reasonable protection, and aid, as by government, on that account. However, to use a business entity to attack the general welfare of the nation, as in the case of Enron, is a crime which demands restraints, going as far as forfeiture, to deter misuse of the corporate or related form for purposes which are contrary to the general-welfare interest. Intentional abuses of relevant categories are to be treated by sovereigns as offenses, even criminal offenses, against the general welfare of society, just as much as illicit traffic in dangerous drugs.

That Beastly John Locke!

For example: During and following the Fifteenth Century, governments of Portugal and Spain, among others, declared the inhabitants of sub-Saharan Africa to be animals, rather than human, and, under that pretext, hunted down those targeted peoples as they might have hunted down wild cattle. The "old bulls" were often killed as a precautionary measure, and the ranks of relatively older adult women debrided similarly. The living residue of this murderous practice was declared to be "property," and once a captured person had been so classed as "property," his or her descendants were also declared to be ordinary private property, in perpetuity.

Although the British East India Company and its New England accomplices, abandoned continued *direct* participa-

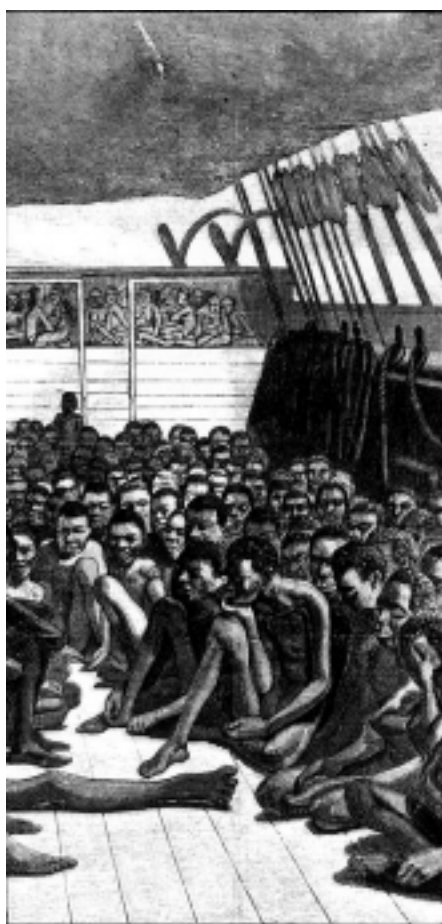
tion in the slave trade on their own account, during the 1790s, the British participation in the slave traffic was continued past the 1790s, indirectly, by the Nineteenth-Century Spanish monarchy, which practiced the slave trade under the protection of Spain's Anglo-Dutch Liberal creditors, the British monarchy.¹⁴ This was defended internationally by London's defense of the alleged, Lockean right, of "property" (e.g., Justice Antonin Scalia's "shareholder value") of its Spanish monarchical assets to traffic in slaves; it was also defended by the pro-slavery faction inside the post-1820 U.S.A., who premised their argument for the perpetual right of the slaveholders on John Locke. Perhaps, what Charles II did to the deceased Oliver Cromwell, might be an action bestowed upon the literary remains of John Locke.

Elements of the spirit of that Brutish arrangement were continued even after the nullification of slavery by the U.S. government's defeat of Britain's Confederates. This was done under what might be properly identified as "The Law of the Olympian Zeus," the Zeus of Aeschylus' *Prometheus Bound*. As Prometheus was tortured, on Zeus's order, for the alleged "crime" of providing human beings with knowledge of the use of fire, so even anti-slavery liberals who had opposed the brutishness of the Confederacy, pursued a Zeus-like, post-1865 policy of opposition to the Frederick Douglass policy. The result was the anti-Douglass policy of opposition to educating the children of former slaves to a level above that of their intended, inferior economic status in life. This suppression of the intellectual development of the descendants of freed slaves was often promoted under the cover of the sophistry of suggesting that resisting modern education was "protecting their African culture."

To this day, in the U.S.A., there are those who promote a regressive level of intellectual-cultural development for the majority of persons of ascertainable African descent. They insist on promoting qualities of general employment and career opportunities which are qualitatively below that intended for "middle-class whites." The argument is that the culture of poverty must be "defended" against the intentions of humanists in the Frederick Douglass tradition.

Hence the signal significance of *Brown v. Board of Education*. The reform was written into law, but the practice usually falls far below the level of the presumed intention for both education and for social status in life generally. More and more, since the election of President Richard Nixon, under current policies of actual practice, there has been a regression in the personal conditions of life in entire communities, and in the majority of those displaced from improving positions within the process of formerly progressive agro-industrial development. Formerly improved regions of our cities, for example, are being "Africanized" by the collateral effects of "post-industrial" policies in progress since the "68er"-associ-

14. The shift of the British India Company and its Yankee partners out of the slave-carrying trade, was into the much more profitable opium trade.



John Locke defended slavery, as the sacred right to "property." The pro-slavery faction inside the post-1820 United States premised its argument for the perpetual right of slaveholders on Locke's writings. Shown here, a slave ship in 1860, illustrated in Harper's Weekly.

Library of Congress

ated cultural-paradigm downshift in U.S. economic and intellectual life.

To be precise, compare the situation of the U.S. poor of African descent with the policy of peonage which the Spanish imperialists prescribed for the indigenous population of Mexico. The Spanish presumed, somewhat reluctantly, that the indigenous population of Mexico was, unlike Africans, actually human, but greatly inferior to the "noble Spanish" predator in level of mental and moral capacity.

These two categories, the descendants of African slaves, and those of Hispanic-language origins, are the principal political-social minorities in our U.S.A. today. This feature of the population is to be matched with the increasing decline in the functional literacy of most among the lower eighty percentile of the population, an effect accomplished, chiefly, as a reflection of the shift from a producer economy, to a "services economy."

Meanwhile, the effects of the shift from a producer, to a "services" economy, have included a loss of scientific and comparable practical economic literacy among the leading social strata of our society today. With the winnowing of the ranks of the stratum of the population which emerged as the veterans of adult population from the period of World War

II, we have now reached the point of cultural decadence, at which there is a loss of scientific, economic, and other cultural literacy among the "Baby Boomer" and "Tweener" populations, and a corresponding lack of elementary economic literacy among the current managements of leading business and other organizations.

This cultural catastrophe among virtually all levels of our present U.S. and European populations, is correlated with the so-called "outsourcing" of production from Europe and North America, into the largely culturally deprived populations of the relatively poorer, and even poorest populations of the world. Production itself has been re-oriented, technologically, to adapt to the relatively poorest quality of cultural development of the relevant labor-force.

Locke's and kindred rationalizations for such interpretations of the alleged "natural right of property," return our attention here to the pervasive topic of the preceding chapter: the essential difference between man and beast.

To the degree we permit some people to be enslaved, we degrade them to the status of animals, not that of actual human beings. To the degree we lower

the standard of economic and cultural life of some of our population, we degrade all of our population. To the degree we destroy the level of knowledge and competence of some of our population, we degrade our population as a whole. To the degree we cheapen labor employed in industries, we destroy the physical productivity of all industry. You do not make a nation richer, by offering apparent advantages to some, at the expense of the welfare of the nation as a whole.

Contrary to some sloppy sophistries afoot, there is no equivalence of the oppressive poverty of a free population, to holding a person in slavery, as property, as the relevant faction of Habsburg Spain did, and as did the British, Dutch, French, and pro-Confederacy elements inside the U.S.A. The slave is denied his or her right to be considered human; whereas, the citizen victimized by outrageous exploitation, retains the right to be human, although he or she may be virtually denied both the right and the needed impassioned desire to exercise the distinctive human quality of informed creative reason in an efficient way. The distinction which makes a person actually human, and which affords the individual actually human political status and the enjoyment of human rights, is the freedom of expression of the uniquely human powers of creative reason, as Carl F. Gauss's 1799 attack on the follies of

d'Alembert, Euler, Lagrange, et al., was the defense of human reason against the tendency toward the policies expressed by Olympian Zeus's torture of Prometheus.

On the matter of this issue, the rise of modern European civilization through the actions centered upon the great ecumenical Council of Florence, notably as the relevant principles of statecraft are expressed as Cusa's *Concordantia Catholica* and *De Docta Ignorantia*, owes the superior power of modern European civilization to the realization of the implications of those creative powers of reason which are the only essential principle of difference between man and Frederick Engels' apes. The defense and promotion of creativity, such as these provisions of that great Renaissance, which established this distinction in practiced modern European culture, yields the benefit of unleashing the willful form of the creative-mental potentials of the human individual for the benefit of society as a whole. This is to say, that modern European culture, insofar as it conforms in practice to the cited policies of that Renaissance, unleashes the benefit, for society as a whole, of the creative power within the human individual whose existence distinguishes the human individual, uniquely, from the beasts. This frees those men and women, and systems of government, from the evils and associated depravity of nations such as those which tolerated the torturer Torquemada, and which seek, still today, in the tradition of Hobbes, to imitate the quality of beasts.

This creative power has chiefly two relevant social expressions: science as the legacy of the Pythagoreans and Plato illustrates the meaning of science, and Classical artistic culture as typified in such prototypes as the principle's expression is typified by choral *bel canto* polyphony crafted according to the counterpoint of Johann Sebastian Bach. To the extent that the members of society are participants in the reliving and application of those characteristically human qualities of cultural development, the rate of society's increased power in and over nature, is increased in effect.

Take as a case in point, the continuing Baltimore study by my associates. Compare, as we are doing, the lessons to be learned from the catastrophic degeneration of the City of Baltimore during the recent three decades, for the understanding of the qualitatively different, but scientifically comparable crises in the condition of life in sub-Saharan Africa. Witness the increasingly pervasive cultural degradation spreading within the population of that City, and the associated increase of rates of both reversible, and deeply embedded mental regressiveness in the quality of individuals and of entire strata of the nearly two generations of degradation of what had been one of the leading urban regions of the U.S.A.

A policy of global search for the cheapest labor, is a lurch into global impoverishment, and a threat of a new, global dark age of all humanity. It is the enriching of the physical productive powers of labor, per capita and per square kilometer of the nation's and the Earth's surface,

which is the only tolerable goal and policy for a moral and sane government.

It is the development of the individual as human, rather than in the likeness of a feral beast, combined with the development of the opportunities for expression of those uniquely human powers of creative reason, which affords the wise society the benefit of the creative potential which was innate to the newborn human individual. It is the tapping of that potential by the fostering of such favorable circumstances, which endows present and future generations the benefit of the riches implicit in those powers of the human individual which set man absolutely apart from the beasts.

Thus, it is the effects of what is now, the recent nearly four decades of shift from the world's leading science-driven agro-industrial economy, to a "post-industrial services" economy, and the wasting away of the productive facilities and basic economic infrastructure upon which our former relative excellence depended, which have ruined us, bringing us now, thus, to the brink of an awful self-destruction.

Thus, Dynamics

This brings us to the matter of the physical "rate of return" on investment.

The application of the Cartesian or kindred notions of physical space-time to either mere financial accounting or to relations among physical-economic objects, produces views of economic processes in particular, or society in general, corresponding to notions of planets, moon, asteroids, and other objects floating in empty space. In reality, contrary to prevalent accounting practices and current economic dogmas, a national economy, or association among national economies, is a wholly integrated physical space-time, not objects floating as if in empty space and time.

As Johannes Kepler was the first to introduce this idea as a meaningful concept of the functional unity of matter, space, and time, as a notion of our Solar System as an integrated, developing process, empty space does not exist. Space, matter, and time, are not to be treated as part of a Babylonian's system of speculation in the implicitly "Euclidean" territory of a usurious real-estate scheme. The physical space-time of humanity in general, and the modern nation-state economy most emphatically, is *thoroughly dynamic*, as Vladimir Vernadsky defined the Biosphere, and also the Noosphere.¹⁵

This means, that nothing exists which is not ultimately affected by everything else: *the universe, like competence in science, is dynamic*. However, that statement, while true, is too general an observation for the needs of a discussion of more serious matters, such as the subject-matter here. As in the cases of Kepler's discovery of gravitation and Fermat's of "quickest time," the primary form of *dynamic interaction*

15. Lyndon H. LaRouche, Jr., "Vernadsky and Dirichlet's Principle" *EIR*, June 3, 2005.

within the universality of any phase-space, or broader domain, is the *interaction among universal types of fundamental principles*. This was already the policy of practice of the notable Pythagoreans and Plato; this was the significance of their use of the term *dynamis*, which Leibniz recapitulated as dynamic and associated with his use of the German term, *Kraft* (English: *power*; Classical Greek: *dynamis*). For our purposes here, the approach to be taken is the view of the effects of human practice on the universe on which man acts, as that view is determined from the vantage-point of the individual human mind.

This view of the universe, as *dynamic* in respect to interaction among universal physical principles, is exactly the view of physical science from the standpoint of the approach to physical hypergeometries which is encountered in Bernhard Riemann's view from the vantage-point of what he termed "Dirichlet's Principle." *The universe is finite, but not bounded*; which is to say, that there are no *a priori* definitions, axioms, postulates, or kindred ivory-tower *impedimenta* allowed, by means of which the universe might be defined as if from outside itself. The universe is bounded by its internal set of universal physical principles, which bound the universe so determined, as Riemann's reference to Dirichlet's Principle so implies. No principle exists *a priori*, Euclidean or other, in respect to that universe.

The proper goal of science, and the science of physical economy most emphatically, is to capture the universe as a whole within a single human mind's conceptual powers. What is actually achieved to that effect, is, at best, merely an approximation; however, the approximation can serve us very efficiently, provided we keep two considerations fully in mind. First, that our knowledge of principles is only partial, and, second, that we take into account, as a form of knowledge, the awareness of what significant questions for which we do not yet know answers: the principle of Nicholas of Cusa's *De Docta Ignorantia*.

It was on this account, that Riemann's celebrated 1854 habilitation dissertation stands as the platform on which all subsequent development of the knowledge of physical-scientific principle depends among decent people today. This does not lessen the worth of Riemann's predecessors; it brings science to a point toward which all honorable efforts to understand our universe have been working since the Pythagoreans of ancient Greece, and earlier. By discarding all aprioristic presumptions, such as those childish presumptions of Euclidean geometry, we have cleared the decks of garbage, so to speak, and have given the intellectual air a clean smell for a change, by freeing it of the stink of diaper-like childish presumptions. We do not know everything; but we have progressed from the superstition-ridden puberty of Euclidean and kindred, or worse, fantasies, to the true adulthood of scientific thinking.

The effective comprehension of that universe as a whole,

has been improved by the work of Vernadsky on the matters of the Biosphere and Noösphere. That is to emphasize, that it is more than merely convenient to divide the planet we occupy among three functionally distinct phase-spaces: the abiotic, the Biosphere, and the Noösphere. Thus, a convenient approach to defining a functional dynamic within the universe we occupy, can be expressed with reasonable approximation by summarizing the implications of an historical science of physical economy as the dynamic, functional relations among those three gross domains.

Once we have done that, we cut across those three partitions, by introducing the division between basic economic infrastructure and the production of the goods and essential services produced by the localizable action of private undertakings for human consumption. After matters have been sorted out to that degree, we now introduce the role of the thinking individual as the source of the creation of the ideas associated with discovery of universal physical principles and of Classical artistic works of composition and performance.

Thus, the individual living person becomes the functional center of the physical-economic universe; that creative individual activity, as typified by the critical discoveries by the Pythagoreans, Plato, and Nicholas of Cusa and his followers to the present day, becomes for us the center of a humanist universe, a universe of the individual person acting as the celebrated passage from *Genesis 1* avows, as an agent, an extension of the power of the Creator.

The essence of competent economic science, is the habit of thinking about the universe we inhabit in that way, with that viewpoint and outlook.

Within the scope of that arrangement, the following considerations are paramount.

Heraclitus and the 'Parmenides' Dialogue

In presenting the concept of dynamics to audiences for my recent writings on the science of physical economy, I have often chosen the definition of the dynamics of the chemistry of life which V.I. Vernadsky presents in his *Problems of Biogeochemistry II*, as perhaps the most accessible presentation of what I have intended by use of the term *dynamics* for physical-economic processes.¹⁶ His presentation of the interrelationship of abiotic and living chemistry, as defined by a universal principle of life not present within the bounds of the chemistry of abiotic processes, comes most simply, and yet very closely to the proper meaning of *dynamic* as Classical Greek and modern science concur on the essential principle of the meaning of *dynamic* when it arises as a transcending connection between the two such qualitatively distinct phase-space domains.

To make that connection between ancient and modern science clear to the specially human cognitive processes of

16. Lyndon H. LaRouche, Jr., "Vernadsky and Dirichlet's Principle," *loc cit*.

individuals, I compare this illustrative feature of Vernadsky's work with the view underlying the famous fragment from the ancient Heraclitus, the view of Heraclitus' "nothing is permanent but change," which also appears, as a concept of *Sphaerics* which is a central feature of Plato's *Parmenides* dialogue.

The usual problem which arises in pointing out the latter connection is that too many scholars, and others, rely on handing down commentaries upon commentaries, without demonstrating any actually practically efficient comprehension of the terms they are describing in this way. In effect, they spend much, or more effort on debating what they do not actually know, as knowing what they are talking about.

My view, my contrary method, is that one does not know anything unless he or she has constructed it in the knowledgeable way typified by the discovery and experimental demonstration of a discovered principle of nature. I apply this here, in its narrower, and more profound implications, the original construction and proof of a valid universal physical principle. Or, the principle may also be applied to propositions which are not proven, or are even refuted, if this knowledge of the provable defects of the proposed conception satisfies the same method appropriate for proof of a valid universal physical principle. My rejection of Euclidean geometry during the adolescent hour of classroom time I was first confronted with it, is typical of the approach I have adopted since childhood and adolescence. I rejected that course of instruction from the start, because I could not accept the notion of the real-world existence of principles of a non-physical geometry. This resistance brought me, more than a decade later, to the adoption of Bernhard Riemann's 1854 habilitation dissertation, as the necessary conceptual standpoint for a science of physical economy.

The method which I have just thus described provides the basis for my reading of what is commonly regarded by relevant persons as Heraclitus' aphorism. I know what Heraclitus intended (the *logos*), because I have constructed the proof of that meaning. I have identified the object, ontologically, which corresponds uniquely to what Plato's treatment of the Eleatics (i.e., *Parmenides*) recognizes as the reality expressed by the paradoxes of that Plato dialogue. I know that I understand that properly, because it is the only real-world conception which is consistent with the method of *Sphaerics* on which the Pythagoreans and Plato premised all of their known discoveries. Any contrary approach would be, at best, academic sophistry.

The center of the method of science practiced by the Classical Greeks prior to the appearance of Aristotle and Euclid, coincides with the apparent aphorism of Heraclitus. It corresponds thoroughly with the implications of dynamics as Vernadsky, for example, treats that for biogeochemistry. I apply that concept here, to the matter of the remedy for the immediate existential economic crisis of the U.S.A., in particular, today.

It is not sufficient to talk about economics with others in an academically approved manner; it is necessary to know what one is actually talking about, a rare event in recent decades of the history of the U.S.A. and Europe, among other places.

In competent science, to "know what one is talking about," is, primarily, knowing the relevant universal physical principles.

So, the typical social problem of nations' economic policy-shaping which we must face today, is that which we addressed on the subject of the Einstein-Born debate, in the *EIR* weekly's Christmas edition's "The Principle of 'Power.' " The radical-positivist trends in teaching of physical science, have introduced a shift from a physical science based on discovery of universal physical principles, to a mere "mathematical model" of a relevant stereotype of phenomenon: some mysterious, unproven "thing" allegedly operating out of sight and mind, under the "floorboards" of experience, as in the case of the wild-eyed fairy-tales of Mandeville, the Physiocrats, and Adam Smith, or the pagan religious mysticism of the post-World War II "ivory tower" systems analysis of the operations research circles of Tjalling Koopmans.

The latter folly is carried to a wild extreme by the pack of foolishness known as the debate over "Evolution" versus "Intelligent Design"—it is difficult to judge which of the two positions' advocates have scored the silliest arguments. Neither side believes in a God the Creator. The one believes in a kind of witchcraft, while the other is worshiping a game of chance. They are united in faith only by a common prayer, the fabled craps-shooter's, "Baby needs shoes!" The current arguments of both devolve to a battle of statistical models, in which no actually principled difference between man, beast, or machine is considered. This same radically positivist method of ivory-tower lunacy, the cult of "mathematical modeling," still super-pollutes the practice of governments and business management dogmas, this at a time now past seven years after the August-September GKO financial-derivatives bubble popped—still today. That is typical, still today, of the "models" of hedge-fund designs which are currently in the process of collapsing the world's present financial-monetary system! Thus, the crucial experiment has been conducted, and failed, catastrophically.

Meanwhile, the evidence remains on Vernadsky's side. The Biosphere increases as a percentile of the mass of the planet as a whole; the Noosphere increases, cumulatively, relative to the mass of the Biosphere. The principled distinction among abiotic, living, and cognitive processes is the greatest mass of physical evidence—or, even if you prefer, "statistical evidence"—extant. What evolves is the planet within our Solar System; the most powerful forces of change we know are shown, thus, to be the principle of life, as distinct from the abiotic, and the principle of cognition, as distinct from all known forms of life excepting the human individual. The principle of life is more powerful than non-life, and the

power of cognition is more powerful than life itself. The human mind, through the development of culture, triumphs over death, and comes, through presenting the productive fruit of that talent, to share more and more of the intended burdens of the Creator's management of our Solar system and beyond.

In Conclusion: Principles, The Crucial Fact

Once again: Consider Gottfried Leibniz's unique discovery of the fundamental principle of the differential calculus, the Leibniz-Bernoulli, catenary-cued universal principle of physical least action, as the implications of this principle were clarified by the circles of Gauss and Riemann. This is the grounding principle of all competent approaches to the subject of economy today. Once again: the principal features of the accomplishments of Leibniz, Gauss, Riemann, and their circles, are directly outgrowths, realizations, of a Fifteenth-Century European revival, by Cardinal Nicholas of Cusa and his associates, of the Classical Greek science associated with the Pythagoreans and Plato. This revival unfolded along a line of development associated inclusively with the work of Luca Pacioli, Leonardo da Vinci, Johannes Kepler, and Pierre de Fermat.

Study the long wave of the historical process, from the roots of the work of the Pythagoreans, through the respectively unique, signal contributions of such as Kepler, Fermat, Leibniz, Gauss, and Riemann, by reference to the pivot of Leibniz's uniquely original development of the calculus, which he crafted according to the specifications which Kepler made for a calculus which had presented "to future mathematicians." From that historical vantage-point, it should be seen as elementary, that what is embodied, conceptually, in this accomplishment by Leibniz, is obviously the most profound and pregnant conception introduced to physical science within modern history. This is also the same challenge to "future mathematicians" presented by Kepler's 1611 *Six-Cornered Snowflake*.¹⁷

Leibniz's discovery incorporates the germ of the European physical science first developed by ancient Classical Greeks, of the persuasions shared among such as Thales, the Pythagoreans, and Plato. This was for those ancients, as for Kepler and Leibniz in their time, the central conception of physical science, a conception identified as the notion of powers (*dynamis*), among the Pythagoreans and Plato. The mammoth work of Kepler, which brought this concept into focus for modern science, posed one crucial question to his followers, a question which is answered, in essentials, by Leibniz.¹⁸

17. Johannes Kepler, *The Six-Cornered Snowflake* (1611), Colin Hardie, trans., Oxford University Press, *21st Century Science & Technology* reprint of December 1991.

