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Save Civilization: Shut Down the Derivatives!
LaRouche in Dialogue with Ecuador's Páez
Creative Reason: A Fundamental Principle in Physics

Why the Economists Failed: Economics & Creativity



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From the Managing Editor

With each passing day, it becomes more clear that world economic policymakers have not the slightest clue of how to deal with the financial meltdown. Everything they try makes things worse, just as Lyndon LaRouche forecast. After long denial, the bankers now know that there is absolutely no way they can emerge from this with their “portfolios” intact. If they’re lucky, they will end up like the “Henry Paulson” pictured on our cover.

As our *Economics* section documents, LaRouche emphasizes that unless we take down the derivatives pyramid in its entirety, we’re talking through our hats. Further, LaRouche’s specific conception of a New Bretton Woods is in the air everywhere (not the phony-baloney version that has been endorsed by such Delphic operators as Tony Blair, Felix Rohatyn, and George Soros). But, LaRouche emphasizes, no “structural” reform will work, even if it bears some superficial resemblance to the New Bretton Woods plan.

The problem is twofold. Most essential, as he and Sky Shields argue in our *Feature*, is the role of *individual human creativity* in securing progress of the physical economy and of science, the discovery of universal physical principles. Without a revolutionary transformation in the way significant numbers of leading citizens think, no proposed solution will avert a new Dark Age. This package introduces a series of forthcoming articles by the LaRouche Youth Movement’s Basement Team and others.

The second problem is related to the first: Unless people truly understand the significance of the United States of America—its constitutional system, what made it a great industrial power, the difference between the American System of political economy and British free trade—they cannot possibly implement an effective transformation of the global economy. The Europeans, including the Russians, do not understand this; they still toy with the idea of “doing something” without the Americans, if “the Americans” continue to be as blockheaded as the current Bush Administration. In Asia, although some parts of the financial problem are understood, the reasons for the vital importance of America are not. The American people understand it just as little as anybody else!

That is the urgent organizing task in the period immediately ahead.



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A down-and-out “Henry Paulson,” in LaRouche Youth Movement street theater in Los Angeles, Sept. 22, 2008.



EIRNS/Stephanie Nelson

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Almost no one has any understanding of actual physical science anymore, and yet, this is the basic problem of modern civilization, said LaRouche.

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Arun Sharma has received the
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award for outstanding
achievements in the field of
radiation and radioisotope
applications. He is the head of
the Food Technology Division at
Bhabha Atomic Research Centre
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WHY THE ECONOMISTS FAILED

Economy & Creativity

by Lyndon H. LaRouche, Jr.

October 10, 2008

The two items attached to this report, were prominent parts of a discussion conducted, on the subject of the role of creativity in today's crisis-wracked economies. That discussion was conducted among LaRouche PAC (LPAC) and the National Caucus of Labor Committees during this past week of October 7-10. Combined, this piece and the two items copied, below, from the pages of the U.S. Daily Briefing,¹ have a crucial bearing on the principles of economy required to resist that general breakdown-crisis of the world economy which has been under way, in fact, since my international, LPAC Web-cast of July 25, 2007. That crisis has now entered a most critical, global breakdown phase: it now reverberates world-wide, echoing as that kind of October-November hyper-inflationary breakdown, which struck down Weimar Germany exactly eighty-five years ago, in 1923.

We live, at this moment, in a world which, at this brief instant of its history, had been presently dominated by the approach of the ominous fiscal date of October 10. This already sick world's present financial system, has entered the threatened death-agonies of that present global system of Las Vegas-style gambling, called financial derivatives. The holders of financial derivatives

