

# EIR

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No Bailout, No Bail! Pass the HBPA Now!  
Italian Senate Takes Up LaRouche's Plan  
Coup Against Mbeki: South Africa Is the Target

**Echoes of the 14th Century:  
Wall Street's New Dark Age**



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# EIR

## From the Managing Editor

Disingenuous bankers, Administration officials, and Congressmen are retailing the line that Henry Paulson's \$700 billion-plus bailout of international swindlers may be bitter medicine, but the alternative is much worse. What a crock! On Sept. 27, Lyndon LaRouche put out a statement, "There Is a Plan B." The bailout will not solve anything, he said. It will trigger Weimar hyperinflation and bring down the whole banking system! "However, as many people inside Washington and on Wall Street perfectly well know, *there is a Plan B*. Plan B is my three-step solution, which begins with bankruptcy reorganization, rather than hyperinflationary bailout. . . . My Plan B is available, is viable, and can and must be acted upon now. This week."

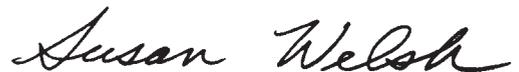
President Franklin D. Roosevelt had it right when he said, during the Great Depression, in his "Fireside Chat" of May 7, 1933: "It was clear that mere appeals from Washington for confidence and the mere lending of more money to shaky institutions could not stop this downward course" (see *Economics*).

John Hoefle reviews LaRouche's three-point plan, and our *Editorial* adds a new and urgent call for restoring the Glass-Steagall Act of 1933.

LaRouche's *Feature* draws out the full implications of a failure to enact Plan B. While the Presidential candidates debate what to do should a "recession" (!) ensue, and Congressmen argue for a payback to the taxpayer "when bankrupt companies start turning a profit again," the fact is that the crisis upon us now can only be compared to the collapse of the House of Bardi in the 14th Century, which led to a Dark Age. Even most of the somewhat reality-oriented people in Washington and other national capitals have a hard time with that. But as LaRouche shows, it must be faced head-on, and that requires a revolution in the way we think: a commitment to reviving the cognitive potential of a population that has been too long brainwashed, dumbed down, and brutalized.

The political situation is explosive, and revolutionary change is in the air. The Italian Senate is debating a motion endorsing LaRouche's New Bretton Woods system. LaRouche was on TV in Russia, outlining his strategic perspective. The key is the United States.

By the time you receive this magazine, LaRouche will have given a webcast address in Washington. The video and a transcript will be archived at [www.larouchepac.com](http://www.larouchepac.com).



## Cover This Week

Detail from "The  
Triumph of  
Death" by Pieter  
Brueghel the  
Elder, ca. 1562.



### **4 Echoes of the Fall of the House of Bardi: Wall Street's New Dark Age**

By Lyndon H. LaRouche, Jr.

The Wall Street bailout package concocted by Treasury Secretary Paulson, Fed Chairman Bernanke, and the Congressional leadership, demonstrates that they lack the special category of moral intelligence which distinguishes the human species from baboons. Their moral failure could get you, your family, and our republic killed. "Since the close of July 2007," LaRouche writes, "the entire international bubble created by these and kindred monetarist practices, practices which were launched during Greenspan's tenure, has been lurching toward the implicitly inevitable stage of a general, planet-wide, financial-monetary 'breakdown-crisis,' a crisis comparable, factually, to Europe's Fourteenth-Century 'New Dark Age' crisis."

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By Sunday, Sept. 21, the American public had erupted in spontaneous, coast-to-coast rage against the scheme. Lawmakers found themselves caught between Wall Street's demand for a quick fix, and the pent-up anger of their constituents at the total failure of Washington to deal with their life-and-death needs.

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ECHOES OF THE FALL OF THE HOUSE OF BARDI:

## Wall Street's New Dark Age

by Lyndon H. LaRouche, Jr.

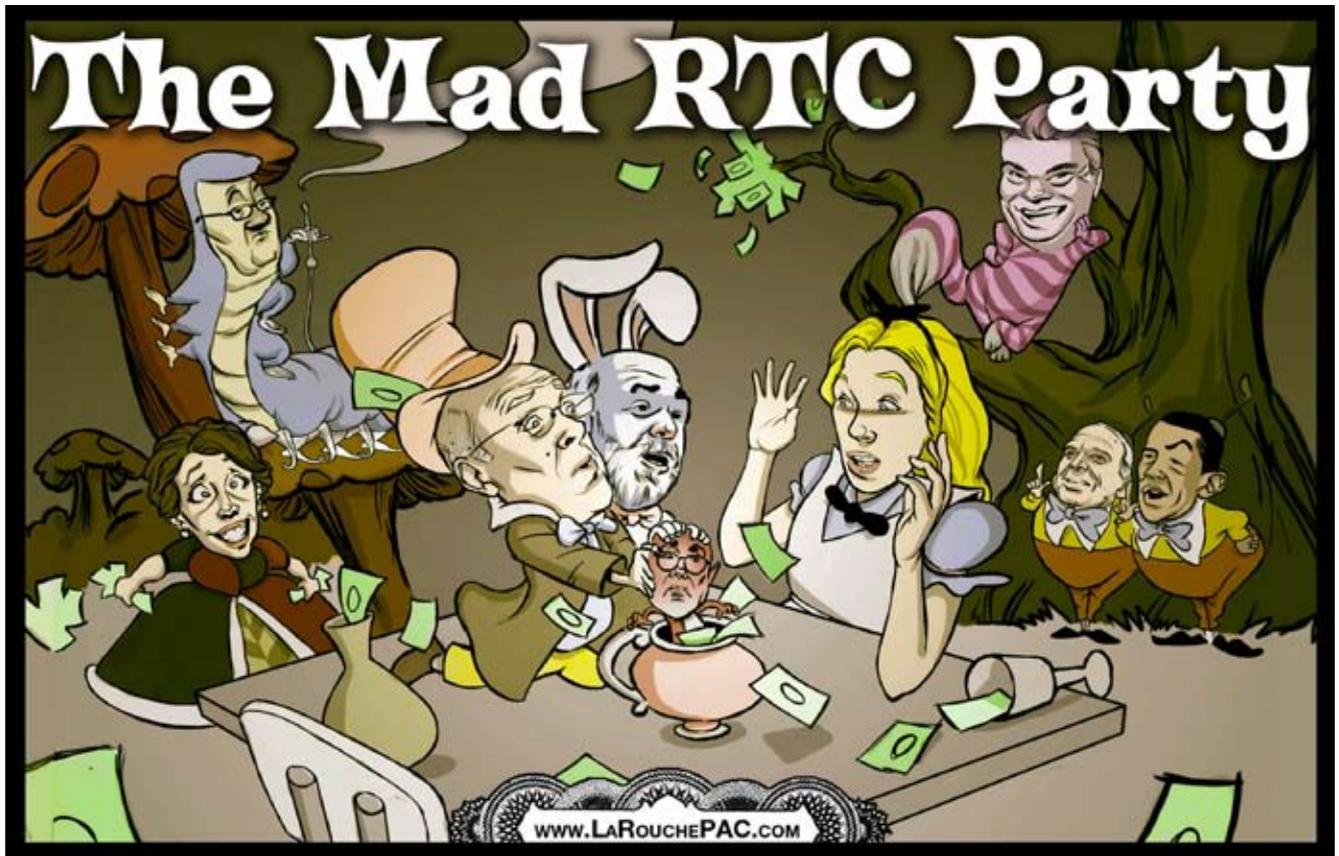
September 22, 2008

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*Conniving U.S. Treasury Secretary Paulson has turned out to be another typical swindler, and worse. Up to last night, he had been a slicker, and also more pompous swindler than dumb-bunnies such as Rohatyn's and Soros's dupe Senator Christopher Dodd, or the utterly flakey U.S. Representative Barney "Bail-out" Frank. The tragic, greed-driven stupidity of the lot of them and their like, has been the relatively simplest aspect of what is actually the presently onrushing, global financial breakdown-crisis of the world's IMF system—the same crisis which the current President and post-2005 sessions of our U.S. Congress have done so much to bring about.*

*The more essential fact about this presently skyrocketing crisis, is that those politicians' sly, smash-and-grab outlook on life during the 2006-2008 interval so far, shows that these sessions of the Congress have lacked precisely that special category of moral intelligence which distinguishes the human species from the baboons. "Go along to get along," is what the legendary lemmings must have been saying to one another in their popular rush to doom. The essential point is: their expressed quality of flakiness during this, 2006-2008 interval, when embedded in high places, could now, probably, get you, your family, and our republic killed.*

*Moral people, as in our U.S. Congress, are nonetheless often dumb and opportunistic in important matters; which is sad, because the effects of that can be evil, even if the members did not actually intend to promote a crime by those actions. That must be our kindest view of what Senator Dodd and Representative Barney Frank have done, since July 2007 in particular. Some other people are dumb in the sense that they make themselves victims merely by suppressing the truth, as did that political pack*



LPAC/Chance McGee

*It appears that our national “leaders” have stepped through the looking glass, and are sputtering jabberwocky, in their attempt to sell the biggest swindle in history to the American people, while suppressing LaRouche’s workable solution.*

*of greedy swindlers supporting the presently proposed rape of our U.S.A. by Secretary Paulson et al.<sup>1</sup>*

*Contrary to much popular opinion, practicable solutions for crucial problems of society, such as the present world economic breakdown-crisis in progress, require emphasis on two classes of measures. First, present experience tries to teach us, that we must re-examine those underlying assumptions of currently prevalent academic and popular belief, within*

1. In the LaRouche PAC video, “The Fall of the Wall,” (www.larouchepac.com) I state the case, that the root of the present world crisis must be understood as echoing the cowardly behavior of the current U.S. President’s father in the events of 1989-1991, which set the pace for that threatened economic collapse of the U.S.A. as a nation-state now. Had my distant relative, President George H.W. Bush, overruled Britain’s Prime Minister Margaret Thatcher, instead of his serving as her pathetic toady, then, the present existential threat to world civilization could not have occurred as it has done. Thus, it appears, the son has inherited the sin of the father.

*which the causes of the presently onrushing disaster are to be recognized. Second, we must not proceed at the whim of a mean, erratic, and depraved, or simply stupid U.S. President.*

I preface the substance of this report with certain observations which were supplied here because they assist us by provoking attention to the questions whose answers could only be supplied after that closer examination of the crucial issues, which I shall conduct in the main body of this present report. The purpose thus served within these prefatory remarks themselves, is intentionally limited to the usefulness of these prefatory observations in leading our discussion here toward those deeper problems, and their answers, which we shall have identified in the course of this report as a whole.

Most of the general citizenry still living today, among the nations of both the Americas and Europe, in particular, were born too late to have been given any semblance of a competent insight into the origins and

nature of the changes in national cultures and prevailing currents of public opinion which have since occurred, during the course of the 1945-2008 period to date. Thus, they, excepting, chiefly, a sprinkling of figures from among those presently in their eighties and nineties, lack any effective, adult experience of “what went wrong,” in the process of creating what is presently occurring as the greatest general economic breakdown-crisis in modern history. The typical citizen today, accepts the changes in thinking which have produced today’s disaster, accepting these as being almost some universal truth since the beginning of Creation; they accept this without any efficient sense of the origin, nature, and effect of what has become a traditional outlook among each of the generations in their forties, fifties, and sixties today.

The lesson to be learned from that experience of those born to form the post-World War II generations, is the lesson of that principle of all great Classical tragedy since the Homeric *Iliad*, which presumes, insightfully, that it is a generation’s own acquired habits, and the influence of whatever supposed gods or demi-gods they worship, which are most likely to be the causes of its own, systemically tragic, self-destruction.

Therefore, out of respect for that prevailing source of intellectual difficulty among, most emphatically the under-seventies generations, I should proceed here, from these prefatory references to the apparent situation of the recent four decades, to the actual nature, causes, and remedies for what has become, now, the worst general economic-breakdown-crisis of the world as a whole, the greatest crisis since Europe’s Fourteenth-Century “New Dark Age.” It is the habits embedded as “tradition” within a generation of a people and its acquired culture, the which are the most likely source of its impulses for self-destruction; that has been the key to understanding the earlier, actual origins of that commonly specific process of self-destruction which has prevailed inside the United States, and also in Western Europe, since 1968.

*In effect, the data since U.S. Fiscal Year 1967-68, shows a consistent, and generally accelerating decline in the U.S. physical economy throughout forty years 1968-2008, to date. All official data suggesting the contrary, has been wilfully misleading, or outrightly faked. Thus, we can say that the relevant decisions of the Presidency and the Congress since that time have been a record of increasing incompetence in the combined public and private management of the U.S. economy.*

*The crisis which has hit now, is chiefly the product of an habitually increasing economic incompetence built into our national political system during the recent four decades! While the downwardness of the trend has been consistent over this entire period, the pattern since 1988 has seen a degree of public insanity not only beyond the imagination of our government during the preceding two decades, but an incompetence which has been often largely treasonous in effect.*

*Little wonder that the citizenry reacted so suddenly, this past weekend as it did, to the proposed bail-out of useless and bankrupt Wall Street and also foreign financier swindlers. Those citizens are now entering a state of mind and temperament to take charge, whether what they see as corrupted public officials like that, or not.*

So, to begin thus, we may say, therefore, that, from the beginning of this presently onrushing, global monetary-financial breakdown-crisis, which came to the surface as an economic phase-shift, inside the U.S.A., in late July 2007, the essential mental illness among leading financier and governmental circles of the U.S.A., has been the fraudulent presumption—actually, an outright lie—that the presently ongoing crisis has been essentially a “cyclical” form of “mortgage crisis.”

Over the course of the recent decades, it was made clear enough, that what happened is that the Alan Greenspan who had succeeded former Federal Reserve Chairman Paul Volcker, had introduced a type of swindle modeled on that which had been used by jailed asset of so-called “wise-guy” interests, Michael Milken. Milken’s swindles were echoed by what became notorious as the keystone of Federal Reserve Chairman Greenspan’s own policy, and also that of Federal Reserve Chairman Ben Bernanke. Increasingly hyper-inflationary forms of this malpractice, were used by Greenspan and Bernanke up to, and beyond the point since late July 2007, when a presently ongoing, breakdown-crisis phase of the international financial-monetary system had clearly begun.<sup>2</sup>

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2. Michael Milken was the idiot savant who ran the Drexel Burnham Lambert junk bond operation in the late 1970s and 1980s, which played a key role in funding the British Empire’s war on American industrial might. Essentially an agent of Britain’s Dope, Inc. apparatus, Milken was a vehicle for the laundering of dope money into corporate finance, funding the assault on American corporations by a new wave of corporate raiders, financing the expansion of Dope, Inc.’s money-laundering arm in Las Vegas, and helping destroy the savings and loan sector. In addition to financing the hostile takeovers of many corporations, the raiders Milken and his junk bond method helped fund, served to herd scared corporations into the waiting arms of Wall Street’s investment



EIRNS/Will Mederski

*Americans are not buying the Bernanke-Paulson-Dodd bailout swindle—but it remains to be seen if Congress will capitulate. Shown: Fed chairman Ben Bernanke, Treasury Secretary Hank Paulson, Sen. Chris Dodd, at Banking Committee hearings Sept. 23.*

## The Oncoming Crisis!

One of the most conspicuous features of the process steered, largely, by Greenspan and his successor, had been the implicitly fraudulent looting of the Federally created agencies, Fannie Mae and Freddie Mac. This looting had been done to the effect of creating a present, hyper-inflationary, speculative bubble in questionable, inflated values of real-estate mortgages. In late July 2007, that real-estate-mortgage swindle which had been used to support cancerous bubbles in investment-banking speculation, reached a built-in, self-inflicted barrier. Since the close of July 2007, the entire international bubble created by these and kindred monetarist practices, practices which were launched during Greenspan's tenure, has been lurching toward the implicitly inevitable stage of a general, planet-wide, financial-monetary "breakdown-crisis," a crisis comparable, factually, to Europe's Fourteenth-Century "New Dark Age" crisis.

Thus, the so-called "mortgage crisis" of more than a year to date, has been a mere footprint added as, in itself, one of the relatively minor effects of the evil done globally, by larcenous financier predators operating

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bankers, like cattle to the slaughterhouse.

Milken's clients specialized in taking over companies, then loading those companies down with debt; the debt took the form of new bonds, which paid high rates of interest. These high-yield, or junk, bonds were then sold to speculators, including the fast-money types which moved in on the newly deregulated S&L sector. Milken eventually went to jail for his transgressions, but the damage to the nation was already done. Greenspan would later take Milken's method of using debt as an asset to new heights, or lows —*John Hoefle*.

even in the highest ranks of both private financial affairs and governments, including the virtually insane, present U.S. Bush Administration, most emphatically.<sup>3</sup>

The assumption of a "cyclical," "mortgage crisis," has been premised, essentially, upon a lie, a lie used by the world's biggest bandits of these times, the investment bankers who had created themselves in the self-image of those predatory Lombard bankers, such as the houses of Bardi and Peruzzi, who created the general financial-economic breakdown-crisis known as the Fourteenth-Century "New Dark Age." The truth is, that this crisis had already been, from its outset in 1968-1981, a general, global breakdown-crisis of the present IMF financial-monetary system in progress.<sup>4</sup> No correction of this continuing, downward trend was ever seriously attempted: with the qualified exception of President Bill Clinton's interrupted intention to proceed to a much needed reform of our nation's financial architecture.

It is, as I must emphasize now, again, a crisis of the same essential cause and characteristics as that great breakdown-crisis, if in a different time, of the Fourteenth-Century European Lombard banking system, the system of investment banking houses of the type of the medieval Bardi and Peruzzi, which plunged all of Europe into a vastly genocidal "New Dark Age," then,

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3. So, the legendary frog might not recognize the danger, until too late, until the water in which he was sitting had begun to boil.

4. The British-Saudi orchestration of the oil-price swindle of the 1970s, and the program of the David Rockefeller Trilateral Commission, were the initial phase of this implicitly treasonous wrecking and looting of the U.S. economy, and other victims.

as the present-day Bear Stearns, Lehman Brothers, Goldman Sachs, et al., now.

That Fourteenth-Century “dark age” wiped out half of the parishes of Europe, and reduced Europe’s population by about one-third, net, during a period of, chiefly, approximately a generation. A similar effect is to be expected, soon, unless culprits such as Secretary Paulson, the fox who is looting America’s financial chicken-coop, and the very guilty President George W. Bush, Jr., are removed from control of financial-monetary policy now.<sup>5</sup>

Thus, the point which must be emphasized, repeatedly now, is that fact that the resurrection, by a degenerate turn of modern society, of a return to a global form of medieval European financial practices of usury, that over what has been now approximately two decades since the election of U.S. President George H. W. Bush, has produced the present, medieval-like result. The modern system of lunatic, speculative investment banking, revived Greenspan-style, has created, as a dominant form of essentially predatory financier interest, an intrinsically corrupt system of international financier corruption echoing those same practices of the Fourteenth-Century Lombard bankers whose practices plunged all Europe into the genocidal, Fourteenth-Century “New Dark Age.”

What is happening, not only inside the U.S.A. and western and central Europe, now, is global in its effects. The present, floating-exchange-rate, international monetary system, is doomed beyond reach of redemption. Corrective measures are available, if there were the wisdom and will to employ them. I have specified those corrective measures, and they will work, provided we overcome the virtually criminal form of stubborn stupidity exhibited by predatory Secretary Paulson and his dupes.<sup>6</sup>

Fortunately, there are available corrective measures which could be taken, even at this late date. A decision by that U.S.A. which is still the controlling center of the world’s debt, is required. This must be a decision to initiate such a correction in the global system as would be indispensable for this purpose. *Without such a U.S. ini-*

*tiative, the world as a whole were already virtually doomed to a global new dark age.*

Unfortunately, the swindlers of “Wall Street” have not abandoned their determination to steal and swindle for private advantage at public, and perhaps also public expense.

Unfortunately, therefore, influential circles in the George Bush government, including President George W. Bush, Jr. himself, like his father before him, visibly hate those types of corrective measures which could save our nation, among others.<sup>7</sup> Thus, in effect, these types would prefer that the U.S.A. and other nations be destroyed, than that needed corrective measures be considered. On the surface of matters at hand, that is the mass-murderous thing which the Bush Administration is doing, and for which it might be held accountable in the relevant judicial proceedings of a future time. In the particular case of President George W. Bush, Jr., he may lack the intelligence to understand what he is doing in such matters; but, in this matter, his innate perversion, his sheer meanness, as seen in the 2005 case of “Katrina,” serves as being more than sufficient evidence for proving something tantamount to malicious foresight as typical of his behavior. His case is now typical of those rallied, including this President Bush, who are the controlling force behind the implicitly treasonous swindles proposed by Secretary Paulson now.

These points just presented here, are essential, hard facts. Anyone who denies them at this very ripe stage of global developments, is either simply ignorant of the ABCs of economy, or is, in the alternative, perhaps, insane, or, even, simply, a criminal.

All that I have just said above, is true; but accepting those true facts leaves out something essential. *Why has the present-day, modern world, fallen prey to a kind of general social disease last seen by Europe in the depths of feudalism, in the “New Dark Age” of more than seven-and-a-half centuries ago?* That is the matter which is addressed, albeit in an altogether fresh way, in the following chapters of this present report.

There are two kinds of proper responses to the latter question. The first, the simpler response, is not untruthful; but, it does not get to the gut of the matter, and, therefore, while it is an accurate description of the disease, it does not, in itself, represent a basis for design of

5. The fact that that President is apparently stupid, like the opossum, does not mean that he is not guilty of malicious intent.

6. A swindle is a swindle, whether there is current law against it, or not. Investment banking, in the U.S.A., or Europe, for example, has been an intentional swindle since Michael Milken’s and Alan Greenspan’s relevant roles. What is morally a criminal intent, is a criminal intent whether the law which should have been in force were being applied, or not.

7. President George H.W. Bush’s 1989-1992 complicity with the policies emitted from Britain’s Prime Minister Margaret Thatcher, were proof enough of this point.



White House/Joyce N. Boghosian

*Influential circles in the Bush government, including President George W. Bush, Jr. himself, like his father before him, visibly hate those types of corrective measures which could save our nation, among others.*

a true solution. That needed solution is a matter of physical science, as in the subject of the following pages of this report.

If we are willing to recognize that the root and substance of the present world crisis is a great fraud by a certain kind of financier interest, and if we are disposed to rid the world of the specific institution which that fraud represents, the nations of the world can rally in concerted action among sovereign nation-states to bring humanity out of this menacing situation with a relative minimum of pain and destruction.

With the developments of the recent week, the world has entered, fully, into the grip of what will soon be recognized, as a world-wide, general collapse of the global civilization into the onset of a new dark age of humanity. The only significant issue of the moment, therefore,

is stopping that collapse, by uprooting the policies and institutions which have generated this perilous state of affairs.

That solution is to be found *only* in the domain of specifically human expressions of true creativity, the aspect of real economies of which typical accounting professionals, and nearly all recent university graduates in economics, know less than nothing. Admittedly, the habits of economic practice which prevailed prior to the 1963 assassination of President John F. Kennedy, were fruitful habits, in the main; but, very, very few among our people then really understood the deeper meaning of those habits.

Today, those habits have been largely lost; only a relative handful of the members of the labor force retain such competence in economic practice. So, if those misguided folk, such as those accountants of today, live up to the professional standards of recent decades of practice, we have thus come upon a time which finds their accustomed professional outlook itself to be ridiculous, or, like that of Paulson, Bernanke, and foolish Representative Barney Frank, mass-homicidal in consequence of its inevitable, but probably unintended effect.

Those secrets of an intentional successful form of economy, are the subject of the two following chapters here.

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## 1. On the Subject of Creativity

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As the justly celebrated Albert Einstein emphasized the fact of the matter, the most crucial issue of economic policy-shaping now, is modern European science's needed typification of the underlying, essential difference between man and ape. That is a difference best illustrated by Johannes Kepler's uniquely original discovery of the principle of universal gravitation, a discovery which served, then, as the actual, working foundation of all competent modern science thereafter.<sup>8</sup>

This, Kepler's notion, was that of a general physical principle which is developed for any competent present-day student of science on a university level, in Kepler's *The Harmonies of the World*.<sup>9</sup> Those who reject

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8. The concept of modern science was introduced by Cardinal Nicholas of Cusa, as in his *De Docta Ignorantia*. The discoveries which established Cusa's discovery as a working principle of practice, were, chiefly, those established by the success of Johannes Kepler.

9. See [wlym.com/~animations](http://wlym.com/~animations). See also LaRouche PAC, "The Harvard Yard," ([www.larouchepac.com](http://www.larouchepac.com)).



EIRNS/Eric Thomas

*The accomplishments of the Renaissance genius Leonardo da Vinci (depicted above in a sculpture in Florence, Italy) spanned the fields of science, invention, technology, art, and music. Right: Leonardo's studies of the human embryo. The "subsuming method" in both physical science and Classical art, is the same, LaRouche writes.*



knowledge of that principle of creativity, the principle which sets mankind apart from the apes, express a fault, a habit, which if permitted to continue, tends, ultimately, to make "virtual" Yahoos of our citizens, as the dupes of Secretary Hank Paulson have been typical of that kind of defective behavior today.

The mission adopted for this report, is to identify the fundamental principle more rarely known today, since the changes in U.S. and European culture caused by the rise of the "post-industrialist" mania of the 1968er existentialists. What has been lost through that decadence in recent trans-Atlantic European culture, is precisely

that principle of human individual creativity, on which all competent discussion of matters of economic policy depends. That principle is expressed empirically in two distinctly opposing forms, but nonetheless a single coherent manner: as economic processes as expressed, both in the large and very large, on the macro- and cosmic scale, and also as a principle of infinitesimals as the latter were defined by Gottfried Leibniz.

As I have explained this in earlier locations, this twofold quality of human individual creativity, is most typically expressed in two distinct, but cohering modes. One of these is physical science, as the method of

modern physical science was established, experimentally, by Johannes Kepler. The other, is the domain of Classical art, such as Classical drama, Classical poetry, and Classical music in the domain defined by Johann Sebastian Bach, as in the work of Leonardo da Vinci in several fields, including music. In the first of these two, categorical cases, physical science, man's willfully changing the physical universe we inhabit, is the standard of reference. In the latter category, Classical art, it is man conceptualizing man as an individual, and man's social relations. Essentially, the subsuming method, in both of those two categorical types of cases, those two phase-spaces, is the same.

So, in both categories of human experience, the physical-scientific and Classical-artistic modes, the underlying meaning of "creativity" is essentially the same. In all cases, creativity is expressed by the individual human mind's seeing the efficient existence of a universal principle which lies outside the assumed bounds of previously established conventions, as Albert Einstein recognized this specific quality of genius underlying Kepler's uniquely original discovery of the universal principle of gravitation, as this discovery is systematically developed in Kepler's *The Harmonies of the World*.

### **The 'Infinitesimal'**

The principled difficulty in achieving a competent understanding of economics for practice, an impairment which is far worse among literate sections of the populations of Europe and the Americas today, than two generations earlier, is an impairment expressed as to type by the spread of the influence of mental disorders of the types such as empiricism and existentialism since the rise of the influence of such expressions of Anglo-Dutch Liberalism during the early through middle period of European culture's Eighteenth Century. The most crucial of the obligations imposed upon us in the preparation and study of this report, is, as I shall show, our urgent need to recognize the effect of a lack of competent comprehension of the notion of the Leibniz "infinitesimal."