18. The notion that Newton invented a calculus independently, is a silly hoax, whose true provenance was made very, very clear on the day that the celebrated John Maynard Keynes presented, and, publicly, slammed shut Isaac Newton's long-sought chest of scientific papers.

As I have indicated here at an earlier point in this report, Kepler's uniquely original discovery of a universal physical principle of gravitation, defined the basis for the future development of a calculus on two related premises. First, that the interval of change of motion in the planetary orbits, especially the Earth-Mars-Sun relationships, was so small that that interval was virtually non-existent: hence, the notion of the *infinitesimal* calculus. Second, that the orbit was not merely elliptical in the sense of a static cross-section of a cone, but that the rate of generation of the elliptical pathway had functional characteristics whose properties were not effectively understood until the work of Gauss's circles during the early Nineteenth Century. Moreover, Kepler had shown that that principle of action was so powerful that the effects expressed by this infinitesimal interval of action were manifest on an astrophysical scale. As I have already emphasized, earlier here, with respect to Euler's folly, the relevant infinitesimal of an ontologically zero magnitude, was the power over the Solar system. The infinitesimal, contrary to the Sophist Augustin Cauchy and de Moivre, d'Alembert, Euler, Lambert, Lagrange, et al. before him, is a form of action which is very efficient, but is expressed experimentally as of not a very small finite magnitude, but, contrary to Euler's ontological folly on this account, actually of virtually zero magnitude.

All universal physical principles are expressed, as universal physical principles, in that same way. There is nothing to be properly deemed suspicious in this fact. As I have emphasized earlier in this report, the peculiarity of the experience of any truly universal physical principle, is that it is *universal*: as extensive in its reach as the universe reaches. Therefore, its manifest existence in some particular expression, can not occur as an object peculiar to a particular locality, but is nonetheless manifest experimentally as a particular kind of local influence. It appears locally, therefore, only as an effect called a discontinuity of the visible domain, as Kepler's experimental demonstration of the Solar orbits expressed this influence as an infinitesimal at every chosen relevant point. Its local magnitude, expressed in a geometry of continuous functions, is necessarily "zero," and yet it is a "zero" which expresses an efficient effect, and is therefore a definite existence, even though its expressed linear magnitude in that interval is zero. That is the meaning of an infinitesimal in the Leibniz calculus, but not the dubious Cauchy version.

The same applies, in a special way, to the boundary condition which distinguishes living from non-living processes, and which distinguishes human cognitive behavior as belonging to a different domain than the Biosphere, the Noösphere. This latter distinction is that which Bernhard Riemann, writing in his posthumously published work on the subject of "*Zur Psychologie und Metaphysik*," named *Geistesmasse*, after the style of the anti-Kantian psychology of Classical education of Johann Friedrich Herbart. *All valid discoveries of efficient universal physical and Classical-artistic principles appear in*

the form of such crucial, functional discontinuities within what is otherwise an ostensibly continuous process.

In effect, every such discovery which is expressible as such a discontinuity, has the locally expressed form of an infinitesimal. The way in which Leibniz's complementary, original discoveries of both the catenary-linked principle of universal physical least action and the functionally related natural logarithmic functions, came to be expressed as a special quality of geometrical function in the complex domain, is a general expression of this. Every discovery of a universal physical, or comparable principle expresses this same characteristic.

As the tracing of the struggles by mathematicians with cubic and biquadratic functions, from Cardan until Gauss, attests, when we enter what a Euclidean geometry misapprehends as the simple domain of solids, the person who adheres to Euclid or the like is trapped in a formal-mathematical predicament of the type exhibited by the empiricists, de Moivre, d'Alembert, Euler, Lagrange, et al., a predicament implicit in Leibniz's discovery of the principle of universal *physical* least action, the predicament addressed successively by such members of the circles of Alexander von Humboldt as Lazare Carnot's circles of the École Polytechnique, and Gauss, Wilhelm Weber, Dirichlet, and Riemann.¹⁹

Thus, in the matter of animations of crucial cases in economic developments, the factor of change which is of crucial significance has the form of what appears to be radically non-linear intervals of action between "dots." The most typical such intervals of change are simply positive, or negative: simply the addition of uniquely distinct technologies, or the termination of such technologies from practice. These connections between dots, in such cases, are non-linear: hence the incompetence of most attempts at defining a mathematical economics of "linear programming," as that later had been popularized since the work of Bertrand Russell's unscrupulous acolytes Norbert Wiener and John von Neumann. Even the careful workmanship of Professor Leontief fails to grapple effectively with this irony.

For example, the downshift of economic activity from that of a prosperous industrial region, to a "services economy" region, describes an economic collapse, a physical-economic, and also a moral degeneration in practice, so expressed not

only in quantitative, but qualitative terms. Conversely, the introduction of a useful new technology to practice, transforms the quality of labor and per-capita activity as a whole, in a qualitatively upward direction. From the vantage-point of the thoughtful statistician, no ordinary statistical methods of the varieties in use today will competently reflect qualitative changes in the principal action operating between "dots." Explicitly non-linear approaches, not comparable to Lobatschevskian, but Gauss-Riemann anti-Euclidean geometries and their derivatives, are required.

When this boundary condition is approached, either as a feature of the economic process in progress, or as a projection of a qualitative-technological change to be introduced into that process, so-called conventional statistical methods become inevitably fraudulent in effect.

The worst of such frauds, is to use conventional accounting standards for statistical analysis, even when the intention to perpetrate fraud is absent. While it is true that the allocation of activity and materials is determining, and that the price of the activities and materials has a financial accounting or related representation, finance as such, money as such, has no rational quality of functional relationship to either production or the effects of consumption of goods. The real relationships are physical, not financial.

Once the necessary shift in approach, to viewing economic processes in Riemannian physical terms, is adopted, the primary calculations for policy-shaping, and for related forms of analysis of performance, are focussed on physical principles as such.

For example. The effectiveness of a specific type of production varies according to the environment of both the process of production and of the physical social condition of the population in that area. Thus, in transferring a plant and its labor-force from one locale to another, the same quality of productive effect will yield a better or worse result, according to the development, or want of development, of the basic economic environment and related factors of environment, such as basic economic infrastructure, and the cultural habits of the population. The intelligent way to approach these and other interrelations of production and human existence with the Biosphere and abiotic domains, is to realize that the development of the associated domains, is inescapably an integral feature of the real cost of production; just so, the education and cultural level of the population from which the labor-force is drawn, is a cost of production, too, and also a factor in determining potential relative levels of productivity of the labor-force of that locality. Here, we encounter the fact that the domains of the abiotic, Biosphere, and Noösphere interact, functionally, in a non-linear way.

For example, the most significant factor in net physical productivity of cultures and regions, is what is typified by Aeschylus' *Prometheus Bound*. A population which is oriented to the desire to employ revolutionary discoveries of universal physical principles, rather than the monotony of

19. Hence, the pregnant concluding words of Riemann's 1854 habilitation dissertation: "Es führt dies hinüber in das Gebiet einer andern Wissenschaft, in das Gebiet der Physik, welches wohl die Natur der Heutigen Veranlassung [mathematics: LaRouche] nicht zu betreten erlaubt." *Werke*, p. 286. This same point is typified in contemporary experience by the way in which some brilliant physicists, even with credentials in important original experimental discovery of principle, tend to fall apart when it is demanded that they prove a physical principle by its derivation currently from conventional mathematicians' standards of review, as if at the blackboard! The increasingly radical reductionism of the academic mathematician in contrast to competent physical science, expresses a difference which often lies between different universes, each unknown to the other.

generally accepted beliefs, will exhibit a greater impulse for improved physical productivity, than a population which is more strongly oriented to "tradition." The psychological factor of "traditionalist" cultures, has been as great a cause of failures of entire cultures as any physical calamity. It is only when man behaves as a cognitive species, oriented as if axiomatically to revolutionary advances in physical scientific and related knowledge, that the culture can be said to be a "healthy" one.

This has been the potential advantage of the U.S.A. over the civilization of Europe, an advantage which emerges clearly about the beginning of the Eighteenth Century. In Europe, the burden of traditional cultures, a tradition associated with the active legacy of class-distinguished oligarchical institutions, has been the pandemic cultural disease, the disease of traditions oriented to "respect" for the oligarchical legacy. This has been the advantage of the U.S.A. in all of our better periods, as was shown in the upgraded performance, from the beginning of colonization, of American colonists from Europe. This was the key to understanding the susceptibility of European nations for rampages of anti-progress, "irrationalism"-oriented cultural pessimism, as distinct from the cultural optimism which is shown conspicuously in periods of U.S. culture such as under President Franklin Roosevelt.

So, in the U.S.A. itself, the cult of "environmentalism" has shown itself to be significantly a product of the ebbs and flows of police-state mentality since the death of Franklin Roosevelt, as we see this fascist-tending populism as insurgent not in Nazi or kindred uniforms, but in the guise of "Elmer Gantry"-style so-called religious fundamentalism, and in the related, lunatic debate between backwoods varieties of extremely cultural-pessimistic "Creationism" and not-so-intelligent dogmas of "Intelligent Design."

However, we see the same mental illness of cultural pessimism in systems of higher education which seek, as by aid of Ritalin, to disrupt the creative potential of the individual non-conformist in the classroom and in the practice of business management. Don't blame a student who is being bored "half to death" in the classroom, for being "disruptive." Give him, or her the environment of task-oriented creative disruption any child with an active brain requires. It is cows, not people, which we should breed for a disposition for "conformity" in their routine lives. When virtual "brain-deadness" is a standard of gregariousness, the culture so infected may be self-doomed. Thus, the mental environment, as defined in terms of distinction between creative minds and gregarious conformity, is as significant in determining the productivity of a culture, per capita and per square kilometer, as any other type of physical consideration.

The employment of even highly skilled labor within an area in which the population is predominantly backward, either physically, intellectually, or both, will lower the economic vitality of the enterprise employing the highly skilled

elements of the labor-force. Hence, the idea of "globalization," as much as its practice, will, if continued, destroy all of global civilization, lowering the effective productivity to such a degree that the world population as whole will slip toward a prolonged new dark age, in which global population levels not seen since the Fourteenth-Century European New Dark Age, are the likely outcome.

Every enterprise which introduces a better principle contributes, at least implicitly, to the potential of the entire community. If we promote the exceptional enterprise, and the exceptional individual, and exceptional ideas, this will tend, if allowed, to help improve conditions of the area and its entire population. This happy outcome requires, however, that we recognize that the misery of some is a threat to all, and neglect of the development of the total environment to higher levels of quality of the Biosphere and Noösphere, are the indispensable policies on which the net success of any outstanding innovation of some of the population depends.

The poor are not a threat to their neighbors, but their poverty is. The poorly educated are not a threat to society, but their ignorance is. As the fall of the once-great culture of Athens warns us today: that indifference to truth which is known as Sophistry, when promoted by some, as the Congress for Cultural Freedom typifies a modern imitation of ancient Athenian Greece's Sophist degeneration, is a threat to the welfare of everyone. Indeed, the foreign policy of the Bush-Cheney Administration, with its openly surfaced commitment to the pro-Synarchist Vice-President Cheney's Help-and-Parvus's quasi-Trotskyist, neo-conservative dogma of *Permanent War/Permanent Revolution*, is an expression of exactly the type of combined intellectual and moral decadence which led Athens to the self-inflicted doom of the Peloponnesian War. It was that indifference to truth which led to those post-war changes in culture of the U.S.A., which brought the world's greatest economy ever, under Franklin Roosevelt, to the mass of suppurating cultural and economic wreckage of the financially bankrupt nation of hapless President George W. Bush, Jr.

The great issue of global culture today, is that a reductionist ideology, such as that of the empiricists in general and the Anglo-Dutch Liberal ideology in particular, by suppressing the impulses which are associated with Leibniz-like scientific creativity and the Classical artistic legacy of Johann Sebastian Bach, induces a combined intellectual stupor and moral decadence like that of typical sophistry. A culture which permits itself to be steered by those intellectual forces of decadence, as the U.S.A. and Europe have drifted downward so during the recent forty years, is headed toward a new dark age. Therefore, the turn to a renaissance of modern European physical-scientific creativity now, is needed not only to rescue a self-threatened physical economy from onrushing global bankruptcy, but to revive the practice of scientific and Classical-cultural creativity, on which the disposition for such goods as a physical-economic recovery depends.

From Islamophobia to War: The Danish Cartoon Affair

by Michelle Rasmussen, Tom Gillesberg, and Dean Andromidas

On the evening of Jan. 31, British Foreign Secretary Jack Straw held a ministerial dinner at his official residence in London, where he played the instrumental role of mediating an agreement among his American, French, Russian, and Chinese counterparts that would open the way to bringing the Iranian nuclear issue to the United Nations Security Council. This would be a decisive step in the drive for a near-term U.S. military attack on Iran.

Within a few hours, on the morning of Feb. 1, leading dailies in France, Italy, Germany, Spain, the Netherlands, and the British-government-owned BBC-Online, published a series of highly inflammatory cartoons of the Prophet Mohammed. Their publication sparked an explosion of seemingly spontaneous demonstrations, riots, and violence throughout the Islamic world. Originally published in the Danish daily *Jyllands-Posten* on Sept. 30, 2005, the issue had been confined to a controversy between Danish Islamophobic “free speech” neo-conservatives, the Danish Islamic community, and diplomatic tension between Denmark and many Islamic countries.

Then, at the end of January, coinciding with Jack Straw’s dinner, the situation escalated. On Feb. 1, several big European newspapers published the cartoons, and it was as if the “Clash of Civilizations” had exploded internationally, with Denmark at the epicenter. Demonstrations took place throughout the Muslim world, Danish flags were burned in the streets across the Middle East, peaking with the burning down of Danish and Swedish embassies in Damascus, and the Danish consulate in Beirut. As a result, a massive boycott was announced by Arab countries against Danish products.

Thus the international stage was set for the International Atomic Energy Agency on Feb. 4 to refer the Iran nuclear

question to the UN Security Council.

Make no mistake: This whole controversy is being carefully orchestrated on both sides. As LaRouche warned on Feb. 3, it is the “London-centered synarchist circles who are orchestrating this showdown,” whose aim is to set up a one-world fascist bankers’ dictatorship. Cooperating with London is Dick Cheney’s controller, U.S. resident synarchist George P. Shultz.

The Danish Schiller Institute, Lyndon LaRouche’s chief collaborators in Denmark, hit the streets of Copenhagen with a mass leaflet entitled, “Stop a Clash of Civilizations That Will Give Us Permanent Chaos and War.”

On Feb. 7 Danish Schiller Institute leader Michelle Rasmussen intervened on a live webcast of the well-known “Sputnik” program of Denmark’s mass circulating daily, *Politiken*. Rasmussen warned that “If this crisis is to be solved, it is necessary to unveil how this is feeding into a larger agenda. Historically the British elite have used a divide-and-conquer strategy, especially in the Middle East. They are misusing this crisis to promote their agenda. The British are using their influence with Cheney and the neo-cons on the one side, and the Muslim Brotherhood on the other, to get a new war with Iran. It is time to listen to the wise words of Lyndon LaRouche so that we can stop being manipulated.”

From Islamophobia to World War III

Following the burning down of the Danish legations, Denmark’s Foreign Minister, Per Stig Moeller, declared, “There are forces who want a Clash of Civilizations.” If the Foreign Minister is concerned about the “forces,” he should take careful note of LaRouche’s warning, and he hasn’t got far to look.

Jyllands-Posten, which first ran no fewer than 12 defama-

tory cartoons on Sept. 30, is Denmark's leading right-wing daily, well-known as a follower of London's line from the days of the Cold War, through the Balkan crisis of the 1990s, and has now become the leading mouthpiece for the neo-conservatives, and particularly for the spreading of Islamophobia.

After the Sept. 11, 2001 attacks, *Jyllands-Posten* was the only Danish daily to ignore an appeal to the Danish media by then-Social Democratic Prime Minister Paul Nyrup Rasmussen, not to publish inflammatory editorials comparing the attacks to the Clash of Civilizations. On Nov. 20, 2001, *Jyllands-Posten* published an editorial stating that the attacks "demonstrate the truthfulness of the sensational thesis that professor Samuel P. Huntington put forward . . . in his book on *The Clash of Civilizations*." The editorial went on to tout the "freedom ideals of the West," and the "Middle-Ages-darkened perception of the world" of Islam. It took up Huntington's racist notion that "time is on the side of Islam" because of the high birth rate in Islamic countries, and warns its readers not to "sell out" to the "realists" who claim that only a minority of the Islamic world abides by the fundamentalist creed. Since that editorial, the daily has been well known for its Islamophobic line.

Another very significant reflection of where *Jyllands-Posten* stands politically, is the fact that it had been instrumental in founding and financing a new Danish think-tank called CEPOS (The Danish Center for Political Studies). With half a million crown donation (\$80,000) from the Jyllands-Posten Fund, CEPOS opened its doors on March 10, 2005, and is modelled after two of Washington's high temples for the neo-conservative movement, the American Enterprise Institute and the Heritage Foundation, as well as the London-based Adam Smith Institute, and the Institute of Economic Affairs.

On its advisory board, and an honorary member of its board of directors, is George P. Shultz. (Shultz not only hand-picked key members of the Bush Administration, he is the controller of Vice President Dick Cheney, and one of the architects of the war drive against Iran.) Other members of the advisory board, although lesser lights than Shultz, hail from the American Enterprise Institute, the University of Chicago, and British, as well as other American universities and institutes.

Flemming Rose, culture editor of *Jyllands-Posten*, commissioned 12 cartoonists to draw cartoons of the Prophet Mohammed, after being informed that another Islamophobe, the author Kaare Bluitgen, was unable to get cartoonists to illustrate a children's book on the life of Mohammed. Despite being warned by religious experts that pictures of the Prophet are prohibited by the Islamic religion, and that it would be highly inappropriate and offensive to publish them, Rose, in a statement announcing the publication of the cartoons, wrote that the concern about making fun of religious feelings "is less important" than what he called following the "slippery slope of self-censorship."



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As in the period of the Crusades, depicted here, the new "Christian vs. Muslim" conflict is being steered by financial interests who are seeking to expand their own power.

In October 2004, Rose travelled to the United States, where he had been a correspondent for another Danish daily in the 1990s. He went to Philadelphia, where he interviewed Daniel Pipes, director and founder of Middle East Forum, and the website "Campus Watch," which has been accused of "McCarthyite intimidation" of professors who criticize Israel. Pipes, who is one of the top Islamophobes in the United States, is also a member of the Committee on the Present Danger, whose co-chairman is George Shultz.

Upon his return to Denmark, Rose published a highly favorable interview with Pipes, entitled "The Threat of Islam." After this Rose-Pipes connection was circulating on the Web, Pipes posted a statement claiming he was the victim of a "conspiracy theory." While acknowledging the interview, Pipes claims he has had no contact whatsoever with Rose since, and has nothing to do with the cartoons. Nonetheless it is obvious that a bond in the realm of "common ideals" persists.

Coming to the support of Rose, vice chairman of CEPOS, David Gress, in an interview Feb. 8 on Danish Radio, called

the conflict between Islam and the West the “new Cold War,” in which those who refuse to support *Jyllands-Posten* are like those who were “appeasers” of the Soviet Union, and those who are fighting the new “cultural war” are like the Cold Warriors of old.

Between 2001 and 2003, Gress had been the “John M.

Olin Professor of History of Civilizations” at Boston University. This is the same Olin family of the infamous Olin Foundation, which has given millions to finance the neo-conservative movement in the United States. Gress, was formerly a journalist for *Jyllands-Posten*, and is one of two CEPOS founders on the board of directors of the Danish daily.

Shultz and Aznar: Nazis Seeking War With Islam

It’s not surprising to find that among the leading promoters of war against “radical Islam,” and Iran, are two men best known for their promotion of *Nazi* policies over recent decades. Both are also leaders of the Committee on the Present Danger (CPD), one of the prominent war-mongering institutions on the global scene.



George P. Shultz

newspaper, which launched the current campaign of provocations against Islam, through defamatory cartoons of the Prophet Mohammad.

The octogenarian Shultz, however, is best identified for his role in the Nixon Administration, when he played a crucial role in supporting the fascist coup of Gen. Augusto Pinochet in Chile, and the subsequent bloodbath across the continent, known as “Operation Condor.” Nor was Shultz embarrassed in the least to admit his support for Pinochet, whose Chicago School economic policy—an all-out looting spree against the Chilean working population—he considered to be wonderfully “successful.” Among the economic accomplishments of the Pinochet regime which Shultz prized, was none other than the privatization of Social Security, a program which has immiserated the retirement of the majority of the Chilean workforce.

What else can you call an economist who supports the fascist policies of the Pinochet government, but a Nazi? And is it any surprise that such a Nazi would support a Clash of Civilizations war against Islam, which is what a war against Iran would represent?

On the one hand, we have George P. Shultz, co-chairman of the U.S. CPD, and godfather of the George W. Bush Administration. Shultz spoke at a CPD press conference in Washington, D.C. on Jan. 23, where he announced its policy of “regime change” for Iran. He also is found on the advisory board of the Danish foundation CEPOS, along with representatives of the *Jyllands-Posten*

Working right alongside Shultz in this endeavor, we have the former Spanish Prime Minister, José Maria Aznar. Aznar functions as the co-chairman of the international adjunct of the CPD. He is also the founder the Foundation for Analysis and Social Studies (FAES), which produced a report in October 2005, demanding that NATO be reorganized “in order to combat and defeat Islamist terrorism.”

Aznar personally presented the FAES proposal, titled “NATO: An Alliance for Freedom,” at NATO headquarters on Nov. 30, 2005. Many in Europe do not yet agree that “Islamic jihadism/extremism/terror”—a phrase appearing over 20 times in the document—is an “existential threat” to countries, but “the threat of Islamist terrorism will end up becoming the greatest priority sooner or later,” FAES confidently asserted in 2005.

The Prime Minister’s NATO vs. Islam proposal received its first international endorsement on Nov. 15, 2005: from Shultz’s CPD.



José Maria Aznar

Who is José Maria Aznar? He was previously the head of the Partido Popular (the Popular Party) in Spain, the direct heir of the political tradition of fascist dictator, Francisco Franco, until Aznar was ousted by the current Prime Minister, José Rodriguez Zapatero. As Prime Minister of Spain, Aznar fully endorsed the (Nazi) pre-emptive war policies of the Bush Administration, and promoted the Clash of Civilizations approach to Southwest Asia. True to the fascist tradition, which adopted methods directly from the Tomás de Torquemada Spanish Inquisition, Aznar and his associates are agitating for a new Crusade.

Do these two ideologues understand that the detonating of war against Iran, will usher in a global era of irregular warfare that will ultimately destroy the United States and Europe, as well as the poorer countries of the world? Or are they simply treacherous fools, useful to the higher-level synarchist bankers, like those Nazis whom the British financed into power more than 70 years ago, launching a wave of mass murder and destruction, which ultimately consumed themselves?

The bringing of Denmark into the epicenter of the Clash of Civilizations, is forcing members of the Danish political elite to protest loudly. Uffe Ellemann-Jensen, Denmark's former Foreign Minister, and former head of Prime Minister Anders Fogh Rasmussen's European-style Liberal party, Venstre, already has called the publication of the cartoons a "stunt," and called for *Jyllands-Posten* chief editor Carsten Juste to resign because of his "mistaken judgment." Ellemann-Jensen added, "I am saying this now, because the current Foreign Minister and Prime Minister can't say it, but as an ordinary person who has a certain judgment of how the world works, I can do so. . . ."