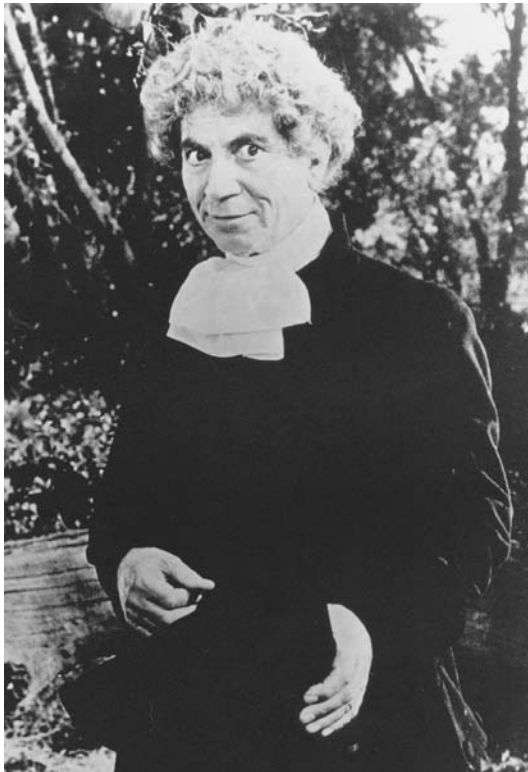
HAVE gambled on the virtual race-track called financial speculation, and have lost, and should not be paid off for that. Cancel their worthless "play money" claims; get on, so unhindered, with the business of the physically real economy of the world. Let the actual people of this planet live, whether Britain's Prince Charles and his batty World Wildlife Fund concur, or not.

The question posed, thus, by this ominous October 10, is: "Where does the world go, from here?"

As I show in this summary report, the only proper response to that present challenge to civilization, is to be found under the heading of scientific creativity, as the proper meaning of that term *creativity* (as distinct from mere innovation) is defined in practice by the development of the original discovery of that principle of gravitation ruling the Solar System. That is a discovery which was made by no one other than Johannes Kepler, a devoted follower of Nicholas of Cusa. As John Maynard Keynes has warned: forget the fraudulent claims of the silly Isaac Newton; close the chest of Newton's wicked and worthless mere arcana! The discovery by Kepler, and no other person, was one more, outstanding triumph in that scientific method of Cardinal Nicholas of Cusa, the Platonic method which a profoundly inspired Cusa had re-introduced to modern European civilization in his *De Docta Ignorantia*.

Now, unless we use that approach to address the present, global economic breakdown-crisis, which grips the world today, there were no hope that our presently menaced global civilization would escape a

1. "Change the Subject," AM Bfg, Wednesday, Oct. 8, 2008, and "How the Human Mind Works," AM Bfg, Oct. 9, 2008.



National Archive



EIRNS/Stuart Lewis

The silly Isaac Newton (left, portrayed here by Harpo Marx in a 1957 film) embodied the radical empiricist mindset, which makes actual scientific creativity impossible. That mindset caused the current financial meltdown, which the incompetent Treasury Secretary Hank Paulson (right) is failing so miserably to cope with today.

sudden, deep, and prolonged collapse into a planetary new dark age.

Therefore, our report here proceeds as follows.

Right now, the entire planet is gripped by an accelerating, landslide-like, general, physical breakdown-crisis, a breakdown of not merely those financial markets which are already hopelessly doomed under current rules. Every part of the world today is now also gripped by a financially-driven, onrushing, but essentially physical, if financially induced, breakdown of the presently crumbling physical means of human existence throughout our planet.

Come back to reality! The present international financial systems can not be rescued! It is now too late for an attempt to rescue those markets themselves; they are far, far gone, and could not be brought back to life in their present form. Our only sane alternative, is to effect the continuity of day-to-day, physical-economic life of the planet, through a process of reorganization in bankruptcy: a reorganization which brings forth a global fixed-exchange-rate credit-system, freed from the carcass of a ruined, lunatic, floating-exchange-rate monetary-system.

It is the physical economy of nations which we must rally to resurrect, and that most urgently, while there are

still physically real economies to revive. To bring off that needed rescue, a “Hamiltonian” credit system modeled upon the principle of the U.S. Federal Constitution, must be introduced as the kernel of a global fixed-exchange-rate system modeled upon President Franklin Roosevelt’s 1944 Bretton Woods design.²

The crisis which grips the entire world today, is far worse than the crisis from which U.S. President Franklin Roosevelt led the world seventy-five years ago. However, the methods which President Franklin Roosevelt used, while he still lived, saved civilization from a plunge of the planet into a terrible “new dark age,” which the sometime pro-Nazi, British and other “free traders” of that time, such as the grandfather of the current U.S. President, would have installed, had they been permitted to do so. The breakdown-crisis today is far worse than that which confronted Franklin Roosevelt, but his outlook and passion could guide us successfully still today.