A misguided person might think, that the cure of this deficit lies in the advantage of higher professional education as such. That was never really true, and is far less true in trans-Atlantic culture (in particular) today than was the case two generations ago. The cult of "post-industrial" ideology has not only ruined the productive powers of relevant nations, per capita and per square

kilometer of their territory; it has destroyed the ability of the most highly educated, among others, to think clearly, even to learn skills which were relatively commonplace during decades earlier. The ability to think among the dominant educated populations of trans-Atlantic civilization today, has fallen, thus, far below that of four decades ago.

Matters of this sort have reached the point of decadence, that, while we can show that true scientific and related creativity can be revived, and carried forward to higher levels among some strata of young adults in the 18-35 age-group today, the fact remains, that one of the greatest challenges to our presently decadent and tattered European civilization today, is the need to bring the general population up to at least the functional equivalent of the level of secondary school and university graduates of four decades ago. For this sort of renaissance in the world's civilization now, it is indispensable that we free education and related areas from traditions taken from the legacy of Anglo-Dutch Liberal empiricism, in favor of the crucially pivotal notion of the Leibniz infinitesimal.

That said, in this present chapter, our attention is focussed on the nature and role of those discoveries of principle which govern increases, or decreases of per-capita productivity in the small. In the subsequent chapter, attention is focussed on the role of creativity in the large, as on the scale of entire nation-states, or continents, or even the entire planet and Solar System, or beyond, as a whole.

In both chapters, the subsuming general case is the following.

### **Universal Physical Principles**

To refresh the reader's recollection of crucial points introduced at the outset of this chapter, we now have the following.

So, that much once said up to this point, now, in both of these chapters, as Einstein identified the already referenced unique act of genius, by Kepler, an act of genius underlying all competent modern physical science, we shall have been confronted by the search for a relevant paradigm for discovery of a truly universal physical principle. Any true universal principle discovered, is demonstrable as existing independently of any particular choice of a pair of respectively independent, human powers of sense-perception; but, yet, the same principle controls the phenomena of relative productivity so determined. Such a principle bounds the universe as we

human beings are capable of knowing that universe, as Kepler defined universal gravitation: *as the (implicitly Riemannian) transfinite principle which subsumes the internal organization of the Solar System.*

In each comparable discovery of a universal physical principle, the mind of a human individual attempts to step outside the bounds of the universe which he had thought he knew a moment earlier.<sup>10</sup> As this is true for physical-scientific practice, it is also true for truly Classical artistic composition, if in a qualitatively different, but efficiently connected quality of expression. This brings us to the matter of the notion of the “infinitesimal,” as “*infinitesimal*” is defined by leading minds of science, such as Leibniz and Riemann, in particular, as a physical, rather than a simply mathematical concept.<sup>11</sup>

The experimentally validated discovery of principle, defined in this way, is a principle, not a priori, but because we can demonstrate that it bounds the relevant category of phenomena in the universe. So, in each of all of the discoverable universal physical principles of our universe, each represents that which bounds action of the universe within that realm. All such considerations, when combined, thus represent, as Einstein emphasized, a universe bounded by the aggregate of such discovered principles, defining a universe which, as

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10. This illustrates the essential fraud of any mathematics of physical science which does not reject, absolutely, the Sophist fraud of the “self-evident” definitions of Euclidean geometry, as also the derived fraud of the modern empiricism and positivism of Rene Descartes and his dupes. Any adopted notion, such as a mathematical formulation, which does not show that no relevant form of action exists beyond the bound of that claimed principle, is not a principle of nature. All that can exist “outside” the bounds of any particular principle, can only be the expression of a different principle. The utter stupidity and meanness shown by Leonhard Euler in his childish attack on the concept of the Leibniz “infinitesimal,” was certainly, as I have shown for Euler’s case, more a product of a quality of opportunistic lying by a politically corrupted person, than “honest” ignorance. Not a phenomenon unknown to me from other experience.

11. In Riemann’s German original, his famous habilitation dissertation concluded with the following rebuke of the mathematicians. “*Es führt dies hinüber in das Gebiet einer andern Wissenschaft, in das Gebiet der Physik, welches wohl die Natur der heutigen Veranlassung nicht zu betreten erlaubt.*” (E.g.: “The questions posed in the preceding text of the habilitation dissertation take us into the domain of physics, which the field of today’s discussion, [mathematics *per se*], does not permit us to enter.”) The most notable fraud in the teaching of science up to the present university practice, is the attempt to derive principles of physical science from mere “as-at-the-blackboard” mathematics, rather than derive the relevant mathematics from an experimental proof of universal principles as the Pythagoreans, Plato, Cusa, Kepler, and Riemann have defined universal principles.

Einstein emphasized, is *finite in that sense*, and, therefore, being self-bounded in this fashion, has no external boundary. That aggregate, in turn, represents our presently actual knowledge of the universe, as you are being prepared, here, to know it now.<sup>12</sup>

*No mere mathematical formulation could define an efficiently existing physical principle.* This principle was well known, as to fact, in ancient Classical Greek science, such as that of the Pythagoreans and Plato, and has been the characteristic of all competent modern European science since the work of Brunelleschi and Nicholas of Cusa, as the case is typified by such explicit followers of Cusa’s founding of all competent modern physical science as Leonardo da Vinci and Kepler, and as Albert Einstein emphasized the unique importance of Kepler for all modern science (contrary to the degeneracy of the followers of the dogma of the pro-Satanic Bertrand Russell’s anti-scientific *Principia Mathematica*).

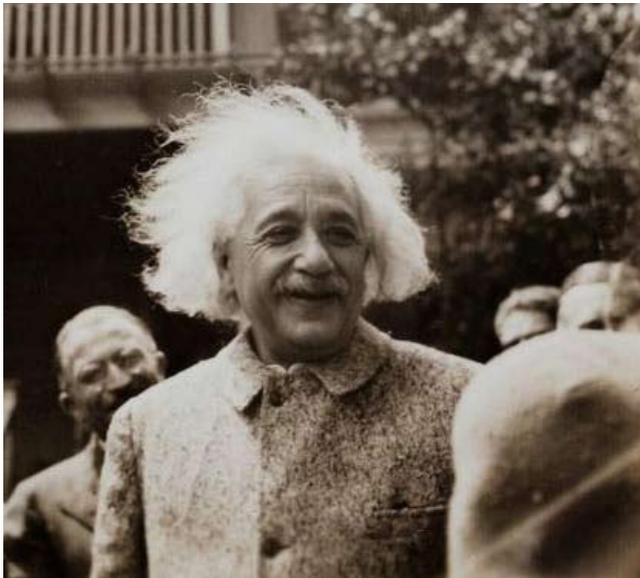
Now, since approximately the 1930s, with the relevant work of Russia’s Academician V.I. Vernadsky, experimental science has established, experimentally, categorical separations of living from non-living processes, and of the human mind from the nature of all lower forms of life.<sup>13</sup> This work of Vernadsky not only clarifies, but emphasizes what was already known to all competent modern European and ancient Classical Greek scientists: *that a universal principle is one, such as Kepler’s uniquely original discovery of universal gravitation, which separates one category of action in universal physical space-time from all others*, but, with emphasis on the fact, that, nonetheless, each such principle interacts efficiently with respect to all others, as the interaction of living and non-living processes merely illustrates this point.

So, as I shall make this point clear in this present chapter of the report, since any universal principle is universal, *it is never externally bounded physically in its expression as a sense-perceptible principle of action.* Thus, it exists anywhere and everywhere within the

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12. The problem of today’s customary teaching practice, which we can not ignore at this point, is that our universities and related institutions function not as actually scientific bodies but as the pratings of an inquisitional form of Babylonian religious cult, in which the priests and their senior devotees substitute current, mystical, “traditional” doctrines for actual knowledge.

13. An angry U.S. citizen of today might be tempted to say, in response to today’s economic conditions, that the difference extends to the separation of the human mind from the behavior of President Bush.



Albert Einstein described a universe bounded by discoverable universal principles, a finite, but self-bounded universe. “That aggregate,” LaRouche writes, “represents our presently actual knowledge of the universe. . . .”

domain of action which it chiefly, specifically reflects. Although this efficiency extends to the infinitesimal, the notion of *infinitesimal* is not located within the bounds of childish notions such as the notion of extension in Euclidean or Cartesian space-time. In physical reality, we are dealing with what is *ontologically* (not mathematically) infinitesimal, finite, and universal, all at the same time.<sup>14</sup>

I explain, as follows.

### The Human Mind

What I have just emphasized, here, is not some exotic, academic notion which might be skipped over by actually intelligent individual men and women (who have been misguided into considering themselves as being “practical”). It is general lack of precisely this kind of knowledge which has allowed the great majority of the U.S. population, and also its esteemed academic and political leaders, including readers of the notoriously often lying *New York Times*, into the state of physical-economic and related depravity in which our own republic, and the nations of Europe, are entrapped

14. In other words, contrary to the lying de Moivre, D’Alembert, and Leonhard Euler, the Leibniz/Riemann infinitesimal has no mathematical extension of the type specific to Euclidean or quasi-Euclidean space-time. It has, nonetheless, ontologically efficient actuality, as Kepler’s general principle of Solar gravitation illustrates that point.

by their own ignorant folly, at this time.

The just emphasized, categorical distinction of the human from the animal mind, corresponds to what is the presently little-known principle of human creativity: the principle upon which all competent scientific and Classical-artistic practice both depend. In both of the present chapters, the present, and that to follow, that principle is universal as well as (ontologically) infinitesimal. The infinitesimal is the reflection of the universal principle as projected upon the *indefinitely* very small: the ontologically, rather than mathematical, infinitesimal of action. The difference between these two chapters is, that in this present chapter, the emphasis is upon the impact of a universal principle as applied to the legendary “point of production.” In the subsequent chapter, the subject will be the same expression, but treated in respect to systems as, conceptually, wholes.

Perhaps the best illustration of the next point to be introduced, is the comparison of the functional role of sense-perception and measuring instruments, relative to the mind’s formulation of the universe around the person, or persons. The modern Classical illustration of this principle is the scientifically crucial quality of ironical juxtaposition of the human individual’s use of the senses of sight and hearing in Kepler’s discovery of the general principle of gravitation with respect to the then-known range of the Solar System as a whole. Without that ironical juxtaposition, the discovery of a general principle of the Solar System, in the organization of that Solar System, could not have been made, and was, in fact, never made by any contrary approach.<sup>15</sup>

The issue of method which separates the genius of Kepler from the hoax of claiming a silly, weirdly superstitious Isaac Newton to have been a scientist, is, formally speaking, as ancient as the Sophist Aristotle and his followers Euclid and the hoaxster Claudius Ptolemy. Putting aside the fact that those sophists were hoaxsters, like their intellectual descendants Descartes and the empiricists generally, later, the issue of method which the latter cases pose, is typified most efficiently for classroom purposes, by focussing on “self-evident,”

15. In fact, in no known case was such a discovery actually made by anyone but Kepler, certainly not by Isaac Newton. Newton’s crude formulation was nothing but a butchered copy of the published formulation by Kepler, a discovery accessible to English-language readers of translations from Kepler’s writings at that time. In fact, neither Newton nor his supposed devotees ever actually claimed to have conducted a relevant measurement. (Cf. LaRouche PAC, “The Harvard Yard,” [www.larouchepac.com]).

a-priori foundations of classroom Euclidean geometry's definitions, axioms, and postulates: the same issue of method identified, with such elegantly Dirichletian irony, in the closing sentence of Bernhard Riemann's 1854 habilitation dissertation.

The essential counter to those varieties of Sophistry, was already known to the ancient Classical Greeks, such as the Pythagoreans and Plato. Kepler's discovery echoes those predecessors, as Nicholas of Cusa did, as in Cusa's own writings, such as *De Docta Ignorantia*, founding modern European science. It was the incongruity of the visual representation of the phenomena of the Solar orbits, with the aural (harmonic) representation, which prompted Kepler's uniquely original discovery of the gravitational organization of the Solar System.

It is the cognitive powers of the human mind, powers not exhibited by any other living species, which are the key to the issues posed. *These powers of the mind do not lie within the domain of sense-perceptions, which are merely "instrument readings," like any other kind of instrument-readings. Here, in this apparent paradox, lies the key to what is competently identified as human individual creativity.* It was Kepler's cognitive insight into the incongruity of the visual and harmonic aspects of the self-same astral phenomena, which implicitly defined a relationship among the planets which corresponded to neither a visual, nor a merely harmonic formulation.

There lies the key to understanding the motive for and nature of the "brainwashing" which had induced relevant suspects, such as professors and their students, to submit to the blind, essentially irrational passion, of choosing to believe (without any actual proof) in the "Harry Potter"-like hoax of silly and depraved Isaac Newton's alleged discovery of gravitation.

### **Was Your Classroom Decadent?**

Throughout the known history of human culture, the characteristic affliction of cultures has been sophistries akin to the mumbo-jumbo of the Aristoteleans and that Newton hoax created by the English devotees of avowed follower of the medieval irrationalist William of Ockham, Paolo Sarpi. It is only through recognizing, both, that these have been frauds, and the motives of the priesthods of relevant cultures in perpetrating such frauds, that a competent approach to modern science could begin, an approach akin to what I write here. It is necessary, as here, to point out present-day widespread

"brainwashing" in any effective approach to competent knowledge of the universe in which we live, such as the subject of the pro-existentialist "brainwashing" of masses of post-World War II Europeans by the pro-Satanic Congress for Cultural Freedom, such as both the irrationalist fanatics Theodor Adorno and Hannah Arendt and their fascist colleague, Freiburg University's Nazi, anti-Semitic Professor Martin Heidegger (or, confessed British fascist H.G. Wells).<sup>16</sup>

This has a very special kind of importance in the domain of the subject of economics. Without the precautions to which I point, rather summarily, here, there is no possibility of a competent notion of the actual principles of political-economy, or of economics more broadly defined. The beginning of knowledge in matters of physical science or Classical artistic composi-

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16. The fact is, that Hannah Arendt's one-time lover, Heidegger, was not only a Nazi, but expressed a variety of existentialist ideology which is specific to the mythic existentialist (Dionysian) basis of Nazism found in such cases as Friedrich Nietzsche, terrorist bomber Richard Wagner, Franz Liszt, and the ideology of the post-World War II Congress for Cultural Freedom (of Sidney Hook, John Train et al.) generally. There is nothing systemically inconsistent with Nazism's core dogma in the teaching of the *Authoritarian Personality* of Adorno, Arendt, et al. on which a relatively vast portion of relevant trans-Atlantic academic ideology hangs today. Modern fascism, whose proximate root is the development of the Synarchist movement under imperial Britain's French stooge Napoleon III, must be recognized as, most emphatically, a product of the role of such as G.W.F. Hegel as the virtual founder of that neo-Bonapartist dogma promoted by the British Foreign Office's Prince Metternich. Metternich asset Hegel and his partner Savigny, who were leading opponents of the calculus, and were also Romantic adversaries of the legacy of the American Revolution and Friedrich Schiller in the post-1815, neo-Napoleonic Romanticism which Heinrich Heine denounced as the "Romantic School," and who were, notably, the enemies, in physical science, of not only Gaspard Monge and Lazare Carnot, but were, also, the enemies, at Berlin, of Carnot friend Alexander von Humboldt and Alexander's great protégé Lejeune Dirichlet.

The fascist streak in Adorno, Arendt, and Heidegger was by no means coincidental. The German anti-Semitism of the Hitler gang and its followers must be recognized by people who are both honest and intelligent, as the hatred directed against the collaborators Gotthold Lessing and Moses Mendelssohn, by followers of Hitler who created an ideology out of blaming "the Jews" for the emergence of the great German-Jewish culture of science and art which expressed what the British empire hated the most in the matter of Friedrich Schiller and the German developments expressed under the influence of Chancellor Bismarck.

There are even relevant Jews in the German-Jewish heritage who have adopted a weirdly perverted version of that Nazi anti-Semitic dogma, a dogma of the "guilt" of those allegedly "misguided" Jews who had been, allegedly, misguided into irritating Germans by being German. Those who hated Schiller and reason generally, were naturally, like Adorno and Arendt, attracted to the same existentialist ideology shared with their Nazi friend Heidegger, and Heidegger's French proteges of the Congress for Cultural Freedom.



EIRNS/Doug Mitchell

*For the past four decades, at least, “there was an increasing disparity between the notion of physical science practiced in the field of machine-tool design and related practice, and the strong smell of that contrary view what should be denounced as ‘ivory tower-ism’ in the academic classroom.” Here, LaRouche Youth Movement organizers take on Harvard.*

tion, lies in the understanding of the essential fraud of modern empiricist and related notions of “sense-certainty.”

Since approximately four decades ago, but with warning signs to be seen with increasing frequency earlier, there was an increasing disparity between the notion of physical science practiced in the field of machine-tool design and related practice, and the strong smell of that contrary view which should be denounced as “ivory tower-ism” in the academic classroom. Unfortunately, the phenomenon of this discrepancy was often viewed, somewhat justly, by the so-called practical scientist in the laboratory as a lack of regard for “being practical” among academics. The error of that view lay in the misuse of the term “practical.”

The actual problem is that typified by the continued, widespread academic absurdity of foolish academics and others in defending the lying myth of Isaac Newton’s alleged discovery of gravitation.

Simply, it was much easier to brain-wash the typical university student in the classroom, than to test the real-

ity of what academics recklessly alleged to be a principle against the harsh realities of competent industrial design practice. The most commonplace among the severe problems in competence met among even some leading working scientists of the world, as in the domain of nuclear physics and related matters, was never so much a problem of physics as such, as the brainwashing to which the scientist had been subjected in his preceding incarnations as a student in an academic program.

It is fair to say, that, still today, the leading universities of the United States, in particular, are abject worshippers of a depraved pagan cult, a cult managed by the Babylonian priesthood of the so-called “peer review” institutions. Since the drive toward a post-industrial, one-

world “Tower of Babel” which erupted around the so-called “68ers” of Europe and the Americas, the earlier practical connection of the economies of North America and Western Europe to reality, had been broken, through the drift into an increasingly prevalent “post-industrial” ideology among the “68ers” and similar, intellectually depraved types.

At this moment, I must emphasize the fact of this corruption of both our national-economic practice and our academic-intellectual life, without remorse for what might be “hurt feelings” caused, or any show of hesitation. The rescue of civilization from the jaws of an oncoming general breakdown-crisis of this civilization, requires, that academic and related depravities of today must be condemned openly, in order that we might mobilize the effort to save civilization by identifying the relevant error as not merely wrong and depraved, but as constituting a threat to the continued existence of civilized life on this planet.

Take as one of the clearest cases of such academic depravity the spread of so-called “green ideology.”

## **‘The Class Struggle’ of Today**

The most conspicuous example of this corruption of the academic classroom, has its root in the conflict which emerged during the late 1960s, between “68ers” on the one side, and industrial operatives and farmers, on the other. The root of the conflict lay in the fact that the core of the adolescents and young adults expressing this hatred against the so-called “blue collar” classes, were products of a conditioning program which complemented the corruption practiced by the Congress for Cultural Freedom in Europe.

As the anarchoid faction of 1968-1970 emerged as the most actively promoted political component of the generation born during the immediate post-war decades, there was a matching physical-economic collapse of the U.S. economy under Presidents Nixon, Ford, and Carter, which has continued as a trend up to the point of the presently onrushing breakdown-crisis of the trans-Atlantic economic systems—and radiating beyond. The resulting, degenerative cultural matrix dominating what has been, until now, the politically-influential minority of the adult population, has brought us now to the present point at which the mass of the population is in enraged revolt against what it despises as the present U.S. government and the like, while a suddenly aroused general, “blue collar” and related generation has arisen, as it were a modern Rip Van Winkle, in full revolt against what the majority of the voting-age population regards as treasonous behavior by the Federal Executive, the financier stratum, and the complicit political parties, press, and Federal legislature.

Underlying this new expression of a social conflict within our society, is the fact that the social and political values expressed by the “Baby Boomer” component of the nation’s “political class,” have an agenda which has no correspondence with the core values and aspirations, or welfare, of the great majority of our adult population. Nothing that the Democratic Party’s current Presidential campaign proffers, now, has any correspondence to the actually vital interests of the majority of our citizenry in general. The majority of the Congress, especially the Democratic members, were prepared to continue to sell out the most vital interests of the population at large, that chiefly for sake of desired support, in the current year’s election campaign, from the very same monied interests which had just robbed the national cradle through the so-called “investment bankers.”

“We must win the current election,” even if that means not only selling out the nation and its people, but sending the nation into its rather immediate doom in the greatest hyperinflationary blow-out in modern world history.”

The “white collar” Baby Boomers’ interest in winning an election, outweighed saving the nation and its people from a plunge into a new dark age of the United States in particular, but also the matter of saving the world as a whole, in addition.

The reason for this disgusting behavior from among the leading Federal politicians and their relevant accomplices, is, of course, a reflection of a moral failure among the currently reigning political class. However, we must also recognize that this moral failure of the national leadership of the Democratic Party in this matter, is essentially a reflection of the change in values which occurred through the impact of the phenomenon of the anti-science element of the “68ers.” In other words, it may appear that the politicians who supported the bail-out were immoral; that is true, in a certain sense. However, the reality is, that the immorality of 68er-style, largely “green” moral values have become the inserted pseudo-morality of this time.

Similar paradoxes have risen to a comparable point of crisis in earlier history of revolutions and the like, as in the case of the Fourteenth-Century New Dark Age which wiped out half of the parishes and one-third of the level of population of Europe during approximately the span of a single generation.

These just stated social-political implications of the present U.S. national and international situation, provide the setting, at this juncture, for resuming our review of the scientific implications of the present political-economic crisis.

## **Economics, Science & Morals**

For reason of the lack of a comprehension of what human creativity actually is, the term “creativity” has been employed loosely as expressing a favorable opinion of what might sometimes seem to be about everything but creativity itself. In physical science, for example, actual creativity is actually typified by Gottfried Leibniz’s allusion to the infinitesimal. However, even in the domain of mathematical physics, the existence of actual creativity is more or less emphatically denied by what passes for entire classes of notable mathematicians such as Rene Descartes, or, more notably, the hoaxsters Abraham de Moivre, D’Alembert, Leonhard



*The characteristic that distinguishes man from the beasts, is the quality of human creativity, which allows the human species to produce successive increases of its potential relative population density.” Shown: “The Cello Player,” by Thomas Eakins (1897).*

Euler, Joseph Lagrange, Pierre-Simon Laplace, and the plagiarist of Abel, Augustin Cauchy.<sup>17</sup>

The term “creativity” were properly employed in the sense of Biblical *Genesis* 1, where its true scientific meaning is emphasized in verses 26-28. The term “creativity” signifies *anti-entropy* as a recognized characteristic of the universe. It signifies, in fact, a universal principle of anti-entropy as being a general law of the universe. Thus, as a beloved, now deceased rabbi of

17. The outstanding reference to be taken from Leibniz’s publications, is his 1695 *Specimen Dynamicum*.

note made the point correctly and neatly, “The Messiah will arrive according to the Creator’s choice” of occasion deemed appropriate, not according to something like a predetermined railway schedule.

The same notion is expressed as a condemnation of the method of Aristotle, and his self-designated propagandists, like the hoaxsters who propagated a “second law of thermodynamics,” Clausius, Grassmann, Kelvin, et al., who echo, thus, the evil dogma of both the Olympian Zeus of Aeschylus’ *Prometheus Bound*, of the evil Prince Philip of Britain, and the latter’s U.S. lackey and former U.S. Vice-President Al Gore. Such pervers have insisted, either explicitly or in effect, that “perfection” signifies that the Creator was reduced to impotence, and so prevented from attempting any further action to change the universe, once its initial Creation had been effected. What prudent soul would pray for succor from an impotent such god, thus probably angering the actual Creator?

The characteristic distinction of human species from beast, is that mankind is the only known species of living existence which has shown itself capable of successive increases of the potential relative population-density of its species. This unique quality of the human species, is the typical expression of the practical meaning of that potential of the human individual which is rightly identified as creativity. This quality of the human individual mind is not merely a capability, a potential, of the human individual mind; it is an imperative built into the Creator’s design of the human species.

Accordingly, the essential obligation of the human species, and of its individual, is to act in service of fulfillment of that assigned, anti-entropic obligation. It is, thus, the essential obligation of mankind, and also of its individual members, to work to understand this unique form of power which the Creator shares with mankind, and to learn to practice it with appropriate devotion.

Such considerations underlie the birth of modern

European science, as this is expressed, typically, by Cardinal Nicholas of Cusa, as in his *De Docta Ignorantia*, and as that injunction was heeded by such among Cusa's avowed students as Leonardo da Vinci and Johannes Kepler, and by their followers in this persuasion, such as Pierre de Fermat, Leibniz, (implicitly) Gauss, Lejeune Dirichlet, Bernhard Riemann, et al., as also J.S. Bach, W.A. Mozart, Ludwig van Beethoven, et al.

In the origins of what emerged as European civilization, out of the background associated with the evil Babylon and its adversary Egypt, the essential form of evil experienced by European culture has been the principle of empire, as from Babylon, ancient Rome, the medieval partnership in evil of the Venetian usurers and their crusading Norman flunkies, and the British (i.e., the neo-Venetian, Sarpian Anglo-Dutch Liberal) empire, from its original composition as an empire of a private firm known as the British East India company, since the February 1763 Peace of Paris, to the present day.

The characteristic of this imperial legacy shared among Mesopotamian and European traditions, is that which was identified by the great tragedian Aeschylus in his *Prometheus Bound*. The essence of such empires is the stipulation which tragedian Aeschylus places in the mouth of the evil, Delphic, Olympian Zeus, the banning of man's knowledge of the principle of "fire." This is the Olympian stipulation otherwise named a "second law of thermodynamics," courtesy of the hoaxsters Clausius, Grassmann, Kelvin, as by the self-described, would-be mass murderers of the progenocidal World Wildlife Fund, the Princes Philip of England and that late, former Nazi-SS veteran Prince Bernhard of the Netherlands, who, on the exact occasion of his marriage to the Dutch princess, signed his letter of resignation from the Nazi-SS, to Adolf Hitler, "Heil Hitler."

The characteristic of all European empires in the skein which the British (Anglo-Dutch Liberal) empire shares in history, from its birth in February 1763 to the present day, is the popular suppression of the practice of those innately creative powers of the individual human mind which have been banned by ruling circles from the knowledge among all designated as typifying the lower social classes of their subjects, including, clearly, that lower intellectual class known otherwise as students of science and economy in leading British and U.S.A. universities of today. That heathen dogma of

that malicious cult called "environmentalism," is merely typical of the depraved, imperial cultural tradition of the Olympian Zeus.

### The Relevant Conflict

The Anglo-Dutch Liberal motive is clear enough to those informed persons who are able and willing to actually think for themselves, rather than regurgitate the nonsense typically circulated so copiously through today's classroom and Liberal press.

The religious warfare launched by the so-called "old faction" of Venice, which long used the Habsburgs as the pivotal force for the attempt to destroy the Fifteenth-Century European Renaissance associated with the great ecumenical Council of Florence, led to the emergence of a then-dissident Venetian faction associated with the figure of the Venetian reformer Paolo Sarpi. The essential trick of Sarpi was to enable the opposition to the Renaissance's modern sovereign nation-state to resist the superior culture of the Renaissance's modern sovereign nation-state, that by accepting the Renaissance reforms only to a certain degree, by substituting the medieval irrationalism of William of Ockham for the intellectually sterile imperialism in the tradition of Aristotle.