Ellemann-Jensen, who also is a founding member of CEPOS, strongly supported 22 former Danish diplomats with expertise in Islamic countries, who had denounced the publication of the cartoons, and demanded that the government take positive action and meet with Muslim leaders to resolve the crisis.

The publication of the cartoons in French and other European papers on Feb. 1 was a straight international synarchist operation. For example, the French-based and internationally active "Reporters Without Borders," which has been instrumental in supporting the publication of the cartoons, is in fact an Anglo-American-French synarchist intelligence operation. On the French side, it receives financing from the office of the President of France, the Foreign Ministry, as well as top corporations. On the American side, it receives financing from the National Endowment for Democracy, and the right-wing Miami-based Center for a Free Cuba, a notorious anti-Castro group. In its work with the latter organization, Reporters Without Borders cooperates closely with Otto Reich, who is currently President Bush's Special Envoy to the Western Hemisphere. More importantly, Reich, an old Iran-Contra hand who is from Florida, and has been the chief advocate of the anti-Castro groups, is in fact a crony of George Shultz, for whom he served as "Special Advisor" between 1983 and 1986, when Shultz was Secretary of State.

Another indication of the control of this operation by financier synarchists, is the fact that the editor responsible for publishing the cartoons in the French daily *France Soir*, Jacques Lefranc, is the former general manager of the French-based Banque de Participations et de Placements. BPP is very active in the Middle East, and enjoys many links with the French intelligence services. The publication of the cartoons cost LeFranc his job.

Britain's Muslim Brotherhood Assets Target Arab Leaders

A senior European security source told *EIR* that the publication of the cartoons in February by other European countries was clearly a "guided" operation on both sides, to mobilize Islamophobia throughout Europe. Nonetheless, it is also "guided" in the Middle East. The "guides" in Southwest Asia are run through British intelligence assets in the Muslim Brotherhood, who are active from Morocco to Paki-

stan. Recall that the first round of cartoons was an almost non-issue in the Islamic world until a second set of far more inflammatory cartoons began circulating at the end of January, some of which had never been published in the Western press. Circulation of these cartoons expanded tremendously after Feb. 1.

The same source pointed out that only 200 demonstrators took part in burning down the Danish consulate in Beirut. They were clearly part of an orchestrated operation by "certain groups" in Lebanon. As far as the entire country was concerned, it was not an issue, and in fact served to destabilize the very sensitive Lebanese internal political situation.

He warned that the demonstrations in Damascus were most likely backed by elements within the government, since no one could get away with such an action, without some official backing. Syria, he said, is playing a dangerous game, and falling into a trap by thinking it can get some political support in the Arab street, in an attempt to take the lead on the issue, before the Muslim Brotherhood could use it to launch a destabilization.

The way hardliners in Iran are taking up the issue reveals that they, too, are playing their part in this British-orchestrated crisis. In reaction to the cartoons, Iran threatened to launch an economic boycott against Denmark, which provoked the European Union to threaten economic sanctions in retaliation. Thus, Iran is offering an opportunity to launch sanctions independent of the United Nations and the nuclear issue!

Similarly, the cartoons served to inflame the streets of Gaza just at the time that Hamas, which had just won the Palestinian elections, was in sensitive negotiations with various Palestinian factions, and Egypt, to form a government that could continue to receive financial support from the European Union. The chaos also gave hotheads in the Israeli security services an excuse to escalate targeted assassinations of Palestinian militants.

A senior Danish journalist, with many years of experience, told *EIR* that this whole controversy is aimed against Jordan, Egypt, and other western-oriented states. He feared the inflaming of the Arab street would serve as a cover for the assassination of a major Arab leader.

There are no forces, either in Europe or Southwest Asia, who are politically capable of stopping this orchestration. Only through blocking this synarchist drive in the United States, is there hope for stopping this Clash of Civilizations.

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Dealing With Russia: As in 1907, Wrong Again

by Rachel and Allen Douglas

Five months ago,¹ we told you how the career of Alexander Helphand “Parvus” sheds light on what the neo-con war party, grouped around Vice President Dick Cheney, has really been up to. That is because the hereditary roots of the neo-cons’ current doctrine and practice of permanent warfare and proliferating regime changes trace back to the Anglo-Venetian operative Parvus’s early-20th-Century theory and practice of Permanent War as the pathway to Permanent Revolution. Now the dangerous excitement about a showdown with Iran, on the part of the same war party and the higher-ups providing them guidance—as at British Foreign Minister Jack Straw’s dinner party, reported on p. 36—forces us back to the opening years of the last century once more.

In the United States and Britain alike, certain enthusiasts for an imminent showdown with Iran are eager to get more bang for their buck, taking the opportunity to deal a blow to Russia, as well. They are repeating the duplicitous and deadly approaches used by King Edward VII of Britain and his henchmen in the decade and a half before the outbreak of World War I in 1914, which set in motion all the disasters of the 20th Century.

Sen. John McCain (R-Ariz.) exhibited the pathology in a pure form during the annual Munich Conference the weekend of Feb. 4-5. He warned Russia and China to cooperate against Iran in the UN Security Council, or else the U.S. would “seek willing partners to impose these sanctions outside the UN framework.” McCain lashed out at Russia, saying that “it is clear that Moscow wishes to be seen as a great power,” but that the only way to achieve that status is to “stand up to Iran’s threats, end the frozen conflicts in Europe’s east, ensure Ukraine becomes an oasis of stability and prosperity instead of a Cold War-style battleground, and help to transform Central Asia.” But rather than doing that, McCain charged, President Putin’s Russia continues “to pursue foreign and domestic policies strongly at odds with our interest and values, . . . seeks to prefer the pursuit of autocracy at home and abroad, to prefer blocking concerted action against rogue states, to weaken [Russia’s] democratic adversaries. . . . Under Mr. Putin, Russia today is neither a democracy nor one of the world’s leading economies, and I seriously question whether the G-8 leaders should attend the St. Petersburg summit.”

1. Jeffrey Steinberg, Allen Douglas, and Rachel Douglas, “Cheney Revives Parvus ‘Permanent War’ Madness,” *EIR*, Sept. 23, 2005.

With Russia chairing the Group of Eight industrialized nations for the first time, the London *Economist* (“he is not the partner the West once hoped for”) and the *Wall Street Journal*, chief mouthpieces of the London and New York financial oligarchy, also piled on demands that Russia be blocked from trying to accomplish anything substantial through the G-8. Putin has declared his G-8 agenda priorities to be global energy security, combating the spread of infectious diseases, and education.

There is some reflection of what is afoot in the fact that Putin has gone out of his way, since the end of January, to stage a running joke at the expense of some British intelligence operatives, caught in a Moscow park with a malfunctioning electronic dead drop concealed in a rock. “Putin knows the British are the problem,” Lyndon LaRouche commented on Feb. 6, “but he has shown no sign of understanding the deeper aspects of the global strategic problem. He thinks he can position himself as an ‘energy tsar,’ to use Russia’s energy resources as a basis for Russia’s role in the world. This is the wrong positive conception of Russia’s potential role. Nonetheless, he has the right analytical sense of the strategic crisis: He knows it’s the Brits.” Many people in the United States haven’t gotten that far.

The Anglo-Russian Convention of 1907

There was also an Iranian—Persian, at that time—angle to the Anglo-Russian Convention of 1907. As we reported last week,² elements of today’s escalation of conflicts in Southwest Asia are rooted in the British Foreign Office’s carving up of that region, through the secret Sykes-Picot accord with France in 1916. The Anglo-French definition of spheres of influence in turn incorporated understandings reached a decade earlier between British Foreign Secretary Sir Edward Grey and Russian Foreign Minister Count Alexander P. Izvolsky—both of them operating at the behest of King Edward VII of England—and enshrined in the Anglo-Russian Convention.

Today James Nixey, Russia-Eurasia specialist at Chatham House (the Royal Institute of International Affairs), tells the Bloomberg news agency that Russia is “punching above its weight” in geopolitics, because “the U.S. and EU need it to help persuade the UN Security Council to censure or sanction Iran over its nuclear program.” Nixey’s remark expresses a less visible line of contingency planning than the outright war preparations: namely, to induce Moscow to join the Synarchist financial oligarchy in a smoother termination of Iran’s sovereignty.

The 1907 Convention divided Persia into British and Russian spheres of influence, while maintaining a puppet government in Tehran: “The Governments of Great Britain and Russia having mutually engaged to respect the integrity and

2. Muriel Mirak-Weissbach, “Shades of Sykes-Picot Accord Are Cast Over Southwest Asia,” *EIR*, Feb. 10, 2006.



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King Edward VII of England (right) sowed discord between the great powers led by his nephews, Kaiser Wilhelm II of Germany (center, shown with Winston Churchill) and Tsar Nicholas II of Russia (left), leading to World War I. While he courted Nicholas to ally Russia with England, his henchmen plotted the Tsar's overthrow.

independence of Persia, and sincerely desiring the preservation of order throughout that country and its peaceful development, as well as the permanent establishment of equal advantages for trade and industry of all other nations;

"Considering that each of them has, for geographical and economic reasons, a special interest in the maintenance of peace and order in certain provinces of Persia adjoining, or in the neighborhood of, the Russian frontier on the one hand, and the frontiers of Afghanistan and Baluchistan on the other hand, and being desirous of avoiding all cause of conflict between their respective interests in the above-mentioned provinces of Persia;

"Have agreed on the following terms. . . ."

Then followed a list of vital Persian national assets, the control of which was to be divided up between Britain and Russia: "railways, banks, telegraphs, roads, insurance, . . . concessions of political or commercial nature, . . . customs revenues," and the servicing of "Persian loans."³

Sir Cecil Spring Rice, British Minister at Tehran, assured the Persian foreign secretary in September 1907, "The object of the two Powers in making this agreement is not in any way to attack, but rather to assure forever, the independence of Persia. Not only do they not wish to have at hand any excuse for intervention, but their object in these friendly negotiations was not to allow one another to intervene on the pretext of

safeguarding their interests. The two Powers hope that in the future Persia will be forever delivered from the fear of foreign intervention, and will thus be perfectly free to manage her own affairs in her own way." That did not prevent Russian Foreign Minister Sazonov, a few years later, from wiring to London that "The Imperial Government expects that in future its full liberty of action will be recognized in the sphere of influence allotted to it, coupled in particular with the right of preferentially developing in that sphere its financial and economic policies."⁴

The geopolitical horse trading continued, that is, well into the World War I that the Anglo-Russian alliance had helped to precipitate, and even as Russia itself plunged into the conflagration of that war (9 million Russian dead), the Revolutions of 1917, and its Civil War of 1918-21 (10 million dead).

The Anglo-Russian Convention of 1907 likewise delineated spheres of influence in Afghanistan and Tibet. The three regions had been the front lines of confrontation between the Russian Empire in the heart of Eurasia and the British Empire along the inland fringes of its Asian coastal holdings. Thus the 1907 deal is known as the end point of the Great Game, as Rudyard Kipling dubbed the 19th-Century contest for dominance over the Eurasian continent.

4. F. Seymour Cox, *The Secret Treaties and Understandings; text of the available documents with introductory comments and explanatory notes* (London: 1918).

3. U.K. Parliamentary Papers, 1908.

At the same time, the agreement was the final breakthrough towards formation of the Triple Entente among England, France, and Russia, which Edward VII and his team had sought to forge for over three decades. It was the official reconciliation between Britain and Russia, after the Crimean War of the 1850s, when the British had cut the erstwhile “gendarme of Europe,” Russia, down to size.

In 1908 W.T. Stead, co-founder of Lord Milner’s Round Table group, through which much of Edward VII’s dirty work had been done, published *The M.P. for Russia*, a glowing memoir of his friend, Madame Novikoff (Olga Novikova). She was a Pan-Slav activist, resident in London for many years, who collaborated with Stead and with Lord Gladstone, in particular, to bring Russia into an alliance with Britain by manipulating crises in the Balkans. Stead referred to his coordination with the Pan-Slavs, through Novikova, as an Anglo-Russian Intelligence Department. In the introduction to his book, he crowed that the Anglo-Russian Convention of 1907 was the prize for which they had jointly worked since the 1870s, adding that the “Pan-Slavonic faith” of his Russian allies “anticipated in many points the spirit of ideal British Imperialism.”⁵

To Save the Empire

To set the stage on which Edward VII lured his foolish cousin, the Russian Tsar, into the Triple Entente, let us recapitulate the strategic picture in the late 19th and early 20th Centuries, as presented in the above-mentioned article, “Cheney Revives Parvus ‘Permanent War’ Madness”:

“The doctrine of ‘Permanent Revolution/Permanent War,’ widely associated with the Bolshevik revolutionary Leon Trotsky, emerged in a very specific historical context—the late-19th- and early-20th-Century period, in which the ideas of the American System of political economy were gaining wide support among leading governments and political circles throughout Eurasia. This posed an existential threat to the British Monarchy/British East India Company-centered Anglo-Dutch empire, and to the head of that cabal, the ‘Prince of the Isles’ Edward Albert, later Britain’s King Edward VII.

“In the immediate aftermath of the defeat of the British-backed Southern secessionist insurrection known as the American Civil War (1861-65), the United States, despite the British-sponsored assassination of President Abraham Lincoln, emerged as the world’s leading industrial power. What was known as the American System of political economy, associated with U.S. Treasury Secretary Alexander Hamilton, and such later Hamiltonians as Henry Carey, John Quincy Adams, Henry Clay, E. Peshine Smith, the German Careyite Friedrich List, et al., established a system of protective tariffs, national banking, infrastructure investment, the promotion of science and technology, and other measures. The American System was universally known, at the time, to be the deadly, feared enemy of the British System of free trade, private cen-

tral banking, slave labor, and global cartels.

“It was the industrial might of the Federal states—based on the Hamiltonian American System policy—that provided the margin of victory against the Confederate insurrection. Lincoln was also greatly assisted by the vital international support of his close ally, Russia’s Tsar Alexander II, who deployed the entire Russian Navy to North America to deter Britain and France from entering the war on the side of the Confederacy.

“In a fitting celebration of the American System, a Centennial fair was convened in Philadelphia in 1876, which aimed to spread the American System around the world. In this period, these ideas took root in the new unified German state, under Bismarck, which adopted the ideas of Friedrich List, and which established joint industrial ventures between leading American figures like Thomas Alva Edison and German industrialists Walther Rathenau and Werner von Siemens. In Russia, American and Russian engineers collaborated on the construction of the Trans-Siberian Railroad, which was modelled on the U.S. Transcontinental Railroad project which had helped consolidate a unified continental republic, following the disasters of the Civil War. Under the leadership of Sergei Witte, Russia emerged, at the end of the 19th Century, as the fastest-growing industrial nation in Eurasia. In Japan, under the Meiji Restoration, the American System was adopted, with Carey protégé E. Peshine Smith serving as a leading economic advisor to the Japanese Emperor. Similar American System ideas were adopted in the France of Gabriel Hanotaux, which launched ambitious plans to build railroads across Africa. In China, Sun Yat-sen was trained by American missionaries in the ideas of Hamilton and Carey, and a Chinese republican movement advanced detailed plans for the integration and modernization of China. Other examples of the spread of the American System abounded in South America and as far away as Australia.

“In London, Prince Edward Albert, the son of Queen Victoria, who would later become King Edward VII, viewed this spread of the American System with great alarm. The British response, over the course of the next 40 years, would be to spread perpetual warfare across Eurasia, through an array of manipulations, playing one nationality off against another, assassinating key republican political leaders, fostering the growth of deeply flawed pseudo-political movements and ideologies, conducting each-against-all diplomatic maneuverings, and fomenting ‘regime changes,’ ultimately leading to two successive World Wars. In every instance, British agents, often operating under the cover of official diplomatic postings, forged alliances with the most backward feudalist and fundamentalist factions within the targetted nations—often through Freemasonic lodges and other secret societies, created phony ‘liberation’ movements, and recruited and deployed key agents.

“Thus, instead of a Eurasia united behind American System republican ideas and concrete great development projects, the British manipulated the Franco-Prussian, Balkan,

5. W.T. Stead, *The M.P. for Russia*, Vol. I (New York: G.P. Putnam’s, 1909).

Sino-Japanese, and Russo-Japanese wars. The Balkan Wars of 1912-13 led, lawfully, into World War I. The Young Turk revolution in Turkey, secured for Britain, and an allied France, the breakup of the Ottoman Empire, and its replacement by an Anglo-French series of protectorates throughout the Near East. In the course of these efforts, British Intelligence fostered the Muslim Brotherhood as a permanent insurrectionist force within the entire Islamic world. . . .

“In all of these efforts the British apparatus of Prince Edward Albert modelled their actions on those of the Venetian republic, which had emerged as the center of the new European rentier financial oligarchic power in the wake of the collapse of the Byzantine Empire. As the center of European power shifted from the Mediterranean northward, Venice morphed into the Dutch and later Anglo-Dutch liberal system of global financier dominance, over the course of the 15th-18th Centuries. By the time Prince Edward Albert emerged as the heir to the legacy of Lords Shelburne and Palmerston, London was the global center of what some properly called the Venetian Party.”

The Round Table

Not long after the American Civil War, W.T. Stead wrote that regaining North America for the British Empire was so important an objective as to merit letting the capital of the Empire be in the United States, if that's what it took. Stead worked on that perspective through the single most powerful political bloc in late-19th-Century Britain, the Round Table, which he co-founded with Lord Alfred Milner. Other Round Table luminaries included Lord Esher (otherwise employed by the banker Sir Ernest Cassell, Edward VII's operative who would run the Ottoman National Bank for the Young Turks in 1909) and Albert Grey (Earl Grey, destined to represent the Round Table perspective in Canada and Africa). Grey's cousin Sir Edward Grey, the Foreign Secretary from 1905 to 1916, was also close to Milner and shared the “co-opt America” perspective.

As for Russia, its place in British Imperial strategy was dictated by the divide-and-conquer principle London continued to apply to the Eurasian continent. Russia's adoption of the industrial nation-building policies of Count Witte, launched during the reigns of Tsars Alexander II (r. 1855-81) and Alexander III (r. 1881-94) with guidance from the universal genius Dmitri Mendeleyev, made the nation a target for wrecking through war and revolution. In the meantime, Prince Edward's operatives manipulated Russia against the other continental powers.

The task of the Stead-Novikova Anglo-Russian Intelligence Department in the 1870s was to embroil Russia in permanent conflict with Austria and the Ottoman Empire over interests in the Balkans, thus splitting the Dreikaiserbund (Three Emperors' Alliance) of Austria, Prussia, and Russia, while also kindling the fires of religious and territorial disputes which would ultimately detonate World War I. The prime political and military mover of the Balkan Wars cause,

from the Russian side, was Novikova's friend Count N.P. Ignatyev, former Ambassador at Constantinople and future founding chief of the Okhrana security police, which did so much to foment the overthrow of the Romanov Dynasty. Prime Minister Benjamin Disraeli exclaimed over the Treaty of San Stefano and its revision in the Treaty of Berlin (1878), ending the 1870s Balkan Wars, “Our great object was to break up and permanently prevent the alliance of the Three Emperors, and I maintain that there never was a great diplomatic result more completely effected.”

Yet matters became more urgent for the British in the 1890s. French Foreign Minister Gabriel Hanotaux was a devotee of nation-building policies and worked for alliances with Germany and with Russia that included financing for Count Witte's industrialization projects.

Witte's Trans-Siberian Railroad would be completed in 1903, giving Russia not only an outlet to the Pacific Ocean, but an axis for industrial development along the whole perimeter of the Great Game battlefield in Eurasia. Witte's concept was to couple a Far East economic perspective with a “continental league” of France, Germany, and Russia. “Once these countries stand together in a firm and steady union,” Witte appealed to Kaiser Wilhelm in 1897, “undoubtedly all the other countries on the continent of Europe will join this central union and thus form a union of the whole continent, which will free Europe from the burden she imposes on herself on account of reciprocal rivalry.”

The Kaiser expressed approval of Witte's design, but follow-through was lacking. Yet in 1902, Germany did secure from the Ottomans a 99-year concession to build and operate a Berlin-to-Baghdad railway, cutting deep into the heart of the British Empire.

The *modus operandi* of Edward and his henchmen was to make deals over colonial territory and prerogatives, while orchestrating regime change against the same people with whom the deals were being made. Thus Hanotaux's France was rocked by the Dreyfus Affair in the mid-1890s, and brought to heel in the colonial realm after the incident at Fashoda in 1898. The Anglo-French Entente Cordiale was made official in April 1904.

King Edward's Diplomacy

Nicholas II came in for the same sort of treatment after 1901, when Edward VII ascended to the British throne upon the death of his mother, Queen Victoria. In the Balkans, British ally Count Giuseppe Volpi of Venice orchestrated the 1903 coup in Serbia, upsetting the Treaty of Berlin balance there. Operations against Russia went into high gear with the mass strikes of 1902-03, in which the Okhrana operative Sergei Zubatov's “police unions” played the central role. The Anglo-Japanese Accord, signed in January 1902, was Japan's launch-pad for war with Russia. It guaranteed Chinese and Korean independence, sending the message that if Russia moved to confront the Japanese in those countries, Russia would have to answer to England as well; the British at the



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Headquarters of the natural gas giant, Gazprom, in Moscow. Lyndon LaRouche observed that President Putin “thinks he can position himself as an ‘energy tsar,’ to use Russia’s energy resources as a basis for Russia’s role in the world. This is the wrong positive conception of Russia’s potential role.”

time were deeply involved in China’s maritime customs and running the opium trade.

Inside Russia, two figures associated with British ally Count Ignatyev in the Okhrana’s predecessor organization, the Holy Brotherhood, were instrumental in provoking the Russo-Japanese War: Count Illarion I. Vorontsov-Dashkov and Aleksandr M. Bezobrazov. Vorontsov-Dashkov lobbied hard for Bezobrazov’s schemes in the Far East, among which was a lumber concession on the south bank of the Yalu River—and thus in the Japanese sphere of influence under Russo-Japanese agreements made in 1898. In 1901, Bezobrazov formed a company to exploit the Yalu concessions. Its members included Admiral Abaza, the Tsar’s Secretary of State for Far Eastern affairs; Count A.I. Ignatyev, a member of the Imperial Council; and Prince Yusupov, the immensely wealthy father of the future assassin of Rasputin. Bezobrazov boasted that his business model was the British East India Company.

It was Russia’s seizure of Manchuria, together with the Bezobrazov/Vorontsov-Dashkov group’s deals, which obviously cloaked designs for further expansion, that led to the Anglo-Japanese Accord of 1902. Even after the Accord, the Bezobrazov group pushed ahead, pressuring to forestall Russia’s promised evacuation of Manchuria, while the group expanded its commercial operations, which served as cover for the infiltration of tens of thousands of soldiers, disguised as lumberjacks, into the Yalu concession in position to seize Korea. Count Witte, who opposed the Bezobrazov/Vorontsov-Dashkov plans as bound to lead to war, was ousted as Minister of Finance in 1903.