2. Not the pro-imperialist monetary system which was introduced as a substitute for Roosevelt’s intended, anti-imperialist credit system, the pro-imperialist monetary system of John Maynard Keynes, which was introduced under the pro-imperialist admirer of Winston Churchill, President Harry Truman.

Your Personal Crisis

Presently, in the case of our United States, the onset of the currently accelerating avalanche of physical-economic decline, should be dated to an accelerating decline of the U.S. economy which began from as far back as what first emerged as a presently continuing, long-range trend of net physical-economic decline per capita and per square kilometer, since U.S. Fiscal Year 1967-1968. This was the beginning of a continuing net decline in the physical capital of long-term basic economic infrastructure, including highly significant cut-backs in the aerospace investments which had been the greatest factor of increased actual and potential physical productivity of labor at that time. Over the course of the forty intervening years, since the Spring of 1968, since President Nixon's 1971-73 wrecking of the Bretton Woods system, and since the ruin of the internal physical economy of the nation by the evil Trilateral Commission, there has been a continuous process of racheting downward, under one session of the U.S. Congress after another, all leading, as if remorselessly, toward the terrible, global economic catastrophe of now.

Now, under forty years of continuing, year by year, from President to President, of this decline, the net effect of trends in national policy-shaping has been not only the continuation of that failure of policy-shapers, but, there has been a trend of increase of the rate of net physical decline, that, without interruption, over the broad sweep of the four recent decades to date.

Despite the sheepish bleats of our presently hysterical, pompous Pollyannas in party leaderships and government, the principal causes of that forty-year decline should have been obvious to us all. That principal, but excludable factor from among the causes of this decline can be readily located, as follows.

1. A Difference Between Ape and Man

At first glance, it should be astonishing to many citizens, that, it could have been easily and broadly recognized, all along, throughout these forty years of folly: that, the foundation of the wealth of any national economy, and the world economy, depends upon increasing the physical productive powers of labor, per capita and per square kilometer. Yet, very, very few so-called "leading" economists of the Americas and of western and central Europe, have recognized, so far, that there was

no possibility for actual success under the reign of what has been, for forty years, those presently continuing, prevalent, and silly theories of economic growth, delusions which were inherent in leading nations' continuing, ruinous policies of national practice of that time.

Any recovery now would depend absolutely on a return to that earlier kind of general increase of the science-driven, physical creativity, upon which any sustained increase in the physical, rather than mere monetary wealth of nations, measured per capita and per square kilometer, depends. This means, especially, an obligatory return to those policies of President Franklin Roosevelt which began to be uprooted by that President Harry Truman who shared some of the imperialist enmities of Winston Churchill, against what had been the actually successful recovery policies of President Franklin Roosevelt.

Similarly, while a significant portion of the economics profession acknowledges some kind of sense, true, or false, of something of the importance of basic economic infrastructure in maintaining the productive powers of labor, most of them today overlook the crucial fact of the matter of the actual role of infrastructure in a viable form of economy. The truth is, that, for science, *this needed benefit occurs, when it occurs, only as it amplifies the productive powers of labor at the point of both production of physical goods, and of the effect of essential services on increases of the physical-productive powers of labor of those employed in science-driven increase of physical productivity at the point of production.*

What is required in the time of today's international breakdown-crisis, is a global de-emphasis on the false doctrine which Karl Marx proudly claimed to have copied as axiomatic from none other than British imperialism's Adam Smith. In fact, it were better to eliminate Adam Smith's poisonous influence entirely, and to replace it with the same Leibnizian principles of the American System of physical economy which the first Treasury Secretary of the United States, Alexander Hamilton, described in his famous three letters to the U.S. Congress. This is the same American System of political economy whose political authority is still, today, implicitly embedded in the practical implications of the anti-Lockean Preamble of the U.S. Federal Constitution.³