The result was Sarpi's build-up of a new Venetian faction of financier-usury, done by creating what became known as northern European Protestantism, and by shifting the financial-oligarchical power of this new Protestantism from an orientation to the Mediterranean littoral, toward the coasts of northern maritime Europe.<sup>18</sup>

However, just as the old imperial tradition of Rome and the Medieval period had relied on the dogma of Aristotle for the purpose of "dumbing down" the great mass of the population, Sarpi permitted a certain amount of scientific and technological innovation, which thus increased the relative economic power of the Protestant (over the traditionally Aristotelian) faction, while preventing any actual discovery of *a system of* universal physical principles.

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18. The birth of Protestantism had been actually launched, formally, by the "Old Venice's" Zorzi, a leading intelligence official of Venice, who deployed to England as the marriage counsellor to the mentally unstable Henry VIII. However, the break was made systematic through Sarpi's adoption of the notion of replacing Aristotle by that medieval lunatic William of Ockham who was adopted by Sarpi, and by Sarpi's lackey Galileo, as the model for what became known as British Liberalism.

The outcome of this process of Sarpi's empiricist reforms, was the relative triumph of the corrupted English-speaking trans-Atlantic culture, a culture which has been divided, from the outset, by an existential conflict between what became our United States and the Anglo-Dutch Liberal empire of the depraved, Liberal followers of Sarpi. For reason of the implications of this arrangement, the U.S. republic has been, from its outset, the great, mortal, English-speaking threat, as if from the inside of British imperial culture, to the continuing global reach of the imperial power represented by the Anglo-Dutch Liberal financier interest, and, the financier interest's attempted destruction, as through Wall Street subversion, of the United States.

With the split between the patriots and the American Tory Party of the British East India Company's agents in North America, beginning the February 1763 Peace of Paris, our United States has remained polluted by that treasonously inclined Liberal faction, through the presently, actually treasonous role of the circles of Secretary Henry Paulson et al. in the current effort to bring about the hyper-inflationary self-destruction of our U.S. republic in favor of the bail-out of London with virtually stolen U.S. dollars.

The crux of this fight between Anglo-Dutch Liberal Protestant empire, and republicanism, has been the intellectual conflict, within physical science, between the hoax known as the actually systemically irrationalist cult of the silly Sir Isaac Newton, which was poised against the legacy of Kepler and Leibniz. This division has come to be expressed, otherwise, by the systemic difference between the credit-system under the U.S. Federal Constitution, as opposed to the monetarist lunacies of traditional European parliamentary systems. This division is typified by the hatred by Britain's Winston Churchill and followers against the United States under, most notably, both the President Abraham Lincoln whom the British assassinated, and against the Franklin Roosevelt whose legacy Churchill's British Empire had been determined to subvert and destroy, since even before the death of that President.

The implication of this, is the conflict between, on the one side, the London-dominated Wall Street interests, including controlling foreign elements operating from within the leading U.S. election-campaigns of the present moment, and, on the other side, the suddenly insurgent mass of the U.S. citizenry now revolting against the vast, mass-murderous, hyper-inflationary

swindle perpetrated by London's lackeys such as the two President Bushes, and by the terrified and corrupted U.S., "Baby Boomer"-dominated, national political establishment.<sup>19</sup>

### **The Crucial Role of Lincoln & F.D.R.**

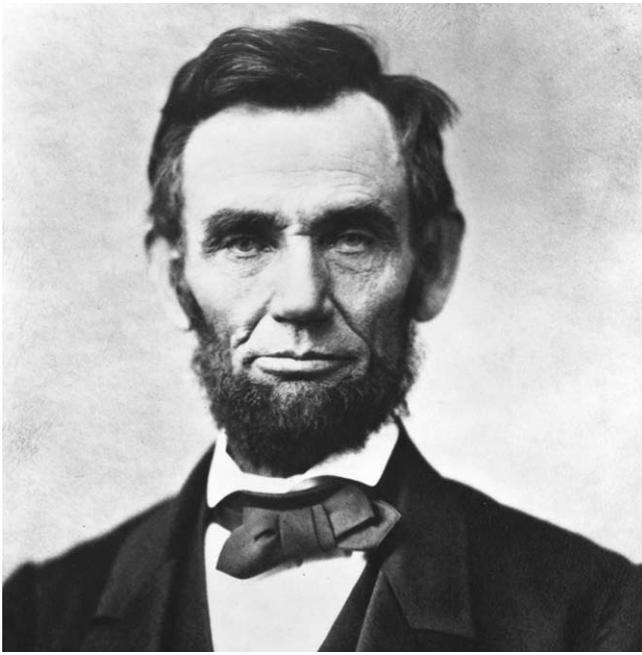
Britain's creation and steering of the treasonous Confederacy, and the similar intention of London's role, through arranging the assassination of the patriotic President William McKinley, in bringing avowed "Sons of the Confederacy" Theodore Roosevelt and Ku Klux Klan fanatic Woodrow Wilson into the Presidency, had been ventures ultimately set back by Presidents Abraham Lincoln and Franklin Roosevelt, respectively, each in their own time. Hence, the implicitly treasonous anti-FDR fanaticism of pro-fascist Felix Rohatyn and the morally depraved British Foreign Office agent George Soros.

However, with the Nazi breaking of the "western line," with much help from French traitors, through the invasion of Netherlands, Belgium, and France, the Anglo-American party, including the Hitler-backing father of former U.S. President George H.W. Bush, a large section of what had been the Hitler-loving Wall Street Establishment, including the current President's grandfather, echoed Winston Churchill in going over from being actively sympathizers of Nazi power, to enemies of the Nazi surge for world imperial power.

However, with President Franklin Roosevelt dead, the "white shoe" gang of strictly temporary adversaries of Nazism in our intelligence establishment, went back to the same root-passions which had earlier put them into the camp, with the former head of the Bank of England, Montagu Norman, of Britain's one-time puppets Mussolini and Hitler. So, the same old see-saw game of patriots versus the pro-British, American Tories in the British East India Company tradition of New England's Judge Lowell, has played out, played out through to the present day of the implicitly American Tory gang ral-

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19. For example, the Democratic Party machine has been controlled, from the top down, by British imperial agencies represented by British Foreign Office agent George Soros. Virtually every other leading national campaign, including the current U.S. Presidency (and Vice-Presidency) itself has been controlled by similar, London-centered financier and governmental agencies. Thus, all the leading true patriots of the U.S. today are "on my side" in the political spectrum; the majority of the citizenry is now in revolt against the same foreign interest working, through Wall Street swindlers, in the effort to destroy our republic through its proposed bail-out schemes.



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*Both Lincoln and FDR, each in his own time, won decisive victories against America's British imperial enemy: Lincoln, against Britain's Confederacy; Roosevelt against London's Nazis.*

lied around Secretary Paulson and three “de-generations” of the Bush family tradition.

Under present circumstances, there is no term for such betrayal of our U.S.A. in today's circumstances, but “treason.” *These British and our American traitors are joined in making war against the very existence of our constitutional republic! Will you defend our republic against its avowed enemy, or not?* The intent of the Treason Party in the United States, the London-centered financier interests is to destroy us, to gobble us up, and to eradicate the principle of our republic from this planet; this role by the London interests represented within our U.S.A., can not be fairly described in any less blunt terms than a case of treason against the continued existence of our U.S.A. The Marquis de Lafayette, and his associate James Fenimore Cooper of the Society of the Cincinnati, and Secretary of State and President John Quincy Adams, would understand my point here, and doubtless agree with me were they to come alive today. *Would you? Are you, perhaps, one of those cheated Americans who have now awakened to discover that the Wall Street Establishment is robbing you, your family, and seeking to loot and destroy our republic?*

As life is distinguished from death, there are points of transition in the life of societies, at which human

sickness passes over into threatened death. On such occasions, the will to act to resist this, by the patient and others, will tend to become decisive. Sometimes, it is the will to live which is, itself, decisive, for a society as for the individual and his or her family. Recently, many in our U.S. Congress and the leadership and general composition of our leading political parties, have sent us signals of a coming political death-rattle from their own side. There are also those, as in the Congress itself, who are those spring-time patriots, even in high places, who would trade the continued existence of our nation for that mess of pottage which is hope of sufficient financing to secure their temporary re-election

In such circumstances as that, the matter of the will to defend the nation hangs on the presence or absence of the relevant motive. Does a prospective candidate, for example, prefer his, or her wish to be elected over the survival of what our republic was created to become, and what was defended, at great cost and peril, by those generations which made possible even the very existence of today's wavering patriots among our elected class? Are there those elected officials, who deserve to be called “losers,” who consider themselves, nonetheless, skilled in the matters of winning particular elections, who would condone an electoral victory pur-

chased by the process of destruction of our economy, a wretched impulse, from such quarters, which has continued throughout the 1968-2008 interval to date, as a demonstration of the principles of “successful political strategy” in government?

Are we increasing the productive powers of labor in these United States, to the effect that the physical standard of life, the life-expectancy of individuals, and the productive powers of labor, per capita and per square kilometer of total territory are increasing consistently over successive generations? Looking at the physical conditions of life in the U.S.A. since 1968, this earlier dedication to progress has never happened in the leadership of our political system since that time. The politics of all leading political parties and relevant leading individuals, as well as the general trend of opinion of the electorate, has been in a consistent period of decadence—of their devotion to the electoral success of the political cause of national failure!—over the entire space of the forty-year cycle of 1968-2008 to date.

As John Ball said, “When Adam delved and Eve span who, then, was nobleman?” Where are the noble patriots among our elected officials and party spokesmen today? An increasingly aroused and growing mass of our U.S. citizens is challenging the members of the U.S. Congress today: “Who among those we have elected can be trusted, now, to defend us against the rapacity of those stinking American Tories who would sell us out to what is itself the hopelessly bankrupt empire of the wicked old Union Jerk?”

### What Is an Infinitesimal?

The LaRouche Youth Movement has done what few among today’s university professors have ever actually attempted, to work through the actual founding of competent forms of modern physical science through the work of Kepler on the organization of the Solar System. Thus, in even leading universities in many nations of the world, the teaching of what passes for physical science is polluted by the incorporation of a gigantic hoax based on the admiration of a silly and utterly damned fool, Sir Isaac Newton, a professed student of witchcraft and other black magic, who is on record as one who could not even discover the way to open a window in the British Parliament. (Valuable information for Prime Minister Gordon Brown, these days.)

This, thus-illustrated streak of widespread intellectual and moral degeneracy in physical science and other academic matters, combined with the Sophist tradition

of Aristotle, Aristotle’s dupe Euclid, and even many far worse, is the most systematically efficient illustration of the chasm of moral and intellectual corruption which prevalently separates the beautiful design of the human soul, as the noblest creature under Creation, from the realization of that design in the practice of human cultures.<sup>20</sup>

In the situation so described, now examine the Leibniz “infinitesimal” more closely.

The rise of the evil Aristotle during the time after the death of Plato, has tended to encourage the concealment of the fact that the same notion associated with the Leibniz’ concept of the infinitesimal, was not only Leibniz’s defense of an earlier discovery presented to “future mathematicians” by Johannes Kepler, but was already embedded as a functional characteristic of the method in physical science of both the Pythagorean doctrine of Sphaerics and the closely related work of Plato.

The concept of the infinitesimal was introduced to modern physical science, implicitly by the same Filippo Brunelleschi who employed the catenary principle of physical science for the construction of the cupola of Florence’s celebrated Santa Maria del Fiore, but it pervades the development of the foundations of modern physical science by Cardinal Nicholas of Cusa, as in Cusa’s principal published works beginning with his *De Docta Ignorantia*

The essential feature of this discovery, both in ancient and modern European times, is expressed most notably in the rejection of the Sophist Aristotelean dogma of *Euclid’s Elements*. That Sophist dogma, as expressed in both ancient and modern intellectual climates, asserts that the sensory image of the world outside our skins, is not only a direct experience of a real universe, but that the universe is of the exact same form as sense-perceptual readings. Cusa’s *De Docta Ignorantia* represents, even in its title, a rejection of those fraudulent, Aristotelean or kindred presumptions. As the Pythagoreans and Plato had insisted earlier, Cusa emphasized that we must discover experimental proofs which lead us to a correct meaning, contrary to the misleading impressions left by mere sense-impressions. *Before preparing the meal, clear the garbage out of the kitchen!*

This distinction first appears as a clearly defined

20. It were disgusting, and, probably, also foolhardy, to suggest that the Creator of our Universe has shown bad taste.

notion of Kepler's work in his *The New Astronomy*. Out of the laborious succession of critical steps leading to the demonstration of "equal times, equal areas," Kepler reached a new demonstration of Cusa's rejection of the Archimedean error of assuming the possibility of the true quadrature of the circle (or, the ellipse). This discovery by Kepler, as amplified qualitatively by the discovery of universal harmonics, led directly, with help from Pierre de Fermat, into two great achievements of all modern European physical science: the discovery of the physical principle of the truly infinitesimal calculus, by Leibniz, and the solving of the riddle of elliptical-physical functions by Carl F. Gauss and his collaborators and followers.

These discoveries, as restored and advanced by modern European physical science, have led into the development of an essentially Riemannian general theory of physical functions, a general theory which is absolutely indispensable for the development and application of a competent general theory of physical economy today. Albert Einstein's recognition of the indispensable role of Kepler, and of Riemann, in all competent modern physical science, is exemplary. The central notion for this purpose is, in first approximation, the notion of the physical-economic significance of the Leibnizian infinitesimal.

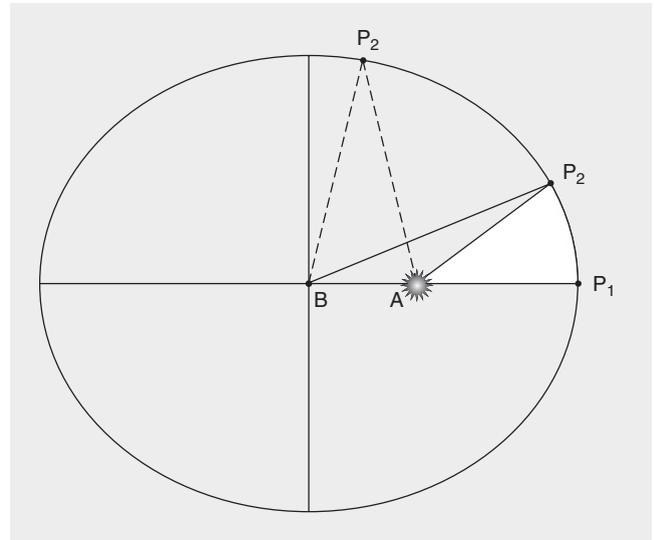
The crucial issue to be addressed in concluding this present chapter of the report, is the following.

### Non-Linearity

To restate the argument of Cusa as simply as accuracy permits, all attempts to derive curved functions from the linear standpoint of Euclidean or Cartesian geometries are intrinsically incompetence physically. This principle, which was already true in Nicholas of Cusa's rejection of Archimedes' mistaken presumption of a quadrature of the circle, was thrust into the form of a crucial paradox by the implications of Kepler's "equal times, equal (sectoral) areas" of an elliptical function.

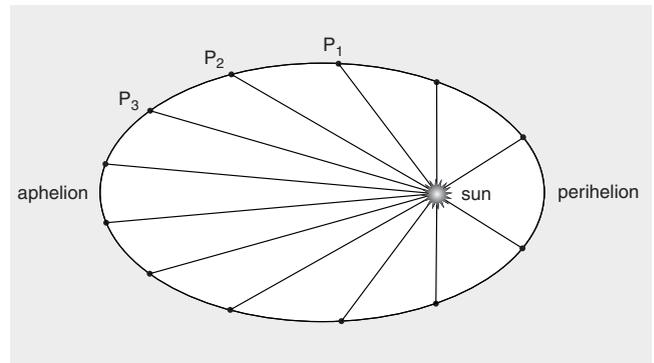
No longer was an ellipse simply a plane-geometrical construction; now, the value associated with any minute interval along the trajectory of the orbital pathway varied "infinitely" with the progress of that motion. Thus, there was no degree of smallness which could be employed to define the orbital action in terms of a linear algebra. Yet, that same interval, while not measurable in any ordinary sense, nonetheless existed ontologically, although not simply geometrically in the Aristotle-Euclid-Ptolemy-Descartes sense.

FIGURE 1



*Kepler's elliptical orbit hypothesis: Here, length  $P_2B$  is not constant, but constantly changing, at a changing rate. What lawful process now underlies the generation of swept-out areas?*

FIGURE 2



*Kepler's constraint for motion on an elliptical orbit: The ratios of elapsed times are proportional to the ratios of swept-out areas. In equal-time intervals, therefore, the areas of the curvilinear sectors swept out by the planet, will be equal—even though the curvilinear distances traversed on the orbit are constantly changing. In the region about the perihelion, nearest the Sun, it moves most slowly, covering the least distance. This constraint is known as Kepler's "area law," later referred to as his "Second Law."*

The paradoxes so generated reflected the fallacy against which Bernhard Riemann was to warn us in the concluding sentence of his 1854 habilitation dissertation, the folly of attempting to derive a physical principle from a merely geometrical one. The infinitesimal quality of the interval of action along an orbital pathway, existed (ontologically), but only as a physical phe-

nomenon, rather than an elementarily geometrical (mathematical) one.

This problem was carried to a higher level in Kepler's *Harmonies*. Here, mere mathematics was cast aside absolutely. Not only was the absurd set of Euclidean definitions, axioms, and postulates rejected absolutely by the physical evidence; the entirety of the assumption that a competent mathematical map of the organization of the universe existed, was destroyed in a manner and degree which affirmed the intent of the title of Cusa's *De Docta Ignorantia*.

A similar challenge is presented by any competent consideration of the effect of even a slight improvement in technology on the productivity of any otherwise fixed mode of productive labor. In this domain, that of the physical productivity of labor in society, we are, once again, dealing with a quality of non-linear action which lies outside the ken of any financial accounting scheme. Yet, what the accountant habitually ignores, is the absolutely decisive feature of the economic process in question.

From this point in description of the case, on, it becomes apparent that the determination of the relative potency of the productive powers of labor in society can be understood only from the standpoint of the physical process of production from the "top down" standpoint of the social-economic process treated as an integrated whole, *from the standpoint of the subject of power*.

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## 2. On the Subject of Power

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The development of pro-industrial, productive modes of basic economic infrastructure, includes the development of water-management systems, national rail-way systems, centralized power-generating systems, and kindred general works essential to production and productivity. These crucial forms of public, as opposed to the relatively tertiary, private infrastructure investments, create what is, in effect, an artificial environment required for the society's productive powers as a whole. It is those public infrastructure programs, as typified by the Tennessee Valley program of the Franklin Roosevelt Presidency, rather than simply direct investment "at the local point of production," which are the primary, most effective drivers of increased productivity, per capita and per square kilometer in the economy as a whole.

The local capitalist of a town, city, or region of the nation, may insist that it is *his leadership, his investments*, and so on, which are the driver of *his independent contribution* to national economic progress. In many cases, it used to be the case that such local entrepreneurs did make a significant contribution to the national economy as a whole. Therefore, one must pose the issue: "It is now a clear fact, that the U.S. economy has undergone a consistent pattern of decline in net per-capita physical output of the national economy as a whole, during a period of forty years, since U.S. Fiscal Year 1967-68. It is also true, that some enterprises did provide a net gain in production of true physical wealth and productivity during parts of the 1968-2008 interval, whereas the economy as a whole has failed miserably, with an accelerating rate of net loss in net physical output, consistently, over the entire forty-year period. How was this ironical pattern possible—over the interval of the most recent forty years!?"

*Why has our national leadership, including the Presidency itself, been a consistent failure in matters of economic policy over a span of forty years?* What has been the controlling influence on the predominant ideological trends in the economy considered as a whole, throughout each and all of the most recent four decades?

Admittedly, Presidents Nixon, Ford, Carter, Reagan, and Clinton (to say nothing of the—ugh!—Bush league's no-hitter Presidencies during a total of twelve particularly awful years) each and all failed to bring on any program which would have reversed the terrible errors of their predecessors on this account.<sup>21</sup> Let academics and other foolish people make up all the self-consoling so-called theories and other opinions they might choose: the success, or failure of nations' economies is decided from the top, down, not the bottom, up. Without a functioning human head, everything below the neck is kind of silly and pitiable.

This fact has had consequences even within my own association. When it comes to telling the straight truth,

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21. Certainly, this does not account for all that this Presidency did during this forty-year interval. Some excellent work was done on sundry matters of policy-shaping, as, notably, by Presidents Reagan and Clinton, but there was never the critically needed correction of the direction of that trend of errors in national and also European economic policies which has dominated the U.S.A. and the world generally, especially since August 1971, since the attempted assassinations of France's President Charles de Gaulle and the assassination of President John F. Kennedy.

when the truth were probably not instantly popular, populist sorts of opportunism have been the greatest of the afflictions which I have been obliged to confront within my own associations, here and in other parts of the political world.

Contrary to much public sentiment, it is a fact, even statistically (which is about as low as the mind of a typical economist can descend), that the possibility of the success of enterprises depends upon the economic environment which has been created and boosted from the nation's leadership—especially our Presidency—on down. It is, variously, by killing our Presidents, or selecting incompetent, or corrupted ones, or, simply fools in the Congress trying to “go along to get along,” that the nation is deprived of that quality of Presidency upon which a determining national economic-development policy depends absolutely.

Unlike the customarily failed European parliamentary systems, with their attached, inherently failed Keynesian and kindred monetary systems, the U.S. Constitutional system of national leadership and government, as understood by such as Secretary of the Treasury Alexander Hamilton, Henry C. Carey, Abraham Lincoln, and Franklin D. Roosevelt, is the best system of government ever designed in any part of the world, at the least, thus far. This advantage, when permitted to express itself through a good U.S. Presidency, expresses the moral advantage which was sought and developed among the best leaders of the English-speaking colonization of North America, in contrast to the inherent corruption of the parliamentary and monetary systems of “Old Europe.”

This advantage of our historic legacy, is located as our original Federal Constitution stipulates, especially, in the functional implications of that highest principle of our Constitutional law, which is expressed in the



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*FDR's Tennessee Valley program (TVA) was emblematic of the type of public infrastructure investment, that provides an effective driver of increased productivity, per capita and per square kilometer, in the economy as a whole. Shown: construction work at the TVA's Douglas Dam, Tennessee, June 1942.*

Preamble, *a Presidential, rather than a parliamentary system*. The selection of that President is highly significant, and sometimes crucial, *but* any President, even one as great as Washington, John Quincy Adams, Lincoln, or Franklin Roosevelt, does have the power to influence, but does not have, in himself, the power to predetermine personally, the course the nation will follow over generations to come.<sup>22</sup> The President must lead, but *it is the Constitutional intention of our Presidential system of self-government, far more than any President, however great, which decides the outcome in the long run*. The principle of leadership must be built into the way the succession of Presidential administrations is pre-arranged and ordered thereafter. *The problem has been the corrupted way in which the succession of the Presidency was ordered after the assassination of President Kennedy*. That is what I mean by *The Presidency*.

Forty recent years of what has become now a cata-

22. I believe that, under proper circumstances, President Bill Clinton might be well suited for amplifying my argument here.

strophic, global failure, is a fair intimation of “the long run.”

The root of the relevant connections is implied in the summary which I have just presented. That is to emphasize, that the driver of our national economic progress, since the beginnings in the Mayflower and the founding of the Commonwealth of Massachusetts during the interval prior to 1688, has been a conception of man typified for practice by Increase Mather’s period of leadership over Harvard.<sup>23</sup> As the Mathers did, through the time of Cotton Mather, and as Winthrop family members continued this role deep into the Eighteenth Century, the English-speaking colonies in North America were *chiefly* founded in hatred of the evil which the influence of Paolo Sarpi’s Liberalism and that of the morally depraved representative of the traffic in African slaves, John Locke, carried into what became our republic: thus, the role of the latter two factors as an infestation from European Anglo-Dutch Liberal culture morally comparable, in its political expression, to the bubonic plague.

The critical role which Benjamin Franklin performed,<sup>24</sup> in introducing the industrial revolution to Britain, reflects the fact that it was the American system as already adopted by prominent internationally renowned scientist Franklin, as he collaborated on this with relevant scientific circles in Britain and France, which exported the conception of the agro-industrial revolution in national productivity, echoing the Saugus Iron Works, into a post-Queen Anne Britain. It was the principle of Leibniz’s influence in Queen Anne’s England, most emphatically, which had represented the fragile hope for England’s future, despite the Anglo-Dutch evil of William of Orange and Churchill.

What Franklin represented on this account, is summarized as a statement of U.S. national economic policy by our republic’s first, and, by far, best Secretary of the Treasury, Alexander Hamilton, as Carey echoed Hamilton’s essential, Leibnizian conception later.

Restated: real economy, is physical, not linear, not algebraic, not Cartesian, nor Kantian. Real economy is dynamic, as in the sense of Leibniz’s *Specimen Dynamicum*, and in the sense of Riemannian physical ge-

ometry, and in the sense of the Pythagoreans and Plato who preceded Leibniz in more ways than one.

## We Must Reject Populist Stupidities

The stupid approach to the study of political-economy, is the British—or, better said, Brutish, or Cartesian approach echoed by Adam Smith and Smith’s famous dupe, Haileybury School-indoctrinated Karl Marx. The pivotal work by Leibniz on this account is, again, his 1695 *Specimen Dynamicum*, in which Leibniz not only sums up the proof of the intrinsic incompetence of the reductionist methods of Descartes and the Eighteenth-Century empiricists, including the wretchedly incompetent and depraved Adam Smith, generally, but also presents the proper basis for a conception of a science of physical economy in the clearest way.

In the U.S.A. and elsewhere, today, the customary source of lunacy about economy among otherwise intelligent and skilled professionals and entrepreneurs, is their argument, in effect, that since the generality of national economy’s principle, as a matter of physical principle, is so elusive to the ordinary individual mind, that ordinary people must reconcile themselves to making the nation’s economic policy from the bottom-up, rather than the top-down: the art of thinking without using one’s head. The result is, that aiming for the bottom is likely to carry one to the bottom.

This popular, intrinsically incompetent, largely mythological argument against a top-down, universal-principled approach to economy policy, has been often the “the opium of the entrepreneur” inhaled in defense of the entrepreneurs and elected representatives against charges of failure against which the population has complained, or which the population might present against the current apologetics of the local business community, apologetics crafted in defense of that Liberal policy of practice which is, often, foolishly, called “capitalism.”

The fact of the matter, as works such as Leibniz’s *Specimen Dynamicum* emphasize the crucial principle of organization on which successful economies depend, is that the effective function of all actual systems, including national economies, functions on the basis of principles which operate from the top, down, rather than the bottom up. Nearly every actually stupid and destructive argument in current, or proposed law bearing upon national economy, is based on arguments which presume that national economy is Cartesian,

23. Harvard has since had some good years, but mostly very bad ones, during sundry times since. Cf. LaRouche PAC, “Harvard Yard,” ([www.larouchepac.com](http://www.larouchepac.com)).