In the absence of a positive Russian response to attempts to restart negotiations, the Japanese made a surprise attack on the Russian fleet off Port Arthur on Feb. 8, 1904. Financing for the Japanese war effort came from London and British-allied banks: a 10-million-pound flotation organized by Jacob Schiff through Kuhn-Loeb of New York and the Hongkong and Shanghai Bank in May 1904, followed by 30 million pounds in July 1904, from M.M. Warburg and Deutsche Bank’s Deutsche Asiatische Bank.

On Jan. 1, 1905, Port Arthur surrendered to the Japanese. On Jan. 9, Okhrana agent Father Georgi Gapon led a group of workers and Okhrana agents to slaughter at the Winter Palace in St. Petersburg. The 1905 Revolution had begun.

Even as the British slammed Russia with war and revolution, King Edward held out the carrot of a strategic alliance between England and Russia. Two members of the Russian diplomatic corps served as agents of the English King to this end. One was Count Alexander K. Benckendorff, the Russian Ambassador in London, whom Witte, according to Kaiser Wilhelm, considered to be nothing but “a chamberlain of Edward VII.” (Maybe it was hereditary, the Count being a great-nephew of the early-19th-Century political police chief Count Alexander Kh. Benckendorff, whose sister, Princess Dorothea Lieven, was a notoriously promiscuous society lady, and spy, in London for many years.) The other was Izvolsky, a career diplomat who suffered from Anglophilia and shared the personality traits that the poet Alexander Pushkin captured so well in an 1824 epigram on his own Foreign Ministry superior, Count Mikhail S. Vorontsov:

Half-Milord, half a merchant,
Half a wise man, half a lout,
Half a scoundrel, but there’s hope,
There will be all [or: enough] of him at last.

Izvolsky had been posted in Copenhagen, original home of the royal Danish sisters who were Edward’s wife (Queen Alexandra of England) and Nicholas’s mother (Princess Dagmar/Empress Maria of Russia). He became Foreign Secretary in 1906.

In 1904, Edward recruited Izvolsky to work for an Anglo-Russian alliance—on the very day the Anglo-French Entente Cordiale came into effect. Sir Bernard Pares, another top British operative in Russia during these years, notes in his *A History of Russia* that Benckendorff had been promoting the

London-Petersburg reconciliation for some time.⁶

Neither Tsar Nicholas nor Kaiser Wilhelm trusted what their Uncle Edward was up to. (The British King was the Kaiser's own uncle, since Wilhelm's mother was Edward's sister, the English Princess Vicky. Edward's wife, Queen Alexandra, was the Tsar's aunt through her sister—the Tsar's Danish mother—while Edward himself was the uncle of the Russian Empress Alexandra, born Alix of Hesse-Darmstadt—daughter of another of his sisters, Princess Alice.)

In July 1905 Tsar and Kaiser met at Wilhelm's initiative, on Nicholas's yacht, at Björkö off the coast of Finland. The Kaiser presented Nicholas with a draft treaty between Germany and Russia, to which France would be invited as well. Preparatory diplomacy with Russia by German Chancellor Bulow—who did not, however, endorse the formal alliance—had progressed far enough that in late 1904 the Round Table figure Lord Esher, “a close friend of the King's, wrote that there was ‘a secret and very intimate understanding’ between Germany and Russia.”⁷ The two monarchs discussed their uncle's “treachery” and “passion for plotting against every power,” and signed the mutual defense document brought by the Kaiser. Wilhelm recorded that he was moved to tears by his interaction with the Tsar, and thought their agreement would be a “turning point in the history of Europe.”

The Kaiser's version of a Russo-German alliance fell flat in both Petersburg and Berlin, as contradicting the two countries' current negotiations with France, in particular. Izvolsky became Russian Foreign Minister in 1906 and moved, with Foreign Secretary Sir Edward Grey, to finalize the Anglo-Russian Convention of 1907. The Triple Entente came a crucial step nearer to reality, driving inexorably towards war.

The Revolutionaries

The cast of characters who pressed the Tsar into the alliance with England, also intervened to engineer his overthrow. Already in 1909, on the heels of the Anglo-Russian Convention, Sir Bernard Pares lined up an “unofficial” trip to England for 19 Duma leaders—unofficial, because it was generally understood that much of the Duma (the Parliament, its creation having been conceded by Nicholas during the 1905 crisis) opposed the Tsar, with whom the British had just signed a state-to-state treaty. During this visit, Pares arranged also “unofficial” meetings between Grey and each Duma member, which meetings were discreetly held in side rooms during high-society parties. Pares evaluated the outcome of this trip, during which the Duma representatives also met Winston Churchill and other top British leaders: “I have at other times found that England acted as a kind of uniting influence on Russians. . . . Indeed, I believe that a very important process

was helped forward by this trip to England, and that the English visit had not been without its share in the result when, in 1915, the majority of the Duma, including nearly all the more liberal members, joined together to form the ‘Progressive Bloc.’ ”⁸

The purpose of the Progressive Bloc, in the minds of most of those who founded it, was to overthrow the Tsar. Pares subsequently said about the trip, “This could not have been done without [Alexander] Guchkov, who actively backed me throughout. . . . From this time on, I remained in close touch with him till the end of his life.” Guchkov was a wealthy merchant, Pan-Slav operative and leader of the Octobrist Party, who was plotting to overthrow the regime.

Besides affording such assistance to the opposition, the British lobbied their candidate to succeed Izvolsky as Russian Foreign Minister in 1910: S.D. Sazonov, who then played a decisive role in bringing Russia into World War I. As Pares's friend Sir Samuel Hoare put it, it was Sazonov—who helped create the Balkan League, which sparked the 1912-13 Balkan Wars—who ultimately “forced” the Tsar to declare war in 1914. A former Ambassador to London, Sazonov was on close terms with Pares, with the latter's friends J.W. Birkbeck and Hoare. A core member of Milner's Round Table and a member of one of the oldest banking families in England, Samuel Hoare was a British Military Intelligence officer, who was soon to represent that agency in Russia during the 1917 Revolutions; later, as British Foreign Secretary in the 1930s, he concluded the Hoare-Laval Pact with the Synarchist French Prime Minister Pierre Laval, ceding most of Ethiopia to Mussolini.

Pares said of Sazonov, “He was a not too usual example of a diplomat who through good and evil report stood always for one central idea. That idea was the creation of friendship between Russia and England. . . .” While Sazonov was Foreign Minister (1910-16), the British Ambassador to St. Petersburg was Sir George Buchanan. “Throughout the critical six years from 1909 to 1915,” wrote Hoare, “Sazonov and Buchanan never ceased to work with each other as closely and unreservedly as if they had been citizens of the same country and members of the same diplomatic corps.”⁹

What they worked for so “closely and unreservedly,” against the wishes of the Tsar and many in the Russian cabinet, was to bring Russia into World War I. Hoare recalled: “There is no more dramatic page in the history of 1914 than that which tells of [Sazonov's] interview, . . . with the Emperor, who was still reluctant to order general mobilization. . . . I myself believe that, if he had not insisted upon general mobilization on July 30th, the Emperor would have continued to hesitate, and Russian mobilization, an undertaking of very formidable difficulty, would never have been possible.”

6. Bernard Pares, *A History of Russia* (New York: Alfred A. Knopf, 1953; original edition, 1926).

7. Roderick McLean, *Royalty and Diplomacy in Europe: 1890-1914* (Cambridge: Cambridge University Press, 2001).

8. Bernard Pares, *The Fall of the Russian Monarchy* (New York: Alfred A. Knopf, 1939).

9. Samuel Hoare, *The Fourth Seal: The End of a Russian Chapter* (London: William Heinemann, Ltd., 1930).

In January 1917, on the eve of the February Revolution, Lord Milner himself visited Russia as head of the British Mission to the Inter-Allied Conference. He had private meetings in Moscow with individuals selected by British Intelligence agent Robert Bruce Lockhart, including Prince Georgi Lvov (who, according to Pares, had “a strong spiritual kinship with our statesman, Sir Edward Grey; aristocrat to the core in the best sense of the term, he was also profoundly democratic and even radical in many of his views”) and other members of the Progressive Bloc who would, within weeks, be in the new government. Milner wrote to the Tsar, “In the face of the magnificent work of such new and voluntary organizations as the Zemstvo and Municipalities Unions, it is impossible to doubt the capacity of the Russian people to rise to the increasing danger and improvise new methods to avert it.” By the time Milner delivered this letter, it was an open secret that these organizations were preparing a coup.

Playing by the Rules

What President Putin said about the current “talking rock” British spy scandal, is that he would not advocate expulsion of the diplomats involved. “What can I say?” he remarked at his Jan. 25 press conference in St. Petersburg. “As soon as we send those agents back, others will come. Maybe smarter ones, and then we’ll have to bother about finding them.” In his Jan. 31 annual press briefing, Putin expanded on the friction with London: “We regret that . . . we see our British partners involved in such practices. . . . I am confident that we shall discuss this in private meetings with the Prime Minister.” And he repeated that the diplomats should be left at the embassy, since it is useful to know which staffers work for the intelligence station. Meanwhile, the Russian government took advantage of the espionage case, to crack down on NGOs it said had received funding through those particular diplomats.

In the same three-and-a-half-hour discussion, Putin spoke with vehemence, and this time without jokes, about major destabilizations under way in Eurasia. He lambasted Georgian President Michael Saakashvili for accusing Russia of waging energy war against Georgia. And he replied brusquely to an American reporter who asked about Russian support for last year’s crackdown on an insurgency in eastern Uzbekistan: “We know better than you do what happened in Andijan. And we know who trained the people who ignited the situation in Uzbekistan and in that city in particular, where they were trained, and how many of them were trained. This does not exclude the fact that there are a great many problems in Uzbekistan, but it does exclude the fact that we take an approach in which we could allow ourselves to rock the situation in that country. You probably know what the Fergana Valley is and you know how difficult the situation is there, the population’s situation and their level of economic well-being. We do not need a second Afghanistan in Central Asia, and we shall proceed very carefully.”

The paradox for Putin and Russia, is that it doesn’t work to try to prevail by outplaying others on the geopolitical playing field, if the game is rigged. The Russian President proposes that providing “global energy security” is a mission Russia can take up, during and beyond its G-8 chairmanship. But what is the durability of an apparent strength—the earning power of crude oil and natural gas exports—that in reality is based on the exorbitant world oil price driven by hedge-fund-derivatives speculation? Russia is affronted and wounded by the British and neo-con war games around Iran. Moscow would like to export 40 to 60 nuclear power plants, including new ones to be built in Iran, over the next two decades. Yet, the same Russian leadership stakes its economic strategy for this year on—among other things—securing a new influx of foreign capital from the liberalization of trading in shares of the natural gas monopoly Gazprom (foreign investors may now purchase Gazprom stock on Russian markets), and the upcoming multibillion-dollar IPO of the state-owned Rosneft Oil Company on the London exchange.

Our point is not to compare the sharp-witted veteran intelligence specialist Putin with the floundering Tsar Nicholas II. But the security and growth he ostensibly seeks for Russia can happen only in a world of sovereign nation-states, not under the financiers’ dictatorship known as globalization.

A certain additional insight into the current state of affairs may be had by noting how last week’s *EIR* cover story, “Iran Showdown Is the Fuse for a Global Monetary Bomb,” was received in Russia. Translated into Russian, it was republished by one Ukraine-based website and two in Russia. One of the Russian sites provided an editorial disclaimer, to the effect that our analysis was “rather unusual and smacking somewhat of conspirology,” although it needed to be considered “due to the urgency of this topic and the totally unpredictable development of events”; this site illustrated our article on the primacy in the Iran crisis of “City of London-centered Synarchists,” with a giant poster of Uncle Sam about to attack Iran. But the other Russian site commented, “You need to know history, in order to realize the significance of what is unfolding before our very eyes and to evaluate how tricky are the Venetian intrigues, orchestrated by the Blair government out of London.” We agree, and think that’s good advice for Americans, too.

Research and writings by Bill Jones, Michael Liebig, and Jeffrey Steinberg were essential to this article. The following past publications in EIR provide more depth on matters touched on here:

- “King Edward VII: Evil Demiurge of the Triple Entente and World War I,” *EIR*, March 24, 1995, from a panel at the February 1995 Schiller Institute conference, including sections on Hanotaux, Witte, and Sir Edward Grey.
- “Triple Entente: The British-led Conspiracy That Sparked World War I,” *EIR*, April 19, 1996.
- “The ‘Land-Bridge’: Henry Carey’s Global Development Program,” *EIR*, May 2, 1997.

Book Review

Our Sordid Love Affair With London's Muslim Brotherhood

by Jeffrey Steinberg

Devil's Game: How the United States Helped Unleash Fundamentalist Islam

by Robert Dreyfuss

New York: Henry Holt and Company, 2005
388 pages, hardback, \$27.50

This reviewer recently attended a conference at the U.S. Senate, which was billed as a symposium of experts on al-Qaeda. I asked a panel of three of the leading “experts” about the links between al-Qaeda and the Muslim Brotherhood, and I mentioned that the staff reports of the 9/11 Commission had noted that the purported mastermind of the Sept. 11, 2001 attacks, Khaled Sheikh Mohammed, had been captured, and had boasted that he had been recruited to the Muslim Brotherhood at the age of 16. The question drew blank stares from the self-professed al-Qaeda experts, and none chose to answer. In fairness, one of the three approached me afterwards, to say that he did know something about the Brotherhood ties to al-Qaeda, but he felt that the audience, made up of senior Congressional staffers and think-tank policy wonks, was incapable of understanding the complicated answer he would have had to give.

The incident offers a telling snapshot of the state of affairs among so-called terrorism experts, many of whom boast of degrees in sociology, psychology, and computer science. Few have a grasp of history, and even fewer attempt to draw the lessons of history in peddling their dubious expertise. When I recounted the incident at the terrorism symposium to several retired military and intelligence officers who do have credentials as Middle East specialists, they shook their heads in pained acknowledgement of the problem.

Fortunately, author Robert Dreyfuss has provided a timely work that offers some relief to this major deficiency in our so-called Global War on Terrorism (GWOT) in particular, and American diplomacy and intelligence operations in general. *Devil's Game* provides a vivid picture of how the United States has spent the last century being dragged into a Middle

East quagmire by a British imperial apparatus that has sponsored and manipulated Islamic fundamentalism, since the first hours of the era of petroleum politics at the end of the 19th Century. Dreyfuss's work combines a careful and thoroughly readable survey of the major academic literature on the history of the Muslim Brotherhood and its various 20th-Century offshoots, with interviews with some of America's senior Middle East

diplomats and intelligence officers. In his introductory chapter, Dreyfuss offers a diagnosis and remedy to the Bush Administration's misguided GWOT. “A war on terrorism,” Dreyfuss writes, “is precisely the wrong way to deal with the challenge posed by political Islam. That challenge comes in two forms. First, there is the specific threat to the safety and security of Americans posed by al-Qaeda; and second, there is a far broader political problem created by the growth of the Islamic right in the Middle East and South Asia.” He continues, “In regard to al-Qaeda, the Bush administration has willfully exaggerated the size of the threat it represents. It is not an all-powerful organization. . . . Using the U.S. military in conventional war mode is not the way to attack al-Qaeda, which is primarily a problem for intelligence and law enforcement. The war in Afghanistan was wrongheaded; it failed to destroy al-Qaeda's leadership, it failed to destroy the Taliban, which scattered, and it failed to stabilize that war-torn nation more than temporarily, creating a weak central government at the mercy of warlords and former Taliban gangs. Worse, the war in Iraq was not only misguided and unnecessary, but it was aimed at a nation that had absolutely no links to bin Laden's gang—as if, said an observer, FDR had attacked Mexico in response to Pearl Harbor. . . . A problem that could have been dealt with surgically—using commandos and Special Forces, aided by tough-minded diplo-



macy, indictments and legal action, concerted international efforts, and judicious self-defense measures—was vastly inflated by the Bush administration.”

On the broader issue of the rise of the Islamist right wing, Dreyfuss writes, “First, the United States must do what it can to remove the grievances that cause angry Muslims to seek solace in organizations like the Muslim Brotherhood. . . . At the very least, the United States can take important steps that can weaken the ability of the Islamic right to harvest recruits. By joining with the UN, the Europeans, and Russia, the United States can help settle the Palestinian-Israeli conflict in a manner that guarantees justice for the Palestinians; an independent state that is geographically and economically viable, tied to the withdrawal of illegal Israeli settlements, an Israeli return roughly to its 1967 borders, and a stable and equitable division of Jerusalem. That, more than any other action, would remove a global *casus belli* for the Islamic right. Second, the United States must abandon its imperial pretensions in the Middle East. That will require a withdrawal of U.S. forces from Afghanistan and Iraq, the dismantling of U.S. military bases in the Persian Gulf and facilities in Saudi Arabia, and a sharp reduction in the visibility of the U.S. Navy, military training missions, and arms sales.”

Dreyfuss’s common-sense recipes for rolling back the advances of the Islamic right are useful. But the real strength of *Devil’s Game* is the carefully documented history of Britain’s sponsorship of the Muslim Brotherhood, and America’s blundering responses, which leaves the world on the edge of precisely the “Clash of Civilizations” perpetual war that London has always pursued, and which the United States has traditionally opposed.

Britain’s Imperial Synarchy

Although the Muslim Brotherhood was formally launched in Egypt in 1928, the roots of the British-sponsored Freemasonic secret society date further back two generations, to the last quarter of the 19th Century. At that time, British intelligence sponsored the career of a Persian-born Shi’ite named Jamal Eddine, later known as **Jamal Eddine al-Afghani** (1838-97). A British (and French) Freemason and a professed atheist, al-Afghani spent his entire adult life as an agent of British intelligence, fomenting “Islamist” insurrections where they suited British imperial goals. At points in his fascinating career, he served as Minister of War and Prime Minister of Iran, before leading an insurrection against the Shah. He was a founder of the Young Egypt movement, which was part of a worldwide network of British Jacobin fronts that waged war against Britain’s imperial rivals during the second half of the 19th Century. In Sudan, following the Mahdi-led nationalist revolt and the murder of Britain’s Lord Gordon, al-Afghani organized an “Islamist” counterrevolution in support of a restoration of British colonial control.

In the finest “Venetian” tradition, al-Afghani promoted a doctrine of “economy of truth”—i.e., truth as an instrument



Jamal Eddine al-Afghani, a Freemason and atheist, spent his entire career as a British intelligence agent, fomenting “Islamist” insurrections.

of imperial intrigues. He adopted the name “al-Afghani” to conceal his Persian birth and his Shi’ite Muslim roots, to better serve his British handlers in the largely Sunni regions where he operated. He also spoke cynically of “the social utility of religion.”

Al-Afghani was backed by one of Britain’s leading Orientalists, Edward Granville Browne, and whenever he ran out of cash, he made a bee-line for London, where he was always provided with funding, a publishing house, and other amenities.

Al-Afghani’s leading disciple and fellow British agent was **Mohammed Abduh** (1849-1905). The Egyptian-born Abduh founded the Salafiyya movement, under the patronage of the British proconsul of Egypt, Evelyn Baring (Lord Cromer). In the 1870s, al-Afghani and Abduh founded the Young Egypt movement, which battled against secular Egyptian nationalists. In the mid-1880s, the two men moved to Paris, where they launched a magazine under British and French Freemasonic sponsorship, called *Indissoluble Bond*. There are some accounts of al-Afghani’s and Abduh’s three years in Paris that suggest that they were in direct contact with St. Yves d’Alveydre, the founder of the Synarchist movement. From Paris, the duo returned to London.

In 1899, two years after al-Afghani died, Lord Cromer made Abduh the Grand Mufti of Egypt. Abduh in turn, begat **Mohammed Rashid Rida** (1865-1935), a Syrian who migrated to Egypt to become Abduh’s leading disciple. Rida founded the organization that would be the immediate precursor to the Muslim Brotherhood, the Society of Propaganda and Guidance. That Freemasonic organization published a journal, *The Lighthouse*, which provided “Islamist” backing to the British colonial rule over Egypt, by attacking Egyptian nationalists as “atheists and infidels.” In Cairo, under British patronage, Rida launched the Institute of Propaganda and Guidance, which brought in Islamists from every part of the



Hassan al-Banna founded the Muslim Brotherhood in 1928, as an unabashed British front group.

Muslim world to be trained in political agitation. Rida and other disciples of Abduh founded the People's Party, which openly agitated in support of British colonial rule.

One graduate of the Institute for Propaganda and Guidance, who also was a central figure in the People's Party was **Hassan al-Banna** (1906-49). Al-Banna would found the Muslim Brotherhood in 1928. The original Muslim Brotherhood was an unabashed British intelligence front. The mosque in Ismailia, Egypt, which was the first headquarters of the Brotherhood, was built by the (British) Suez Canal Company, nearby a British World War I military base. During World War II, the Muslim Brotherhood functioned as a de facto branch of the British military. In 1942, the Brotherhood created the "Secret Apparatus," an underground paramilitary organization that specialized in assassinations and espionage.

Hitler's and London's Grand Mufti

During the formative years of the Muslim Brotherhood, the British colonial apparatus of the Arab Bureau was simultaneously promoting the career of another "Islamist" named **Haj Amin al-Husseini**. A notorious anti-Semite with little Islamic theological training, al-Husseini was promoted by **Sir Ronald Storrs**, the British Governor General and an aide to Sir Herbert Samuel, the British High Commissioner for Palestine. In 1921 al-Husseini had already been installed as president of the Supreme Muslim Council, a British-sponsored association of hand-picked Muslim religious leaders. The next year, Sir Ronald Storrs rigged the "elections" for the Grand Mufti of Jerusalem in favor of al-Husseini.

At the outbreak of World War II, al-Husseini, who had been paired up with al-Banna, fled Jerusalem and wound up in Berlin as a propagandist for the Nazi assault against the Jews. In spite of his ostensible betrayal of Britain, at the close of World War II, al-Husseini was back in the Holy Land, again on the British intelligence payroll, this time as a firebrand anti-communist propagandist for the Near East Broadcasting Station. Al-Husseini would remain a fixture of British right-wing Islamist machinations in the Near East for the rest of his life, offering refuge to wartime Nazis who had been recruited to British intelligence and dispatched to the region as experi-

enced anti-communists.

Hassan al-Banna was assassinated in 1949 by Egyptian security agents. But by that time, the Muslim Brotherhood had vastly expanded its ranks, and had spread to other parts of the Near East, where the British had a major postwar presence. Al-Banna was replaced as titular head of the Brotherhood by his son-in-law, **Said Ramadan**. Ramadan had travelled throughout the Near East, prior to al-Banna's assassination, establishing branches of the Muslim Brotherhood. In Transjordan, Syria, Lebanon, and Palestine, Ramadan successfully launched branches. It is estimated that, by 1947, the Brotherhood had over 25,000 members in Palestine alone, with numbers involved in underground paramilitary formations.

British Brains and American Brawn

The untimely death of Franklin Roosevelt in April 1945 offered London the opportunity to shape the postwar global political landscape. Winston Churchill's famous "Iron Curtain" address defined the Cold War and forged an Anglo-American partnership that Churchill once described in the observation: "With British brains and American brawn, we can rule the world."

Thus began an Anglo-American collusion with the Muslim Brotherhood and spinoff right-wing Islamist agencies, under the banner of fighting Godless communism. Unfortunately, often American policymakers, under British sway, mistook legitimate nationalist movements in the Arab world for Soviet fronts, despite occasional protests from American diplomats and intelligence officers.