This American System has a certain history, since its

3. As to the problems of the U.S. economy since 1968, only a fool would blame the rape-victim for her consequent pregnancy.

root-origins in the legacy of Plato, and, more recent, modern origins in the role of the great ecumenical Council of Florence, and in the consequent rise of the first model modern nation-state physical economies under France's Louis XI, and Louis' admirer, King Henry VII of England.⁴

Indeed, in the history of the United States, as, still today, the principal English-speaking adversary of the inherently wicked, global, imperialist British system, there is embedded in the founding of our republic, an essential, continuing cultural factor in world history, the factor of our U.S.A. as, at its root, the most efficient opponent of that imperial, Anglo-Dutch Liberal, financier-oligarchical system, the continuing, presently world-hegemonic British financier-oligarchical Empire of 1763-2008. We represent, thus, a U.S.A. for whose continuing role there is still no cultural substitute in history thus far. Without our revival of this factor, this legacy of our United States, it would be impossible to establish the needed, workable, global agreement among nations without which a presently immediate plunge into a prolonged, global "new dark age" could not be avoided now.



Charlemagne (747-814 A.D.), shown here in a painting by Albrecht Dürer, did much to develop the physical economy of Europe. Crucial features of his contributions lived on and helped to shape the later emergence of the Renaissance.

Europe Since Charlemagne

The most urgent political task among nations today, especially the trans-Atlantic ones, is to trace out the most essential elements of those methods of the August-

4. This is either poorly understood, or not at all, among generations born, either here or abroad, since 1945. In the U.S.A., for example, there are virtually no competent professors of history active in U.S. universities today. In their place, we have what are actually more or less honest chroniclers who interpret facts as mere data, and who therefore confuse such exercises with the vastly more profound and serious work of the qualified historian who examines the historical process from a standpoint of reference to the Classical notion of tragedy as a characteristic determination of the course of unfolding processes spanning successive generations. The fact that the U.S. economy has been in an uninterrupted physical decline during each and all of the recent forty years, illustrates the case.

tinians, such as Isidore of Seville, and the kindred predecessors of that Cardinal Nicholas of Cusa, who had brought the spark of what would become the successful expressions of a modern European civilization built upon the form of the great reforms launched by Charlemagne.

Despite the wrecking, after his death, of much of what Charlemagne had done, done by the wrecking by both his own foes of that time, and among those who came after him, the most crucial features of his contributions lived on, as physical improvements and also directions of policy-thinking which would be revived during the founding of modern Europe by Europe's Fifteenth-Century Renaissance of Nicholas of Cusa et al. So, similarly, the United States' constitutional system, forged in resistance to the evil culture of the 1763-2008 Anglo-Dutch financial-oligarchical imperialism, was a resistance which had conveyed its unique accomplishments to serve as the heritage supplied to us by the Council of Florence's mid-Fifteenth-Century Renaissance.⁵

Focus attention, for a moment, on those crucial features of Charlemagne's reforms to which our at-

tention must be turned, in search of remedies for today's crisis, now. Look at the principled role of true economic infrastructure (not the inherently ruinous, Mussolini-modeled frauds tendered by such wicked wretches as Felix Rohatyn, George Soros, and New York's Mayor Bloomberg).

Under Charlemagne and his influence, for example, the greatest increase of the productive powers of labor, per capita and per square kilometer, was achieved through such prominently featured means as the launching of a system of rivers and canals which became the

5. The principle of history so expressed is known among theologians as "the simultaneity of eternity." The reference is to the great ecumenical Council of Florence, which celebrated Filippo Brunelleschi's stroke of genius in applying the physical principle of the catenary to craft the cupola of Santa Maria del Fiore.

principal means of Europe's inland waterborne transport. The role of such systems of rivers and canals was, later, both superseded and assimilated by the development of transcontinental railway systems during the late Nineteenth Century, beginning with that legacy of the Presidency of Abraham Lincoln. Similarly, later, during the period preceding so-called "World War I," Edison's development of the electrical motor, in lovely defiance of the *New York Times* at that moment, resulted in a general increase in productivity in manufacturing, even without comparably significant improvements in the methods of production otherwise.