24. Anton Chaitkin, “The Franklin Circle Starts Modern England,” *EIR*, Feb. 9, 1996.

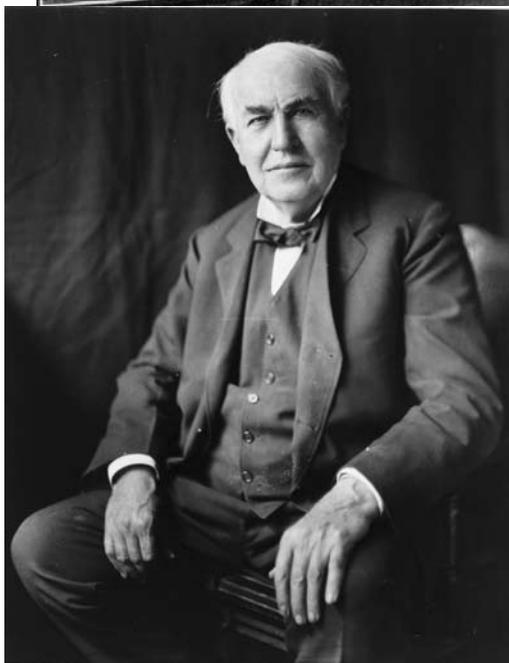
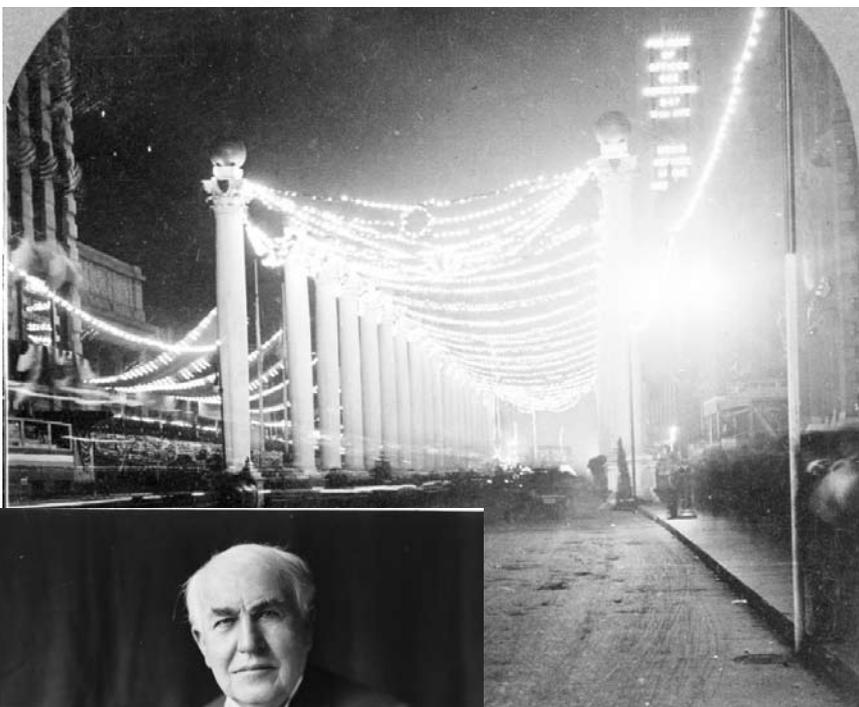
which is to say, as if from the bottom, up, rather than, as in reality, the head controlling the feet.

All competent economic policy is based on a form of so-called protectionist, “fair trade” policy of government, in which net prices and preferences in extension of public credit, are herded, by government’s law and policy-shaping influences in matters such as relative rates of taxation, to conform to the intended effect of a general *physical* principle of economy. This is not an arbitrary matter; it is the principle of using one’s mind, rather than allowing the mind to be seized in the grip of nitty-gritty sexual, or comparable monetary or like passions.

### The Crucial Issue of Principle

This principled, Leibniz-Riemann approach, worked to such effects, that the development, through what might be termed the regional “Edison effect” of electric motors used to power specific items of machinery in the greater New York City area, circa 1910 A.D., produced a general increase of net productive power, relative to belt-transmitting systems, without any otherwise appreciable cause for the manifest increase in productivity. Similarly, public health systems, and so on, which provide such services independently of any limitation by fee-per-service considerations, have a kindred effect.

The general point to be raised, respecting the subject of increase of productivity, per capita and per square kilometer, in national economies as wholes, is that it is much less due to investments at the point of production, than the invention and supply of improvements in technology in a general way for the population and economy as a whole. These top-down factors are, chiefly, concentrated in U.S. Federal monetary and credit policy, as in the brilliantly successful reforms under President Franklin Roosevelt, in opposition to any nonsense bred



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*The “Edison effect” of electric motors used to power specific items of machinery in New York City, circa 1910, produced a general increase of net productive power, exemplifying the Leibniz-Riemann approach. The photo above shows New York City, as the street lights were turned on for the first time, 1909. Left: Thomas Alva Edison.*

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among the intellectual fungi of the Harvard Business School or kindred places where nation’s misfortunes are bred for mass-distribution.

It is only when we consider the role of the leading edge of machine-tool design of tool-making instruments and processes, that we touch the essence of the genius expressed by the reforms under U.S. President Franklin Roosevelt and such Roosevelt associates as Harry Hopkins. It is in the history of such practice of the higher order of machine-tool design, at the level of machine-tool design of proof-of-principle experiments, that the great World War II achievements under President Franklin Roosevelt’s leadership can be grasped in what may be fairly described in a concretized way.

This outlook on national economic policy-shaping under our original Federal Constitutional system, is strictly Leibnizian and anti-Lockean, as illustrated by the case of Abraham Lincoln's Union mobilized to defeat that pack of British-created, Lord Palmerston-directed traitors called the Confederacy.<sup>25</sup>

Those illustrative points considered, the lesson which should be adduced from the Franklin Roosevelt experience, is the following.

### Fighting Fascism & Its Like

This principle is also encountered, as a principle of physical economy, under the emperor Charlemagne, where the first truly competent economic census was conducted, and in which the systemic development of inland waterways of transport was applied, in a related way, to produce a general upsurge in productive powers of labor. Despite what was done to ruin Europe after the death of Charlemagne, what was done in the improvements, under his administration, provided the broadly embedded, model pre-foundations for the later, Renaissance development of modern European civilization.<sup>26</sup>

The public-private, actually Mussolini-style fascist swindle proposed by the Rockefeller Foundation, New York Mayor Bloomberg, and that bankrupt "Sultan of Flab" otherwise known as the bankruptcy of California,

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25. Take the case of the attack on Presidential candidate Lincoln in a famous Boston meeting. Would he be devoted to ending slavery, or defending the Union? Lincoln replied, "defending the Union," because only that approach could lead to the elimination of slavery. It should not have surprised any intelligent citizen today, that Lincoln's Liberal critics from the places such as Boston then, appeared later as the strongest advocates of educational policies design for the dumbing-down of the freed slaves, rather than the policy expressed by Frederick Douglass and other leaders of the freedom movement during Lincoln's lifetime. Lincoln's defense of the Union was that of defeating the imported treason, from British control of the Spanish trafficking in African slaves, of the forces, in Boston and elsewhere, who professed themselves to be against slavery in their states, but permitted its proliferation in other states; whereas, Lincoln attacked slavery at its root, the British system which backed the Confederacy's case with vast amounts of military support, and reaped vast profits from their Spanish stooges' conduct of the slave trade in the drug-trafficking Anglo-Dutch Liberal interest. (Drug trade, then as now, is more profitable to London-centered interests, than slavery; so, London endowed its dumb and vastly corrupt puppet, the Nineteenth-Century Spanish monarchy with the conduct of the less profitable slave trade.)

26. See Charlemagne and his continuing influence as a legacy of the Augustinian effort, from Augustine, through Isidore of Seville, through the Irish monks, through the miraculous Christianization of the Saxons, to Charlemagne and his works.

is what created what must be regarded by relevant, richly angered citizens, as a virtually sexual affair involving Bushlegger Enron and Governor Schwarzenegger, is essentially a pure fraud, a swindle and ruin now spreading throughout the nation as a whole—or, perhaps, unless corrected soon, a "hole."

Idiots presume that "physical," as that term is applied to economy, is a matter of tangible, countable objects. In other words, they think in Cartesian-like, radically reductionist terms. Their view is contrary to that expressed by Leibniz in such publications as his 1695 *Specimen Dynamicum*. Leibniz summarily dismissed Descartes as being a purveyor of gross incompetence in both economics and in physical science generally. Yet, lately, as a result of British influence on Eighteenth-Century developments, most currently practiced financial accounting, and teaching and practice of economics doctrine, is derived entirely from that specific form of wild-eyed incompetence represented by Descartes. Such beliefs as those typified by Descartes, ensure a state of mind in the believer which must lead to the inevitability of the greatest imaginable incompetence in real economic matters, as Treasury Secretary Paulson's influence typifies expressions of those diseased mental habits expressed by the Bush-Paulson "bail-out" swindle of the American people generally.

This takes our attention back to the beginning of the first chapter of this report as a whole. The essential ecological characteristic which separates humanity absolutely from lower forms of life, is the human mind's unique power of discovery of the quality of "fire" which is banned from human knowledge by the character, Zeus, of Aeschylus' *Prometheus Bound*. This distinct power of the human species, is ostensibly, intrinsically, an intangible, but nonetheless powerful physical, but not merely mechanical force. It is a force on which the society depends, not only for its continued successful existence, but, in the final analysis, for any continued existence at all. It is the promotion of the creative powers of original discovery, or re-discovery, of universal physical principles, which fosters that development of the human mind which is indispensable for producing the great scientific discoverer and his, or her essential companion, the machine-tool designer. It is upon such measures, that society's ability to avoid virtual death-through-entropy depends.

Thus, not only does human productivity depend upon scientific-technological progress for its continued economic progress; it depends on the enhancement of



Office of the Governor

The two “Bozos,” Mayor Michael Bloomberg and Gov. Arnold Schwarzenegger, would put toll-gates at the intersections along each block-long stretch of local sidewalk, to fund the public-private infrastructure programs concocted by the Rockefeller Foundation.

production of goods by the production and supply of inter-mediating agencies of the human creative mind, agencies we associate with the expression of technology *per se*.

These goodies of scientific and technological progress come into existence in their ontological expression, as what is typified, thus, by machine-tool design. Even if the factory operative, for example, makes no significant improvement in the quality of the action which he supplies to the production process, the technological progress embedded in the form of increased power and increase capital-intensity of production, as increase of the energy-flux density of power supplied, and so on, amplifies the net value of the effort supplied by the operative “at the point of production.”

The contrary view, as typified by such incompetents and swindlers as the “Bozos” Mayor Bloomberg and Governor Schwarzenegger, may suggest that putting a toll-gate at the intersections along each block-long stretch of local sidewalk, might somehow improve the economic “infrastructure” of the community in question, but only a poor, half-witted bumpkin, conditioned to accept the lunatic fantasies of a virtually Tower-of-Babel form of globally green “post-industrial society,” could be insane enough, or simply larcenous enough, to believe Bloomberg’s scam. That scam is a one-big-altogether-too-much swindle, concocted by the Rocke-

feller Foundation, which has been represented as the inspiration of such a proposed, “back-to-the-Middle-Ages” swindle.

The chief product which distinguishes humanity from the apes, is the product of the creative powers of discovery of universal physical principles through which the effective energy-flux-density, per capita, and per square kilometer of territory is increased.

The idea of capital of production, must be taken out of the hands of the financial speculators, and relocated in the concept of increased productivity per capita and per square kilometer through increased *physical* capital-intensity, and increase of the energy-flux-density of the quality and quantity of power supplied to production and transportation.

### ‘Human Evolution’

From the comparative standpoint of conventional animal ecology, the human species is unique among all living creatures, in that it represents the design of a self-evolving species. It is a design which is expressed naturally in the evolutionary progress of human societies to a, culturally, more highly evolved form of life than its ancestors, yet without requiring any change in the human species biologically.<sup>27</sup> This is accomplished through the discovery of universal physical principles, and by the transformation of the behavior of the individual in society, to higher levels of implicit potential relative population-density than in early phases of science-driven cultural evolution.

This defines the elementary, absolute distinction which separates actually practicing members of our

27. For a time, the last hold-out of those British and other anthropologists’ efforts to define some populations as virtually “semi-human,” ran through cases such as the pygmies and so-called indigenous people of Australia. While I admit my reservations about the case of Beaverbrook political heir Rupert Murdoch, the evidence is that the mis-named “original” population of Australia suffers no lack of the cognitive potential of any other part of humanity. Cultural development, which is transmissible culturally, is essentially all-determining. The case of suspected “marstupial” and former U.S. Vice-President Al Gore, has left me with concern for what might actually have happened in the breeding practices of Tennessee’s Possum Hollow.

human species from the beasts.

The evolution of the human population to higher forms of potential relative population-density, refers our attention to the following crucial, principled considerations.

The first such consideration is, that there are three distinct phases of reform to be considered:

- a.) The percentile of the population's labor-force employed in production of relevant physical goods, must now be greatly increased, but with emphasis on science-intensive, capital-intensive modalities of effort and output.
- b.) The increase of the ration of all production represented by capital and related improvements in the infrastructure of production and direct care of the population as a whole.
- c.) The increase of the degree of emphasis on physical-science driven progress and comparable roles of Classical culture.

The "driving" of a society's upward pathway of development, to these included ends, requires emphasis in all policy-shaping by governmental and other functions, on both:

- 1.) Scientific and related technological progress; and
- 2.) Classical forms of culture in drama, literature generally, music, and visual arts, each and all considered as interdependent, and as to be used as a medium of insight into the historical development of the individual and of the society which he, or she inhabits.

These considerations just summarized, so, summarize the essential issues of a competent nation's direction of its economic and related policies.

All among these considerations are properly subsumed, as conceptions, under the governing notion of the essential immortality of the human living soul, despite the mortality of the living package within which the newborn soul is delivered into its mother's arms. As Russia's Academician V.I. Vernadsky implied, that human soul expresses functionally efficient powers to change the principle of ordering of our universe, powers which do not exist in any other known living creature. It is the association of the human personality with those special powers, known as human creativity,

which expresses that immortality of the individual human soul of which Plato spoke and Moses Mendelssohn wrote.

In contrast to that set of criteria, today's so-called "free market" economy seems to be better adapted to virtual slave-labor by an argot-bound quasi-slave population enjoying the beauties of "globalization" on a barren, meaningless orb floating as if outside our galaxy. There, idle hours away from the work-place, or even within the work-place, are devoted to entertainment of the form of attempted copulation with any species of nearby object which even merely appears to move, all under what pretends to be a currently very strict moral code governing not-necessarily human, sexual behavior.

All this just said, amounts to insisting that to understand economic processes of societies, we must first acquire a clear insight into the nature of men and women, and the needs which they have acquired on account of being human.

Consider a few examples of this line of investigations, to make the general, relevant point clear.

### **The Productive Powers of Labor**

All usually taught descriptions of modern European and related economies are founded in what are actually sterile, reductionist models which propose to describe relations of production, expenditure, and income in a fixed algebraic, actually Cartesian form of relationships. In contrast to that, all economies are, in physical terms, essentially *dynamic* in Leibniz's revival of the ancient Pythagorean-Platonic sense of *dynamis*. On this account, there is no competent science of economic processes which does not proceed from the argument of Leibniz's identification of the scientific incompetence of the principal arguments by both Descartes and the Eighteenth-Century European empiricists, such as London-trained Karl Marx.

All relevant systems of production in societies worth living, are engaged in the practice of human freedom, rather than the virtual human slavery to fixed traditions in economic and other social behavior. Therefore, it is not merely change that defines society's characteristics, but, rather the matter of change, and, most emphatically, the choice of direction in which change is occurring.

It is the increase of the capital-intensity of investment in transportation and production, combined with qualitative leaps upward in the energy-flux-density of

the power supplied to both production and transportation, which must now supersede the follies of financial-capital concentration. Main street must now replace Wall Street, and production by farmers, industrial operatives, increased rations of machine-tool-design spe-

cialists, and related qualities of Classical and other higher education, must be increased to reverse that misdirection of the composition of employment which has become characteristic of the decadent age of the Baby Boomer.

## LaRouche on Russian TV: 'Greatest Crisis in History'

*For the second time in a month, on Sept. 22, Russia's English-language TV channel, Russia Today, broadcast a live interview with Lyndon LaRouche, on critical strategic developments; the first was aired Aug. 21.*

*Here is an edited transcript.*

**Russia Today:** The Russia market has rebounded after a sharp dive at the beginning of last week, but the main indices are still close to a three-year low. Analysts say, that to a large extent, the turmoil in the Russian markets was caused by the global financial crisis. Last week, one of the world's largest investment banks, Lehman Brothers, went bankrupt, and the U.S. government announced multi-billion-dollar bailouts.

For more, we are now joined live by Lyndon LaRouche, an economist and political activist from the U.S. Thank you very much for joining us, Mr. LaRouche.

How hard can the global crisis hit Russia?

**Lyndon LaRouche:** This is the greatest crisis in history, since the 14th-Century New Dark Age. It does not yet realize that that's the case, but that is the case.

**RT:** That's interesting: Since the 14th Century, you're saying, rather than the Depression?

**LaRouche:** No, this is the 14th-Century New Dark Age stuff: This is the greatest financial collapse in all history of Europe.

**RT:** Should the financial crisis be dealt with on a global level, then?

**LaRouche:** It is political. The question of establishing a new international finan-

cial system, to replace one that is breaking apart, is the leading issue of this time.

**RT:** And how far can it go in the U.S., then? I mean, you've said how serious this is: Is it a complete financial meltdown likely?

**LaRouche:** Yes, it is. It is a complete financial meltdown. It's being represented as a real estate crisis. That's got it backwards. This is a crisis of the system, which used speculation in real estate as a means of trying to support investment banking speculation internationally. And what happened is, the real estate section ran out of steam, and the whole system collapsed. But it's not a real estate crisis: It's a general, systemic crisis of the present international financial system.

**RT:** But it did begin with the real estate crisis didn't it, with these subprime mortgages?

**LaRouche:** Well, actually, it began earlier, but somebody noticed the real estate problem, and they couldn't get any more out of it. Because what happened is, that Fannie Mae and Freddie Mac had been stretched beyond belief. And at that point, they had no new source from which to steal, to support the investment banking speculation, in the United States, or the United Kingdom, or in Western and Central Europe.



*Lyndon LaRouche appeared on Russia Today TV Sept. 22.*

The only competent approach to assessing any national economy, for example, treats the entirety of the national economic, or comparable institution as expressing a *principled function of constant change*. The factors which I have referenced in the listings immediately above, are typical considerations.

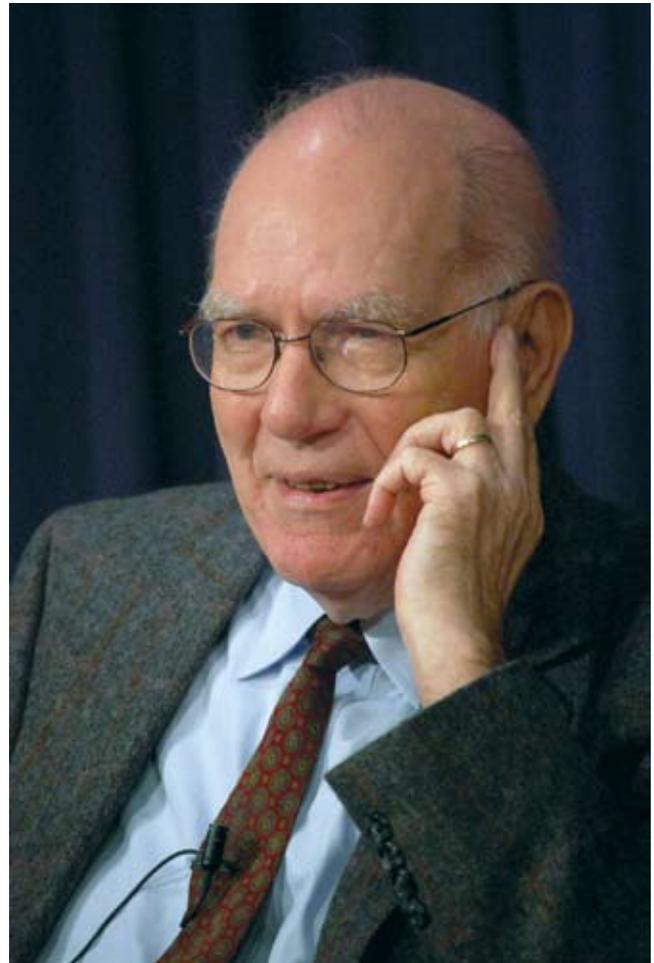
Since the revolutionary work of Academician V.I. Vernadsky, our conception of the economy of mankind has been fundamentally changed to reflect Vernadsky's systemic distinction among non-living, living, and cognitive processes. The review of what had been the previously traditional parameters of economy, from the standpoint of the Vernadsky revolution in physical science, compels us now to re-examine old questions of economy from a relevant, fresh, characteristically Riemannian standpoint.

Since I have treated this subject in several earlier published locations of the recent decades, I can, in good conscience, limit my attention here in ways which reflect what can be referenced from my work in earlier locations.

Any competent theory respecting the nature of the individual in society as a whole, must focus on the seemingly paradoxical juxtaposition of the human individual's actions to change nature, while also being impelled to change man's conception of, insight into the mutual, reciprocal dependency of the human individual's thinking of his own actions on society, and society's definition of him as being essentially an immortal being, despite his animal-like, mortal packaging.

That is to say, that the moral intention of living individual human existence, is not the action the person performs on society's environment as such, but, rather, what he, or she becomes as an outgrowth of the dedication to performance of that chosen mode and intention of labor. The cruelest of the widespread experiences of personal tragedy, is the inability to locate such an immortal source of meaning in the practice of what should be considered the profession (or, "confession") of one's mortal daily life.

That paradox defines all competent moral sense as associated with two challenges: that of providing for the always improved material conditions of life, and that of finding in oneself a congruent sort of moral choice of meaning of living one's own life in society. The outcome of a serious such self-examination leads one to consider these questions which I have just posed from the Classical Greek standpoint in which the foundation of now globally extended European civilization



EIRNS/Stuart Lewis

*"The moral intention of living individual human existence, is not the action the person performs on society's environment as such, but, rather, what he, or she becomes as an outgrowth of the dedication to performance of that chosen mode and intention of labor. The cruelest of the widespread experiences of personal tragedy, is the inability to locate such an immortal source of meaning in the practice of what should be considered the profession (or, 'confession') of one's mortal daily life."*  
Shown: Lyndon LaRouche.

is grounded. This means an emphasis upon a metaphysical science (e.g., the Sphaerics of the Pythagoreans and Plato) and the sociology of Classical Greek tragedy since Homer. One is the meaning of the outcome of one's mortal life from the standpoint of expanding, developing, universal Creation as a whole. To what principle of action should we devote ourselves; to what policies of action must we dedicate the necessary, present shaping of the future of humanity, and, implicitly, the universe?

Friedrich Schiller approached this class of question with the concept of the "beautiful soul."

## No Bailout, No Bail! Pass the HBPA Now!

by John Hoefle

Lyndon LaRouche has some advice for the two Presidential candidates, and for all candidates running in the coming elections: Stand up and denounce the Bush/Paulson bankers' dictatorship bailout scheme. The American public has made their position loud and clear: *No bailout for the parasites of Wall Street.*

"What's going to be decisive is who gets up first and denounces this crap the loudest," LaRouche said. "This is not a matter to sit back and watch what happens: The question is who makes the loudest noise in protest against this swindle, and calls it a swindle. That's the key. The guy who calls it a swindle first, is ahead!"

The public outrage has already gummed up the works considerably, with Congress being flooded with so many calls and e-mails that some Congressional e-mail servers crashed. Both the Bush Administration and the Congress know the public has overwhelmingly rejected the swindle, and Paulson has already made some compromises.

Now that we've got them scared, LaRouche said, we should push them even harder. There can be no compromise, no deal. Our demand is: *Stop the bailout, and stop it now!*

### Caught in a Trap

The Bush Administration and Secretary Paulson have fallen into a trap of their own making. They have made it clear to everyone that the financial system is doomed, that all their past bailout operations have failed, and that only a massive injection of taxpayer cash into the financial system will stop it from collaps-

ing completely. They have admitted, with their actions, that LaRouche was right, that the global financial system has died, that the U.S. banking system is bankrupt, and that unprecedented Federal government intervention is necessary to solve the crisis.

Hank Paulson initially demanded that he be given the power to do whatever he saw fit, with no interference from the courts or other government agencies, and from his perspective, for good reason. "Hjalmar Hank" knows that he cannot bail out all the banks, that the banking system must be dramatically restructured to adapt to the shrunken level of financial activity; and he knows that there will be a lot of screaming as he feeds the little banks to the bigger ones.

The disappearance of the big investment banks is indicative of the problem. These giants grew rapidly with the rise of the securities machine, building football-field-sized trading floors to speculate in every form of currency, commodity, bond, and derivative. They became, in their view, the Masters of the Universe, the gods of the capital markets, around which the entire world revolved. Now, they are gone. Bear Stearns failed in March; Lehman Brothers, in September, on the same day that Bank of America bought Merrill Lynch; and a week later, Goldman Sachs and Morgan Stanley converted to bank holding companies. They are gone because their business died, and they were all failing. They did not choose to do this; the decision was forced upon them by reality, the inevitable result of the collapse of the system.

Paulson—the former CEO of Goldman Sachs—is

in the same position, a would-be dictator whose actions are shaped by powers far beyond his control. He is reacting in the only way his banker's mind knows, trying to save what he can. His plan is to take the money from the government and use it to fund the restructuring, consolidating the remaining 8,500 U.S. banks and thrifts into a much smaller number of giant institutions. Some will be merged, while others will be closed by the regulators, the FDIC eating the losses and then, either liquidating the institutions, or selling their remains to bigger banks. The closure of Washington Mutual and its purchase by J.P. Morgan Chase is indicative. Paulson may deny that this is his plan, but he will do it because he has no choice.

### **Paulson Cannot Succeed**

Paulson is caught between Scylla and Charybdis. If Congress gets up on its hind legs and denies him his bailout, he is finished. Having admitted that the system is bankrupt, he can't take it back—the government will have to act, and the only serious option left on the table, is LaRouche's three-point plan, putting the financial system through bankruptcy.

If Congress does capitulate, and gives him his bailout, his victory is pyrrhic, because his plan will not work. Treasury will have to issue billions, then trillions of dollars of Treasury bonds, to swap for all the bad paper from the banks and other institutions included in the bailout; and it will have to buy them at prices far above their current market values. In order to maintain the illusion of solvency, the banks are carrying huge amounts of financial paper at or near face value; selling the paper to the government at market price—pennies to nickels on the dollar—would be the same as writing it down to those values, which they cannot afford to do. Thus, Paulson's plan is premised upon significantly overpaying for these "assets," which in turn, reveals the blatant lie in the claims that the taxpayer might ultimately turn a profit on the deal.

Pouring trillions of dollars of new money into the banking system in this way is highly inflationary. We are already in a hyperinflationary state, similar to the situation of Weimar Germany in November 1923, and what Paulson proposes to do would result in an accelerating collapse of the dollar. In January 1922, it took 192 German marks to equal 1 U.S. dollar; by January 1923, that ratio was 17,972 per dollar; by August it was nearly 5 million marks per dollar, rising to 99 million in September, 25 billion in October, 2 trillion in November, and

4 trillion marks to the dollar in December 1923; at which point, Reichsbank President Hjalmar Schacht issued a new Rentenmark, at 1 Rentenmark in exchange for 1 trillion old marks. This is the path "Hjalmar Hank" has chosen for the dollar, whether he understands it or not.

### **The Only Alternative**

The only proposal capable of dealing with this financial crisis without unleashing the Hounds of Hell is that of Lyndon LaRouche, with his Homeowners and Bank Protection Act (HBPA), a two-tiered system of Federal credit issuance designed to rebuild America's productive base, and an international alliance among major nations—the U.S.A., Russia, China, India the most crucial—representing enough of the world's population to give the alliance the necessary clout to force through a global reorganization, over the determined opposition of the British Empire and the financiers of the Anglo-Dutch Liberal system.