Dreyfuss carefully catalogues the twists and turns of American policymaking during the 1950s toward Iran and Egypt, two early test-cases for secular nationalism in Islamic countries. In both instances, the United States ultimately sided with Great Britain against the legitimate, popular secularist governments of Egypt's Gamal Abdel Nasser and Iran's Mohammed Mossadegh. And in both instances, the Anglo-Americans played the Muslim Brotherhood as the battering ram to bring down the offending regimes. In the case of Egypt, the Anglo-American efforts initially failed (and President Dwight Eisenhower, in the most decisive postwar break with London, defeated the joint British-French-Israeli invasion of Suez in 1956, temporarily backing the Nasser regime. For years after the Suez crisis, Eisenhower and the United States were revered in Egypt).

One of the architects of the British Great Game of playing the Islamists against the communists in the Near East was **Dr. Bernard Lewis**, a wartime British intelligence Arab Bureau operative, who would later coin the term "Clash of Civilizations." Dreyfuss documents a crucial 1953 essay by Lewis, "Communism and Islam," which argued for a strategy of promoting right-wing Islamist movements and regimes as a weapon against Soviet inroads in the Near East.

Lewis's scheme was embraced by the Dulles brothers,



EIRNS/Stuart Lewis

Dr. Bernard Lewis, a wartime British Arab Bureau operative, later went to Princeton and coined the term "Clash of Civilizations," promoting right-wing Islamists during the Cold War.

Secretary of State John Foster and CIA Director Allen, despite reservations from President Eisenhower and some leading CIA Middle East specialists, such as Miles Copeland, who was an early CIA liaison to Nasser. In 1953, shortly after the appearance of the Lewis essay, the Dulles brothers arranged a White House meeting between the President and Said Ramadan. Ramadan was conveniently in the United States for a conference on Islam at Princeton University. Many of the participants in that conference were Muslim Brotherhood officials from throughout the Arab world.

Despite Washington's ambivalence about Nasser, Britain's Prime Minister Anthony Eden had no doubt that the Egyptian President was a menace and had to be eliminated. By 1954, George Young, a top MI6 officer posted in Cairo, was ordered by Eden to assassinate Nasser. Young, according to MI6 documents, turned to the Muslim Brotherhood's "Secret Apparatus" to do the job. By the middle of the year, a full-scale war had erupted between the Brotherhood and Nasser. Thousands were killed, and eventually, the Brotherhood was forced to flee, taking refuge in Saudi Arabia, Jordan, and other Arab states in the British or Anglo-American camp.

The U.S. adoption of the British "Islamist" game was described by retired CIA officer Robert Baer, in his recent book *Sleeping With the Devil*: "At the bottom of it all was this dirty little secret in Washington: The White House looked on the Brothers as a silent ally, a secret weapon against (what else?) communism. The covert action started in the 1950s with the Dulles brothers—Allen at the CIA and John Foster at the State Department—when they approved Saudi Arabia's funding of Egypt's Brothers against Nasser. As far as Washington was concerned, Nasser was a communist. . . . The logic of the cold war led to a clear conclusion: If Allah agreed to fight on our side, fine. If Allah decided that political assassination was permissible, that was fine too, as long as no one talked about it in polite company."

Baer added: "Like any other truly effective covert action, this one was strictly off the books. There was no CIA finding, no memorandum notification to Congress. Not a penny came out of the Treasury to fund it. In other words, no record. All the White House had to do was give a wink and a nod to

countries harboring the Muslim Brothers, like Saudi Arabia and Jordan."

Operations in Iran: 'Made in England'

If the efforts by Eden to wipe out Nasser were a net failure, the Anglo-American response to events in Iran was a measured—albeit greatly exaggerated—success. But it was a success that would ultimately blow up in the faces of London and Washington.

Dreyfuss documents that, contrary to popular assumptions, the Muslim Brotherhood was not exclusively a Sunni movement. In Iran, a Shi'ite cleric, **Ayatollah Seyyed Abolqassin Kashani**, had been a close collaborator of al-Banna, Ramadan, and other Brothers. In 1943, he founded an Iranian Shi'ite branch of the Muslim Brotherhood, called the Devotees of Islam. Like the Muslim Brotherhood, the Devotees had their own assassination squads. They failed, in 1949, to assassinate the Shah. Two years later, however, they did assassinate Iran's Prime Minister Gen. Ali Razmara.

Ironically, General Razmara's murder led the Shah to appoint Mohammed Mossadegh as the new Prime Minister, setting the stage for yet-another Anglo-American coup against a secular nationalist regime, falsely branded "communist." As in Egypt, the British turned to the Muslim Brotherhood—the Devotees of Islam—to stage the street riots and other actions that led to the overthrow of Mossadegh. The coup in Iran became the food of legend, about CIA officers Kermit and Archibald Roosevelt, who organized the *bazaari* to stem the tide of communism and stop the nationalization of British oil holdings. A well-informed Iranian source reported that Mossadegh made the decision to step down, rather than either side with the Soviet-backed Iranian Communist Party or unleash his own mass base of supporters to battle the Muslim Brothers and the allied *bazaari*. It was Mossadegh's concern about the Iranian people that had more to do with the so-called "coup," than the clandestine prowess of the Roosevelt boys and their British partners.

Princess Ashraf Pahlevi, the Shah's twin sister, despite her own dubious personal role, voiced the views of many when she zeroed in on the British role: "Many influential clergymen formed alliances with representatives of foreign powers, most often the British, and there was, in fact, a standing joke in Persia that said if you picked up a clergyman's beard, you would see the words 'Made in England' stamped on the other side. . . . With the encouragement of the British, who saw the mullahs as an effective counterforce to the Communists, the elements of the extreme religious right were starting to surface again, after years of being suppressed."

Targets: Syria, Afghanistan

The next British-backed battle between rightist Islam and communism occurred in Syria. And again, the Muslim Brotherhood was London's weapon of choice. The Syrian branch of the Muslim Brotherhood was called Shabab Muhammed, and its paramilitary wing was called the Combat Vanguard of

Fighters. The group had been founded by Ramadan, the son-in-law and heir of Brotherhood founder Hassan al-Banna. When a Baathist military coup took place in 1969, the Brotherhood began a campaign of irregular warfare, that built momentum throughout the 1970s. In 1979, the Muslim Brotherhood staged a military assault on the Syrian Army academy at Aleppo, setting the main building on fire and killing 83 cadets. A war between the Brothers and the government ensued, resulting, again, in thousands of deaths. Ultimately, the Syrian Brothers fled to Saudi Arabia.

But even before the battle for Syria was concluded, the United States had been drawn into what would be the hallmark campaign of collusion between Washington, London, and right-wing Islam: The Afghan War. Again, Dreyfuss provides the reader with a thumbnail history of the evolution of the Muslim Brotherhood in remote Afghanistan. Again, the roots are found in Egypt. A group of young Afghan students spent several years at the al-Azhar mosque in Cairo, a center of Muslim Brotherhood activity. They returned to Afghanistan and formed a branch of the Brothers, the Islamic Society. "The Professors," as they were known, would later form the backbone of the Afghan mujahideen, who waged a U.S.- and British-backed decade-long war against the Soviet Army occupation. The three leading "Professors" were: **Abdul Rasul Sayyaf**, **Burhanuddin Rabbani**, and **Gulbuddin Hekmatyar**. Sayyaf and Hekmatyar, in particular, were backed by the Pakistani ISI, the military intelligence branch, and by Pakistan's own Muslim Brotherhood, the Islamic Group, founded by **Abdul Ala Mawdudi**.

The Afghan War, contrary to popular legend, was not a Western response to the Christmas 1979 Red Army invasion of Afghanistan. In an interview with French journalists, then-National Security Advisor to President Jimmy Carter, Zbigniew Brzezinski, boasted that he had convinced the President to authorize pro-active covert support for Afghan mujahideen rebels, provoking the Soviet invasion. The three leading Muslim Brotherhood figures named above led the major factions of the Afghan insurgency. But, as Dreyfuss documents, an estimated 35,000 Arab "Afghansi" from 43 countries were recruited during the decade-long war in Afghanistan to join the battle.

One of the key Anglo-American recruiters to the mujahideen was a Palestinian Muslim Brotherhood member named **Abdullah Azzam**. In 1984, under Anglo-American and Pakistani sponsorship, Azzam and a leading protégé, **Osama bin Laden**, founded the Service Bureau in Peshawar, Pakistan. The Service Bureau served as a hospitality service for incoming jihadists. Azzam had been recruited to the Brotherhood in Syria during the 1960s.

While Washington neo-conservatives such as Michael Ledeen and Richard Perle spent much of the Reagan era parading Hekmatyar and other "Afghansi" leaders around the halls of Congress, promoting them as valiant "freedom fighters," at least one CIA officer with vast experience in the Middle East was warning about the blindness of American policy.

Martha Kessler told Dreyfuss, "We had a World War II-era system of just plopping our officials down in capital cities, and the Islamist movement wasn't happening in those cities, it was happening out in the country and in small towns." As the Afghan war was unraveling, she wrote a series of memos warning that events were turning in a decidedly anti-American direction in Pakistan, Afghanistan, Egypt, and Sudan. "I said that when governments in the region started making efforts to co-opt the Islamists, it would change the character of those governments. I was one of the school that it would be largely anti-Western in tone."

Baer added to Kessler's assessment. He was in the CIA's counterterrorism center following the November 1981 Muslim Brotherhood assassination of Egyptian President Anwar Sadat. Sadat, a onetime member of the Muslim Brotherhood, had been branded a traitor for signing the Camp David Accords with Israeli Prime Minister Menachem Begin. Baer recounted that he "started looking for documents on the Muslim Brotherhood." But, he concluded, "it wasn't in our consciousness to go after these people."

The Danger Today

Now, 17 years after the conclusion of the Afghan War, nearly 5 years after the 9/11 attacks, the chickens are coming home to roost, but some of Washington's neo-cons persist in ignoring reality. In his concluding chapter, Dreyfuss zeroes in on American Enterprise Institute "scholar" Reuel Marc Gerecht, a former CIA officer-turned neo-con firebrand. In a 2005 book, *The Islamic Paradox: Shiite Clerics, Sunni Fundamentalists and the Coming of Arab Democracy*, Gerecht argued that Washington should throw its full weight behind the Islamic right wing—both Shiite and Sunni. He maintained that the Muslim Brotherhood in Egypt was preferable to the Mubarak regime, and that Shi'ite domination over Iraq would herald an era of Western-style democracy. Even Ayatollah Khomeini stood up favorably to Gerecht's target Mubarak: "Khomeini submitted the idea of an Islamic republic to an up-or-down popular vote in 1979, and regular elections with some element of competition are morally essential to the regime's conceptions of its own legitimacy, something not at all the case with President Husni Mubarak's dictatorship in Egypt. . . . Anti-Americanism is the common denominator of the Arab states with 'pro-American' dictators. By comparison, Iran is a profoundly pro-American country."

Such sophistry, if unchallenged, will finish off the United States as the beacon of liberty for struggling peoples around the world. One vital step toward reversing the present foreign policy and national security folly called the "Global War on Terrorism," is a grasp of universal history. The Dreyfuss account of America's thoughtless embrace of Britain's Muslim Brothers, while far from flawless, is a very commendable step toward offering the kinds of historical insights that can lead to a major long-overdue overhaul of American policy. For that reason alone, the book is important reading material, particularly in a vital election year.

Under Fire for Plame Leak, Cheney Builds NSA Stone Wall

by Edward Spannaus

Vice President Dick Cheney, visibly and increasingly in the target zone in the criminal investigation of the Valerie Plame obstruction-of-justice case, is desperately trying to orchestrate the coverup around the National Security Agency domestic spying scandal. Informed sources indicate that it was Cheney, not President Bush, who was behind the illegal surveillance of Americans, and thus it is Cheney who is also most vulnerable in this case, if and when the true scope of the spying operation becomes known.

It is openly acknowledged that it was the Vice President and his legal counsel, now chief of staff, David Addington, who ordered that Attorney General Alberto Gonzales refuse to answer any pertinent questions, during his embarrassing appearance before the Senate Judiciary Committee on Feb. 6.

Lyndon LaRouche pointed out that Gonzales was, in effect, “taking the Fifth” in refusing to testify. “Gonzales is refusing to honor his Constitutional obligations to report to the Senate,” LaRouche said, “and it’s particularly dangerous at this time,” pointing to the British-orchestrated confrontation brewing between the United States and Iran.

Continuing the pattern of stonewalling and concealment which has characterized the Administration’s dealings with Congress, especially on national security matters, Cheney and his mouthpiece Gonzales were adamant that the full membership of the Senate and House Intelligence Committees could not be briefed on the NSA program. But within 48 hours, the stone wall that Cheney had built began to crumble; the Administration reversed course, and provided briefings to the full committees.

Cheney’s biggest vulnerability, is his exposure in the Valerie Plame case. First, therefore, we review developments there, to provide the necessary backdrop for his role in the NSA scandal.

Who Destroyed the Missing E-mails?

Three new disclosures in the Plame investigation and the prosecution of Cheney’s former chief of staff Lewis “Scooter” Libby, highlight Cheney’s vulnerability.

Missing e-mails: In a Jan. 23 letter to Libby’s attorneys, special counsel Patrick Fitzgerald revealed that certain e-mails in Cheney’s office were missing for parts of 2003—the crucial time period in which operations against former Ambassador Joseph Wilson were launched and conducted out of the Vice President’s office. Wilson had been sent to Africa in early 2002 by the CIA to investigate claims that Saddam Hussein had attempted to purchase uranium ore from Niger; he found no evidence to support the story.

In March of 2003, Wilson began speaking out and discrediting the bogus claim, which had been included in President Bush’s State of the Union Address that January. Wilson did not publicly acknowledge his CIA Africa trip, until he wrote an op-ed which was published in the *New York Times* on July 6, 2003. Even before the op-ed, Libby, operating on Cheney’s instructions, was telling reporters that Wilson’s wife worked for the CIA—with the implication that Wilson’s trip to Africa was just a nepotist junket arranged by his wife.

The disclosure that e-mails were deleted from White House computer systems instead of being maintained “through the normal archiving process” (see graphic on the next page) is potentially very serious, intelligence sources have told *EIR*, because it would involve tampering with or disposing a computer hard drive, which is detectable. It evokes images of the missing 18 minutes on President Nixon’s Oval Office tape-recordings, or the shredding of documents at the point of the discovery of the Iran-Contra scandal.

Leaking classified information: The Jan. 23 Fitzgerald letter also says that Libby testified to the grand jury that he had disclosed the content of the classified October 2002 National

Attorneys Jeffress, Wells & Tate
January 23, 2006
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We are not obligated at this time to disclose impeachment material of Mr. Libby should he testify in his defense.

We are aware of no evidence pertinent to the charges against defendant Libby which has been destroyed. In an abundance of caution, we advise you that we have learned that not all email of the Office of Vice President and the Executive Office of President for certain time periods in 2003 was preserved through the normal archiving process on the White House computer system.

Should you have any questions or comments regarding any of the foregoing, or should you wish to discuss this matter generally, please do not hesitate to call me at the number listed above.

Very truly yours,


PATRICK J. FITZGERALD
Special Counsel

*Special Counsel
Fitzgerald's letter to
Libby's lawyers notes that
some Cheney e-mails for
time periods in 2003 were
not "preserved."*

Intelligence Estimate to reporters in June and July of 2003, and further, "that Mr. Libby testified that he was authorized to disclose information about the NIE to the press by his superiors." In his capacity as chief of staff to the Vice President, Libby had only one real superior: Dick Cheney.

Libby Covers for Cheney

Writing in the *National Journal* on Feb. 9, investigative reporter Murray Waas says that attorneys involved in the proceedings have told him that Libby had been authorized by Cheney to divulge portions of the highly classified NIE and other classified information to reporters to build support for the Iraq war. As Waas notes, the fact that Libby admits he was authorized by Cheney to disclose classified information, raises obvious questions as to whether Cheney authorized or directed Libby to disclose the fact of Plame's CIA status.

Perjury on behalf of Cheney: Newly disclosed portions of a February 2005 Court of Appeals decision, written by Judge David Tatel, show in more detail how Libby first was told about Plame's CIA employment by Cheney, and how he then lied to the Federal grand jury to conceal the fact that Cheney had given him this information. Summarizing information supplied to the court by Fitzgerald in classified affidavits, Judge Tatel wrote: "As Libby admits, in mid-June 2003, when reports first appeared about the Niger trip, the vice president informed Libby 'in an off sort of curiosity sort of fashion' that the Niger envoy's wife worked at the CIA's counterproliferation division." Nevertheless, Tatel continued, Libby testified falsely that he first learned about Wilson's wife's identity from NBC reporter Tim Russert a month later.

Tatel also recounted, from evidence obtained by Fitzger-

ald, that Libby had discussed Plame's employment on several occasions prior to his meeting with Russert, including during a lunch with then-White House press secretary Ari Fleischer.

Had Libby told the truth to the grand jury, he would have had to reveal where he learned about Plame's CIA employment: from Dick Cheney. Instead, he lied.

Gravity of the offense: Judge Tatel had also noted, in the newly disclosed pages, that the charges of perjury and obstruction of justice, already being investigated by that time (late 2004-early 2005), were no less serious than the national-security crimes of leaking classified information originally under investigation. "Insofar as false testimony may have impaired special counsel's identification of the culprits, perjury in this context is itself a crime with national security implications," Tatel wrote. (See *Documentation*.)

This was underscored by Tatel's noting that Plame "worked for the CIA in some unusual capacity relating to counterproliferation." Former CIA officer Larry Johnson, citing Tatel's opinion in a Feb. 7 article, says that Plame "was working on projects to identify terrorists and criminals who were trying to procure weapons of mass destruction," and that human intelligence assets who worked with Plame were damaged, and their lives put at risk.

'Get That S.O.B.!'

Another, unofficial, disclosure, but quite useful nonetheless, is a set of new details about Cheney's campaign against Wilson, which have been provided to investigative reporter Jason Leopold and published in *Truthout* on Feb. 9. Leopold confirms, what *EIR*'s Jeffrey Steinberg first reported in 2004: that Cheney's "get Wilson" campaign began no later than March of 2003, three to four months before the outing of

Valerie Plame in Robert Novak's syndicated column.

Leopold reports that the day after a March 8, 2003 CNN interview with Joe Wilson, there was a meeting in Cheney's office, chaired by the Vice President, at which the decision was made to try to discredit Wilson. "The way I remember it," a former CIA official who was at the meeting said, "is that the Vice President was obsessed with Wilson. He called him an asshole, a son-of-a-bitch. He took his comments very personally. He wanted us to do everything in our power to destroy his reputation and he wanted to be kept up to date about the progress."

By the time of this writing, stories are out everywhere, that Libby is implicitly "gray-mailing" Cheney, by threatening to base his defense in his upcoming trial, on the assertion that he was acting on Cheney's behalf, and that he was ordered by Cheney to disclose classified information.

Obviously, Cheney has much reason to be very nervous, which also bears upon his obstruction of the NSA inquiry.

Gonzales 'Takes the Fifth'

Acting pursuant to Cheney's direct instructions, Attorney General Alberto Gonzales, who as White House Counsel had been directly involved in the launching of the NSA domestic spying operation, refused to answer any questions about the operations of the spy program in his day-long appearance before the Senate Judiciary Committee on Feb. 6. Instead, Gonzales confined himself to merely repeating the Administration's sophistical legal arguments as to why it does not need to comply with the 1978 law which governs such electronic surveillance.

At the outset of the hearing, Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) said that it was not necessary to swear in the Attorney General for his testimony (even though, as has been pointed out, Specter vowed on April 5 of last year: "During my stewardship here, I'm going to put everybody under oath when we have testimony, as we do during confirmation hearings.")

Smelling a rat, Sen. Russ Feingold (D-Wisc.) objected, and insisted that Gonzales should be sworn, because there were serious questions about statements he made during his confirmation hearing last year.

Later, Feingold told Gonzales that his testimony last year was "materially misleading," when Feingold had asked him at that time, whether the President can authorize electronic surveillance in violation of the wiretapping laws. Gonzales had answered that this was a "hypothetical" question, and that "It's not the policy or the agenda of this President to authorize actions that would be in contravention of our criminal statutes."

Feingold bluntly told Gonzales, "Of course, if you had told the truth, maybe that would have jeopardized your confirmation."

Sen. Dianne Feinstein (D-Calif.), a few minutes earlier, had also pointed out that President Bush had falsely stated, in 2004, that any time the government is talking about wiretaps,

"a wiretap requires a court order," even when chasing down terrorists.

"Let me ask you this," Feinstein said to Gonzales. "If the President determined that a truthful answer to questions posed by the Congress to you, including the questions I ask here today, would hinder his ability to function as commander in chief, does the authorization for use of military force, or his asserted plenary powers, authorize you to provide false or misleading answers to such questions?"

Gonzales of course denied this, and then Feinstein continued, zeroing in on, without mentioning it by name, the "unitary executive" theory. "You have advanced what I think is a radical legal theory here today. The theory compels the conclusion that the President's power to defend the nation is unchecked by law, that he acts alone and according to his own discretion, and that the Congress's role, at best, is advisory."

Feinstein then asked Gonzales a series of questions, all of which he refused to answer, whether the President has authorized any other actions, besides electronic surveillance, which would violate U.S. laws—such as mail-openings, suspending the *Posse Comitatus* law, or carrying out covert actions to influence U.S. politics or public opinion.

In written questions sent to Gonzales before the hearing, Feinstein had asked whether any terrorist operatives have been identified within the United States, and "have these individuals been detained. . . . Have any been killed?"

Gonzales's evasions were so obvious that, at one point, Sen. Charles Schumer (D-N.Y.) referred to "all that bobbing and weaving" being done by Gonzales.

Three Republican members of the Senate Judiciary Committee joined in criticizing the Bush Administration's handling of the NSA spying operation.

- Sen. Lindsey Graham (R-S.C.) pressed Gonzales on whether the President could order the military to torture a prisoner. Graham told Gonzales that "the inherent authority argument"—referring to claims of the President's inherent authority to conduct war—"seems to have no boundaries when it comes to executive decisions in a time of war," adding that "it deals the Congress out, it deals the courts out." Graham hit hard on the President's "signing statement" and the Administration's claim that it can override the anti-torture laws under the President's commander-in-chief powers.

- * Sen. Mike DeWine (R-Ohio) repeatedly said that the Administration and the whole country would have been better off, if the Administration had come to Congress and asked for statutory authority to carry out its program; and he urged the Administration to come to Congress even today, and give the relevant committees a full briefing on the program.

- Sen. Arlen Specter (R-Pa.), who has previously said that he thinks the NSA program violates the Foreign Intelligence Surveillance Act (FISA), expressed his skepticism about the Administration's arguments, and its failure to ask Congress to amend the FISA law if it thinks that is needed.

- Sen. Sam Brownback (R-Kan.) was also mildly critical of the Administration's handling of the matter.

What Are They Hiding?

The question raised by many Senators, was why the Administration had not come to Congress for authorization for its program, if the program is as narrow and limited as the Administration says it is.

Senator Feinstein said what probably many others were thinking, when she suggested that the program is much bigger than the Administration lets on. She listed the number of changes that the Congress has already made to the FISA law to accommodate the war on terrorism, and then she continued:

“Now, in view of the changes that we have made, I cannot understand why you didn’t come to the committee, unless the program was much broader and you believed it would not be authorized. That’s the only reason I can figure you didn’t come to the committee.