In the language of the great, Twentieth-Century Russian scientist Academician V.I. Vernadsky, the principal cause of the increase of the productive powers of labor, occurs through situating production and transport of goods and services within that essentially supporting framework of mankind's qualitative improvement of the Biosphere, an improvement which is effected through the qualitative improvement of the Noösphere as such.

The germ of these general benefits to the conditions of life and productivity, *lies within the effect of fundamental discoveries of physical principle, as all such fundamental discoveries are rightly typified by the uniquely original discovery of universal gravitation by Johannes Kepler.*

The significance of this most essential feature of any competent view of the physical principles of economy, is made clear, most efficiently, by contrasting the characteristic rates of increase of potential relative population-density of successful forms of society, to the relatively fixed potential relative population-density of either any type of animal species, or of so-called "traditional cultures." The *increase of potential relative population-density of societies*, which is accomplished by the creative powers of the human mind, has no comparable expression within the bounds of the lower forms of life. Man's willful power to increase the "ecological" potential of our human species, is a kind of "ecological" effect which can be compared, among the lower forms of life, only with the processes of anti-entropic, biological evolution.

That, stated in physical-economic terms, is the proper meaning of the term *discovery of universal physical principles*.



Xvolks

France's Canal du Midi creates a shortcut between the Atlantic and the Mediterranean. Charlemagne had commissioned a study of the strategic, but difficult, project, as did several other French kings. It was finally built in the 17th Century.

The Nature of Creativity

Thus, with the advent of our human species on this planet, a progressive evolution of *human ecology*, has been produced only by the processes of development which are expressed, uniquely, by the creative powers of the individual human mind. In "human ecology," it is the discovery, and adoption of universal physical principles by the individual human mind, and, thus, by society, which is the only competent, anti-entropic, form of human "ecology" available. Any anti-growth human "ecology" is, in and of itself, a tragic failure to perform in the manner appropriate for human beings, and, is a failure which thus serves as the motive for a crime, against humanity generally, such as that of Prince Philip and his World Wildlife Fund.

Mankind is the only willfully creative species known today, excepting only the Creator presented in *Genesis 1*, a Creator whose nature we are instructed, there, to mimic, as that which we are obliged to do according to *Genesis 1*, but which is also an expression of our net knowledge of both the obligation and power of our species. Mankind's normal, healthy distinction as being a higher species, is that of a species which evolves into becoming itself a higher species, with no biological change otherwise, through its self-transformation through the impact of the actual creative powers identified as the discovery and revolutionary application

of universal physical principles.

This distinction of man from such as ape and mouse, is what is properly termed *potential human individual creativity*. For whoever might be a competent, present-day economist, the understanding of this principle of specifically human creativity may be located within the modern European, bitter conflict between the followers of Paolo Sarpi and Rene Descartes, on the one side, and, on the opposing side, Cardinal Nicholas of Cusa, and such followers of Cusa as Leonardo da Vinci, Johannes Kepler, and Gottfried Leibniz and Bernhard Riemann.⁶

The issue of that difference is to be identified, categorically, as the *ontological equivalence* of Leibniz's concept of the *ontologically infinitesimal*,⁷ that in opposition to the intrinsic incompetence of such adversaries of Leibniz's concept (of the *universal principle of physical least action*) as de Moivre, D'Alembert, Euler, Lagrange, and of the Nineteenth-Century schools of Cauchy, Clausius, and, later, both the positivist Ernst Mach and the more radical, numerologist form of positivism associated with hoaxsters such as Bertrand Russell and his slavishly perverted devotees Norbert Wiener and John von Neumann.

The latter, same Cartesian form of the moral corruption of the intellect, is typified by all of the known publications on the subject of method of the notorious Adam Smith, a connection shown in the clearest way in despicable Smith's 1759 *The Theory of Moral Sentiments*.⁸

The significance of my introducing the subject of the aforesaid empiricist miscreants here, is to make clear the issue of the systemic suppression of actual creativity in the pattern of Liberals' behavior respecting scientific matters. Such suppression is typified by that assortment of followers of the empiricist method's axiomatic characteristics. My following discussion of this just stated matter of scientific (and anti-scientific)

method, will pose difficulties for some readers, just because of the unavoidably scientific nature of the required discussion; but, if anyone is to actually understand competently the implications of the degree of breakdown experienced, internationally, on this date, the subject of these scientific matters can not be avoided.