The HBPA starts with the idea that we can not allow people to be thrown out of their homes, and that the flow of essential goods and services must be maintained: Save the people, write off the funny money. This can be done by putting the banking system through bankruptcy, freezing all the crap, while making sure that money flows to keep the people alive and households functioning. The banking part of the act would create a highly regulated, functioning banking system out of the corpse of the dead one, to protect deposits and facilitate commerce.

As the financial crisis is brought under control, the two-tier credit system, with low-interest credit directed by the Federal government into a series of science-driver and infrastructure projects, will recreate an environment in which we can rebuild our productive base. These projects would include emergency programs to expand our electrical generation capacity using the most modern nuclear reactors, water projects to solve the shortages in western North America and other parts of the country, the upgrading of our transportation system using high-speed maglev trains, and the development of hydrogen-powered motor vehicles. Such programs would rapidly promote optimism among the population, as people realized that our long national decline had ended, and a new era of prosperity was beginning.

We can even save the parasites, if they choose to join us. Otherwise, we can put them in zoos, so our children can study them.

*johnhoeftel@larouche.org*

# Italian Senate Takes Up LaRouche's Plan

by Helga Zepp-LaRouche

*This article was translated from German.*

Although Germany will probably be the last nation where the media will report on it, in reality, there is only one realistic proposal, as to how the greatest breakdown crisis of the financial markets since money came into existence, can be overcome. This revolutionary proposal was just submitted as a resolution in the Italian Senate by Sen. Oskar Peterlini and, so far, by an additional 19 Senators. It calls upon the Italian government to immediately put on the international agenda the entire program proposed by Lyndon LaRouche for a New Bretton Woods. Italian Economics Minister Giulio Tremonti had previously repeatedly demanded the immediate formation of a new financial architecture.

The second—unrealistic—proposal of U.S. Secretary of the Treasury Henry Paulson, to ram through a fund of \$700 billion as the beginning of an unlimited rescue action for the involvent banking system, could rapidly fall through, in the face of the resistance of conservative Republicans and furious American taxpayers, who see themselves faced with having to pay for the rich speculators, and in the process, losing their savings and their standard of living through inflation.

The question of which of these two conceptions will prevail, will decide whether the world recovers relatively soon from the escalating financial crisis and depression, and can begin a reconstruction of the world economy, or whether a hyperinflationary worldwide collapse will occur as happened in Germany in 1923, and a crash into a New Dark Age.

The chance absolutely exists, that the solution proposed by LaRouche will prevail. Even if it remains to be seen, whether the right actions follow the words quickly enough, French President Nicolas Sarkozy used his speech, as the current president of the European Union, before the UN General Assembly on Sept. 23, to say that he will organize a New Bretton Woods conference in November. In his keynote address on the finan-

cial crisis given two days later at an event in Toulon, France, Sarkozy said: "The entire global financial and monetary system must be rebuilt from scratch, as was done after World War II in Bretton Woods," and added: "With the end of finance capitalism[!], an epoch draws to a close." There has been no regulation and no political interference in the market. "The idea that the market is always right is insane."

Much as Sarkozy's thinking seems to go in the right direction, we don't have two months in which to convene such a New Bretton Woods conference; the tempo of the meltdown is much too rapid. Not only is the former Presidential candidate of the Solidarity and Progress party, Jacques Cheminade, who for many years has advocated the ideas of LaRouche in France, pushing for immediate action, but so are representatives of other parties, such as François Hollande, general secretary of the Socialist Party, and former prime minister Michel Rocard. A debate on the New Bretton Woods has broken out in full in the French media, in glaring contrast to the complete *Gleichschaltung* [marching in step] of the German media, which reports neither on the discussion of a New Bretton Woods in Italy, nor on that in France. Also in Russia, which has been gripped by the repercussions of the financial crisis, a full debate on a New Bretton Woods has broken out. The increased interest in the programmatic ideas of LaRouche is reflected in hundreds of Russian websites, as well as in the interview with LaRouche that the state TV station Russia Today broadcast on Sept. 22, in which LaRouche pointed out the parallels of the current financial crash to the 14th Century, and the danger that now, as then, the crash threatens to result in a Dark Age.

Moreover, right now there almost no nation in the world, in which many leading individuals are not confronting themselves with the question of how right LaRouche has proven to be, in his webcast on July 25, 2007, in which he emphasized that the world financial system had already collapsed, and that now we would



EIRNS/Stephanie Nelson

*The LaRouche Youth Movement's street theater in Los Angeles on Sept. 22 caught the imagination of a citizenry that is more inclined to lynch Hank Paulson, than to accept his bailout of Wall Street speculators.*

just observe how the effects of this collapse would wash up on the shore. Three days later, the U.S. subprime mortgage crisis broke out. Many are now trying to figure out how LaRouche could have known that, whereas so many “experts” had not only regarded a systemic collapse as impossible, but even in May of this year, were proclaiming that the worst was over.

### **Change of Mood in the U.S.A.**

The situation in the U.S.A. has meanwhile intensified dramatically. On top of the substantial list of banks that had already gone bankrupt, now, with the bankruptcy of Washington Mutual—the largest U.S. savings and loan bank, with deposits of \$188 billion and a mortgage portfolio of \$176 billion, much of which is in distress—the biggest banking collapse in U.S. history has occurred.

In the face of this dramatic development, the mood in the population is more inclined to lynch the unscrupulous

speculators, than to accept Paulson’s proposal to create a bailout fund of \$700 billion, the Mortgage and Financial Institution Trust (MFI), whose funds are to be increased without limit, as required.

Now the Senators and Congressmen who will be up for reelection on Nov. 4, are getting an earful of this change in the mood of the population, when they return to their home districts. And conservative Republican Senators have said that they perceive it as deeply “un-American” to socialize financial losses.

When it became apparent, at the crisis summit in the White House on Sept. 25 (in which, besides President Bush, John McCain and Barack Obama also participated), that not everybody agreed with the Paulson plan, Paulson knelt down in front of Speaker of the House Nancy Pelosi, seeking support for his hyperinflationary swindle—a gesture which was as laughable as it was senseless.

Paulson’s attempt to have the MFI take over the toxic waste at 100% of face value—that is, the worthless, unsellable “commercial paper” of the banks and hedge funds, as well as domestic and foreign investors—would prove to be the poison that finally kills the patient: the world economy. Due to the lack of transparency in over-the-counter derivatives transactions, no one knows with certainty the precise extent of this problem; however, the figure of \$600 trillion has been mentioned as comprising the outstanding derivative transactions. but it could very easily be even higher.

If all of these outstanding debts were honored, it would result in hyperinflation, which would endanger the livelihoods of literally billions of human beings. At the same time, the MFI’s hundred percent guarantee would be an incentive for all mortgage holders and creditors of all types to apply for help in meeting delinquent payments, in the certainty that they would be compensated. The “moral hazard” would explode.

### **German Government Indignant, But at a Loss**

When Paulson demanded that other nations create similar funds to save their banks, a storm of indignation broke out. Chancellor Angela Merkel and Finance Minister Peer Steinbrück adamantly refused German participation, saying that this was an American problem. That this is not the case, could surely be understood by anyone in Berlin, after the losses of IKB, Saxon LB, Baden-Württemberg LB, Bavarian LB, and the Kreditanstalt für Wiederaufbau (KfW), and the difficulties of the German subsidiaries of Lehman Brothers. And, as



EIRNS/James Rea

*The LaRouche movement organizing in Berlin on Sept. 15. The sign on the left, referring to Weimar Germany's hyperinflation, reads, "Does Bernanke's treason mean an upswing for the wheelbarrow industry?" The sign on the right says, "Financial crash: LaRouche was right: 3-point program now!"*

the *London Times* points out, Great Britain's five top bankers alone have \$175 billion in "endangered deposits," and could claim a quarter of Paulson's mega-rescue package, if it comes to fruition.

French Finance Minister Christine Lagarde is among those who was pleading with Paulson to save the insurance giant AIG, which had insured over \$300 billion in credit derivatives of European firms. And Daniel Gross, director of the Centre for European Policy Studies in Brussels, in an interview with the *Daily Telegraph* went so far as to say that the Paulson plan was, in reality, a rescue plan for the European banking system. Gross explained that Deutsche Bank deploys foreign capital that amounts to 50 times its own capital, and has obligations of \$2 trillion, which amounts to 80% of the German gross national product. Fortis Bank has obligations which add up to 300% of Belgium's gross national product. Europeans, moreover, do not have the means to save these banks; only the European Central Bank can do that, and precisely such action has been ruled out by the Maastricht Treaty.

This could be the reason for Steinbrück's refusal to participate in the Paulson plan. Because, since Germany handed sovereignty over its currency over to the

European Central Bank, the Bundesbank has lost its role as the "lender of last resort," nor does the ECB see this as its responsibility. There is therefore no basis in law for the creation of a German rescue plan along the Paulson model. The only thing Steinbrück could do under current circumstances, would be to burden the budget with a new issuance of credits to the money markets, in order to rescue the banks, and that, in ludicrous dimensions. It will very quickly become obvious, if it has not already, that herein lies one of the errors in construction of the European Monetary Union.

If what the *Süddeutsche Zeitung* pointed out is true—that even Left Party chairman Oskar Lafontaine not only approved the Paulson plan (and thus the hyperinflationary rescue of the speculators at the taxpayers' expense!), but also demanded that the German government participate in it, then Lafontaine has "outed" himself as more economically incompetent than Steinbrück himself—and that's saying something.

The fact is, that in a systemic crisis such as we are experiencing today, only national governments are capable of handling the situation. Sarkozy has clearly recognized this, and announced that the state will play a very much greater role in French policy, from now on.

In Germany, the government would be well advised to recognize that all its members have sworn an oath of office to protect the German people from harm. Concepts of how to do that, in the face of the international conflagration of the financial system, have not been put forward in any way.

Liko-Bank, equipped for insuring deposits in an emergency, was already nearly depleted by the losses of the German subsidiary of Lehman Brothers, shedding further light on how inadequate the allegedly so secure protection of savings deposits is in Germany. When the Paulson plan hit the skids politically, the European central banks, the ECB, the Swiss National Bank, and the Bank of England reacted by making available to the investment banks, as they had before, seven-day loans of about Eu74 billion, thereby demonstrating that they are apparently still determined to keep refinancing the interbank borrowing and swaps with credit derivatives.

In the face of the fact that the world finds itself in an advanced state of meltdown, the flap over the transfer by KfW of over Eu500 billion to Lehman Brothers,

after the news of its insolvency was out, was, if anything, a diversion from the real problem. And surely, there was a certain degree of negligence, as well as a certain automatism in play, in which the seven-hour time differential between Europe and the United States played a role.

But such ill-advised money transfers are happening more often. Chase Manhattan transferred money to Herstatt Bank, which had gone bankrupt back in the 1970s. After a protracted legal battle, the Bundesbank stepped in and refunded the sum, for reasons of goodwill. It would thus be only fair, if today the Fed would likewise refund the money to KfW, for reasons of goodwill.

On a more fundamental level, one thing must be clear: Only if the decision is made in time, to put the hopelessly bankrupt financial system into an orderly bankruptcy proceeding, and to establish a Bretton Woods system such as that which Franklin Roosevelt conceived in 1944, and Lyndon LaRouche represents today, will we emerge from this crisis.

## Helga Zepp-LaRouche: LaRouche Was Right!

*On Sept. 22, 2008, Helga Zepp-LaRouche, the Federal Chairman of the Civil Rights Movement Solidarity (BüSo), issued the following press release to the media news departments, concerning the current financial crisis:*

The host of financial policymakers, experts, economic journalists, and commentators, who, in recent days, have undertaken to mutually attest that no one could have foreseen the presently exploding systemic crisis, have, by doing so, announced one thing above all: that they should all definitely find a new profession.

Now, Nadine Oberhuber has written in the *Frankfurter Allgemeine* newspaper of Sunday, Sept. 21, in an article headlined “Collapse or Rescue,” concerning a scenario circulating among economists, that “the central core of the system is threatened. The process has long since begun, and can no longer be

stopped. When Lyndon LaRouche, the opponent of the financial system, presented this thesis, everyone laughed. But, in the meantime, also distinguished economists have said this.”

I’ll venture another scenario: The laughter will soon vanish, if it hasn’t already stuck in the throats of those who were laughing. Moreover, Ms. Oberhuber should get some coaching in her grammar, as she used the modal adverb “also” incorrectly. For throughout the entire world, among those persons who have a concept of the real economy, Lyndon LaRouche is esteemed as the most distinguished economist, who in fact has always been right in his forecasts, while the entire host of free-trade PR men failed pitifully.

Unlike the ideologues of “free-market economics,” LaRouche does not make his analyses as a variant of tea-leaf reading, but uses a scientific method rooted in that of Leibniz, Riemann, and Carey. I recommend in addition, to Ms. Oberhuber and all others, to watch Lyndon LaRouche’s webcast of July 25, 2007, at [www.larouhepac.com](http://www.larouhepac.com), in which he correctly forecast the future of the financial system, *three days before the beginning of the subprime crisis in the U.S.A.*

# Motion for LaRouche's New Bretton Woods Is Introduced in Italian Senate

Senator Oskar Peterlini on Sept. 24 presented a "Motion for a reorganization of the international monetary and financial system: the New Bretton Woods" in the Italian Senate. The motion (see *Documentation*) spells out the major principles of Lyndon LaRouche's approach, focussing on the concepts of bankruptcy reorganization, measures to stop speculation, the importance of a credit system rather than a monetary system, and cooperation among the United States, Russia, China, and India as the basis for new agreements. After only one day, 19 Senators had signed the motion, and negotiations are under way with Senators in both the governing majority and the opposition to force a floor debate.

Italy has taken the lead in promoting the New Bretton Woods in recent years, as a result of a vigorous organizing campaign by the LaRouche movement there, including numerous visits by Lyndon and Helga LaRouche to Rome, in which they participated in public and private discussions with leading political figures. Starting in 2001, several motions calling for a new financial system were introduced in both the Senate and Chamber of Deputies, including one which was passed by the Chamber in April 2005. (See *Chronology*, below.)

The new motion presented by Peterlini goes beyond the technical aspects of speculation and monetary instability, to explicitly identify the New Bretton Woods in terms of the concepts laid out by LaRouche. It thus represents an important step forward in the debate which has already broken out in recent months as a result of Economics Minister Giulio Tremonti's promotion of the New Bretton Woods both in Italy and abroad, shortly after participating in a public conference with LaRouche in Rome last year. Italy will assume the presidency of the European Union in January, and Tremonti plans to raise the issue in that venue.

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## Documentation

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### **Motion for the Reorganization of the International Monetary and Financial System: The New Bretton Woods**

*This motion was translated from Italian by EIR.*

The Senate,

Whereas:

- The intensification of the international financial crisis seen in recent weeks with the failure of Fannie Mae, Freddie Mac, Lehman Bros., and AIG, among others, has forced the U.S. government and numerous central banks to make emergency interventions to avoid a chain reaction which would bring the global economy to its knees;

- The gravity of this crisis as a threat to the living conditions of peoples throughout the world, and as a source of strategic destabilization, was denounced by the Italian Parliament already in 2001 (the Lettieri Motion in the Chamber, the Peterlini Motion in the Senate, and others), in motions calling on the Italian government and the international community to act to create a new financial system in order to avoid future financial crises and promote the reconstruction of the real economy;

- Despite these calls, the political and monetary authorities of Europe and the United States continued to allow, and de facto, to promote an economy based on the growth of fictitious financial values, not linked to the productive economy. The latest instance is the subprime mortgage bubble and the speculation in raw materials, energy, and foodstuffs;

- The failure to take action to deal with this crisis has led to the dramatic events of recent days and months. Now, the authorities are rushing from one fire to the next, while it becomes increasingly clear that the hole created by financial speculation cannot be filled. Unfortunately,



www.svpartei.org/de

*Sen. Oskar Peterlini's motion before the Italian Senate "for a reorganization of the international monetary and financial system: the New Bretton Woods" itemizes Lyndon LaRouche's program for global recovery.*

rather than follow the example of post-war reconstruction in Europe, or the "New Deal" policies implemented by U.S. President Franklin Delano Roosevelt during the Great Depression, today the authorities are attempting to use funds provided by the state to cover the losses caused by mortgage-backed securities and derivatives, which have multiplied speculative values beyond belief. An example of this policy can be seen in the recent bailout of AIG and other institutions, whose stated purpose is to cover the derivatives linked to speculation based on sub-prime mortgages, rather than to protect ordinary economic activity. Such an attempt is not only useless, but guarantees a further worsening of the crisis it was supposed to solve, and will lead to hyperinflation. In fact, a recent investigation by the U.S. Congress showed that the new liquidity injected by the central banks to save the financial players, has been used for additional speculative operations that have caused the explosion of the prices of oil and food products in recent months,

Therefore,

the Italian Government shall act internationally to promote a reorganization of the international monetary and financial system, and to cooperate with the major

world powers to establish a new system, modeled on the New Bretton Woods as proposed by the American economist Lyndon LaRouche:

1. The reorganization of the system must follow the model of a Bankruptcy Reorganization, in which speculative debts—which represent the vast majority of the debts on the books of the leading commercial banks, investment banks, and also numerous other financial institutions, and even administrations located in Italy, are cancelled, while protecting, up to a certain limit, the savings of small investors in vehicles such as pension funds or other non-speculative financial instruments, and guaranteeing financing for essential activities in the real economy.

The General Welfare must take precedence over financial obligations created to feed the financial bubble.

2. New rules are necessary to guarantee the stability necessary for production and international trade:

a. exchange rates decided through treaties among nations ("fixed exchange rates"), thus avoiding speculative market fluctuations;

b. controls on the transfer of capital for speculative purposes ("capital controls"), favoring long-term investments in the productive economy;

c. a credit system which guarantees low-interest, long-term investments in infrastructure, industry, and high technology ("productive credit") to break with the orientation in recent decades which has encouraged the pursuit of quick profits while penalizing productive activity.

3. A credit system rather than a purely monetary system. Considering the fact that central banks arbitrarily issue money for the purpose of monetary adjustment, it is necessary to create a system that provides credit with the aim of promoting economic development. The origin of this model is found in the United States Constitution, and was applied by Treasury Secretary Alexander Hamilton, and then resumed by Abraham Lincoln and the great Franklin Roosevelt during the 1929 Crash and Depression in the 1930s. A credit system was the idea that inspired the original Bretton Woods system, which worked successfully until it was abandoned in 1971, and which has now been proposed anew by the authoritative economist Lyndon LaRouche.

4. Given the tragic history of wars which have broken

out coinciding with economic crises in the past, the Senate also binds the Government to act to ensure that European countries work together with the major world powers, and in particular, the United States, Russia, China, and India, to lay the basis for international cooperation able to achieve the objectives set forth above, overcoming the opposition from those who wish to defend their power by promoting conflict and divisions which obstruct the progress of the world as a whole.

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## Chronology

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# LaRouche's Fight for A New Bretton Woods

The Italian Parliament's current discussion of the need for a New Bretton Woods is the fruit of nearly 12 years of organizing—in Italy, and internationally—by the LaRouche movement.

The fight began on Jan. 4, 1997, with the first public announcement of Lyndon H. LaRouche Jr.'s New Bretton Woods policy. LaRouche addressed a forum of the FDR-PAC in Washington, D.C. laying out a policy orientation for the second Clinton Administration, centering around two proposals: that the U.S. President convene an international conference to establish a “new Bretton Woods system,” to put the world economy through bankruptcy proceedings and to reorganize it for productive development; and that the United States join in global projects of benefit to all mankind, with a special focus on the Eurasian Land-Bridge program.

The challenge was immediately taken up in Italy, where Sen. Publio Fiori, leader of the opposition party National Alliance (Alleanza Nazionale, AN) and former Transport Minister, on Feb. 13, 1997, introduced a parliamentary question to the government, asking whether, in view of the ongoing disintegration of the international monetary and financial system, Italy should undertake emergency measures, such as a New Bretton Woods conference and a tax on derivatives speculation.

The following chronology traces some of the LaRouche movement's interventions, and steps taken by elected representatives in Italy.

**Feb. 15, 1997:** LaRouche delivers an address to a conference of the Schiller Institute and International Caucus of Labor Committees in Reston, Virginia, titled “Toward a New Bretton Woods Conference.”

**Feb. 15-17, 1997:** An “Urgent Appeal to President Clinton To Convoke a New Bretton Woods Conference” is initiated by the founder of the Schiller Institute, Helga Zepp-LaRouche, and Ukrainian economist Natalia Vitrenko, member of the Supreme Rada (Parliament) of Ukraine.

**April 10, 1997:** Lyndon and Helga LaRouche are the keynote speakers at a conference organized in Rome by *EIR* and LaRouche's Italian co-thinkers, the Civil Rights Solidarity Movement. LaRouche's proposal for a New Bretton Woods is supported by Senator Fiori, as well as by representatives of Italy's state-sector industries.

**April 2, 1998:** Lyndon and Helga LaRouche address a meeting in Rome on the New Bretton Woods, which is attended by Members of Parliament, economists, journalists, and diplomats.

**Feb. 16, 2000:** Italian Sen. Riccardo Pedrizzi, president of the Senate Finance Committee and member of the government coalition party AN, and 22 other Senators introduce a first motion to the Senate, calling for a New Bretton Woods.

**Feb. 16, 2000:** Italian Member of the European Parliament Cristiana Muscardini (AN) presents a parliamentary inquiry on the New Bretton Woods, from the European Parliament to the European Commission.

**March 7, 2000:** Four Italian Members of the European Parliament introduce a resolution calling for a New Bretton Woods conference, “with the purpose of creating a new international monetary system, capable of gradually eliminating the mechanisms which led to the ‘speculative bubble.’”

**April 7, 2000:** A call for an Ad Hoc Committee for a New Bretton Woods is issued by Helga Zepp-LaRouche and others, and circulated worldwide for endorsement. Over the coming year, the statement is signed by former President José López Portillo of Mexico, former President João Baptista Figueiredo of Brazil, more than 500 parliamentarians from over 40 countries, and several hundred civil rights leaders, trade unionists, industrialists, and representatives of social organizations.

**Oct. 12, 2000:** LaRouche addresses an informal hearing of the Foreign Affairs Committee of the Italian



EIRNS

*Lyndon LaRouche (third from right) during one of his many organizing visits to Italy, this one in 2003. His fruitful interaction with many Italian politicians and intellectuals led to the current breakthrough.*

Parliament (Chamber of Deputies) on “the reform of the Bretton Woods system, the present oil crisis, and the roots of inflation.”

**Oct. 19, 2000:** Senator Pedrizzi and 24 other Senators present a second motion to the Senate, calling for a New Bretton Woods.

**Feb. 26, 2002:** Nine Italian Senators introduce a motion calling for a New Bretton Woods conference, citing the crisis in Argentina, in particular.

**July 2, 2002:** Senator Pedrizzi issues a statement calling for a New Bretton Woods conference.

By now, more than 100 members of both chambers of Parliament have signed the resolution first presented by Senator Pedrizzi on Oct. 19, 2000.

**Sept. 25, 2002:** The Italian Chamber of Deputies votes to demand a new international monetary system.

**May 13, 2003:** Following a public conference with LaRouche in Rome in April, Sen. Oskar Peterlini presents a new motion calling on the Italian government to work for an international conference for a new financial and monetary system. The motion is signed by numerous prominent Senators, including former seven-time Prime Minister Giulio Andreotti and Left Democrats leader Cesare Salvi.

**February 2004:** Italian Member of Parliament Mario Lettieri introduces a motion for a New Bretton Woods to the Chamber of Deputies. He subsequently

gains the support of about 50 parliamentarians from all the parties in Parliament.

**April 6, 2005:** The Italian Chamber of Deputies approves a motion introduced the previous year by Deputy Lettieri, calling for “an international conference at the level of Heads of State and Government, to globally define a new and more just monetary and financial system.”

**May 2006:** Helga Zepp-LaRouche issues a new appeal for the New Bretton Woods policy, which is circulated worldwide for endorsement.

**June 27, 2006:** *EIR* holds a seminar in Berlin, with speeches by Lyndon LaRouche, Germany economist Prof. Wilhelm Hankel, Russian economists Prof. Stanislav Menshikov and Prof. Andrei Kobayakov, and others, on the

need for a New Bretton Woods to defeat the evil of globalization.

**Sept. 6, 2006:** LaRouche gives a webcast which includes a published dialogue afterward, with Chinese economists, on the possibility of a New Bretton Woods.

**June 2007:** *EIR* holds a seminar in Rome at which then-former Italian Economics Minister Giulio Tremonti, Undersecretary for Economic Development Alfonso Gianni, and LaRouche discuss the prospects for a New Bretton Woods. Tremonti publishes a new book shortly thereafter, *Fear and Hope*, in which he denounces free-market economics and the European Union’s Lisbon Treaty, while arguing for the New Bretton Woods instead.

**August 2007:** Helga Zepp-LaRouche issues a call to the U.S. Congress and the parliaments of the world, to reorganize the bankrupt global monetary-financial system while there is still time.

**Feb. 28, 2008:** LaRouche addresses a seminar in Rome, hosted at the Italian Senate, on “A Rooseveltian Solution to the International Systemic Crisis.” Italian Undersecretary for Economic Development Alfonso Gianni is among the speakers.

**Sept. 24, 2008:** Senator Peterlini presents a motion for the New Bretton Woods, “as proposed by the American economist Lyndon LaRouche,” to the Italian Senate.

# Pursuit of the General Welfare: How FDR Reversed the Banking Crisis

by Pamela Lowry

**Editor's note:** *As the United States today struggles to deal with its bankrupt financial system, and Wall Street tries to foist off its toxic waste on the taxpayers, it is instructive to compare what President Franklin D. Roosevelt did in 1933. As Lyndon LaRouche has long insisted, FDR's successful approach is the one that must be used today—not Secretary of the Treasury Hank Paulson's rotten bailout package.*

*We reprint here excerpts from articles by Pamela Lowry that appeared in EIR, EIR Online, and New Federalist newspaper from 2005 to 2007.*

During the bleak Winter months leading up to Franklin Roosevelt's inauguration as President of the United States in March 1933, the nation was sinking into despair, buoyed only by the hope that the new President would take decisive action. The most pressing problem was the accelerating collapse of the banking system, a system which had been rotted by insane speculation, but was vitally necessary to the nation's economic health. It was actually a question whether Roosevelt would be inaugurated before all the banks were dead and gone.

As Roosevelt and his staff developed their plans to reorganize the banks, and thus preserve a mechanism for funneling Federal credit to bold new projects, President Hoover and his monetarist advisors were making the situation worse. They even insisted that Roosevelt share in their delusions and endorse their damaging policies. Their attempts to ensnare Roosevelt in joint declarations and premature commitments bedeviled him right up until the time he went to bed on the eve of his inauguration.