“Because if the program is as the President has said and you have said, to this date you haven’t briefed the Intelligence Committee, you haven’t let us ask the question, ‘What is a link? What is an affiliate? How many people are covered? What are the precise numbers? What happens to the data? How long is it retained in a database? When are innocent people taken out of the database?’ And I can only believe—and this is my honest view—that this program is much bigger and much broader than you want anyone to know.”

Administration Backs Off—Slightly

That Cheney and his legal mouthpiece David Addington were the ones giving Gonzales his orders, was an open secret. Senior *Washington Post* editor and columnist David Ignatius wrote on Feb. 8, that “Gonzales mouthed the no-compromise rhetoric before the Senate Judiciary Committee Monday, but policy decisions on this issue are made in the bunker occupied by Vice President Cheney and his chief of staff David Addington.” Ignatius also took note of “a lawyers’ revolt brewing in Justice, State, and the CIA against Addington’s diktats,” as was described in a recent *Newsweek* article.

The next day, syndicated columnist Robert Novak, who is more sympathetic to Cheney’s hard-line stance, reported that when the chairman of the Senate Intelligence Committee, Sen. Pat Roberts, had brought up with Cheney the need to brief Congress on the program, Cheney replied: “There is no upside for us in that.” Novak reported that a conflict seemed to be developing within the Administration, and he also identified the “dominant hard line against sharing information with Congress” as being pressed by Cheney and Addington.

The next evening, Feb. 7, Cheney himself was interviewed on the PBS “NewsHour” with Jim Lehrer. He insisted that it would be unwise and dangerous to get Congress involved, and “if we’re going to proceed legislatively . . . it might well in fact do irreparable damage to our ability to collect this information.” Cheney opposed even briefing the full House and Senate Intelligence Committees. “If we had briefed all of the members of the Intelligence Committee, both Houses as some have suggested, we would have had to



“The President has his duty to do, but I have mine too, and I feel strongly about that,” said Rep. Heather Wilson, who called for a “painstaking” review of the surveillance program by the House Intelligence Committee.

brief 70 members of Congress into this program because that’s how many people have served on those two committees over the intervening four years,” Cheney asserted. “That’s not a good way to keep a secret.”

Also on Feb. 7, the chairwoman of the House Intelligence subcommittee which oversees the NSA, called for a full Congressional inquiry into the NSA surveillance program. Rep. Heather Wilson (R-N.M.), a former Air Force officer, said that she had “serious concerns” about the spying program, which were being deepened by the Administration’s withholding of information from Congress. Wilson said that the limited Congressional briefings by the White House are “increasingly untenable,” and she called for a “painstaking” review of the surveillance program by the House Intelligence Committee. She added that “the President has his duty to do, but I have mine too, and I feel strongly about that.”

Additionally, Specter announced that he is drafting legislation that would require the FISA court to determine whether the program is constitutional. And the Republican Chairman of the House Judiciary Committee, Rep. James Sensenbrenner (R-Wisc.), sent a letter to Gonzales containing 51 detailed questions on the NSA program, giving Gonzales a March 2 deadline to respond.

‘The Stones Are Smaller. . .’

In response to this pressure, the White House suddenly shifted course on Wednesday, Feb. 8, and agreed to do what Cheney had said it would never do: brief the full House and Senate Intelligence Committees on the NSA program. Gonzales and Gen. Michael Hayden, the Deputy Director of National Intelligence, gave a closed-door briefing to the full House Intelligence Committee on Feb. 8, and then to the full Senate Intelligence Committee the next day. Said Representative Wilson, “I don’t think the White House would have made the decision that it did, had I not stood up and said, ‘You must brief the Intelligence Committee.’”

Nevertheless, the briefings were largely on the legal justifications for the spy program, not its operations. “Most of the questions that were asked were not answered,” said Senate Intelligence Committee vice-chairman Jay Rockefeller (D-

W.V.), adding pointedly that Gonzales and Hayden could only go so far in answering questions, “by order of the Vice President and the President.”

When Sen. Dianne Feinstein was asked if she still felt that they were being stonewalled, she replied: “The stones are smaller, but they’re still there; that’s for sure.”

There is still much more to come in the Senate Judiciary Committee as well. Senator Specter obtained an agreement from Gonzales to have former Attorney General John Ashcroft appear and testify. Sen. Charles Schumer wants to go much further, and have former Justice Department officials who reportedly disputed the legality of the NSA spying program. These include former Deputy Attorney General James Comey, and former head of the Office of Legal Counsel Jack Goldsmith. And on the eve of the Feb. 6 hearing, all eight Democrats on the Judiciary Committee asked that Cheney’s legal counsel David Addington, “who reportedly played a lead role in advocating for the program,” be summoned to testify.

Documentation

Appeals Court Opinion On Valerie Plame Leak

These are excerpts from previously redacted pages of the Feb. 15, 2005 concurring opinion written by Judge David Tatel of the U.S. Court of Appeals for the District of Columbia Circuit. At issue was whether New York Times reporter Judith Miller and other reporters could be held in contempt of court for refusing to testify to the grand jury investigating the illegal disclosure of the identity of CIA covert operative Valerie Plame. We have omitted citations to the court record, which largely pertain to submissions to the Federal District Court by special counsel Patrick Fitzgerald.

[With respect to Miller,] the special counsel seeks evidence regarding two exchanges with I. Lewis “Scooter” Libby, Vice President Cheney’s Chief of Staff and National Security Adviser: first, an in-person meeting in Washington, D.C. on July 8, 2003, and second, a telephone conversation on July 12, 2003. Before the grand jury, Libby testified that although he had previously learned about Wilson’s wife’s employment, he had forgotten it by July 8, and recalled no discussion of Wilson during his meeting with Miller. As to the July 12 conversation, Libby stated, “I said to her that, that I didn’t know if it was true, but that reporters had told us that the ambassador’s wife works at the CIA, that I didn’t know anything about it.” Because other testimony and evidence

raises doubts about Libby’s claims, the special counsel believes Miller’s testimony is “essential to determining whether Libby is guilty of crimes, including perjury, false statements and the improper disclosure of national defense information.”

The special counsel’s argument is persuasive. As Libby admits, in mid-June 2003, when reports first appeared about the Niger trip, the Vice President informed Libby “in an off sort of curiosity sort of fashion” that the Niger envoy’s wife worked at the CIA’s counterproliferation division. In addition, handwritten notes by Libby’s CIA briefer indicate that Libby referred to “Joe Wilson” and “Valerie Wilson” in a conversation on June 14. Nevertheless, Libby maintains that he believed he was learning about Wilson’s wife’s identity for the first time when he spoke with NBC Washington Bureau Chief Tim Russert on July 10 or 11 regarding coverage of the Niger issue by MSNBC correspondent Chris Matthews. . . .

Also contrary to Libby’s testimony, it appears that Libby discussed Plame’s employment on several occasions before July 10. For example, then-White House Press Secretary Ari Fleischer recalls that over lunch on July 7, the day before Libby’s meeting with Miller, Libby told him, “[T]he Vice-President did not send Ambassador Wilson to Niger . . . the CIA sent Ambassador Wilson to Niger. . . . [H]e was sent by his wife. . . . [S]he works in . . . the Counterproliferation area of the CIA.” Describing the lunch as “kind of weird” and noting that Libby typically “operated in a very closed-lip fashion,” Fleischer recalled that Libby “added something along the lines of, you know, this is hush-hush, nobody knows about this. This is on the q.t.” Though Libby remembers the lunch meeting, and even says he thanked Fleischer for making a statement about the Niger issue, he denies discussing Wilson’s wife. . . .

As to the leaks’ harmfulness, although the record omits specifics about Plame’s work, it appears to confirm, as alleged in the public record and reported in the press, that she worked for the CIA in some unusual capacity relating to counterproliferation. . . . [T]he special counsel refers to Plame as “a person whose identity the CIA was making specific efforts to conceal and who had carried out covert work overseas within the last 5 years”—representations I trust the special counsel would not make without support. In addition, Libby said that Plame worked in the CIA’s counterproliferation division. . . .

Most telling of all, Harlow, the CIA spokesperson, though confirming Plame’s employment, asked Novak to withhold her name, stating that “although it is very unlikely that she will ever be on another overseas mission . . . it might be embarrassing if she goes on foreign travel on her own,” a statement that strongly implies Plame was covert at least at some point. . . .

Insofar as false testimony may have impaired the special counsel’s identification of culprits, perjury in this context is itself a crime with national security implications. . . .

‘Might Makes Right’: Gonzales Follows Hitler’s Carl Schmitt

by Elisabeth and Anno Hellenbroich

This article first appeared in the newspaper Neue Solidarität and has been translated from German. See last week’s EIR for Part 1 of the series on Schmitt.

U.S. Attorney General Alberto Gonzales, who was the chief legal advisor to President Bush during the enactment of the “emergency measures” after the attacks of Sept. 11, 2001, released a 42-page document on Jan. 19, in which he justified with “legalistic” arguments the spying on American citizens carried out by the Bush Administration. Gonzales argued that in his capacity as Commander-in-Chief, in times of crisis, the President has “extraordinary authority which supersedes the influence and regulatory authority of the Congress.” This is the same argument which Nazi “Crown Jurist” Carl Schmitt used to justify Hitler’s grab of absolute power.

According to Gonzales’s interpretation, “the President would even have the potential, on the appropriate occasion, to also use military means,” to which category belongs the full technical arsenal of communications-monitoring of the citizenry (by telephone, e-mail, and so on) by the National Security Agency (NSA).

This legal opinion, which has been imposed by the authority of Vice President Cheney and his legal advisor David Addington, gives the President unprecedented authority. Cheney defended the spying policy of the NSA in a Jan. 19, 2006 speech before the Manhattan Institute of Policy Research with these words: “These measures, carried out under authorization by the NSA, enable us to uncover and avert possible terrorist attacks on the population in time. . . . These actions are within the President’s authority and responsibility under the Constitution and laws; and these actions are vital to our security.”

Similarly, Cheney, on Dec. 20, 2005, onboard *Air Force Two*, had defended unlimited power for the head of state (what the Nazis called the *Führerprinzip*). Cheney said: “. . . [A] lot of the things around Watergate and Vietnam, both, in the ’70s served to erode the authority, I think, the President needs to be effective especially in a national security area. . . . I do believe that, especially in the day and age we live in, the nature of the threats we face—it was true during the Cold War, as well as I think what is true now—the President of the United States needs to have his constitutional powers unimpaired, if you will, in terms of the conduct of national security policy.

. . . Either we’re serious about fighting the war on terror, or we’re not. . . . The President and I believe very deeply that there’s a hell of a threat, that it’s there for anybody who wants to look at it. And that our obligation and responsibility, given our job, is to do everything in our power to defeat the terrorists. And that’s exactly what we’re doing.”

. . . Exactly Like Hitler’s ‘Crown Jurist’

The attempt to grant dictatorial powers to the U.S. President, stands in opposition to the spirit of the American Constitution of “checks and balances.” This is the concept of equal authority for the three houses of government—the Executive (the Presidency), the legislature (Congress), and the judiciary (Supreme Court), which represent the sovereign, the people. These attacks on the Constitution have their precedent in the legal doctrine of Carl Schmitt. The Spanish daily paper *El Pais* reached this conclusion in an article published Jan. 26 under the title “The Sulphurous Carl Schmitt,” in which the daily warned (with reference to the imminent decision on the confirmation of Samuel Alito as an Associate Justice to the Supreme Court) of the danger of a new American doctrine of “Presidential dictatorship.”

Schmitt was a great admirer of Mussolini, who, after the latter’s march on Rome in 1922, had given a speech on the “Myth of the Nation.” “The theory of the myth,” commented Schmitt, in effusive admiration for Il Duce, “is the strongest expression of the fact that the relative rationality of parliamentary thinking has lost its credibility.” Mussolini’s fascism was seen by Schmitt as an example of an authoritarian state. The same Schmitt, during the Weimar period, under Chancellors Papen and Schleicher, became a sought-after expert on government emergencies. The first time he gained broad publicity was during what’s known as the Prussian coup.

During the trial *Prussia vs. the Reich*, in October 1932, Schmitt represented the government (the Reich) before the state court in Leipzig. The case was brought after Chancellor Papen, under the impression that the Prussian government officials were underestimating the danger of the political left, dismissed the ministers of the Social Democratic Prussian state, and replaced them with commissars of the Reich. On July 20, 1932, Chancellor Papen decided on an action, “that showed all the features of a coup,” as Dirk Blasius wrote in his 2001 book, *Carl Schmitt—Prussian Counsellor of State*



Mussolini-admirer Carl Schmitt (center) gained broad publicity, for the first time, in Germany in 1932, before Hitler became Chancellor, for legally defending then-Chancellor Papen's coup against the German Social Democratic state of Prussia. Under Hitler, Schmitt rose to become the "juridical authority on state emergencies," which meant justifying all of Hitler's actions, including the murder, in 1934, of former Chancellor Kurt von Schleicher, (left), and Nazi stormtrooper leader Ernst Röhm (right), who were killed along with many other on the Night of the Long Knives.

in Hitler's Government. Papen's order to relieve the Prussian state government of its office was issued on the basis of Article 48, Sections 1 and 2 of the Reich's Constitution. "For the restoration of public security and order in the region of the Prussian state," the Prussian state government was relieved of its office, Blasius wrote, and the Chancellor was empowered "to entrust commissars of the Reich with the management of the Prussian ministries."

At the same time, a decree "on the military emergency situation in Greater Berlin and the Province of Brandenburg," went into effect, which declared the encroachment admissible in basic law, and put the whole police force under the Reich's Defense Minister as the "holder of total executive power," according to Blasius.

In his radio address, Chancellor von Papen said that a constitutional front had arisen which had arrayed the anti-state forces of communism in a united front against the rising movement of the NSDAP [the German National Socialist Workers Party—known as the Nazis]. Through this equating of forces hostile to the state, he said, the political struggle over the basis for the state was in extreme danger.

The Prussian government under Minister President Braun raised a complaint against the German Reich on July 20, 1932, at the Leipzig state court. Papen named Carl Schmitt as the trial plenipotentiary for the Reich. The trial *Prussia vs. the Reich*, which began on Oct. 10 and ended on Oct. 28, 1932,

was a highly political affair.

It was with the Prussian coup that Schmitt smoothed the way of the Nazis to power. Under Hitler, Schmitt then rose to become the "juridical authority on state emergencies." Thus, Schmitt became the most influential legal interpreter of National Socialist supremacy. On May 1, 1933, Schmitt joined the NSDAP. And in the Summer of the same year, he joined the Society of German National Socialist Jurists, which had been founded in 1928, a branch of the NSDAP which dissolved into the National Socialist Lawyers Society at a national convention of jurists in 1936. Hans Frank, the Reich Law Leader, appointed Schmitt to the leadership board of the Society in 1933; named him Reich's group leader of the university professors group; assigned him to become editor of the *Deutsche Juristenzeitung*, (the German Lawyers' Journal) from Jan. 1, 1934 on; and in 1935, made him the leader of the "scientific branch" of the National Socialist Lawyers Association.

The Society of German National Socialist Lawyers was for Schmitt "a kind of powerhouse," according to Blasius. No decision in the legal realm escaped him; there was hardly any panel in which he was not involved. Schmitt was also a member of the Führer's Council, which was called into being in June of 1933, through Hans Frank; and in the Academy for German Law, Schmitt presided as the chairman over the committee for state and administrative law. On the basis of

his abundance of positions, Schmitt could exercise decisive influence over policy, and he sought through lectures, newspaper articles, and scientific treatises to influence the professional and public perceptions of the actual operations of National Socialism.

Readers may recall here the function of the current U.S. association of judges and state legal professors, the Federalist Society, which was founded in 1982, and from whose circles a great number of Supreme Court justices, legal advisors, and attorneys general have come, who are now forcing through the concept of a “unitary executive” role for the President. This became very clear during the confirmation hearings on the appointment of Judge Alito to the Supreme Court. With Alito’s confirmation, there would be a majority of five of the nine Supreme Court Justices from the Federalist Society “school of thought,” as Sen. Dianne Feinstein (D-Calif.) remarked.

On July 11, 1933, Schmitt was named a member of the Prussian state council. On Oct. 10, work began on a common constitutional law. His ideas on this were presented on Oct. 3, 1933, in a speech Schmitt gave on the occasion of the national convention of German jurists in Leipzig, before the government and legal elite. Proceeding from three elements, “State, Movement, People,” he spoke about the renewal of state and administrative law, and presented himself as the strong-man of the Third Reich. “We know, leadership is not to command, leadership is not dictatorship, leadership is something which is based on the ‘being of the same type’¹ between the leader and his followership,” he declared. At another point he said: “We know the worth of general normative declarations, but also the true worth of the concrete command of a true leader. We don’t get confused by sophistical antitheses between politics and law, and law and power, that the will of the leader is the law: It is to follow the will of a leader, as Heraclitus has told us, even a law (*Nomos*).”

The ‘Röhm Putsch’

How strong Schmitt’s influence was, became overwhelmingly clear with his after-the-fact justifications of the Hitler’s murderous actions of June 30, 1934 (known as the Night of the Long Knives), as “measures” taken out of “state self-defense” by “Führer Hitler.” These “measures”—later justified because of an alleged putsch under the leaders of Nazi SA leader Ernst Röhm—sacrificed dozens of people, among them the Schleicher couple, Major General von Bredow, and also many church representatives.

For Hitler the SA (Sturm-Abteilung), which had grown from a membership of 70,000 in 1930 to 4.5 million in summer 1934, had become something like a state within a state. With a bloody knockout-punch, he sought the “security of

total power.” In the cabinet meeting of July 3, 1934, the law for the measure of “state self-defense” was enacted, whose sole article proclaimed: “The attacks on June 30 for the suppression of those who committed high treason, and the measures carried out on July 1 and 2, 1934 are justified for the self-defense of the state.”

One simply asserted that with these “measures,” the country would be protected from a civil war. Then Hitler gave his Reichstag speech on July 13, 1934, and Carl Schmitt defended the “Führerprinzip” in an exuberant article with the title “The Führer Protects the Law,” which was published on Aug. 1, 1934 in the *Deutsche Juristenzeitung* which he edited.

In this article, under the subhead “On the Reichstag Speech of Adolf Hitler of July 13, 1934,” Schmitt referred to a part of Hitler’s speech, in which it says: “In this hour, I was responsible for the fate of the German nation, and as such [I became] the supreme judge of the German people. . . .” To this citation from the Führer’s speech, Schmitt appended a concise summary: “The true Leader is always also judge. From the realm of the Leader, flows the realm of the Law.” As “the supreme judge of the people,” Schmitt wrote, the Führer has carried out a “judicial act,” which “should not be given new meaning in a subsequent legalistic and indemnifying measure such as declaring a state of siege.”

The arguments of U.S. Attorney General Gonzales, especially in his legal opinions for President Bush from Aug. 1, 2002 on the justification of torture, show a hair-raising parallel to Schmitt’s formulation: that one should not give these decisions new meaning “subsequently in indemnifying measures.” Exemption here means subsequent parliamentary consent to unjust acts by the President.

Schmitt stressed resolutely, that these were measures of “state self-defense.” Similarly, he called attention to lessons from German history. Hitler recalled the collapse of the strong Reich which had been founded by Bismarck, which had not found the strength, during World War I, to make use of its articles of war. In the concluding part of Schmitt’s infamous presentation, he wrote: “The Führer again remembers the collapse of 1918. It is from there that our situation today was determined.” The situation in June 1934 is determined “by the judgment of the Führer over life and death.” Schmitt commented on the murderous action thus: “That the limitation on authorized and unauthorized conduct in case of any doubt can not be an affair of the courts, but should be understood after the previous indications of the peculiarity of the government action and the conduct of the leadership.”

In the last paragraph of his article, Schmitt presented “Leadership and ‘being of the same type’ as the basic conception of national socialist law. . . . Without the foundation of ‘being of the same type,’ the national socialist state cannot endure, and its legal life would be unthinkable; it would, with all its institutions, be once again delivered over to its—soon excessively critical, soon obsequiously assimilating—liberal or Marxist enemies,” he said.

1. This phrase approximates the meaning of the untranslatable term *Artgleichheit*, which was a Nazi reference to the racial solidarity of the “pure” Aryan people.

Book Review

Enron: A Mere Symptom of the Post-Industrial Culture of Corruption

by Harley Schlanger

Conspiracy of Fools: A True Story

by Kurt Eichenwald

New York: Broadway Books, 2005

742 pages, hardbound, \$26

On Jan. 30, 2006, the trial of Enron's top corporate officials, Kenneth Lay and Jeffrey Skilling, opened with much fanfare in Houston. For those who have come to see Enron as epitomizing all that is wrong in contemporary America, there is the hope that, at long last, the truth will come out, the bad guys will be punished, and justice will be done.

The banner headlines from the first day of testimony seemed to feed this belief. "Enron Corporate Officials Lied," a typical headline screamed, referring to testimony presented by the former head of investor relations, Mark Koenig. He described how corporate officials routinely met earning targets by selling off assets, creating the misleading impression that the company was generating profits. He said that both Lay, the CEO, who faces seven counts of conspiracy and fraud, and Skilling, the former CEO, who faces 31 counts of conspiracy, fraud, lying to auditors, and insider trading, knew he was committing fraud when he presented the dummed-up reports, but did not correct him.

They were afraid, he said, to undermine the "growth story" of the company, which enabled them to jack up Enron's stock price, even as the company was losing money and falling hopelessly in debt. By meeting Wall Street's earning estimates, even if it required fraudulent accounting to do so, the company's stock surged, and corporate officials and shareholders were happy.

Koenig, who entered a guilty plea in 2004, is the first of several former top Enron officials expected to be called to testify by the prosecution. Sixteen former Enron executives have already pleaded guilty.

The trial will likely provide details of some of the illegal actions perpetrated by Enron's top executives, which led to its spectacular collapse. It is not likely, however, that the

prosecution will get to the deeper, underlying causes of the debacle, for to do that requires something that few in law enforcement, regulatory agencies, or legislatures have had the courage to address: that Enron is merely a symptom of a process of disintegration of the U.S. economy which has been under way for four decades.

Greed, Corruption Run Rampant

This is a story which has yet to appear in the popular media, despite voluminous coverage of the case, nor in the eighty-plus books which have been published about Enron since it filed for bankruptcy on Dec. 2, 2001. It has attracted such attention because it is a Texas-sized drama, one that was, in its early days, a publicist's dream—the myth of how a group of aggressive entrepreneurs introduced new ideas to a staid industry, which created a virtual money machine, turning their firm into the seventh largest corporation in the United States.

Its collapse and fall had been even more impressive. In less than a year, its stock price fell from over \$90 a share to 26 cents, while its executives, who had been hailed as bold and brilliant on the way up, were scorned as the latest poster boys for the era of greed, as Enron came crashing down, along with the IT bubble it paralleled in the late 1990s.

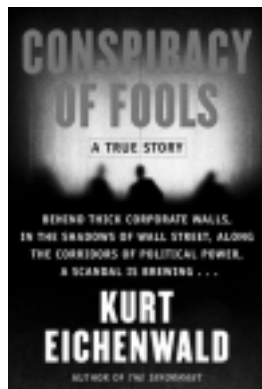
While some of the books on the story offered useful information on the accounting gimmickry used to manipulate the stock price—usually buried underneath a choppy chronology, that focussed on the personalities of the major players—they largely failed to answer the question they all unfailingly asked: Why did it happen?

