

DUCKING THE ISSUE!

## David Walker's Sleight of Hand

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*GAO Comptroller General David Walker is a straight shooter when it comes to accounting, but at what is he actually shooting?*

The entire week-to-date, beginning with CBS-TV on Sunday, March 4, and continuing through the featured account in the *Washington Post* of Friday, March 8, has enjoyed the high-impact appearances of U.S. GAO Comptroller General David Walker's widely circulated sophistry: Walker's presentation of a persuasive, factually precise, but essentially fraudulent representation of the essential economic threat menacing the soon-to-retire U.S. Baby-Boomer generation.

Walker's set-piece, beginning with a March 4 CBS-TV presentation, stated: "What's going on right now is we're spending more money than we can make . . . we're charging to our credit card . . . and expecting our grandchildren to pay for it. . . . The first Baby Boomer will reach 62 and be eligible for early retirement on Social Security on January 1, 2008. They'll be eligible for Medicare three years later. And when these Baby Boomers start retiring *en masse*, then there will be a *tsunami* of spending that could swamp our ship of state if we don't get serious. . . ."

Factually, the hoax permeating Comptroller David Walker's litany is the following.

Walker is nominally right in pointing out that, hypothetically, the U.S. economy is dying, for as long as present trends in national economic policy of the Presidency and Congress are continued into the 2009-2013 term. However, Walker is wrong in fact; actually, the collapse is already here. In short: The situation is even much worse, and the crisis much sooner than Walker indicates. Even without the mass-murderous, "global warming" hoax of London's Blood and Gore enter-

prise, we are already faced, now, with the continuously immediate threat of a general breakdown-crisis of the entire world economy, which, under any continuation of present U.S. policies, will occur long before the November 2008 U.S. general election. It would probably occur even almost now: unless we change our nation's policies, very radically, more or less immediately, unless we discard the curious logic of Comptroller Walker's schematic picture of the situation.

The hoax on which Comptroller Walker's argument is based, has been crafted as a willful fallacy of composition; the hoax lies with his failure to mention the fact, that it has been the post-1968 changes in U.S. policy, especially those begun under the Nixon Administration's pro-Pinochet George Shultz,<sup>1</sup> which have been the entire cause for the presently looming jeopardy of the Baby Boomer crisis to which Walker refers. Walker refuses to tell the truth; he refuses to point to the deep-going changes in policy made, essentially during the 1970s, which sent the U.S. economy from the upward trend still prevalent during the first half of the 1960s, into that presently disastrous downturn set into motion during the 1970s and beyond.

Until the transition, from the "Gulf of Tonkin" hoax, through the international riots of the "68ers," the U.S. economy, together with its system of Federal entitlements, was on a sound basis.

However, essentially, since U.S. President Richard M. Nixon entered office, in January 1969, the U.S. economy has been increasingly mismanaged from the top, with the effect

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1. Shultz, together with Henry A. Kissinger, and with banker Felix Rohatyn, were the crucial U.S. figures in setting up the Pinochet regime, whereas, according to a documentary film featuring Kissinger personally, Kissinger was key in the U.S. involvement in the death-squad operations run through the Southern Cone as an adjunct to the Pinochet dictatorship.



EIRNS/Stuart Lewis

*David Walker's Cassandra warnings about the crisis facing retiring Baby Boomers are a fraud: The crisis is already here, caused by the shift from FDR-style policies on behalf of the general welfare to the post-industrial lunacy of today. Boomers can look forward to a grim old age, like this elderly woman in New York City, unless there is a rapid change in course.*

of wrecking that U.S. economy which President Franklin Roosevelt had rescued from the ruinous follies of Presidents Calvin Coolidge and Herbert Hoover, an economy which gave us increasing prosperity, from the low point reached at the moment prior to President Franklin Roosevelt's March 4, 1933 inauguration. This growth continued, on balance, until the 1964 outbreak of the U.S. official war in Indo-China. Changes begun during the period of the 1964-1972 Indo-China War, have willfully wrecked the economy, in net effect, under every Administration, Administration after Administration, under every Presidency, and every session of the U.S. Congress, up to the present day.

Therefore, in a certain sense, David Walker is perversely right in warning, that, under a continuation of the trends set by the U.S. Presidency and Congress, from 1969 through the present day, the inauguration of the next President of the U.S.A., if that event actually occurs, will be the beginning of

the self-inflicted, personal ruin of the Baby Boomer generation entering retirement beginning about that time.