On Feb. 21, 1933, President-elect Roosevelt chose William H. Woodin to be his Secretary of the Treasury. Roosevelt made sure that Woodin received daily briefings from the Treasury Department, and personally conferred with him several times a day until they

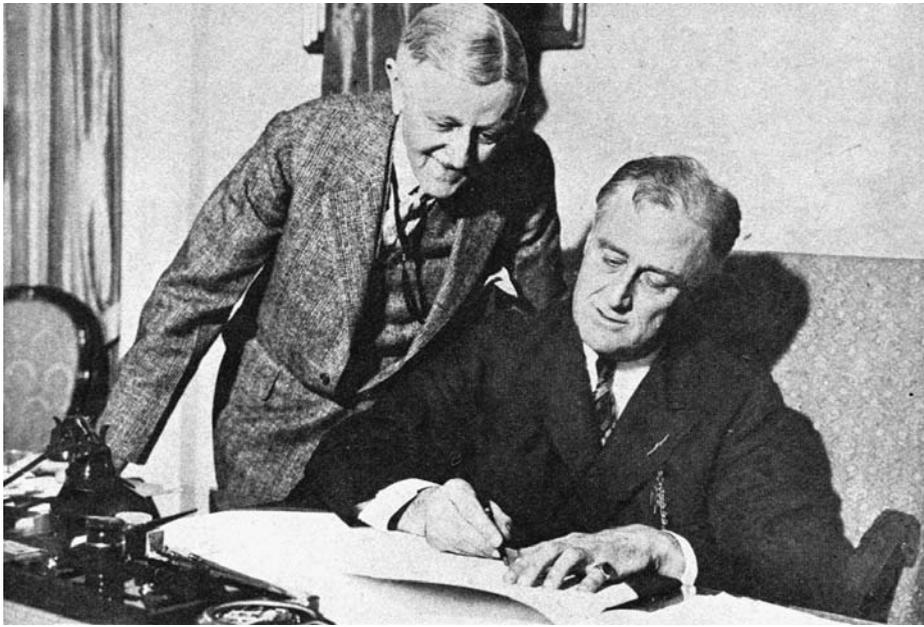
both arrived in Washington, D.C. on March 2.

Roosevelt wrote of these conferences with Woodin that "we both concluded that the banking situation throughout the Nation was becoming so acute that only immediate and drastic measures could save the banks from having to close their own doors. Increasing lines of depositors were withdrawing their funds in gold or gold certificates. A proposal was made to give authority to the Treasury to deposit Government funds directly in any bank—but the Treasury did not have sufficient funds to deposit.

"On my arrival in Washington on the evening of March 2nd, Mr. Woodin told me of a suggestion that the President [Herbert Hoover] and I should join in a statement reiterating confidence in the fundamental soundness of American banks, and appealing to depositors to stop withdrawing funds. Many similar appeals and statements—all to the effect that nothing was wrong with the country—had been made during preceding years. Again, I felt that strong, positive, definite action should take the place of appeals."...

Roosevelt later wrote about that day before his inauguration: "Messages had been coming in all day, reporting that some banks had closed their doors, that some Governors were declaring moratoria, and that more gold was being withdrawn. Later in the evening, by telephone, I told the President that while I was wholly agreeable to his closing all the banks by Proclamation, I could not, as a private citizen, join him in such a Proclamation."

"I told the President, however," continued Roosevelt, "that I believed that he had such authority under the Trading with the Enemy Act. I understood it to be the belief of the President that while some of his advisers had told him that he could do this, others had told him that it would not be legal. I had already asked Senator Thomas J. Walsh, who was to have become my Attorney General, to give me a report on such



Library of Congress

*President Roosevelt, in his first important act as Chief Executive, signs the banking reform act. With him is Treasury Secretary William Woodin. The contrast to today's bailout legislation could not be more stark.*

Presidential authority. As Senator Walsh had died suddenly, however, on March 2d, I had asked Mr. Homer S. Cummings to become Attorney General and had requested him for an opinion. On the evening of March 4th, I received the verbal opinion of the new Attorney General on which I based the Presidential Proclamation signed during the night of March 5th-6th, closing all banks.”

During the exponentially collapsing conditions of January, February, and the first few days of March, Roosevelt could only develop, not implement, his plans for saving the banking system, since he was only a private citizen. He had ceased being Governor of New York on Jan. 2....

### **Banking Holiday Proclaimed**

“By Inauguration Day,” wrote Roosevelt, “practically every bank in the country had either been closed or placed under restrictions by State Proclamations. Federal Reserve banks observed the State holidays, and were also closed on March 4th. All the leading exchanges ceased operations. It can be said that financial and banking business in the United States had stopped.” Roosevelt’s first Presidential Proclamation, issued the day after his inauguration, called Congress into an extraordinary session which would be held on March 9.

But his proclamation for a bank holiday, although issued on March 6, had actually been the first proclamation drafted.

The bank holiday was to continue until March 9, when the extraordinary session of Congress would be held. On that day, Congress passed the Emergency Banking Act, which extended the bank holiday in order to give the government time to reorganize the banking system. The Act provided for massive influxes of credit into the system by authorizing banks to issue and sell their preferred stock to the Reconstruction Finance Corp. This permitted them to obtain funds without creating claims superior to the claims of their depositors. The legislation also made it possible

for any member bank to meet all demands for currency, so long as it had sound assets, because it could borrow against these assets from the Federal Reserve banks.

“Between March 6th and March 9th,” wrote Roosevelt, “we were busy drafting this legislation in conference with the Congressional leaders, and also devoting ourselves to devising arrangements to permit the banks to meet certain essential payments during the banking holiday.

“The Secretary of the Treasury issued a series of regulations, and distributed them through the Federal Reserve banks, permitting specific types of banking transactions.” Banks were also permitted to perform certain functions required to provide the community with food, medicine, and other necessities of life, to relieve distress, and to pay usual salaries and wages; and banks were authorized to accept special trust deposits withdrawable on demand—but all of these regulations prohibited any bank from paying out gold or gold certificates or permitting any withdrawals of currency for hoarding purposes.”

### **Restoration of Confidence**

At the end of the bank holiday, the banks in the 12 Federal Reserve cities were opened, and on the following day, the sound banks in some 250 cities opened

their doors. In succeeding days, sound banks in smaller cities and towns opened. Roosevelt wrote that, “By this time, there had been such restoration of confidence, that as soon as the banks were reopened, a large volume of currency was re-deposited. . . . There was also a rapid return of gold and gold certificates to the Reserve banks and to the Treasury. By the middle of April, deposits in the reporting member banks had increased by \$1 billion, and before the end of June, by more than \$2 billion.”

A reorganized banking system with increased deposits and the ability to call upon Federal credit was an essential precondition for America’s ability to assert her national sovereignty, in order to provide for the general welfare. As President Roosevelt wrote, “The New Deal was fundamentally intended as a modern expression of ideals set forth one hundred and fifty years ago in the Preamble of the Constitution of the United States—‘a more perfect union, justice, domestic tranquility, the common defense, the general welfare and the blessings of liberty to ourselves and our posterity.’ But we were not to be content with merely hoping for these ideals. We were to use the instrumentalities and powers of Government actively to fight for them.”

## 100 Days of Legislation To Save the Nation

On March 6, the President addressed the Governors’ Conference at the White House, and that same day, issued a proclamation declaring a bank holiday until March 9. This was the beginning of the legislative “Hundred Days” which would establish policies and programs to rescue America from an ever-deepening Depression and from the looming threat of fascism.

Looking back, in 1937, on what had been accomplished during that emergency Congressional session, President Roosevelt wrote an account of his thinking on the crisis which then faced the nation, and the philosophy which shaped the programs which were translated into legislation. He began his account by citing not only the material crisis in banking, industry, and farming, but also the crisis in the spirit and morale of the American people. This crisis carried within it a grave danger, for “their confidence and morale were so shaken that many of them would have been willing to accept any

form of specious glittering guarantee of a chance to earn a livelihood.

“This attitude of hopelessness was aggravated by the recognized failure of the Federal Government to assume any practical leadership, to hold out any prospect of immediate help for the present or any hope for a more secure future.

“In the face of this crisis in national morale, no remedy which stopped short of correcting the immediate material illness of the moment could be a safe or permanent cure. A temporary revival of a sense of physical security would be insufficient. Action was necessary to remove the sore spots which had crept into our economic system, if we were to keep the system of private property for the future.

“That simple truth was not recognized by some people. In fact, a great many who were thinking of future national welfare in terms of immediate dollars began to protest within only a few weeks after the banking crisis of March 4, 1933, against our efforts to couple reform with recovery. In their selfish shortsightedness they were deluded into the belief that material recovery for the moment was all the Nation needed for the long pull.

“These few did not realize how childish and unrealistic it was to speak of recovery first and reconstruction afterward. The process of recovery by its very nature required us to remove the destructive influences of the past. To attain the goal of the greater good for the greater number with any degree of permanence, the old abuses had to be uprooted so that they could not readily grow again.

“From the first day of my Administration, permanent security was just as much in the front of our minds as the temporary bolstering of banks, the furnishing of immediate jobs, and the increase of direct purchasing power. Even in the spring of 1932, I had come definitely to that conclusion. It was the result of trying to think things through during many years; it was the result of observations of what the country had gone through during the days of false prosperity after the World War and the days of darkness after the panic of 1929; and it was the result especially of my experience as Governor during four difficult years.”

### The New Deal

“On the occasion of the all-night session of the Democratic National Convention in Chicago, in 1932, I was at the Executive Mansion in Albany with my

family and a few friends. While I had not yet been nominated, my name was still in the lead among the various candidates. Because I intended, if nominated, to make an immediate speech of acceptance at the Convention itself in order to get the campaign quickly under way, we discussed what I should say in such a speech. From that discussion and our desire to epitomize the immediate needs of the Nation came the phrase a 'New Deal,' which was used first in that acceptance speech and which has very aptly become the popular expression to describe the major objectives of the Administration.

"The word 'Deal' implied that the Government itself was going to use affirmative action to bring about its avowed objectives rather than stand by and hope that general economic laws alone would attain them. The word 'New' implied that a new order of things designed to benefit the great mass of our farmers, workers and business men would replace the old order of special privilege in a Nation which was completely and thoroughly disgusted with the existing dispensation. . . .

"All through the spring and summer of 1933, when the many measures adopted by the Special Session of the seventy-third Congress were just beginning to be effective, a vocal minority had already begun to cry out that reform should be placed on a shelf and not taken down until after recovery had progressed. This same vocal minority, four years later, when recovery is well under way, still obstructs with all its power reforms now too long delayed, refusing still to realize that recovery and reform must be permanent partners in permanent well-being.

"It irked some people in 1933 that at the Special Session of the Congress—the famous Hundred Days—so many activities were begun at the same time. They would have been more content if Government had restricted itself at that time to saving the banks which were closing, to saving the large financial and industrial organizations, many of which were faltering, and to bailing out the railroads and other huge corporations which needed money to save them from bankruptcy. For in spite of the lessons of 1931 and 1932, they still were willing to believe that this kind of help by Government to those at the top of the financial and business structure of the country would trickle down and ultimately save all.

"Here again, examination and reexamination of all the aspects of the national problem led inevitably to the

conclusion that a mere rescue of organizations of wealth at the top would be no solution. Obviously the remedies had to cover a far wider field; they had to include every phase of economic life throughout the Nation—at the bottom of the structure, in the middle, and at the top. . . .

"For underlying all of the immediately effective provisions of these laws and all the activities of the agencies under them, was the ever-directing purpose of permanence of objectives. Briefly, the objectives were, have always been, and still are:

"A chance for men and women to work in industry at decent wages and reasonable hours; or to engage in farming at a decent return.

"A chance to keep savings in banks safe from the speculative use of other peoples money; and to make investments without danger of deception or fraud by greedy promoters and speculators.

"A chance for adequate recreation, better housing and sounder health.

"A chance to make reasonable profit in business protected against monopolies and unfair competition, but organized so as to provide fair prices for the consuming public.

"Planning and use of natural resources for the benefit of the average men and women.

"Security against the hardships of old age.

"Security against unexpected or seasonal unemployment.

"Security against new as well as old types of criminals.

"Security against war.

"The task of reconstruction which we undertook in 1933 did not call for the creation of strange values. It was rather finding the way again to old, but somewhat forgotten, ideals and values. Though the methods and means and details may have been in some instances new, the objectives were as permanent and as old as human nature itself.

"That so many of our purposes could be put in process of fulfillment in the year 1933 is a tribute to the ability of democracy to recognize a crisis and to act with sufficient speed to meet it. A Nation of citizens, as well as the Congress and the Executive branch of the Government, quickly understood the problems and the answer. We did not have to revert to the autocracy of a century ago, as did less hopeful countries where the ways of democracy were not so old and tried."

## Second Fireside Chat: Past Actions, Future Plans

A plan to halt the crisis had been developed in the weeks leading up to Roosevelt's inauguration, and when it was about to be implemented, Roosevelt delivered his first "Fireside Chat" over the radio on March 12 to inform the American public about what he and the Congress were doing to reverse the situation.

Once the banking situation was stabilized, Roosevelt moved on to deal with other serious problems such as unemployment, and to send legislation to Congress which would establish the Civilian Conservation Corps and the Tennessee Valley Authority.

Again, the President reported to the American people, this time in his second Fireside Chat on May 7.

Roosevelt began by reminding his audience of the purpose of his fireside chats: "On a Sunday night a week after my Inauguration I used the radio to tell you about the banking crisis and the measures we were taking to meet it. I think that in that way I made clear to the country various facts that might otherwise have been misunderstood and in general provided a means of understanding which did much to restore confidence.

"Tonight, eight weeks later, I come for the second time to give you my report, in the same spirit and by the same means to tell you about what we have been doing and what we are planning to do.

"Two months ago we were facing serious problems. The country was dying by inches. It was dying because trade and commerce had declined to dangerously low levels; prices for basic commodities were such as to destroy the value of the assets of national institutions such as banks, savings banks, insurance companies, and others. These institutions, because of their great needs, were foreclosing mortgages, calling loans, refusing credit. Thus there was actually in process of destruction the property of millions of people who had borrowed money on that property in terms of dollars which had had an entirely different value from the level of March 1933. That situation in that crisis did not call for any complicated consideration of economic panaceas or fancy plans. We were faced by a condition and not a theory.

"There were just two alternatives: The first was to allow the foreclosures to continue, credit to be with-

held, and money to go into hiding, thus forcing liquidation and bankruptcy of banks, railroads, and insurance companies, and a recapitalizing of all business and all property on a lower level. This alternative meant a continuation of what is loosely called 'deflation,' the net result of which would have been extraordinary hardships on all property owners and, incidentally, extraordinary hardships on all persons working for wages through an increase in unemployment and a further reduction of the wage scale.

"It is easy to see that the result of this course would have not only economic effects of a very serious nature, but social results that might bring incalculable harm. Even before I was inaugurated I came to the conclusion that such a policy was too much to ask the American people to bear. It involved not only a further loss of homes, farms, savings, and wages, but also a loss of spiritual values—the loss of that sense of security for the present and the future so necessary to the peace and contentment of the individual and of his family. When you destroy these things you will find it difficult to establish confidence of any sort in the future.

*"It was clear that mere appeals from Washington for confidence and the mere lending of more money to shaky institutions could not stop this downward course [emphasis added—ed.].* A prompt program applied as quickly as possible seemed to me not only justified but imperative to our national security. The Congress—and when I say Congress I mean the members of both political parties—fully understood this and gave me generous and intelligent support. The members of Congress realized that the methods of normal times had to be replaced in the emergency by measures which were suited to the serious and pressing requirements of the moment.

"There was no actual surrender of power, Congress still retained its constitutional authority, and no one has the slightest desire to change the balance of these powers. The function of Congress is to decide what has to be done and to select the appropriate agency to carry out its will. To this policy it has strictly adhered. The only thing that has been happening has been to designate the President as the agency to carry out certain of the purposes of the Congress. This was constitutional and in keeping with the past American tradition.

"The legislation which has been passed or is in the process of enactment can properly be considered as part of a well-grounded plan.

"First, we are giving opportunity of employment to

one-quarter of a million of the unemployed, especially the young men who have dependents, to go into the forestry and flood-prevention work. This is a big task because it means feeding, clothing, and caring for nearly twice as many men as we have in the regular army itself. In creating this Civilian Conservation Corps, we are killing two birds with one stone. We are clearly enhancing the value of our natural resources, and we are relieving an appreciable amount of actual distress.

“Second, I have requested the Congress and have secured action upon a proposal to put the great properties, owned by our government at Muscle Shoals, to work after long years of wasteful inaction, and with this a broad plan for the improvement of a vast area in the Tennessee Valley. It will add to the comfort and happiness of hundreds of thousands of people and the incidental benefits will reach the entire nation.

“Next, the Congress is about to pass legislation that will greatly ease the mortgage distress among the farmers and the homeowners of the nation, by providing for the easing of the burden of debt now bearing so heavily upon millions of our people.

“Our next step in seeking immediate relief is a grant of half a billion dollars to help the states, counties, and municipalities in their duty to care for those who need direct and immediate relief.

“We are planning to ask the Congress for legislation to enable the government to undertake public works, thus stimulating directly and indirectly the employment of many others in well-considered projects.

“Further legislation has been taken up which goes much more fundamentally into our economic problems. The Farm Relief Bill seeks by the use of several methods, alone or together, to bring about an increased return to farmers for their major farm products, seeking at the same time to prevent in the days to come disastrous overproduction which so often in the past has kept farm commodity prices far below a reasonable return.

“Well-considered and conservative measures will likewise be proposed which will attempt to give to the industrial workers of the country a more fair wage return, prevent cutthroat competition and unduly long hours for labor, and at the same time courage each industry to prevent overproduction.”

### **The Proper Role of Government**

“It is wholly wrong to call the measures that we have taken government control of farming, industry, and transportation. It is rather a partnership between

government and farming and industry and transportation, not partnership in profits, for the profits still go to the citizens, but rather a partnership in planning, and a partnership to see that the plans are carried out.

“Let me illustrate with an example. Take the cotton-goods industry. It is probably true that 90% of the cotton manufacturers would agree to eliminate starvation wages, would agree to stop long hours of employment, would agree to stop child labor, would agree to prevent an overproduction that would result in unsalable surpluses. But, what good is such an agreement if the other 10% of cotton manufacturers pay starvation wages, require long hours, employ children in their mills, and turn out burdensome surpluses? The unfair 10% could produce goods so cheaply that the fair 90% would be compelled to meet the unfair conditions.

“Here is where government comes in. Government ought to have the right, and will have the right, after surveying and planning for an industry, to prevent, with the assistance of the overwhelming majority of that industry, unfair practices and to enforce this agreement by the authority of government.

“We are working toward a definite goal, which is to prevent the return of conditions which came very close to destroying what we call modern civilization. The actual accomplishment of our purpose cannot be attained in a day. Our policies are wholly within purposes for which our American Constitutional Government was established 150 years ago.

“Hand in hand with the domestic situation which, of course, is our first concern is the world situation, and I want to emphasize to you that the domestic situation is inevitably and deeply tied in with the conditions in all of the other Nations of the world. In other words, we can get, in all probability, a fair measure of prosperity to return in the United States, but it will not be permanent unless we get a return to prosperity all over the world.

“To you, the people of this country, all of us, the members of the Congress and the members of this Administration, owe a profound debt of gratitude. Throughout the Depression you have been patient. You have granted us wide powers; you have encouraged us with a widespread approval of our purpose. Every ounce of strength and every resource at our command we have devoted to the end of justifying your confidence. We are encouraged to believe that a wise and sensible beginning has been made. In the present spirit of mutual confidence and mutual encouragement we go forward.”

# How FDR Dealt with The Foreclosure Crisis

It is sometimes difficult to comprehend how much Franklin D. Roosevelt did to create the structure of modern American life. Many things that we take for granted did not exist before his Presidency, or were hopelessly inadequate. One of the programs which reflects his philosophical outlook and its implementation in economic practice is his effort to stop the escalating home foreclosures and evictions during the Great Depression. . . .

Any citizen of average means who tried to buy a home before 1933 faced interest rates between 6-8%, but could only obtain a mortgage for a term of three to five years. Often the first mortgage could not cover the purchase, and so a second mortgage had to be obtained, and this at rates up to 10%, and for a shorter term than the first.

Complete payment of any mortgage was almost an impossibility, because there was no plan of amortization and therefore a large lump sum became due after just a few years. When the mortgage matured, the “homeowner” had little choice between being foreclosed on, or refinancing by paying exorbitant extra charges and continuing payments which rarely decreased any of the principal because they were always paying off the interest. (Ironically, this is an option that many have chosen today in the name of “reducing” mortgage payments—so-called interest only mortgages). . . .

The Great Depression got under way in the late Fall of 1929, and foreclosures escalated at a cruel rate. President Roosevelt wrote, in 1938, “One of the major disasters of the continued depression was the loss of hundreds of thousands of homes each year by foreclosure. The annual average loss of urban homes by foreclosure in the United States in normal times was 78,000. By 1932 this had increased over three and a half times, to 273,000. By the middle of 1933, foreclosures had advanced to a total of more than 1,000 per day. Not only did this cause the obvious hardship of loss of homes, but it froze and endangered the assets of the various mortgagees—insurance companies, mortgage banks, savings banks, savings and loan associations, and other financial institutions, which held the savings of over 30,000,000 of our people.”

## Taking Action

With conditions constantly worsening, President Roosevelt sent a message to Congress on April 13, 1933, asking for legislation to “protect small home owners from foreclosure and to relieve them of a portion of the burden of excessive interest and principal payments incurred during the period of higher values and higher earning power.

“Implicit in the legislation which I am suggesting to you is a declaration of national policy,” FDR wrote in his message to Congress. “This policy is that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability, and that to protect home owners from inequitable enforced liquidation, in a time of general distress, is a proper concern of the Government.”

By June 13, Roosevelt was signing the Home Owners Loan Corporation (HOLC) Act, which created many of the safeguards and standards which survive to the present day. The Corporation was capitalized with a \$200 million subscription by the U.S. Treasury to its stock, and was authorized to issue bonds to the total amount of \$2 billion, in exchange for first mortgages on urban homes. Further increases in the amount of dollar authorizations provided funds for the repair and reconditioning of homes. To stabilize the institutions which granted the mortgages, a provision of the act stated that \$300 million could be invested in those institutions or in the bonds, debentures, or notes of Federal Home Loan Banks.

As President Roosevelt wrote: “What the Corporation did to accomplish its emergency task was to buy the mortgages of distressed home owners from those institutions and individuals who held them and were unwilling or unable to grant further extensions and concessions to the mortgagor.

“A large proportion of these mortgages were written on a short-term basis for one, two, or five years; and when the Corporation assumed them, many were subject to steadily accumulating delinquencies. . . . Interest rates on both short-term and long-term loans were high, and great numbers of them were weighted with premiums, commissions, service charges, and extra fees of various kinds which added to the load borne by the borrower.

“The Corporation rewrote all of the loans at a 5% interest rate and allowed a period of 15 years for repayment. All of the initial charges such as appraisal, title



ational Archives/John Vachon

*Evicted sharecroppers in Arkansas during the Great Depression. FDR's measures to deal with the housing foreclosure crisis are a lesson for today.*

fees, etc., and all delinquent taxes and assessments were paid by HOLC, and consolidated with the principal of the loan. . . .

“In cooperation with the Reconstruction Finance Corporation, HOLC was able to place nearly half a billion dollars in circulation to the benefit of small depositors by exchanging its bonds for that amount of frozen mortgage assets in closed banks of the country. The Corporation not only kept the home owners in their homes, but protected the depositors in these closed institutions and stabilized the collapsing home financing structure of the Nation. Funds amounting to hundreds of millions of dollars were released for further investment in new mortgages for building or purchasing of homes, or to meet the demands of investors who sought to withdraw their funds immediately. . . .

“Almost one-quarter of a billion dollars in delinquent taxes were paid to State and municipal governments by HOLC on behalf of its borrowers. The taxes paid had an important influence in reviving the market and restoring the prices for municipal bonds. Through these disbursements many communities have been helped to maintain intact over a desperate period their schools and other essential public services, have been able to operate with less borrowed money, and, in some cases, have been saved from defaulting on their own maturing bond issues.”

### **‘Humanity Comes First’**

Of course, President Roosevelt was attacked for creating a debt which would supposedly drag down

future generations. At Forbes Field in Pittsburgh on Oct. 1, 1936 during that year’s Presidential campaign, President Roosevelt gave a ringing answer to those critics. He said that when his new administration came to Washington in 1933, “We saw the millions out of work, the business concerns running in the red, the banks closing. Our national income had declined over 50%—and, what was worse, it showed no prospect of recuperating by itself. . . .

“Something had to be done. A national choice had to be made. We could do one of two things. Some people—who sat across my desk in those days—urged me to let nature take its course and continue a policy of doing nothing. . . .

To have accepted this advice would have meant a continued wiping out of people of small means, the continued loss of their homes and farms and small businesses into the hands of people who still had enough capital left to pick up those homes and farms and businesses at bankruptcy prices.

“It would have meant, in a very short time, the loss of all the resources of a multitude of individuals and families and small corporations. You would have seen a concentration of property ownership in the hands of 1 or 2% of the population, a concentration unequalled in any great nation since the days of the late Roman Empire. . . .

“To balance our budget in 1933 or 1934 or 1935 would have been a crime against the American people. To do so we would either have had to make a capital levy that would have been confiscatory, or we would have had to set our face against human suffering with callous indifference. When Americans suffered, we refused to pass by on the other side. Humanity came first. . . .

“And now a word as to this foolish fear about the crushing load the debt will impose upon your children and mine. This debt is not going to be paid by oppressive taxation on future generations. It is not going to be paid by taking away the hard-won savings of the present generation. It is going to be paid out of an increased national income and increased individual income produced by increasing national prosperity.”

And it was.

## A Volcanic Eruption Against the Bailout

by Jeffrey Steinberg

“We have a looming French Revolution on our hands.” These were the comments of Lyndon LaRouche on Sept. 26, assessing the massive, volatile reaction, on the part of the lower 80% of the American people, to Treasury Secretary Hank Paulson’s demands for a \$1 trillion taxpayers’ bailout of the super-rich. “Suddenly, with this Paulson atrocity, the vast majority of Americans, particularly the blue-collar segment of the population, woke up to the reality of the worst financial and economic crash in modern times. As I had reported in July 2007, the crash had already happened. But people were in denial, until the collapse of the banks made it impossible to ignore reality any longer. It is like Rip Van Winkle.”

This social explosion, as LaRouche described it, began within moments of Paulson’s Sept. 19 announcement of the Bush Administration’s proposed \$700 billion taxpayers’ bailout of the Wall Street and London speculative bubble. By Sunday, Sept. 21, the American public had erupted in spontaneous, coast-to-coast rage against the scheme. Lawmakers, particularly Democratic Senators



EIRNS/Susan DeFranco

*A LaRouche PAC organizer in Chicago on Sept. 24 demonstrates against Treasury Secretary Paulson’s bailout swindle, which will solve nothing.*

and Congressmen, who had initially rushed to embrace Paulson as the savior of the financial system, suddenly found themselves caught between the vise grip of Wall Street’s hysterical demand for a quick fix, and the pent-up anger of average Americans at the total failure of Washington to deal with their life-and-death needs.

On Sept. 19, within moments of the Paulson press conference making his \$700 billion pitch, Democratic Presidential candidate Barack Obama had thrown his support behind the Secretary and his scheme. (Paulson had, unbeknownst to the American people, already appropriated an estimated \$500 billion from the Exchange Stabilization Fund, enabling him to avoid a demand for well over \$1 trillion.) Sen. John McCain, in an early morning speech in Green Bay, Wisconsin the same day, had taken a more cautious and skeptical approach, even daring to suggest that the Treasury

Department and the Federal Reserve ought to get back to their core functions: defending the value of the dollar and fighting inflation.