Before turning to that next chapter, briefly consider the problematic case of Adam Smith.

The Case of Adam Smith

The most significant, persisting cause of tragedies of entire modern cultures, such as that of the present world monetary-financial break-down crisis, is met in the effects of the inherently tragic, culturally hereditary influence of the ban on tolerance for popular creativity among what are usually presumed to be the lower social classes, a ban to be found among sundry varieties of cultures, including that of much of higher education in the U.S.A. and Europe today.

The typical presentation of this idea of such a ban, is that to be found in the tragedian Aeschylus' *Prometheus Bound*, in which the evil tyrant, the Olympian Zeus, condemns Prometheus to perpetual torture for allowing ordinary human beings to enjoy access to scientific knowledge of the use of that same "fire" which we should associate, today, with such subject-matters as nuclear fission and fusion. Zeus' charge is, that Prometheus has committed that specific offense against the Olympian tyranny, of revealing the secret of man's use of fire, such as nuclear power, to the Olympians' serf-like subjects, the ordinary human beings.⁹

Adam Smith's theory of society, his *Theory of the Moral Sentiments*, on which his economics dogma is entirely premised, reflects not only the same doctrine of rule by the Olympian Zeus of the *Prometheus Bound*, but also that dogma of the medieval irrationalist William of Ockham on whom the Venetian reformer Paolo Sarpi had premised what was to become the characteristic Liberal dogma of the modern, Anglo-Dutch Liberal system.¹⁰

European civilization has had a foretaste of this type of force of tragedy exerted across the span of successive generations of a culture, in the relationship of the

6. I leave the so-called "Scholastics" out of consideration in focussing here on the Cartesian elaboration of the Ockhamite method of the empiricist and other followers of Paolo Sarpi.

7. I.e., rather than merely the mathematical infinitesimal of the empiricists after de Moivre, D'Alembert, Euler, Lagrange, et al.

8. Smith's 1776 anti-American tract, *The Wealth of Nations*, was, to a large degree, a plagiarism of that work of France's A.R.J. Turgot which was later published in Turgot's *Reflexions*. This refers to *The Theory of the Moral Sentiments*, rather than Smith's 1776 anti-American tract, *The Wealth of Nations*, the latter which is largely cribbed by plagiarist Smith from a too-trusting Turgot's own original, and faulty, work.

9. So, it were proper to think of the anti-nuclear "environmentalists" of today as "Satan's mass-murderous, slimy little helpers."

10. For pedagogical reasons, I have reserved the treatment of this crucially significant connection to a place in the report below.

Homeric argument of the *Iliad*, to the common, subsumed subject of what are called, today, ancient, Classical Greek tragedies.

The individual in history, as portrayed in the *Iliad* and its echoes in later Greek tragedy, is not, in reality, a Cartesian-like building-block; rather, the individual is an expression of a truly dynamic process, as the ancient Pythagoreans and Plato employed the notion of a scientific method premised on the same dynamics (e.g., *dynamis*) affirmed by Gottfried Leibniz, that against the fraud inherent in the method of Rene Descartes, and also against that reductionist method of Paolo Sarpi and his follower the Cartesian Antonio Conti, and also Conti's followers, such as the neo-Cartesian Isaac Newton, Voltaire, de Moivre, D'Alembert, Euler, Lagrange, Laplace, Cauchy, Clausius, et al.

Having said that much on this matter thus far, if we are to actually understand the root of the crucial issues of world economy today, we must set forth the two, respectively distinct, but interrelated issues which flow from the conflict of the scientific method of Cusa, Leonardo da Vinci, Kepler, Fermat, and Leibniz against the methods of both the medieval Aristoteleans and the followers of that doctrine of that medieval figure, William of Ockham, whose intellectual model was adopted by the Paolo Sarpi from whom the modern Liberal philosophy of post-February 1763 Anglo-Dutch imperialism was derived, from that time, to the present day's world crisis.