Even the best of these books were unsatisfying in this regard. One of these was *Enron: The Smartest Guys in the Room*, by Bethany McClean and Peter Elkind, which offers an insider's view of the story of how Enron and its leaders dazzled Wall Street, and captivated American investors, taking them on a wild ride from an obscure gas pipeline company, to the pinnacle of wealth and power, and then the corporate junk heap. They give readers a glimpse into the corporate culture, where ambition was surpassed only by greed, and the rewards included rubbing elbows with the President of the

United States, expensive cars, strippers galore, and macho travel adventures.

But greed, arrogance, even stupidity—each of which was in abundance at Enron—do not explain adequately either its rise or fall. One must go deeper, to look at Enron in the context of the destruction of the physical economy of the United States, due to the hegemony of the ideology of the “post-industrial society,” which has been imposed on the economy by Wall Street Synarchist financiers since the mid-1960s.

The only place the real story has been told has been on the pages of this magazine, most frequently by Lyndon LaRouche.



It's the System, Stupid

One will look in vain to find this deeper examination in the much-hyped book, *Conspiracy of Fools*, written by former *New York Times* reporter Kurt Eichenwald. The hype begins with the author himself, who proclaims this to be “the full story of America’s biggest corporate scandal.”

He gets off to a good start, in the Prologue, identifying Enron as part of a larger phenomenon: “No single person bore responsibility for the debacle: no single person could. Instead, the shortcomings of a handful of executives—along with a community of bankers, lawyers, and accountants eager to win the company’s fees; a government willing to abide absurdly lax rules; and an investor class more interested in quick wealth than long-term rewards—merged to create an enterprise destined to fail.”

He continues in this vein:

“This, then, is more than the tale of one company’s fall from grace. It is, at its base, the story of a wrenching period of economic and political tumult as revealed through a single corporate scandal. It is a portrait of an America in upheaval at the turn of the twenty-first century, a country torn between its worship of fast money and its zeal for truth, between greed and high-mindedness, between Wall Street and Main Street. Ultimately, it is the story of the untold damage wreaked by a nation’s folly—a folly that, in time, we are all but certain to see again” (emphasis added).

Eichenwald weaves this theme throughout his book, that Enron was operating in an overall climate where ethical and legal lines were crossed, presenting examples of complicity from outside firms in response to dubious propositions from Enron. For example, leading banks were intimately involved in its questionable and illegal actions. He reports that Enron was given the highest rating by Chase, based on its “potential for bringing in future fees.” The chief of global investments at Chase, Jimmy Lee, once wrote a note urging participation in

a dubious Enron scheme pitched by Enron’s Chief Financial Officer Andrew Fastow: “I am skeptical because the guy running it is inexperienced and sounds very naïve. However, the relationship [of Chase with Enron] is very big and important. We ‘may’ have to do a little.”

There are similar reports of battles over accounting, as not everyone in the Arthur Andersen accounting firm was willing to sign off on Enron’s accounting. However, Eichenwald points out that those who objected to such “innovations” as “mark-to market” accounting, in which the expected revenue from long-term contracts was counted as present income, were taken off the case.

He also presents several cases in which internal opposition emerged against Fastow’s schemes. One involved the special group of funds set up by Fastow called “Raptors,” which were designed to aid in hedging assets. An attorney in Enron’s wholesale division wrote a memo, “Overall Book Manipulation,” in September 2000, in which he reported that “we have discovered that a majority of the investments being introduced into the Raptor funds are bad ones.” The attorney concluded that this “might lead one to believe that the financial books at Enron are being manipulated in order to eliminate the drag on earnings that would otherwise occur,” i.e., demonstrating that many of the investments pushed into the Raptors were losing money!

Such reports were either ignored or dismissed by Lay and Skilling and their underlings, as they might interfere with making Enron the “World’s Best Company.”

Eichenwald’s Sleight-of-Hand

While Eichenwald offers detailed and often dramatic accounts of some of the wild schemes and tricks that will be at the center of the government case against Lay and Skilling, he shifts away from his initial assertion of the systemic nature of the corruption, ultimately adopting what will likely be the theme of the high-priced defense attorneys: Blame Fastow!

It was Fastow who created the Raptors, and other exotically named funds, such as Chewco and JEDI, which were used to hide losses. According to Eichenwald’s account, Fastow, virtually single-handedly, manipulated the company to adopt hare-brained schemes that, in hindsight, were so far-fetched that it is impossible to believe that anyone could have missed the criminal implications of adopting them!

To accept this argument, one would have to believe that Skilling—who is described throughout as brilliant and driven—must have been too manically obsessed with his own legend to have paid attention to his subordinate (Fastow), and that Lay appears to be, in the words of Andrew Feinberg in his Kiplinger.com review of this book, the “ultimate corporate narcoleptic.”

(In fact, Lay’s legal defense appears to be shaping up precisely along these lines. Some legal wits are calling it the “I was duped” defense, or the “Sergeant Schultz” defense, after the cartoonish Nazi prison camp guard in the lamentable

1960s “Hogan’s Heroes” television show, who proclaimed repeatedly, “I see nothing, I know nothing.”)

There is no excuse for this shift in Eichenwald’s analysis of the Enron case. Since he had already identified, in the Prologue, the systemic nature of corporate corruption, how can he then argue that the fall of Enron is the work of one man?

‘There Is No Alternative’

The secret to this seeming paradoxical view is that there is, in reality, no paradox at all. Eichenwald is just playing by the rules. He buys into the argument put forward by fellow *New York Times* scribbler Thomas Friedman, that “there is no alternative” to the globalized post-industrial model, and that, to succeed, corporations must adapt to the rules which have been imposed by Synarchist financiers over the last 40 years.

It should be noted that, after completing this book, the author left the *New York Times* to go to work for a hedge fund—perhaps inspired by the amount of money made by Fastow through his creation of hedge funds at Enron!

Lay and Skilling were both apostles of this new gospel. They preached free trade and deregulation at every venue available to them. In their corporate incarnation, they were the ultimate opportunists, taking advantage of the open field created by “globalization” and the extension of the “free market” to all areas of the U.S. economy, placing “shareholder values” above physical production.

They taunted their competitors and others weighed down by the axioms of the “old economy.” Why produce a physical product when you can make more money by selling what others produce? And you can make even more money when you can manipulate the market! For them, accounting rules were meant to be bent, or ignored, in pursuit of higher stock prices.

The accelerated attack on government regulatory powers after 1971 literally gave Enron a license to steal. This was advanced by ideologues such as Sen. Phil Gramm (R-Tex.), who along with his wife Wendy—who was placed on the Enron Board of Directors after she deregulated derivatives trading as chairman of the Commodities Futures Trading Commission (CFTC)—worked diligently to seriously weaken regulation of financial entities. It was furthered by former Federal Reserve Board Chairman Alan Greenspan, who repeatedly intervened on behalf of deregulation.

In his coverage of Enron’s looting of California, Eichenwald accurately portrays the pivotal role played by Greenspan. In a conference call with Gov. Gray Davis, Greenspan insisted that the energy crisis, which crippled that state beginning in the Summer of 2000, was due not to deregulation, but not enough deregulation! As prices skyrocketed by 200-300% and higher, Greenspan told Davis that the solution is that “prices for consumers are going to have to go up.”

Davis countered, “I really feel the problem is the energy producers. They’re manipulating the markets and forcing up



EIRNS/Joe Jennings

The LaRouche Movement hit Enron hard, because it exemplified the corruption of the deregulated economy, and was a close political ally of the corrupt Cheney-Bush Administration. Here, a demonstration held in front of the corporate headquarters in Houston in 2001.

prices,” to which Greenspan replied, “They may be. But that’s beside the point. That’s not causing the problem; that’s making it worse. The real problem is supply-and-demand imbalance.”

Though Eichenwald covers this vignette, he does not draw the obvious conclusion: that Lay was convinced that Greenspan believed that the looting which was under way was not just good for business and good for the nation, but completely within the law! Likewise, when prices jumped as much as 1,000% per megawatt hour during winter of 2001, Vice President Cheney protected Enron, by ruling out either a price cap or an investigation into market manipulation. Lay and Enron once again were given top-level backing for what were criminal business practices.

The California case is a perfect example of the system gone bad, with Enron both creating the system (Enron lobbyists helped draft the California deregulation law), and then

taking full advantage of it, with high-level backup. It was most definitely not due to criminal machinations of Andy Fastow!

How Enron Hedged Enron

EIR first carried warnings about Enron and how it was used as a tool of Synarchist financiers to break down barriers to more “financialization” of commodity trading (i.e., more looting of the physical economy by grabbing up raw materials and physical plant, while spreading risk to small-fry investors and institutions) as early as 1996. The most important piece on this was written by *EIR* economic analyst John Hoefle for the Jan. 1, 2001 *EIR*, entitled “Southern Strategy: Assault on the American Republic.” Hoefle explained how Enron had been set up by networks “Behind the Bushes,” such as those affiliated with the oldest Synarchist firms of Schlumberger and Lazard Frères, to “financialize” energy and related raw material trading. Hoefle wrote that “Enron . . . plays an important role in allowing the financial sharks, under the guise of deregulation, to get their hands on the income streams generated from the production and consumption of electricity, natural gas, and related energy products.”

After detailing how this network was behind both Bush Presidencies, with ties to Cheney and Houston-area Congressman Tom DeLay (R), Hoefle wrote that their ultimate goal was to position themselves to “grab control of as much of the world’s supplies of essential raw materials, strategic minerals, food supplies, and similar assets as possible.” This would enable them to be prepared for the blow-out of the financial system, before it occurred.

Though Eichenwald would reject Hoefle’s analysis, he actually describes how this was set up by Enron, through the hedge funds established by Fastow. Skilling brought in Fastow to aid him in transforming Enron from an energy production firm to a trading company. Eichenwald writes that, under Skilling, “This company of pipelines and rigs, populated by leather roughnecks . . . was grabbing on to intangible concepts of risk, attracting buttoned-down investment bankers with manicures.”

Fastow’s background was in “securitization,” the pooling of loans and other dubious assets, which can then be packaged for sale to outside investors. As Fastow was presented by his superiors with the task of dealing with growing losses, he used the funds he created (the Raptors, etc., which morphed into hedge funds) to push the losses “into the future.” Eichenwald writes that this would “increase Enron’s long-term exposure, all to avoid a quarterly loss”—exactly what Koenig described in his first day of testimony.

One Enron employee who spoke against Fastow’s off-the-book partnerships was risk analyst Vince Kaminski, who described them as an “idea so stupid that only Andy Fastow could have come up with it.” Fastow asked him if a hedge could be used to offset business losses, to which Kaminski replied that, if it could, “We can all just make money by hedging.”

Ultimately, Fastow did set up partnerships designed to hide losses, fostering the impression of increasing corporate profitability. In reality, Eichenwald correctly concludes, “Enron, by any definition, was hedging with itself.”

When Fastow was challenged by outside attorneys about Chewco, one of his funds, he launched into a tirade which echoed Skilling about the transformative nature of Enron. “Enron is not just some pipeline company. We’re like an investment bank. We do the same things. And if investment banks can do this, there isn’t a damn reason Enron can’t.”

Eichenwald reports that the attorneys backed off, after advising him to “consider Enron’s interest.”

The Post-Enron Era

Once LaRouche blew the whistle on Enron in California, and the LaRouche Youth Movement began a campaign to expose the role of George Shultz and Dick Cheney in the looting of over \$70 billion from the state, the writing was on the wall for Lay and his pirates. He was riding high in March 2001, at the peak of the California crisis, but crashed and burned by the end of the year.

Perhaps Lay is right, and he is a dupe, after all. With his company, Enron, he played a key role in pushing through deregulation, not just of natural gas and electricity markets, but in other areas, as well, especially derivatives. He also played an important role in electing Bush and Cheney, as he and Enron were the largest contributors to Bush’s campaign.

Yet, when he most needed help, George W. Bush turned his back on “Kenny-boy,” as he once referred to Lay, and Enron all but disappeared, with its last hurrah taking place today in a Houston court house. However, the process of “financialization,” which was pioneered by Enron, continues, as the Synarchists have escalated their drive for control of strategic metals and raw materials, energy and power production.

In October 2002, less than a year after Enron filed for bankruptcy, the CFTC rewrote its rules to exempt hedge funds dealing primarily in commodities, from regulatory oversight. While some Congressmen warned of the potential for manipulation in over-the-counter derivative markets, their efforts to expand regulatory supervision was defeated. Greenspan defended the expanded freedom for hedge funds, saying it would “add liquidity” to the markets.

A year later, the Federal Reserve relaxed rules regulating commercial banks, so they could take possession of physical commodities—such as oil—allowing banks to deal in commodities derivatives. Randall Dodd, director of the Financial Policy Forum, which studies regulation of financial markets, said of this move, “It is an effort by banks to move into the terrain that Enron abandoned in their bankruptcy. This is moving that risk into our core financial infrastructure, so the consequence of a failure becomes even larger.”

None of this is reported in hedge-fund-dealer Eichenwald’s book.

Fiscal 2007 Budget Arrives on Capitol Hill

On Feb. 6, President Bush sent up a budget proposal for Fiscal 2007 that attempts to resurrect the dead Social Security privatization proposal, using exactly the same arguments as last year, and proposing “reforms” that would reduce Medicare spending by \$36 billion over the next five years, and cut a total of \$65 billion from all mandatory programs. On the discretionary side, it proposes \$15 billion in cuts, all to allow making the 2001 and 2003 tax cuts permanent, and to continue the wars in Afghanistan and Iraq, for which the budget asks for \$70 billion in 2006, and another \$50 billion in 2007. The defense budget tops out at \$439 billion, a 7% increase over 2006. It continues the reorientation of the military towards Rumsfeld’s “long war,” with large increases for Special Operations, including psychological operations and civil affairs, intelligence and surveillance capabilities, and the reorganization of the Army into information-age modular brigades.

The budget also proposes a number of draconian measures to “enforce spending restraint.” Among these are a resurrection of the line-item veto, and a joint budget resolution which would require the signature of the President. These two reforms, along with others proposed, would bring the Executive branch even more intimately into the process of legislating spending, yet another clear violation of the separation of powers and Congress’s “power of the purse.”

House Narrowly Passes Budget-Cut Bill

On Feb. 1, the House finally disposed of the conference report on Fiscal 2006

budget reconciliation bill which will slash \$40 billion from Medicare, Medicaid, student loans, and other entitlement programs over the next five years. The House had originally passed the bill on Dec. 19 by a 212 to 206 vote, but the Senate subsequently struck three provisions from the bill for being in violation of the budget reconciliation rules, necessitating another vote in the House. The second time around, the bill passed by a narrower vote of 216 to 214.

Democrats argued that the bill proved that little had changed in the GOP caucus despite the upheaval caused by the Abramoff scandal. Rep. John Dingell (D-Mich.) charged that the original bill was the product of special-interest lobbying “and the stench of special interest hangs over the chamber as we consider it today.” He also noted that the bill had been brought to the floor in the dead of night, and put up for a vote without any members having had a chance to read it. “Special interests and their lobbyists who were well represented, won,” he said. “Everybody else was excluded, and everybody else lost.”

Just what everybody else lost, Dingell said, has since been reported by the Congressional Budget Office: A Senate cut of \$36 billion in payments to HMOs, which would have saved \$26 billion, was reduced to a cut of only \$4 billion. Also dropped was a Senate provision that would have eliminated a program to give HMOs \$10 billion to participate in the Medicare drug program. Together, these two changes provide HMOs with a \$32 billion windfall. The Republicans are taking this money for the HMOs, from beneficiaries in the form of benefit reductions, increased co-pays, and rules changes that make it harder for the elderly to gain access to nursing homes. “They sweated it out of the hides of

the poor and the unfortunate,” Dingell said.

Warner: Iraq Corruption Endangers Military Mission

Senate Armed Services Committee chairman John Warner (R-Va.) delivered an unusually blunt warning to the Bush Administration, on Feb. 7, regarding the situation in Iraq. He noted, as he had during a Senate Intelligence Committee hearing the previous week, “the increasing level of corruption and criminality in Iraq,” and the difficulties that that imposes on U.S. military forces “in performing military missions in the face of this very significant corruption and criminality.” Warner expressed concern that other agencies of government have failed in the non-military tasks that are also required in Iraq. He reported that he has been told that there is no administration of justice and no jobs, the lack of which “is the root cause, in all probability, for this exponential rise in criminal activity, and the graft.”

Warner, speaking at a committee hearing in which Secretary of Defense Donald Rumsfeld, chairman of the Joint Chiefs of Staff Gen. Peter Pace, and Army Chief of Staff Gen. Pete Schoomaker were the witnesses, added that “we have failed to bring together all of the resources necessary” to do the job. He, as well as other members of the committee, reminded Rumsfeld of then-Deputy Secretary of Defense Paul Wolfowitz’s assurances in early 2003 that Iraqi oil revenues would pay for the reconstruction of Iraq, but now, three years later, oil production is “slipping.”

Some members of the committee also expressed concern about Pentagon plans for the National Guard. Sen.

Susan Collins (R-Me.) told Rumsfeld that 1,600 of Maine's 2,000 National Guardsmen have been deployed, and 100 of those remaining expect to be alerted for an upcoming deployment before the end of the month. "If the experience of the Maine Army National Guard is typical," she said, "it appears that we are quickly approaching a wall where we will run out of Guard members with time left on their mobilization clocks." Schoomaker and Pace assured her that that is not the case, and that only 50% of the 800,000 people in the Guard and Reserves have been mobilized. Pace also said that the need for Guard forces to be deployed in Iraq will decline over the next year.

Abramoff Scandal Shadows GOP Election

The surprise election of Rep. John Boehner (R-Ohio) as the new House Majority Leader on Feb. 2, beating out Acting Majority Leader and Majority Whip Roy Blunt (R-Mo.) by a vote of 122 to 109, has done little to temper the calls for reforms. Boehner himself said after the election that he did not want to rush any ethics-reform legislation, even though House Speaker Dennis Hastert (R-Ill.) has called such reform a top priority, and the Democrats in both the House and the Senate are also sponsoring legislation. Boehner told reporters on Feb. 3, however, that "transparency, I think, is the best way to ensure that we rebuild the trust between the Congress and the American people." This is possibly a veiled reference to the practice, under former House Majority Leader Tom DeLay (R-Tex.), of passing controversial legislation in midnight sessions without members having had much chance to read what they were voting on.

The GOP campaign was shaped, largely, by the Jack Abramoff lobbying scandal. Rep. John Shadegg (R-Ariz.), who entered the race in mid-January, postured himself as a reformer and gained the endorsement of Rep. Charles Bass (R-N.H.), one of the leaders of the moderate grouping within the GOP caucus. Shadegg also brought in Sen. John McCain (R-Ariz.) to endorse him because of his reputation as a reformer of the way Congress does its business. Shadegg's 40 votes on the first ballot forced a second ballot, from which Shadegg withdrew. Those 40 votes then went to Boehner, giving him the victory over Blunt.

Democrats are not only sponsoring their own legislation, but are also extending the issue to the White House. Thirty-eight Senate Democrats have signed a letter to Attorney General Alberto Gonzales, calling on him to appoint a special counsel in the Abramoff case to remove the investigation from political appointees. "The highly political context of these allegations raises concern that political influence may compromise the investigation," Sen. Charles Schumer (D-N.Y.) said on Feb. 2.

Tax-Cut Fight Cast as Families Versus Investors

The Senate voted 66 to 31 to pass its version of the Fiscal 2006 tax-cut reconciliation bill, on Feb. 2, but it may be headed for a clash with the House on just how the \$70 billion in tax cuts, mandated by last year's budget resolution, are to be distributed. Democrats cast the debate as one of protection for working families versus protection for investors. The Senate bill includes a one-year fix of the alternative mini-

mum tax (AMT), a tax first enacted in 1969, to prevent wealthy taxpayers from reducing their tax liability to zero through the use of deductions. In recent years, however, the AMT has been hitting more and more middle-class families and threatens 19 million of them in the 2006 tax year, unless Congress passes an adjustment to prevent that from happening.

The issue of the AMT dominated the debate, largely because the House version of the bill doesn't include an AMT fix, while the Senate bill includes a one-year fix. The House bill does, however, include extending the tax-rate reductions on capital gains and dividend income, passed as part of the 2003 tax-cut legislation. Senate Finance Committee chairman Charles Grassley (R-Ia.) lacked the votes in committee needed to include those provisions in the Senate bill. Sen. Max Baucus (D-Mont.) called on the Senate to reject the House bill. "Let us remember what our priorities are," he said, "and let us protect the millions of working families now subject to a tax increase, courtesy of the alternative minimum tax."

The argument spilled over into the Finance Committee on Feb. 7, when Treasury Secretary John Snow testified in defense of the Bush Administration's budget plan. When asked, point blank, by Sen. Charles Schumer (D-N.Y.) why the Administration favored the capital-gains and dividends tax-cut extensions over the AMT fix, Snow answered that the capital-gains and dividends provision is "more broadly beneficial to the average American," than the AMT fix. Sen. Olympia Snowe (R-Me.), whose vote Grassley lacked in the committee to pass that provision, responded that Snow's answer demonstrated that the White House was "putting the cart before the horse."

Frederick Douglass: 'Knowledge Unfits a Child To Be a Slave'

by Denise M. Henderson

Editor's note: *To commemorate the life and works of Dr. Martin Luther King and Coretta Scott King, we reprint this article from EIR, Feb. 3, 1995. Frederick Douglass was a source of inspiration for the Kings' work, as well as for that of the author, the late Denise Henderson of the LaRouche movement.*

Frederick Douglass was one of the leaders of America's 19th-Century civil rights movement, and one of Abraham Lincoln's chief lieutenants in the fight to save the Union. A former slave and leader in the fight against slavery, Douglass found himself a leader in the fight for the U.S. Constitution itself. His understanding of the anti-slavery struggle as a struggle for the Constitution, arose out of his own intellectual integrity and willingness to think through profound ideas and to think for himself, whether others agreed or not.

As a "self-made man," as he described himself, he knew the importance of education, from the simple act of teaching a slave to read, to the development of the ability to think for oneself. His life story is a shining example of the high intellectual and moral caliber of leaders of the civil rights movement of his day.

Unfortunately, today, despite the fact that Douglass was among the handful of Lincoln allies who guaranteed the success of the Union Army in the Civil War, he has been confined once again to the ghetto, so to speak, by the creation of "Afrocentrism"—something he would not tolerate were he alive today.

It is our hope that with this article, and as part of the centennial celebrations of Douglass's death, we will be able to remove the chains from Douglass's memory and restore him to his proper place in U.S. history.