EIRNS/Will Mederski

*The LaRouche PAC distributes a pamphlet titled “Tantamount to Treason” during the morning rush-hour in Washington, D.C. on Sept. 16.*

By Monday, Sept. 22, when Congress returned to Washington, according to a half-dozen offices, the phones and fax machines and e-mail folders were piling up with constituent reactions. And the reaction was brutal, and almost 100% opposed to the bailout. By mid-week, Sen. Diane Feinstein (D-Calif.) reported that she had received more than 38,000 calls from constituents, with fewer than 100 of the calls supporting any form of bailout. Pennsylvania’s Rep. Paul Kanjorsky (D) confided to Capitol Hill colleagues, “I have been getting two kinds of constituent reactions. Half have been saying ‘no bailout,’ and the other half have been saying ‘Hell, no bailout.’”

On Friday, Sept. 26, another earthquake struck, when British Prime Minister Gordon Brown, in New York City for the United Nations General Assembly, admitted that he was coming to Washington “to collect” on Britain’s share of the cash. A day earlier, LaRouche had issued a strongly worded statement, through the LaRouche Political Action Committee website, exposing and denouncing Bush’s bailout of his “Brutish friends.” The same day that Brown let the cat out of the bag, the London *Times* reported in detail, that a half-dozen British banks, led by the old Dope, Inc. institu-

tion, HSBC (formerly Hong Kong and Shanghai Banking Corp.), would be demanding 25% of Paulson’s \$700 billion bailout down payment, to save the City of London from certain doom.

A typical reaction came from a retired Florida police officer, with a blue-collar family background, who contacted *EIR* and demanded to know, “Did Gordon Brown actually come here and demand \$100 billion in our tax dollars? This is absolutely outrageous, and it is also criminal. Nobody is going to sell that bill of goods to us. I thought that, sooner or later, Paulson would surface with the foreign bailout!”

### **Class Warfare**

LaRouche described the explosive popular reaction against the bailout as a “form of class warfare.”

“There is a true clash of values. Congress, and the Bush Administration,” LaRouche explained, “are dominated by the ‘68’er’ values, which rejected the American tradition of agro-industrial progress. They rejected—outright hated—blue-collar work, and, instead, went off on wildly anti-scientific swindles, like radical environmentalism, globalization, and the whole post-industrial madness. But these were the people who marched through the institutions, into the top jobs, including as lawmakers.

“Now, all the failed policies of the past 40 years have come home to roost, and the population is in a state of absolute revolt. Fortunately,” LaRouche concluded, “we do not have to go through the violence of the French Revolution. We had our revolution here in the United States, and our Constitution provides all the necessary solutions to this crisis. We can go through an orderly bankruptcy reorganization, just as Franklin Roosevelt did in 1933. We can rebuild our way out of the crisis, born of 40 years of 68er insanity.

“But, if we do not adopt the solutions I have spelled out, and soon, we could go into the kind of social chaos that marked the French Revolution. If that happens, I pity the poor members of Congress and the Bush Ad-

ministration, who are going to bear the brunt of that fury.”

### Other Sane Voices

For a variety of reasons, a bloc of Congressional Republicans have balked at the Paulson bailout and, in effect, have broken free from the Bush-Cheney White House grip. This has created a serious problem for House Speaker Nancy Pelosi (D-Calif.), a fanatical backer of the White House bailout scheme. With a Democratic majority in both Houses, Congress can pass the bailout package without Republican support. But the political consequences of doing such a bailout will be fatal for the Democratic Party, in an election year that was supposed to be a Democratic landslide.

But beyond the popular upsurge, and the reactions from some “less insane” Republican legislators, one of the sharpest attacks on the bailout came from the labor movement.

On Sept. 26, the day that the New York City Central Labor Council called a rally on Wall Street to protest the bailout, Thomas Buffenbarger, the president of the International Association of Machinists (IAM), issued a statement demanding that the crooked speculators be hauled off to jail.

Under the blunt headline, “Just Say No!” Buffenbarger declared:

“For the last eight years, the Wizards of Wall Street have operated an international Ponzi scheme. They created a blizzard of paper derivatives, collateralized debt obligations, structured investment vehicles which they sold to the global gurus of high finance.

“The Wizards made a conscious choice to manufacture what is now non-investment grade paper rather than manufacture consumer products. And by creating and trading in commercial paper confetti, they made billions in profits for their firms and millions in bonuses for themselves.

“But like all Ponzi schemes, their get-rich-fast machine ground to a halt. The lubricants—timely lower interest rates and constant infusions of liquidity by the Federal Reserve and other central bankers—dried up. And now, after eight years of global hyper-greed, an



*Thomas Buffenbarger*

estimated 47 trillion dollars worth of worthless paper is raining down on Wall Street and the bourses of the world.

“The deeper that sea of bad debt gets, the more frantic become their cries of ‘rescue me.’ This is not an American phenomenon. Virtually every member of the G-8 is impacted by this downpour of debt-based terror.

“And yet, for the last fifteen months, the Federal Reserve, the U.S. Treasury Department and their counterparts on five continents have failed repeatedly to prevent the collapse of this Ponzi scheme. Not that they haven’t tried. Together, the central bankers have increased liquidity by over a trillion dollars; let non-bank firms borrow at below prime rates; picked winners and losers; and consistently deprecated the true dimensions this crisis.

“Now, the same government officials who said, ‘Let us handle it, we know what we’re doing,’ are saying something very different. Treasury Secretary Hank Paulson and Federal Reserve Chairman Ben Bernanke are running down the street shouting, the vaults empty; the money’s gone.

“They want Americas workers, businesses, and taxpayers to fill the void, to purchase an undeterminable, unfathomable, and unknowable amount of debt from the single largest financial failure since the South Seas Company collapsed in the 1700s.

“These two George Bush appointees are demanding that Congress pass a \$1,000,000,000,000 bailout package. They want the money in a small bill in the next ninety-six hours, or else.

“I urge Congress to Just Say, NO! It is bad enough that Bernanke and Paulson were in cahoots with the bank robbers. But by pointing a gun at the American people and demanding more than all the gold in Fort Knox (and the New York Federal Reserve Bank), they are abetting the wildest bank robbery ever.

“Make no mistake. This is a bank heist, nothing more, nothing less. And the Federal Bureau of Investigation should be the first responders.

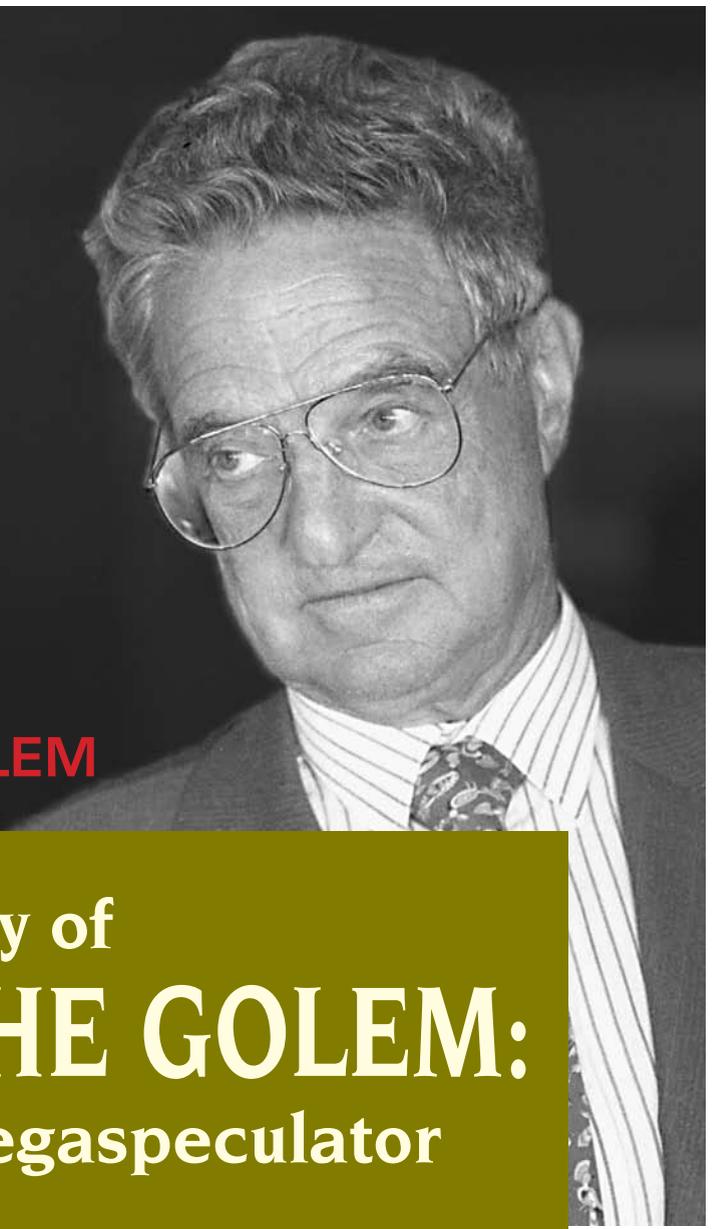
“Those Wizards of Wall Street should be arrested, their computers, bank accounts and records seized, their rights read to them, and their cases placed on a rocket docket. They should be treated as the common criminals they have become.

“We cannot undo the damage they have done to our economy. But we can turn a massive bailout into a monumental jail-in.”

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# Coup Against Mbeki Opens South Africa to Destabilization

by Douglas DeGroot

The Sept. 20 intraparty coup that led the National Executive Committee of the ruling African National Congress (ANC) to call for the removal of South African President Thabo Mbeki from office, was carried out by London-directed opponents of his Presidency, in the interests of expanding the London financial cartel's control over all of Africa. Mbeki's resignation the following day threatens to plunge South Africa into an extended political brawl, destabilizing it for the approximately six-month period leading to the next Presidential election, and beyond. The election is to take place between April and June 2009. It will also give the City of London a freer hand in the rest of Africa.

The absence of Mbeki, considered to be the architect of modern South Africa, will be felt over the entire continent.

On Sept. 23, two days after his ouster, the political crisis in South Africa worsened, when a third of the Cabinet—11 ministers and 3 deputy ministers—rebuffed ANC president Jacob Zuma, London's point man against Mbeki, and resigned their posts. This left Zuma pleading with South Africans: "Don't panic." The day before, Zuma had asked all Cabinet members to retain their posts in the interests of a smooth transition. In South Africa, the resignations were widely viewed as disastrous for the stability of the country. On news of the resignations, the South African rand immediately dropped 2.5% against the dollar and the Johannesburg stock exchange fell by about 4%.

The timing of the operation to dump Mbeki was not

the result of a local internal South African political struggle that just happened to well up spontaneously at this particular time. The conflict was between Mbeki's faction in the ANC, and a leftist grouping, long managed by London, which, in 2005, was put under the nominal control of Zuma, a populist. Using Zuma's populism, the London cartel has been able to build up the left into a formidable political machine by taking advantage of the high unemployment and worsening poverty. These two forces have brutally attacked each other, and the force around the figurehead of Zuma, organized by the left, has been able to weaken Mbeki internally. With his fall from power, he no longer represents a strategic, Africa-wide threat to London. Zuma's defeat of Mbeki last December at Polokwane, for the presidency of the ANC, was the beginning of the end for Mbeki.

The trigger for the sudden escalation against Mbeki was a statement by a George Soros-connected South African high court judge, Chris Nicholson, on Sept. 12 (see box). He threw out a corruption case against Zuma because of an error by the prosecution, concerning the technicality of whether Zuma had been given a chance to give his side of the story before fraud and corruption charges were levied against him again in 2007. It was found that he was not given that chance, and therefore, the charges had to be dropped. Since Nicholson did not rule on the Zuma's guilt or innocence, Zuma could be recharged.

However, Nicholson went far beyond that, and in



UN/Eskinder Debebe

*South African President Thabo Mbeki addresses the UN Security Council, April 16, 2008. As the head of Africa's most industrialized country, and an outspoken proponent of the sovereignty of African nations, he was ousted by a British-backed coup plot.*

his ruling, endorsed defendant Zuma's theory that there had been political meddling by Mbeki and the government in the case. Nicholson's speculation that Mbeki may have been behind a political plot against Zuma, was used to set off the rapid attack by the now dominant anti-Mbeki crowd in the ANC. Nicholson's allegations were not the result of any court case against the government, or Mbeki. If the ANC thought there was a litigable offense on this issue, the ANC could have lodged a complaint with the Parliament, and there could then have been an investigation as to whether Mbeki was guilty or innocent, as some in South Africa have suggested.

### **No Interest in Truth**

But there was no interest in getting at the truth in this instance. In his ruling, Nicholson chose to agree with the extraneous material introduced by Zuma, which asserted that Mbeki, and at least one prosecutor, were involved in a conspiracy against Zuma. This kicked the attack against Mbeki into motion. The leading anti-Mbeki figures in the ANC were in attendance when Nicholson read his finding. As soon as it became obvious that the judge had bought Zuma's conspiracy argument, and he had accused Mbeki of using state re-

sources to fight political battles, the anti-Mbeki crowd furiously began sending text messages to mobilize to overthrow Mbeki. Key figures in this mobilization were identified by the South African *Times* as: Blade Nzimande, general secretary of the South African Communist Party (SACP); his fellow leftist and Congress of South African Trade Unions (Cosatu) counterpart Zwelinzima Vavi; ANC treasurer Mathews Phosa; and long-time enemies of Mbeki, Tokyo Sexwale and Cyril Ramaphosa, who have both been made billionaires through Black Empowerment operations.

Nicholson is a former trustee of the Legal Resources Centre of South Africa, which receives funding from Soros's Open Society Foundation. The Centre has also supported a study pushed by the South African environmentalists against the Pebble Bed Modular Reactor, putting it in

London's policy track of opposing high technology, notably nuclear power, for Africa.

One faction is not just going to walk away the winner, since the goal of the manipulators from London is to destabilize the entire country; having built up the leftist faction, London is now effectively accomplishing its goal, by playing them off against each other. The crisis could easily weaken the electoral power of the ANC, which has heretofore dominated electoral politics in South Africa; and South African analysts are predicting that this could eventually lead to a split in the ANC. Such a split would make Soros happy; he is on the record saying that it is undemocratic for a country to have such a large ruling party as the ANC.

Ironically, Zuma, who in all his legal difficulties, has said that the courts are illegitimate, and that the power is with the people, has now relied on a judge's speculation to advance his political goal.

### **London's Goal in Africa**

*EIR* reported Jan. 11, 2008, after the targeting of Kenya for destabilization, and the effort to turn the Presidential succession in Zimbabwe into a chaotic regime-change scenario, the City of London-based financial cartel intended to go after its primary target,

South Africa, the economic powerhouse of Africa. This demonstrates the strategic nature of the operation against Mbeki.

Mbeki enraged the British empire because of his policy of consistently attacking London's campaigns to reduce all of Africa to a collection of territories instead of sovereign nation-states. In addition to Zimbabwe, he has intervened in Sudan, Burundi, Democratic Republic of Congo, Ivory Coast, and Liberia.

In another example of his importance for Africa, Mbeki's intervention at the EU summit on Africa in Lisbon last December, prevented the continent-wide endorsement of the EU free-trade policy that EU Trade Commissioner Peter Mandelson, a close associate of former British Prime Minister Tony Blair, had wanted to ram through.

The dumping of Mbeki comes in the midst of a global economic crisis, and the mass resignation was the last thing the anti-Mbeki crowd needed, just when they had to prove to the shareholders of the financial world that they could maintain stability in South Africa without Mbeki, and keep paying shareholders who hold stock in South Africa's largely extractive economy. The departure of Mbeki could be used by London-connected financial networks to aggravate the destabilization by undermining the economy. A similar thing had happened during the negotiations to end apartheid.

At a point during the negotiations, when the ANC was deemed to be pushing too strongly for greater control of the economy, the diamond firm De Beers, which had been based in South Africa since its founding in the 19th Century, suddenly moved its offices to Switzerland, as a warning not to seriously challenge the London financial cartel.

One of the ministers who has now resigned, Finance Minister Trevor Manuel, is credited with being the architect of South Africa's increasing commitment to shareholder value. Although he (along with some of the others who had resigned) has agreed to resume the post of finance minister under Kgalema Motlanthe, the ANC's choice to replace Mbeki until the election next year, the consternation that followed his resignation underlines how vulnerable South Africa will now be. Motlanthe has been a supporter of Zuma. While trying to keep attracting the foreign capital that flowed in under Manuel, the Motlanthe government will have to come up with quick fixes for poverty and unemployment, as Zuma's populist rhetoric promised would happen.

In this difficult economic situation, South Africa has a new President who has no experience operating at this level (Motlanthe was a minister without portfolio under Mbeki for only a few months). The Cabinet will also have several new members with very little

## Judge Triggers Attack On President Mbeki

Judge Chris Nicholson set off the attack on President Mbeki by completely swallowing Jacob Zuma's complaint, that the fraud and other charges that were brought against Zuma by Mbeki and his administration were part of a political move to keep him out of office. Zuma has told this story to anyone who will listen to it, inside and outside of South Africa,

- Paragraph 209 of the ruling states: "The applicant [Zuma] states . . . that after all these [legal] proceedings he and those who wished him to occupy a leadership role in the ANC 'were concerned about the criminal charges being re-launched at all and moreover being launched at a critical time in the po-

litical process.' He goes further and suggests that this was a stratagem to cloak him in the guise of an accused at the critical moments in the political process and so hamper his election as ANC President." Nicholson continues: "There does seem to be merit in that contention. I am therefore not inclined to strike out these allegations."

- In paragraph 216: "I am therefore not convinced that the applicant [Zuma] was incorrect in averring political meddling in his prosecution."

- In Paragraph 220: "There is a distressing pattern in the behaviour which I have set out above indicative of political interference, pressure or influence."

- In Paragraph 238: "As appears from the above findings I am satisfied that political meddling cannot be excluded and I am of the judgment that it existed to a sufficiently egregious degree that it justified inclusion in the papers."

experience at this level. This will be a new team operating in difficult circumstances.

Growth is expected to slow in 2008 because higher interest rates have cut South African consumption. In addition, the collapse of world economic activity because of the crisis of the bankrupt world monetary system will also have a negative impact. Inflation has reached record levels, as a result of rising international costs of food and fuel. Despite the world financial markets' approval of the profits that South Africa's economy has generated for them, since 1996, the increase in salaries has been slower than the rising cost of living, so the leftist backing for the Zuma faction, from British Fabian assets, such as the SACP and Cosatu, will be putting pressure on the government to deliver immediate benefits to the poor, and the 40% of the population that is unemployed. Mbeki was not able to help the poor and unemployed, as he wished, because of the onerous conditions that were part of the agreement that led to the end of apartheid. This is never mentioned by the populists. They will have the same problem, but magnified by the global collapse.

Already the infrastructure projects pushed by Mbeki, as a way of expanding the economy, making it more productive so that ultimately, more of the population would benefit, are being considered for the chopping block. "There may be a rethink of mega projects that have not fulfilled the expectations of the poor," said sociologist Dr. Ashwin Desai of the University of the Witwatersrand, in Johannesburg, according to the *South African Mail & Guardian*, Sept. 23.

### **The Zuma Faction**

Zuma became Deputy President in 1999, the year Mbeki became President. In 2001, Schabir Shaik, Zuma's "financial advisor," was arrested after his brother Chippy was suspended from the Ministry of Defense for involvement in a corrupt arms deal, according to accounts in the South African press. Investigators found that Schabir was involved in corrupt dealings with Zuma. Schabir was brought to trial and convicted on May 30, 2005, for corruption involving payments to Zuma of the equivalent of \$185,000, for soliciting a bribe from the French arms company Thomson-CSF, now Thales, and for writing off more than \$154,000 of Zuma's unpaid debts. Judge Hilary Squires, in his verdict, stated that there was "overwhelming" evidence of a corrupt relationship between Shaik and Zuma. Five appeal judges later found that

Shaik's corrupt relationship with Zuma was in violation of the Constitution.

Zuma, who now has at least 18 children, with several wives and with other women, had at that time been living beyond his means; but Shaik gave him money in exchange for influence that would help him win government contracts. After Shaik was sentenced to 15 years in prison, Mbeki dismissed Zuma as Deputy President.

As a result of his dealings with Shaik, in 2005, Zuma faced a charge of racketeering, a charge of money laundering, 2 charges of corruption, and 12 charges of fraud relating to the government arms deal. After much stalling because of delays resulting from his failure to provide critical evidence, the case was dropped in 2006. He was recharged in December 2007, by the Directorate of Special Operations (DSO), also called the Scorpions. This was a special agency set up by Mbeki to investigate and prosecute organized crime and corruption. He appeared in court Aug. 4, 2008. These were the charges that were thrown out by Judge Nicholson eight days later. Zuma continues to claim that the charges are politically motivated.

Zuma was also charged in late 2005 with the rape of a daughter of a deceased comrade from the anti-apartheid struggle. The woman was a friend of one of his daughters and was HIV positive. He gained notoriety during the trial when he said that, after having unprotected sex with the woman, he took a shower afterwards to "cut the risk of contracting HIV." At the time, Zuma headed the National AIDS Council.

The court dismissed the charges, agreeing with him that the sexual act was consensual. Zuma brought ethnicity to the fore with this trial. His defense was that as a Zulu male, he could tell by how a woman dressed and acted, if she wanted to have sex, and when such was the case, he was obliged to give her what she wanted. The woman who brought the charge has since been granted asylum outside of South Africa.

### **Tensions Within the ANC**

Mbeki has been a longtime target of London. The first effort to pull off a coup against him, was uncovered in 2001. Tokyo Sexwale, Cyril Ramaphosa, and Mathews Phosa were accused of attempting to organize a coup against Mbeki, who became President in 1999; prior to that, he had served as Deputy President under Nelson Mandela, South Africa's first post-apartheid President. Mbeki's efforts to bring charges

against the trio were sidetracked in the name of maintaining party unity.

Mbeki and Zuma, who has been called the Teflon politician of South Africa, could not be more diametrically opposed. This is why Mbeki tried to win a third term as the ANC president, to counterbalance Zuma, who could end up being elected South African President next year, if his unresolved legal problems don't trip him up. The Sept. 20 decision by the ANC's National Executive Committee (NEC) to oust Mbeki was the culmination of a coup planned against Mbeki since no later than last December's 52nd ANC national conference, at Polokwane, in which Mbeki's effort to remain president of the ANC was defeated, and he was replaced by Zuma. This puts Zuma in line to be the ANC's next Presidential candidate. The present anti-Mbeki NEC list, was also voted up at that conference, in which the London-controlled SACP and Cosatu played an extremely active role. Mandela sent a message to the delegates, saying that he was ashamed of the infighting in the movement. Archbishop Desmond Tutu's plea to the delegates not to vote for a person who will embarrass the country, fell on deaf ears.

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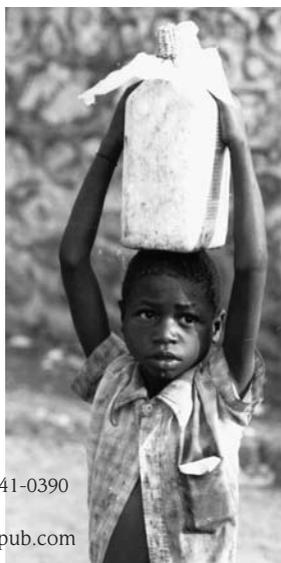
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The ANC has had such dominance and strength in the country, that its Presidential candidate, who has always been the president of the party, has always won the Presidency, since apartheid ended in 1994. One does not have to be a seasoned political observer to see that Zuma did not think up and coordinate the operation to unseat Mbeki on his own.

A significant number of the 80-member NEC were reportedly being investigated by the Scorpions; as soon as Mbeki lost the ANC presidency in December, the ANC moved to get rid of the Scorpions, in order, it is alleged in South Africa, to protect certain prominent ANC members from corruption charges. The move served to absorb the Scorpions into the South African Police Service. According to the Jan. 21 *Mail & Guardian*, United Democratic Movement leader Bantu Holomisa asked, why is the ANC now so obsessed with this one issue? Holomisa said there were no justifiable reasons for disbanding the Scorpions. "We are not blind to the fact that a disturbing amount of people who now think they control the ANC, and indeed the entire country, have pending cases against them." The 2005 Khampepe Commission found that, within its first three years of operation, the DSO (Scorpions) had been far more effective than the police.

The same *Mail & Guardian* article cited a *Sunday Times* report on the manner in which the NEC was making Mbeki accountable to them. At the first NEC meeting he attended since he was removed from the leadership of the ANC, it was made clear to him that he must regularly attend NEC meetings to account for how the government was implementing ANC policy. "If he is failing to honour that obligation, we have no choice but to dismiss him," one NEC member reportedly said."

According to William Gumede, by 2005, Cosatu and the SACP had decided to form a new party if they couldn't persuade the ANC to move to the left. However, after Zuma was dismissed as Deputy President that year, he joined forces with the the Communist Party and Cosatu. He said they should join him, instead of forming a new party, and then he would be able to turn the ANC to the left.

As a result, the leftist component now controls the mainstream ANC; and the centrists, such as people around Mbeki, are in the minority. So this London-orchestrated deal has ousted London's nemesis, Mbeki, and will now be used to wreck South Africa.

*Ramasimong Tsokolibane contributed to this article.*

# The British-Inspired Campaign Against Mbeki

by David Cherry

When the African National Congress (ANC) assembled in Polokwane on Dec. 16, 2007, for its national conference and party elections, South Africans witnessed a shocking discontinuity: a large number—reportedly a majority—of the 4,075 delegates abandoned civility and debate, preferring to attempt to humiliate the president of their party and their country, Thabo Mbeki. When Mbeki finished reading his report to the conference, a large number of delegates rose to their feet, singing “Umshini Wami” (“Bring Me My Machine-Gun”), the theme song of Mbeki’s opponent, Jacob Zuma, whom the delegates then elected to replace Mbeki as ANC president. That was the high point of the rageful irrationality visited upon the President, his Cabinet, and others at Polokwane by the recent converts to uncivil society.

One observer noted the discontinuity, in a letter to the editor of the Johannesburg *Sunday Times* Jan. 6, 2008: “The anarchic tendencies that have taken root in the ANC lately, coupled with the blatant disrespect towards the highest office in the land, raise high suspicions of a Third Force in operation. . . . South Africa wake up. *Zemk’iinkomo magwala ndini!* [The cattle are being stolen, you bloody cowards!]” The letter may be the only published acknowledgement, apart from *EIR*, of a third force guiding the attack on Mbeki. It was signed by Epainette Mbeki, the President’s 92-year-old mother.

Since Polokwane, British institutions—and South African media and institutions under British influence—have raised cattle-stealing to a fine art. The rush of attacks on the President and the Presidency is shown here.

## April 3: House of Lords Zimbabwe debate

*Frances Gertrude Claire D’Souza, Baroness D’Souza*: “My Lords . . . does [Minister of State Lord Mark Malloch-Brown] agree with the view expressed by Archbishop Desmond Tutu that now is not the time for quiet diplomacy, and that every possible . . . repre-

sentation should be made to President Thabo Mbeki . . . ?”

*Malloch-Brown*: “The Prime Minister has spoken to Mr. Mbeki and will speak to him again. . . .”

*Daphne Park, Baroness Park of Monmouth*: “My Lords, does the Minister agree that we have left the decisions too long to [the Southern African Development Community]?”

## April 13: Trade union actions to discredit the Mbeki government

The Congress of South African Trade Unions (Cosatu) staged the first of its protests against rising prices by leading a march through Polokwane. The demonstrators, misguided by Cosatu’s impotent populism and localism, demanded a reduction in the price of bread and prosecution of those accused of price fixing. The protests succeeded in giving Cosatu a higher public profile against the government.