However, Walker gives a fraudulent picture of the situation, when he fails to point to the actual cause of the problem: the 1970s shift from a healthy economy, into a post-industrial one. The fraud in Walker's argument, is that he refuses to point out that the cause for the crisis he describes, is the change in direction of U.S. economic policy, from the Franklin Roosevelt direction into the post-industrial lunacy which has been the dominant trend in U.S. policy-shaping since the first inauguration of President Richard M. Nixon.

### The Post-Industrial Crisis

The fraud in Comptroller Walker's sleight-of-hand account, is located in the fact that it is not the U.S. pension and health-care system which has created this menacing situation; it is the change in direction of U.S. policy-making which has been made, chiefly under the rising influence of the Baby-Boomer generation, away from the policy-making criteria of the Franklin Roosevelt legacy.

Had the U.S. continued the general policy-shaping matrix in effect at the time of President Franklin Roosevelt's most untimely death, even had we continued the already mangled policies of the period until the murder of President John F. Kennedy, the present pension and health-care commitments of the U.S. system could have been met comfortably, in a timely fashion.

This fact should have been obvious to Comptroller Walker. He chose, willfully, to ignore those facts; he committed an implicitly fraudulent fallacy of composition in favor of the trend in policy-shaping associated with the ideology of our present neo-conservative rabble.

So, the motives of the institution on whose behalf Walker has been spreading his particular script for gloom and doom, must remind us of the austerity doctrines of Germany's pre-Hitler Brüning and von Papen regimes, which set the stage, prepared by the Bank of England's tool, Hjalmar Schacht, for the installation of Bank of England Governor Montagu Norman's favorite, Adolf Hitler, as Chancellor of Germany.

In fact, the world at large is presently at the point of crisis, at which the entire world monetary-financial system has already entered a general breakdown-crisis phase. What is currently striking the subprime-mortgage market, is only a foretaste of the general collapse of the world's present world monetary-financial system. The general breakdown-crisis of that present world system is already in progress, and would be inevitably fatal, unless action were taken to put the present world monetary-financial system into reorganization in bankruptcy under a concert of sovereign nation-state governments. Do not speak of stable conditions; the horses are already racing out of the barn.

The crucial difference between the time the present, publicly organized general welfare system was installed, under President Franklin Roosevelt, and, later, today's crisis, is that the character of the U.S. economy was changed, radically,

for the worst. We have been transformed from the world's leading agro-industrial power, a power driven by a science-and-technology-driven, machine-tool-design-powered physical economy, into what former Vice-president Al Gore promotes, as his design for a decadent, pro-malthusian so-called "post-industrial" economy. There lies the entirety of our troubles today.

Thus, the accelerating collapse of the percentile of the total labor-force engaged in technologically progressive physical productivity, per capita and per square kilometer, in agriculture, manufacturing, and scientific, machine-tool, and related professional services to physical economy, has created, among us today, a modern echo of the decadent Roman Italy's post-Second Punic War plunge into bread-and-circuses regimes.

Were the U.S. to reverse course, to return to the principles of economy associated with the fixed-exchange-rate Bretton Woods system, and to a physical economy based upon capital-intensive modes of physical investment, per capita and per square kilometer, in agriculture, manufacturing, and basic economic infrastructure, the danger that social welfare obligations might be exhausted, the danger with which Walker threatens our Baby-Boomer generation, could be, first, brought under control, and then reversed over the medium to long term.

In short, the essential source of threat to delivery of scheduled public benefits to the aging Baby Boomers is entirely a result of the post-industrial, anti-science fanaticism typified by former Vice-President Al Gore of London-based Blood

and Gore financial interests, as unleashed by the Baby-Boomer generation itself.

If the Baby-Boomer generation is prepared to give up its ideology, as Al Gore has typified that decadent ideology at its worst, then we could reform the present, crisis-stricken system, to get us through the mess coming down upon the heads of all among us today. If the Boomers could successfully resist such a needed reform, then we face a system which could probably be far worse than that of a next Presidency which refuses to meet general welfare demands; there might be no Presidency either to pay, or to refuse to meet such demands.

In short, the culprit is what the 68ers did in their part in transforming what had been the most powerful economy the world had ever known, into the economic trash-heap the U.S. economy has become today. The problem is not that the general welfare commitments made prior to 1969 were unrealistic; what was unrealistic was the willful destruction, by Baby Boomers and others, of the pre-1969 physical-economic policies on which the payment of those commitments had been predicated. Unfortunately, Senator Eugene McCarthy did not become President, and Bobby Kennedy was murdered; either would have made a crucial difference for our republic's condition today.

It is time to reform, or to sideline Comptroller Walker, or to replace him with someone capable of taking into account the realities of physical, rather than a merely paper economy. We need an honest accounting of the situation, the accounting which Comptroller Walker has attempted, thus far, to obscure.