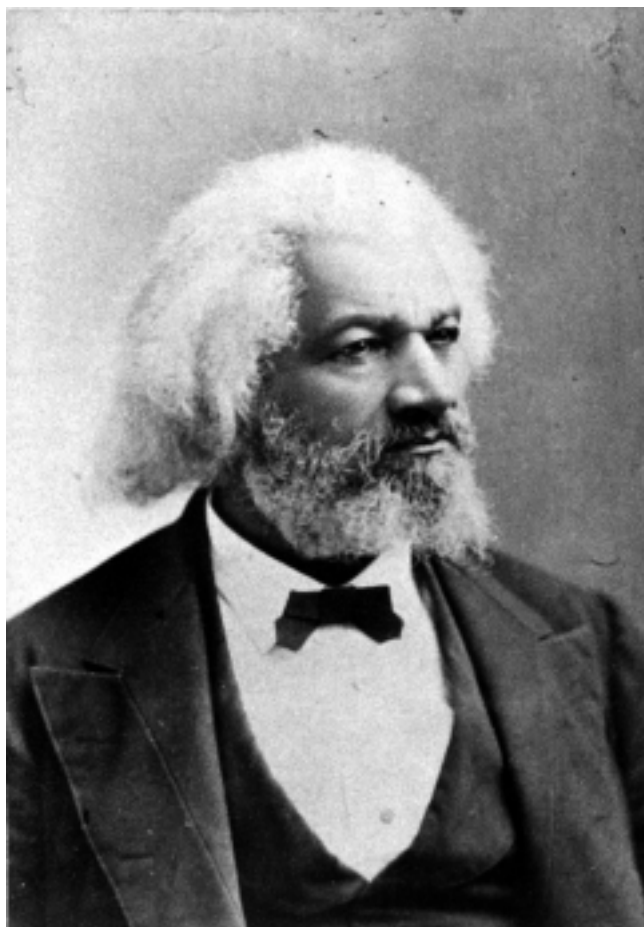
Childhood: 'Why Am I a Slave?'

Frederick Douglass was born on the Eastern Shore of Maryland in February of (probably) 1817, though his date of birth was not recorded. It is generally assumed that he was the son of his master.

As a baby, he was allowed to live with his grandmother, with whom he had been left by his mother, whom he only saw once. When he was six, he was brought to the "big house," given barely enough food to get by, and destined to be trained for field work on the plantation.

Very early on, Douglass developed a passionate hatred for slavery. He knew that the distorted relations between human beings on the plantation were not right. By the age of nine, Douglass says, he was inquiring "into the origin and nature of slavery. Why am I a slave? Why are some people slaves and others masters? These were perplexing questions and very troublesome to my childhood. I was very early told by some one that '*God up in the sky*' had made all things, and had made black people to be slaves and white people to be masters. . . . I could not tell how anybody could know that God made black people to be slaves." Douglass added, "I was just as well aware of the unjust, unnatural, and murderous character of slavery, when nine years old, as I am now."

In 1825, Douglass, who was about eight at the time, was sent to live in Baltimore with his master's cousin, Hugh Auld, and his wife. The move to a city, one of the major industrial and shipbuilding centers on the U.S. East Coast, was to give Frederick a chance to expand his horizons both mentally and physically. It was at the Aulds' that Douglass came to a more conscious understanding of his hatred of slavery and his love of learning.



Library of Congress

Throughout his life, the one issue which Frederick Douglass understood as non-negotiable, was that of universal education. This put him at odds with those in the abolitionist movement who didn't want to educate the freedmen "above their station"—a continuing problem today.

Douglass developed a passion early on for reading, a passion which, ironically, was provoked by the debased conception of his master, Hugh Auld. Douglass called Auld's lecture to his wife, on why she should stop teaching the boy to read, "the first decidedly anti-slavery lecture" he ever heard, and a revelation which drove him to learn as much as he could.

In *The Life and Times of Frederick Douglass*, the great man explained: "The frequent hearing of my mistress reading the Bible aloud . . . awakened my curiosity . . . to this *mystery* of reading, and roused in me the desire to learn. Up to this time I had known nothing whatever of this wonderful art, and my ignorance and inexperience of what it could do for me, as well as my confidence in my mistress, emboldened me to ask her to teach me to read. . . . My mistress seemed almost as proud of my progress as if I had been her own child, and supposing that her husband would be as well pleased, she made no secret of what she was doing for me. Indeed, she exultingly told him of the aptness of her pupil and of her



United Nations Department of Public Information

Dr. Martin Luther King, Mrs. Coretta Scott King, and Dr. Ralph Bunch, at the UN in 1964. The Kings walked on the road prepared for them by Frederick Douglass.

intention to persevere, as she felt it her duty to do, in teaching me, at least, to read the Bible."

What was the reaction of the presumably God-fearing, Christian slave-owner, Hugh Auld? "Of course he forbade her to give me any further instruction, telling her in the first place that to do so was unlawful, as it was also unsafe, 'for,' said he, 'if you give a nigger an inch he will take an ell. Learning will spoil the best nigger in the world. If he learns to read the Bible it will forever unfit him to be a slave.' " Apparently unaware of the rather extraordinary admission he had just made, Auld continued, " 'He should know nothing but the will of his master, and learn to obey it. As to himself, learning will do him no good, but a great deal of harm, making him disconsolate and unhappy. If you teach him how to read, he'll want to know how to write, and this accomplished, he'll be running away with himself.' "

"Such was the tenor of Master Hugh's oracular exposition, and it must be confessed that he very clearly comprehended the nature and the requirements of the relation of master and slave," added Douglass.

Auld's "exposition," Douglass wrote, "was a new and special revelation, dispelling a painful mystery against which my youthful understanding had struggled, and struggled in vain, to wit, the white man's power to perpetuate the enslavement of the black man. 'Very well,' thought I. 'Knowledge unfits a child to be a slave.' I instinctively assented to the proposition, and from that moment I understood the direct pathway from slavery to freedom. It was just what I needed, and it came to me at a time and from a source whence I least expected it. . . . Wise as Mr. Auld was, he underrated my

Douglass: Education Will Subvert the Slave System

On Dec. 1, 1850, Frederick Douglass gave a speech called “The Nature of Slavery,” in Rochester, New York, in which he emphasized that the slave who had been bestialized by his master, was still a man, and that one of the great weapons that could be put in the hands of that slave, was the right to learn.

“The slave is a man,” said Douglass, “‘the image of God,’ but ‘a little lower than the angels’; possessing a soul, eternal and indestructible . . . and he is endowed with those mysterious powers by which man soars above the things of time and sense, and grasps, with undying tenacity, the elevating and sublimely glorious idea of a God. It is *such* a being that is smitten and blasted. The first work of slavery, is to mar and deface those characteristics of its victims and which distinguish *men* from *things*, and *persons* from *property*. Its first aim is to destroy all sense of high moral

and religious responsibility. It reduces man to a mere machine. It cuts him off from his Maker, it hides from him the laws of God, and leaves him to grope his way from time to eternity in the dark, under the arbitrary and despotic control of a frail, depraved, and sinful fellow-man. . . .

“Nor is slavery more adverse to the conscience than it is to the mind. The crime of teaching a slave to read is punishable with severe fines and imprisonment, and, in some instances, with *death itself*. . . . The great mass of slaveholders look upon education among the slaves as utterly subversive of the slave system. . . .

“It is perfectly well understood at the south, that to educate a slave is to make him discontented with slavery, and to invest him with a power which shall open to him the treasures of freedom; and since the object of the slaveholder is to maintain complete authority over his slave, his constant vigilance is exercised. . . . Education being among the menacing influences, and, perhaps, the most dangerous, is, therefore, the most cautiously guarded against. . . . As a general rule, then, darkness reigns over the abodes of the enslaved, and ‘how great is that darkness!’ ”

comprehension, and had little idea of the use to which I was capable of putting the impressive lesson he was giving to his wife. He wanted me to be a slave; I had already voted against that on the home plantation. . . . That which he most loved I most hated, and the very determination which he expressed to keep me in ignorance only rendered me the more resolute to seek intelligence.”

The full story of Douglass’s struggle to learn to read—how he collared white boys on the streets of Baltimore asking them to spell out words for him, and the other stratagems he used—can be found in *The Life and Times of Frederick Douglass*. But just as Douglass was not interested in being turned into someone’s beast of burden, he was also not *learning for the sake of learning*. Douglass was incapable of keeping his knowledge to himself. Even knowing the risk that he as a slave ran if he were to teach other slaves—he could be sold farther South to the hideous Mississippi or Louisiana plantations, or legally murdered—he taught other slaves when he was sent back to Maryland’s Eastern Shore.

Speaking Out

At the age of 13, Douglass purchased out of his own pocket money *The Columbian Orator*. The great oratory he found in that 50¢ book was to give Douglass the basis for being able to speak publicly against slavery when he escaped North in 1838.

The 1820s and 1830s was the age of great oratory in America. These were the decades of such expert speakers as Daniel Webster, John Quincy Adams, and John Calhoun. The

issues before the American republic were profound: slavery, and the danger of secession by the U.S. South in the late 1820s. *The Columbian Orator* became a bible for the young man, who was searching for words to express his thoughts. It was a book designed for those who wanted to learn to speak out, in the manner of the great orators, on issues which affected the souls of men. It was a book for those who wanted “to impart profound and impassioned conceptions respecting man and nature,” as the English poet Percy Bysshe Shelley would have said. And that was precisely what Douglass was impelled to do.

He wrote: “The reading of these speeches added much to my limited stock of language, and enabled me to give tongue to many interesting thoughts which had often flashed through my mind and died away for want of words in which to give them utterance. The mighty power and heart-searching directness of truth, penetrating the heart of a slaveholder and compelling him to yield up his earthly interests to the claims of eternal justice, were finely illustrated . . . and from the speeches of Sheridan I got a bold and powerful denunciation of oppression and a most brilliant vindication of the rights of man.”

Concluded Douglass: “Light had penetrated the moral dungeon where I had lain, and I saw the bloody whip for my back and the iron chain for my feet, and my *good, kind* master was the author of my situation. The revelation haunted me, stung me, and made me gloomy and miserable. . . . I saw that slaveholders would have gladly made me believe that, in making a slave of me and in making slaves of others, they

were merely acting under the authority of God, and I felt to them as robbers and deceivers. The feeding and clothing me well could not atone for taking my liberty from me. . . .”

Escape to the North

Douglass was soon returned to the Eastern Shore, to be turned into a field hand. But at the age of 16, another turning point occurred in his life which made it only a matter of time before he decided to escape North. This was his dramatic, two-hour physical contest with William Covey, the slave-breaker to whom he had been hired out, in order to break his will and turn him into a manageable field hand. Having been pushed far enough by this slaver, Douglass fought him. After two hours, Covey let go of him. “This battle with Mr. Covey, undignified as it was . . . was the turning-point in my life as a slave,” wrote Douglass. “It brought up my Baltimore dreams and revived a sense of my own manhood. I was a changed being after that fight. I was nothing before—I was a man now. It recalled to life my crushed self-respect, and my self-confidence, and inspired me with a renewed determination to be a free man. A man without force is without the essential dignity of humanity. Human nature is so constituted, that it cannot honor a helpless man, though it can pity him, and even this it cannot do long if signs of power do not arise.”

Finally, on Sept. 3, 1838, with the help of the Underground Railroad, Douglass escaped. While sitting on Kenard’s wharf, waiting to leave, Douglass wrote that he “saw men and women chained and put on the ship to go to New Orleans. I then resolved that whatever power I had should be devoted to the freeing of my race. For 30 years, in the midst of all opposition I have endeavored to fulfill my pledge.”

Douglass settled in New Bedford, Massachusetts, with his wife, Anna Murray, and worked at various skilled jobs for several years. In August 1841, after speaking extemporaneously at his first abolition meeting, Douglass was embraced by William Lloyd Garrison and the abolitionists. Douglass, along with several other freed slaves, was to become a featured speaker on the abolition circuit. This was despite what some abolitionists viewed as Douglass’s great “handicap”: Although Douglass said he had been a slave, he was not only literate, but an articulate speaker.

Certainly, the influence of Douglass’s study of oratory, could be heard in his speeches. Wrote the editor of the Concord, Massachusetts *Herald of Freedom* in 1841, “As a speaker he has few equals. It is not declamation—but oratory, power of debate. He has wit, arguments, sarcasm, pathos—all that first rate men show in their master efforts. His voice is highly melodious and rich, and his enunciation quite elegant, and yet he has been but two or three years out of the house of bondage.”

Defense of the Constitution

Throughout the 1840s, Douglass was close to William Lloyd Garrison’s abolitionist faction. Garrison (like the British aristocracy, which had been trying to destroy the U.S.

republic since its founding) advocated disunion with the South, which would have meant the breakup of the United States into at least two sections, perhaps more. Garrison’s reason for doing so, was his contention that the U.S. Constitution was *inherently* pro-slavery. Garrison was famous, in fact, for burning the U.S. Constitution in public.

But at about the time that Douglass began to publish his own newspaper, in 1847, he began to take a more intellectually mature standpoint. Starting not from the issue of slavery, but from the issue of the *creation of the U.S. republic*, Douglass by 1849 had broken with Garrison.

In *The Life and Times*, Douglass describes the intellectual process he went through over the issue of the Constitution: “I was then a faithful disciple of William Lloyd Garrison, and fully committed to his doctrine touching the pro-slavery character of the Constitution of the United States. . . . With him, I held it to be the first duty of the non-slaveholding states to dissolve the union with the slaveholding states, and hence my cry, like his, was ‘No union with slaveholders.’ . . .

“My new circumstances [i.e., as a newspaper publisher] compelled me to re-think the whole subject, and to study with some care not only the just and proper rules for legal interpretation, but the origin, design, nature, rights, powers, and duties of civil governments, and also the relations which human beings sustain to it. By such a course of thought and reading I was conducted to the conclusion that the Constitution of the United States—inaugurated to ‘form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty’—could not well have been designed at the same time to maintain and perpetuate a system of rapine and murder like slavery . . . that the Constitution of the United States not only contained no guarantees in favor of slavery but, on the contrary, was in its letter and spirit an anti-slavery instrument, demanding the abolition of slavery as a condition of its own existence as the supreme law of the land. . . .”

And in his 1857 reply to the infamous *Dred Scott* decision, Douglass noted that the slaveholders “do not point us to the Constitution itself, for the reason that there is nothing sufficiently explicit for their purpose; but they delight in supposed intentions—intentions nowhere expressed in the Constitution, and everywhere contradicted in the Constitution.”

From the day the Civil War began, Douglass, both in his newspaper and on the speakers’ platform, agitated with President Lincoln and anyone else he could to allow freedmen in the North to enlist in the Union Army. He also denounced the policy of the Union Army of returning slaves to their masters, even in captured areas of the South, and called for encouraging the desertion of slaves in the South. He also pressured the embattled Lincoln to issue the Emancipation Proclamation in 1862, a year before Lincoln consented to do so.

In 1863, Douglass was crucial in organizing several regiments of Colored Troops from Massachusetts and other states,

including the famous 54th Regiment, in which his son Lewis enlisted.

Douglass played a crucial role in the Civil War years. He was an agitator, a morale-booster, a fundraiser. He brought those abolitionists who were wavering under the republican banner.

After the war, Douglass began to realize that Reconstruction was as much of a fight as the Civil War had been, that the “Year of Jubilee” (1863, the year of the Emancipation Proclamation) had turned into a year of embattlement. Reconstruction soon was a hollow phrase, replaced by populist and conservative legislators in both the Republican and Democratic parties who were determined to “hold the line” when it came to the rights of the newly freed slaves. As a result, Douglass founded a new newspaper, *The New National Era*, to address postwar political conditions.

Until his death on Feb. 26, 1895, Douglass was a factor in American politics. Whether an administration agreed or disagreed with Douglass, it was forced to recognize the grand old man as a voice of reason who was listened to with respect, not merely by blacks, but by many, many voters. He held numerous government posts, and until his death lived by the words “Agitate! Agitate! Agitate!”

Although in his late 70s, Douglass was to find himself agitating with Ida B. Wells and others against the lynching of blacks in the South. The promise of Lincoln had faded away, and American blacks would have to wait for the appearance of another great leader, Martin Luther King, to achieve their freedom. But Douglass was certainly a key figure who prepared the way for King.

Universal Education

Throughout his life, one issue which Douglass understood as non-negotiable, was that of *universal education*. In the 1890s, when Jim Crow laws took hold and lynchings of blacks were becoming common, Douglass knew that if the black American was not to have full equality, then he would have to become educated in order to fight for that right.

Thus, Douglass, who during the war had toured the North giving a speech on “The Mission of the War,” after the war, toured schools and colleges, to foster the literacy of the citizens. He appreciated the difference between ignorant voters and those who were informed of their rights and privileges, and who could thus in turn appreciate the rights and privileges of the so-called downtrodden. His message was always the same: that the illiterate man was a slave, and the literate one a citizen of a free republic.

Douglass read avidly, including Shakespeare, Robert Burns, and other key English-language poets. When invited to address the Robert Burns Anniversary Festival in Rochester, New York, he noted, “Though I am not a Scotchman, and have a colored skin, I am proud to be among you this evening. And if any think me out of my place on this occasion [pointing at the picture of Burns], I get that the blame may



Library of Congress

Frederick Douglass with his grandson, concert violinist Joseph Douglass. The two played duets together.

be laid at the door of him who taught me that ‘a man’s a man for a’ that.’ ”

Beyond poetry and oratory, Douglass had learnt another language, the language of music, both through singing (“Sometimes Douglass took out his fiddle, sang Scottish songs of which he was very fond, and played a few tunes,” wrote Mary Church Terrell), and playing the violin. In 1838, while still a slave in Baltimore, Douglass, with the Aulds’ permission, hired himself out to the Merryman family. One of his duties was to conduct one of the Merrymans’ children to the E.M.P. Wells School. Apparently, either some teacher at the school or Douglass’s future wife, Anna Murray, a free black, took an interest in Douglass, who is also reported to have been a good singer, and began to teach him the violin.

He made sure that when he finally escaped North, he had his music books. When Frederick and Anna Douglass arrived in New Bedford, they couldn’t pay the coachman who had taken them there. Instead of objecting, the driver “took our baggage, including three music books—two of them collections by Dyer, and one by Shaw—and held them until I was able to redeem them by paying to him the sums due for our rides.”

Throughout his life, Douglass continued to play the violin, and he and his grandson Joseph, who became a concert violinist, played duets together.

In 1886, at the age of 69, Douglass visited Europe for the second time. In Genoa, Italy, he stood transfixed before Paganini's violin, not because of the physical instrument itself, as he wrote, but because "there are some things and places made sacred by their uses and by the events with which they are associated, especially those which have in any measure changed the current of human taste, thought, and life, or which have revealed new powers and triumphs of the human soul. The pen with which Lincoln wrote the Emancipation Proclamation, the sword worn by Washington through the war of the Revolution, though of the same material and form of other pens and swords, have an individual character, and stir in the minds of men peculiar sensations. . . . [This violin] had even stirred the dull hearts of courts, kings, and princes, and revealed to them their kinship to common mortals as perhaps had been done by no other instrument."

One of Douglass's articles, "What Are the Colored People Doing for Themselves?" which appeared in his first newspaper, *The North Star*, made the point that despite prejudice, African-Americans could still develop their potentials. "It should never be lost sight of, that our destiny, for good or for evil, for time and for eternity, is, by an all-wise God, committed to us; and that all the helps or hindrances with which we may meet on earth, can never release us from this high and heaven-imposed responsibility. It is evident that we

can be improved and elevated only just so fast and far as we shall improve and elevate ourselves."

Douglass was not speaking lightly; he had lived the very words he wrote.

He continued: "The fact that we are limited and circumscribed, ought rather to incite us to a more vigorous and persevering use of the elevating means within our reach, than to dishearten us. The means of education, though not so free and open to us as to white persons, are nevertheless at our command to such an extent as to make education possible; and these, thank God, are increasing. Let us educate our children, even though it should subject us to a coarser and scantier diet, and disrobe us of our few fine garments. 'For the want of knowledge we are killed all the day.' Get wisdom—get understanding, is a peculiarly valuable exhortation to us, and the compliance with it is our only hope in this land. It is idle, a hollow mockery, for us to pray to God to break the oppressor's power, while we neglect the means of knowledge which will give us the ability to break this power. God will help us when we help ourselves."

Frederick Douglass had already learned at the age of ten, that the difference between a slave and a human being was the ability to be able to communicate ideas freely. And whether he was conscious of it or not at that point, he had singled himself out to become the champion of those who had no voice. The goal for which he fought is as vital in our day, as it was in his.

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by Amelia Platts Boynton Robinson

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Editorial

Endgame for Cheney?

As leaks from the Lewis Libby defense team about how Libby's boss, Vice President Dick Cheney, had authorized him to leak classified information began to spread through all the news wires on Feb. 9, Sen. Ted Kennedy (D-Mass.) released the following statement:

"These charges, if true, represent a new low in the already sordid case of partisan interests being placed above national security. The Vice President's vindictiveness in defending the misguided war in Iraq is obvious. If he used classified information to defend it, he should be prepared to take full responsibility. *President Bush has clearly said he would 'clean house' of everyone who had anything to do with the Plame leak. . . .*"

The questions are raised: Is the Democratic leadership in Congress finally ready to move in for the "kill" against the lead thug of the Bush Administration, Cheney? Could it be that the actions by some Republicans against the Administration's insistence on the President's ability to violate the law based on the assertion of Executive power—as enunciated in the 1930s by Nazi "Crown Jurist" Carl Schmitt—have finally given the Democrats courage to move? Could it be that the smell of fascism, even in the wake of the capitulation on the nomination of Federalist Society fascist Judge Samuel Alito, has impelled some serious action against Cheney?

If so, the shift comes not a moment too soon. The Cheney gang, acting as tools of the international Synarchist banking crowd, which knows its system is hanging by a thread, is determined to press ahead for their war against Iran, a war which, as Lyndon LaRouche has pointed out, would be the fuse that detonates the collapse of the world financial system, ushering in an era of global war, chaos, and a New Dark Age. No government has so far shown the intelligence, or the willingness, to stop this confrontation, by calling it for what it is.

To stop this disastrous scenario, the only sure action is to deal a knock-out political blow to its lead enforcer, the Vice President.

It will not be missed by the snarling Mr. Cheney—as well as every knowledgeable politico in the nation's capital—that the charges about the Vice President's malfeasance now being bandied about, have long been

exposed by this magazine, and the political action committee of Lyndon LaRouche. It was in September 2002, that LaRouche first issued a call similar to that of Senator Kennedy, urging the President to get Cheney to resign. At that point, Cheney's offense was his policy for pre-emptive war against Iraq in the service of a strategy for world empire, a policy that LaRouche asserted would lead to disaster.

Since Fall 2002, *EIR* has assiduously documented the crimes of the Vice President, as they became clear in his lies about Iraqi weapons of mass destruction, and his violations of laws concerning national security, among others. In June 2003, LaRouche called for Cheney's impeachment, when evidence became public that he had lied about the Niger yellow-cake story. Over time, it became increasingly clear that Cheney's attempts to justify his own lies, have led to one additional crime after another, including those involved in the Valerie Plame affair.

Today, sources from numerous government institutions are leaking the story that Cheney held a meeting in March 2003, where he demanded that action be taken to "destroy" former Ambassador Joe Wilson, for discrediting the yellow-cake story. But LaRouche's publications exposed the existence of this meeting in the Spring of 2004, as did Ambassador Wilson himself.

Indeed, we have made Cheney's crimes a matter of broad public knowledge for more than three years. What has changed is the perception of some leading political forces that the dangers represented by Cheney's continued policymaking power over the President, and the U.S. government, are now too great to be ignored. Some sources even report that President Bush himself is beginning to look askance at Cheney, since the Veep's "in-your-face" insistence on violating the law is setting up the President himself for possible impeachment.

At present, Cheney is continuing his flight-forward assertion of the right to dictatorial power and imperial wars, hopeful that his opponents will not get up the nerve to use the multifarious opportunities they have to stop him cold. Is he right? The answer to that question will determine the chances for survival of the United States, and the planet as a whole, in the weeks ahead.