## April 15: *Washington Post* editorial

Mbeki’s government “has consistently allied itself with the world’s rogue states and against the Western democracies . . . defended Iran’s nuclear program . . . shielded Sudan and Burma . . . supported one-sided condemnation of Israel. . . . Now Mr. Mbeki’s perverse and immoral policy is reaching its nadir” in Zimbabwe.

## May 14: ANC treasurer says Mbeki must resign

Following the sudden, unexplained outbreak of deadly violence against foreigners on May 11, Mathews Phosa, the new ANC Treasurer General, called for Mbeki to immediately resign. Phosa is one of a group of leading opponents of Mbeki with old scores to settle.

## May 20: *Times* of London editorial, “The Shame of Thabo Mbeki”

“By failing to condemn Robert Mugabe’s murderous dictatorship, Mr. Mbeki has done more than any other outsider to keep him in power. He has also perpetuated the flood of Zimbabwean refugees. . . . They seek . . . livelihoods in an economy burdened further by systemic corruption and sharply rising food prices. The results include lynchings and looting. . . . For Mr. Mbeki to announce . . . a panel to study the causes of the lawlessness . . . is fiddling while Rome burns. . . . Mbeki could still reverse much of the damage by . . . ending

his puerile sabotage of British efforts to isolate Mugabe at the UN.”

**May 24: Times of London blames Mbeki for using the Army to stop xenophobic attacks**

“President Mbeki reluctantly authorized the Army to assist police—a move severely denting the country’s reputation for stability and tolerance in a turbulent continent.”

**May 25: Sunday Times (Johannesburg) gives clout to demands that Mbeki resign**

In a front-page editorial attacking Mbeki for his handling of the xenophobic attacks, the *Sunday Times* charges that Mbeki has “shown himself to be not only uncaring but utterly incompetent. . . . [H]e no longer has the heart to lead. He did not visit any scene of violence and did not speak to the nation. . . .” The British-allied opposition party, the Democratic Alliance, had already called for Mbeki’s resignation at this point.

**June 4: Mail & Guardian (Johannesburg) commentary instructs ANC who should replace Mbeki**

William Gumede, in “National Crisis in SA Calls for Extraordinary Steps,” says Mbeki must resign immediately, and tells the ANC whom it must appoint in his place—which it has now done. Gumede also writes for the City of London’s *The Economist*.

“The South African state is imploding. . . . The black majority . . . will no longer wait patiently for the benefits of post-1994 economic growth. . . . They want jobs, food, affordable education, health care, electricity . . . and they want it now. . . . Mbeki must step down as president immediately. . . . Because this is a national emergency, the ANC leadership must offer the job as South African President to ANC deputy president Kgalema Motlanthe, ANC treasurer Mathews Phosa,

or ANC national executive committee member Cyril Ramaphosa. . . .”

**June 6: Politicsweb cites authority of the New York Times and Wall Street Journal**

Politicsweb, part of the Moneyweb family of South African online publications, wrote: “Mbeki has been accurately and justifiably denounced in the *Sunday Times*, *New York Times* and *Wall Street Journal* and there is nothing further that need be said about this failed leader; he must simply be removed from power.”

**June 16: “We will kill and die for Zuma”**

ANC Youth League President Julius Malema, at a Youth Day rally in Thaba Nchu, Free State, declared, “We are prepared to die for Zuma. We are prepared to take up arms and kill for Zuma.” Malema still defends his statement today. Days later, at a funeral, Cosatu Secretary General Zwelinzima Vavi said: “He is one of our leaders, for him, we are prepared to lay [down] our lives and to shoot and kill.”

**July 8: G8 governments’ statement to undercut Mbeki and destabilize Zimbabwe mediation**

“We will take further steps, inter alia introducing financial and other measures against those individuals responsible for violence [in Zimbabwe].” The statement recommends that the UN Secretary General appoint a special envoy “to support regional efforts to take forward mediation between political parties.”

**Aug. 3: Sunday Times (Johannesburg) uses British “secret report” to accuse Mbeki**

The exposé claims that Mbeki accepted a bribe of 30 million rand (\$3.75 million) from German ship-builder MAN Ferrostaal, in exchange for a submarine contract, and that he gave R28 million of it to the ANC and R2 million to Zuma, then Vice President. A “central European manufacturer,” defending against a hostile takeover bid by MAN Ferrostaal, hired “a British specialist risk company” to investigate MAN Ferrostaal; the risk company wrote in its “secret report” that “a former South African official who had access to such information informed us in confidence. . . .” *Times* editor Mondli Makhanya, in an interview on the *Times*’ website, treats Mbeki as guilty: “We at the *Sunday Times* believe Mbeki betrayed us and cannot stay on.”

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# Vulnerable India Faces a New Threat

by Ramtanu Maitra

India is becoming increasingly unstable and is under attack from various terrorist networks working from inside, with adequate help from outside. While this has become obvious to many, both within India and abroad, the ruling coalition United Progressive Alliance (UPA), led by Prime Minister Manmohan Singh, took a three-year policy-holiday from dealing with it.

Singh's obsession, which is widely acknowledged in India, was to see the U.S.-India nuclear deal through. That process, and the efforts to keep it going all this time, have further weakened the government (the UPA is now a minority government, having lost the support of at least 60 parliamentarians because of its single-minded pursuit of the nuclear deal, to the exclusion of other vital issues) and have strengthened the negative forces gnawing at India's stability.

## A Drug Transit Station

The latest source of instability is the growing inflow of drugs and the establishment of drug-trafficking networks inside India. Those who choose to ignore history are oblivious to the fact that the violence that is causing the disintegration of Afghanistan and Pakistan today has its genesis in the opium culture, which was allowed to develop there. The opium culture not only has corrupted many people in high places, and weakened the functional institutions in those countries, but it has also become the source of funds to recruit manpower—the so-called jihadis, suicide bombers—arms, and ammunition to commit violent acts against society. Many of the conflicts in the Balkans and on Russia's southern flank were aided by drug money generated elsewhere.

In March 2008, the annual report of the International Narcotics Control Board pointed out that the use of courier services for drug trafficking is on the rise in India, and the country is increasingly being used as a major transit as well as destination country for smug-



gling of banned substances. The report added that Indian law enforcement agencies are seizing an ever-increasing quantity of heroin from the India-Pakistan border, indicating a rise in trafficking from neighboring nations. In 2007, drug traffickers used Bangladeshi and Indian couriers to ship illicit drugs to Canada and South Africa, according to the report.

The document noted that smuggling across the porous borders between Bangladesh, Bhutan, India, and Nepal is relatively easy. The quantity of heroin entering India from Pakistan and Afghanistan increased more in 2007 than in previous years. "Law enforcement agencies in the north-western part of India are seizing ever-increasing quantities of heroin originating in Afghanistan and Pakistan and en route to Europe via Pakistan and India," the report said. Indian heroin is reportedly becoming available in Bangladesh, and there is evidence that Europe-bound heroin is increasingly passing through India.

## Trafficking and Production

The report did not delve into either the drug trafficking or illegal drug production networks that already exist inside the country. However, a number of local media reports indicate that drug traffickers are sinking deep roots. A news report, “Manali Drug Traffickers: Growing Menace,” penned by Harish Thakur, pointed out that like Goa, Delhi, and Rajasthan, the state of Himachal Pradesh, bordering Punjab, Jammu and Kashmir, Uttar Pradesh, and Haryana, has turned into a major attraction for drugs for foreign tourists.

The article cited Allan D’Sa, Deputy Superintendent of Police and Anti-Narcotics Chief of Goa, admitting on the International Day Against Drug Abuse and Illicit Trafficking, that “Goa has become a transit point for all the drug peddlers, and from here drugs like charas, hashish, and ganja are being pushed, and Ecstasy, LSD, and cocaine come into Goa from western countries.” He said drugs entering Goa are mostly from Rajasthan and Himachal Pradesh, besides Afghanistan, Pakistan, and Nepal.

In recent years, Goa has become well known as the transit point for drugs shipped out to various European countries, and a production center for synthetic “party drugs.” In keeping with the trend among drug smugglers worldwide in adopting innovative ideas to escape the law, drug lords based in Goa are using minors as drug-smuggling “mules,” and carbonized suitcases to ship their drugs to Europe.

What Thakur pointed out about drug activities in Himachal Pradesh is an eye-opener. It shows how deeply rooted the problem has become. The Soviet intrusion of Afghanistan and consequent settlement of displaced Afghans in Kullu, in Himachal Pradesh, led to the first planned business in trade and cultivation of narcotics in that area. Afghan settlers preferred the hilly terrain of Kullu-Manali for climatic reasons. They gradually developed links with local youths, and soon heralded the era of “smack, heroin, and brown sugar” in that region.

As a result of these developments, which went wholly unreported, the narcotics trade has assumed a horrific shape in Kullu, where a large number of tourists, mostly Israelis, visit every year. Nearly 50,000 foreigners visit Himachal Pradesh annually, and they move around in different parts of the state, such as Shimla, Kullu, Manali, Dharamshala—the abode of the Tibetan spiritual leader Dalai Lama and his contin-

gent. The presence of drug users among the tourists has inspired local farmers to clandestinely cultivate poppy or cannabis crops to earn some quick money.

What is of particular interest is the presence of a large number of Israelis in the drug trade. Thakur says Israeli monopolization of the trade has become plainly visible, from the fact that people of Kasol village in Kullu have learned to speak Hebrew! Cannabis took root in the area after 3,000 Israelis made Kasol their home.

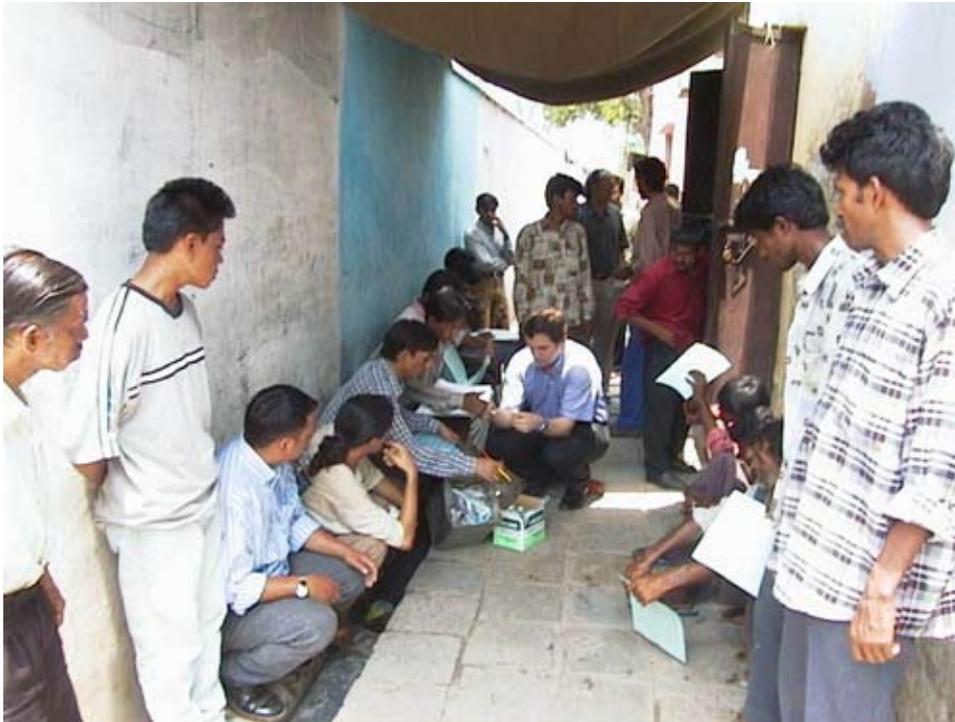
Drug users and traffickers have also come from Austria, the Czech Republic, Slovakia, and Holland. “Every year the area under cannabis cultivation has been increasing, thanks to the patronage of foreigners,” a senior police official told Thakur. “One set of foreigners gets hybrid cannabis seeds, and another sets up residence here and monitors the cultivation through local folks. The produce is then smuggled out by villagers to Delhi, Mumbai, and Goa to be shipped abroad. The new inhabitants have re-christened their habitats. For instance, the valley next to Malana, about 15 km from here, is called ‘Magic Valley.’”

An Israeli revealed to Thakur some pertinent facts about the trade. Kutla, a remote village in Parvati Valley, is the hub of charas cultivation. Police have little access here and people work fearlessly. Foreigners hire one acre of land for just 10,000 rupees (about \$223), and raise about 40 kilograms of charas. Cheap Nepali labor makes things easy, as villages such as Malana, Kasol, and Tosh compete for higher production.

The drug mafia has set up “headline fields,” which can be sacrificed if the police carry out a raid. But fields in the higher slopes of the mountains have been left untouched, and production there thrives. The trade in this area is mostly controlled by drug cartels from Israel and Italy, Thakur said. According to a State Narcotics Report, over 3,000 acres of mountain land in Himachal Pradesh is under illegal cannabis cultivation, run by the Italian and Israeli drug mafia through local residents.

## Maoists on a Rampage

Besides the fact that these drug traffickers are ostensibly linked to the international drug mafia, which provides succor to many insurgent movements and assassination squads, the direct threat the drug operations pose inside a vulnerable India is too large to ignore.



UNDP

*Addicts at a needle-exchange program in New Delhi. The government is ignoring the dangerous effect of the introduction of drug-trafficking into the country.*

tended to lure foreign investors. The process would require showing satisfactory GDP growth and keeping the educated and skilled class reasonably satisfied, the UPA argues. The UPA government does not prioritize infrastructure projects in these areas, because such projects would not yield a significant leap in GDP growth

This policy has fueled the growth of the Maoists in the vast underprivileged areas. While other ingredients, such as outside interference, play a role in expanding the Maoists' power, the Maoists themselves now pose a threat to the security of the nation.

### **The Other Threats**

It is widely recognized that the Maoists in India have taken control of a huge swath of land, running from the state of Bihar in the North to the state of Tamil Nadu in the South, encompassing highly underdeveloped areas of Jharkhand, Madhya Pradesh, Chhattisgarh, Orissa, and Andhra Pradesh. The common thread that runs through this massive stretch of land is: underdevelopment and poverty. The area where the Maoists exhibit their strength through violent acts is bereft of physical infrastructure, including educational facilities, health-care centers, power, water, and railroads.

Because Himachal Pradesh, Punjab, Jammu and Kashmir, Nepal, and Uttar Pradesh are contiguous, development of drug trafficking, and some drug production, in Himachal Pradesh, would further undermine the security of India and provide a potential financial base to the Maoists. The Pakistani Taliban, which raised its head only in 2006, was supported and nourished by drugs from Afghanistan and from Pakistan's tribal areas.

The problem with the policies pursued by the Manmohan Singh government, is that its interest in developing some of India's infrastructure is primarily in-

India has been ravaged in recent years by terrorist acts, such as the bombings in crowded places, killing scores of innocent people. Bombs went off in Jaipur, Bangalore, Ahmedabad, and Delhi in recent years, killing many. These terrorist acts followed the seven coordinated blasts that ripped through trains on Mumbai's busy commuter network on July 11, 2006, killing at least 200 people. New Delhi has pointed its finger at the Pakistani Inter-Services Intelligence (ISI) for these acts, but did little to eliminate the linkages that the terrorist have developed within the country.

In addition, wedged between Bangladesh, Bhutan, and China's Tibet province, are India's northeastern states. Some of these, particularly Assam, Nagaland, and Manipur, have remained unstable. From time to time, secessionist forces, aided from outside, commit terrorist acts. These are not the handiwork of the Islamic jihadis, since these areas are inhabited by various tribal groups, converted Christians, and Hindus. Such secessionist forces pose a serious threat to India's efforts to develop infrastructure to Myanmar and beyond, to develop strong cooperation with Southeast Asia.

# *Restore the Glass-Steagall Act Now!*

People should stop kidding themselves. There *is* an alternative to the New Dark Age, hyperinflationary bailout called the Paulson plan, and it has been laid out repeatedly by Lyndon LaRouche and his associates since the Summer of 2007. The plan is comprised of three simple measures: 1) passing the Homeowners and Bank Protection Act (HBPA); 2) establishing a two-tier credit system which supports the dollar, and pours cheap credit into vital infrastructure projects; and 3) crafting an international agreement among the U.S., Russia, China, and India for a New Bretton Woods system.

On Sept. 27, however, on the verge of the next major bank failure (Wachovia) and the showdown over the bailout fiasco, LaRouche issued a new statement: “We’re at the point, that in addition to the three measures I prescribed since Summer of 2007, that we have to add another provision, as a result of the degree of corruption which has been introduced into the system *since* the Summer of 2007,” he said.

“We now have a corruption of banks, of what were once legitimate banks, through the contamination with the market toxic waste, such that we can’t simply reorganize and protect banks in a simple way. We’re going to have to, in a sense, look at each bank, determine what corresponds to a legitimate bank under Glass-Steagall standards, and take that part of the bank, that corresponds with Glass-Steagall standards, and put that under protection: Which means, you’ll essentially probably have a bank in the same place, physically, but the operation of the bank, as a functioning bank, will be confined to the Glass-Steagall standard.

“The rest of the funds, or the claims associated with what is that bank now, normally—this mixed bag of legitimate and illegitimate credit and debt—

... the part that comes out of investment banking, through mergers and so forth, that will be frozen. And it has to be frozen under Federal and state bankruptcy proceedings—chiefly Federal.”

The Glass-Steagall Act of 1933 was one of the most important banking regulations ever passed, as it prohibited any commercial bank from engaging in investment banking activities. As FDR told the House of Morgan then, you can be a commercial bank or an investment bank, but you can’t be both. This was done to prevent abuses which occurred in the 1920s and early 1930s, as the bankers saved themselves at the expense of their customers and the public. Glass-Steagall forced the House of Morgan to split into two separate institutions, an act for which FDR has never been forgiven; but FDR was entirely correct, as recent events have demonstrated.

The banks began to chip away at Glass-Steagall in the 1980s, and it was finally repealed in 1999, after the illegal merger of Travelers and Citicorp to form Citigroup in 1998. The repeal of Glass-Steagall opened the floodgates as the banks expanded their speculative activities, until the distinctions between commercial banking and investment banking have virtually disappeared. As has the solvency of the system.

Thus, as an adjunct to the bankruptcy reorganization involved with the HBPA, LaRouche stressed, it will be essential to re-enact the Glass-Steagall regulations. Banks must be supported in their function as support for the general welfare, but not in their gambling activities. Those must rather be investigated for suspected illegal activity, as, for example, demanded by House Resolution 1452.

**Restore Glass-Steagall! No bailouts! No bail!**

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—Lyndon H. LaRouche, Jr., webcast, July 25, 2007

Unless the Homeowners and Bank Protection Act “is enacted as a first order of business of the 110th Congress in September [2007], many millions of Americans will be evicted from their homes.... The foreclosure tsunami is occurring, not as a result of a mere housing or mortgage crisis, but a disintegration of the entire global financial system.”

—EIR Editorial, Aug. 31, 2007

“My view of the economy is that the fundamentals are strong.”

—President George W. Bush, Dec. 20, 2007

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- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- LONG BEACH CH Analog Ch.65/69 & Digital Ch.95: 4<sup>th</sup> Tue 1-1:30 pm
- LOS ANGELES TW Ch.98: Wed 3-3:30 pm
- LOS ANGELES (East) TW Ch.98: Mon 2 pm
- MARINA DEL REY TW Ch.98: Wed 3 pm; Thu/Fri 4 pm
- MIDWILSHIRE TW Ch.24: Tue 4:30-5 pm
- ORANGE COUNTY (N) TW Ch.95/97/98: Fri 4 pm
- SAN FDO. VALLEY (East) TW Ch.25: Sun 5:30 pm
- SAN FDO. VALLEY (NE) CC Ch.20: Wed 4 pm
- SAN FDO. VALLEY (West) TW Ch.34: Wed 5:30 pm
- SANTA MONICA TW Ch.77: Wed 3-3:30 pm
- WALNUT CREEK CO Ch.6: 2<sup>nd</sup> Tue 7 pm; AS Ch.31: Tue 7:30 pm
- VAN NUYS TW Ch.25: Sun 5:30 pm

## COLORADO

- DENVER CC Ch.56 Sun 10 am

## CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch.23: Sat 6 pm
- NEWTOWN CH Ch.21: Mon 12:30 pm; Fri 7 pm
- SEYMOUR CC Ch.10: Tue 10 pm

## DISTRICT OF COLUMBIA

- WASHINGTON CC Ch.95 & RCN Ch.10: Irregular

## FLORIDA

- ESCAMBIA COUNTY CX Ch.4: Last Sat 4:30 pm

## ILLINOIS

- CHICAGO CC./RCN/WOW Ch.21: Irregular
- PEORIA COUNTY IN Ch.22: Sun 7:30 pm
- QUAD CITIES MC Ch.19: Thu 11 pm
- ROCKFORD CC Ch.17 Wed 9 pm

## IOWA

- QUAD CITIES MC Ch.19: Thu 11 pm

## KENTUCKY

- BOONE/KENTON COUNTIES IN Ch.21: Sun 1 am; Fri Midnight
- JEFFERSON COUNTY IN Ch.98: Fri 2-2:30 pm

## LOUISIANA

- ORLEANS PARISH CX Ch.78: Tue 4 am & 4 pm

## MAINE

- PORTLAND TW Ch.2: Mon 1 & 11 am; 5 pm

## MARYLAND

- ANN ARUNDEL Annapolis Ch.76 & Milleneum Ch.99: Sat/Sun 12:30 am; Tue 6:30 pm
- P.G. COUNTY CC Ch.76 & FIOS Ch.38: Tue/Thu 11:30 am
- MONTGOMERY COUNTY CC Ch.21: Tue 2 pm & Fri 11 pm

## MASSACHUSETTS

- BRAINTREE CC Ch.31 & BD Ch.16: Tue 8 pm
- BROOKLINE CV & RCN Ch.3: Mon 3:30 pm; Tue 3:30 am; Wed 9 am & 9 pm;
- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- QUINCY CC Ch.8: Pop-ins.
- WALPOLE CC Ch.8: Tue 1 pm

## MICHIGAN

- BYRON CENTER CC Ch.25: Mon 2 & 7 pm
- DETROIT CC Ch.68: Irregular
- GRAND RAPIDS CC Ch.25: Irreg.
- KALAMAZOO CH Ch.20: Tue 11 pm; Sat 10 am
- KENT COUNTY (North) CH Ch.22: Wed 3:30 & 11 pm
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Mon/Tue 2 & 9 pm
- LANSING CC Ch.16: Fri Noon.
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- PORTAGE CH Ch.20 Tue/Wed 8:30 am; Thu 1:30 pm
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

## MINNESOTA

- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Wed 8 pm
- DULUTH CH Ch.20: Mon 9 pm; Wed 12 pm, Fri 1 pm
- MARSHALL Prairie Wave & CH Ch.35/8: Sat. 9 am

- MINNEAPOLIS TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm
- NEW ULM TW Ch. 14: Fri 5 pm
- PROCTOR MC Ch. 12: Tue 5 pm to 1 am
- ST. CLOUD CH Ch.12: Mon 9:30 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Mon 10 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

## NEVADA

- WASHOE COUNTY CH Ch.16: Thu 2 pm

## NEW HAMPSHIRE

- MANCHESTER CC Ch.23: Thu 4:30 pm

## NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- MERCER COUNTY CC Trenton Ch.26: 3<sup>rd</sup> & 4<sup>th</sup> Fri 6 pm
- WINDSOR Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.22: Thu 11:30 pm
- UNION CC Ch.26: Irregular

## NEW MEXICO

- ALBUQUERQUE CC Ch.27: Thu 4 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.8: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm

## NEW YORK

- ALBANY TW Ch.18: Wed 5 pm. TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- BETHLEHEM TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN CV Ch.68: Mon 10 am
- TW Ch.35: Mon 10 am
- TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- CHEMUNG TW Ch.1/99: Tue 7:30 pm
- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Mon/Thu 7 pm
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- MANHATTAN TW & RCN Ch.57/85 Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.35: Tue 10:30 am; TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm

- ROCKLAND CV Ch.76: Mon 5 pm
- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am. Ch 572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- TOMPKINS COUNTY TW Ch.13: Sun 12:30 pm; Sat 6 pm
- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

## NORTH CAROLINA

- HICKORY CH Ch.3: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

## OHIO

- AMHERST TW Ch.95: Daily 12 Noon & 10 pm
- CUYAHOGA COUNTY TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

## OKLAHOMA

- NORMAN CX Ch.20: Wed 9 pm

## OREGON

- LINN/BENTON COUNTIES CC Ch.29: Tue 1 pm; Thu 9 pm
- PORTLAND CC Ch.22: Tue 6 pm. Ch.23: Thu 3 pm

## RHODE ISLAND

- E. PROVIDENCE CX Ch.18: Tue 6:30 pm
- STATEWIDE RI I CX Ch.13 Tue 10 pm

## TEXAS

- HOUSTON CC Ch.17 & TV Max Ch.95: Wed 5:30 pm; Sat 9 am
- KINGWOOD CB Ch.98: Wed 5:30 pm; Sat 9 am

## VERMONT

- BRATTLEBORO CC Ch.8: Wed 8 pm
- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 10 pm; Wed 3 am & 4 pm

## VIRGINIA

- ALBEMARLE COUNTY CC Ch.13: Sun 4 am; Fri 3 pm
- ARLINGTON CC Ch.33 & FIOS Ch.38: Mon 1 pm; Tue 9 am
- CHESTERFIELD COUNTY CC Ch.6: Tue 5 pm
- FAIRFAX CX Ch.10 & FIOS Ch.10: 1<sup>st</sup> & 2<sup>nd</sup> Wed 1 pm; Sun 4 am. FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

## WASHINGTON

- KING COUNTY CC Ch.29/77: Tue 10 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 pm

## WISCONSIN

- MARATHON CH Ch.10: Thu 9:30 pm; Fri 12 Noon
- MUSKEGO TW Ch.14: Sat 4 pm; Sun 7 am

## WYOMING

- GILLETTE BR Ch.31: Tue 7

MSO Codes: AS=Astound; BD=Beld; BR=Bresnan; BH=BrightHouse; CV=Cablevision; CB=Cebridge; CH=Charter; CC=Comcast; CX=Cox; GY=Galaxy; IN=Insight;

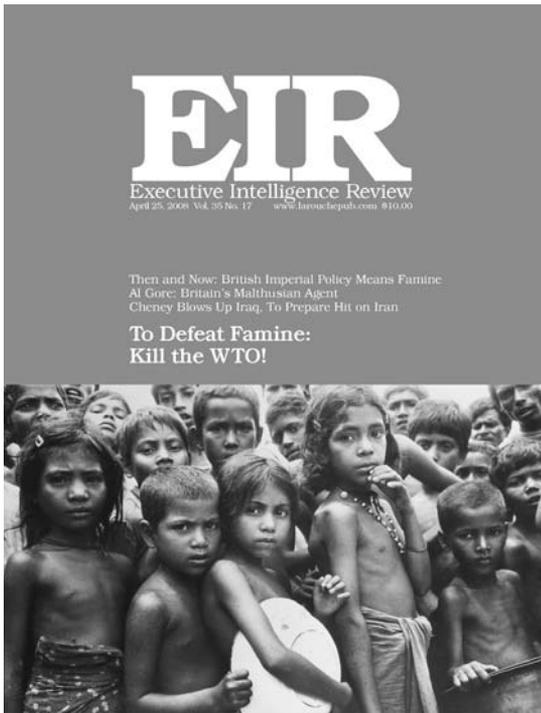
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