The first of these issues is the modern method of competent physical science, a method derived, largely through the modern intervention by Nicholas of Cusa in his *De Docta Ignorantia*, but echoing the ancient scientific method of the Pythagoreans and Plato.

2. On The Subject of Human Creativity

The follower of the dogma of Aristotle, Euclid, had worked to destroy the Classical science of his time, by co-opting, and reworking theorems developed by more competent and honest earlier discoverers, into a scheme under which all of that earlier knowledge was reified to conform to the a-priori presumptions which Euclid employed as definitions, axioms, and postulates. The fraud of Euclid's method was employed by the Roman era's hoaxster, Claudius Ptolemy, for crafting an intentionally fraudulent representation of Classical Greek astronomy.

A new version of a similar reification of practical knowledge was introduced to modern European culture through the adoption of a more wildly irrationalist scheme associated with the medieval figure of William of Ockham. This scheme was adopted, and promulgated by the new Venetian faction of Paolo Sarpi and by Sarpi's lackey Galileo Galilei. The result of this became what is known as empiricism and its derivatives, such as positivism, today.

The intention underlying Sarpi's role in this matter, was twofold. First, to provide the Venetian faction with a rationale for allowing some forms of technological innovation which the Aristotelean dogma of that time forbade, but without permitting the subject of the actually creative processes of the human mind to come into play. This so-called empiricist dogma of Sarpi, Galileo, Rene Descartes, Antonio Conti, et al., provided the basis for what John Maynard Keynes was to expose later as the morbid hoax of "black magic" speculator Isaac Newton.

The key to understanding the effect of this dogma of Sarpi on physical science and economic practices, is found in the fact, that the common characteristic of ancient Euclidean dogma and the new, modern Sarpean dogma of empiricism, is *the exclusion of consideration of actually universal physical and comparable principles* through the device of adoption of exclusionary a-priori assumptions such as those of Euclid and Descartes, respectively. Instead of discovering actually universal physical principles, as this is illustrated by the work of Johannes Kepler, the empiricists substituted a form of description known as a mathematical formula, or something comparable, even an outrageously wild hoax, such as the mechanistic positivism of Ernst Mach and his follower Ludwig Boltzmann, or the wildly insane numerology of Bertrand Russell's *Principia Mathematica*, and such of its derivatives as the hoaxes of Russell devotees Norbert Wiener and John von Neumann, instead of an actual physical principle of nature.

To understand the modern positivism of the likes of Mach's and Russell's devotees, it is useful to compare these with the devices and effects of the earlier Euclidean hoax.

In both types of cases, the place which should be occupied by experimentally validated discoveries of universal principle, is occupied by arbitrary appeals to the popularity of the idea of sense-perception as a substitute for reality. In ancient Euclidean modalities, the def-

initions, axioms, and postulates are assigned this function. In the case of Sarpi's empiricism, the crafting of a convincing composition of arbitrary presumptions became a more complicated undertaking. The result of the latter problem was the mystical doctrine of a-priori forms, on which the fraudulent mathematics of Descartes was grounded. All generally adopted modern empiricism and its derivatives are premised on Descartes' underlying notions of an a-priori roster of forms.

In turn, then, Descartes and his devotees, such as Conti, Voltaire, de Moivre, D'Alembert, Leonhard Euler, and Euler protegee Joseph Louis Lagrange, emerged as the principle devotees of a Sarpian, anti-Leibniz cult of empiricism, of which the neo-Cartesian, allegedly Newtonian, British school of empiricism was merely a derived trademark. The "begats" of that breed are as amusing as any popular comic page to read, but few among such readers actually know anything important about what they pride themselves in appearing "to talk about" in a mockery of a learned dialogue.

The essential feature of Sarpian empiricism is brought to the fore, after Sarpi's lackey Galileo, by Descartes, whose mathematical dogmas are merely a projection, from Descartes' reduction of modern empiricism, to a system of a-priori mathematical forms.

In both cases, that of Euclid and Descartes, the subject of deliberation is a set of a-priori mathematical forms, forms which are attributed to sense-perception, not actually physical principles. In the case of Descartes, for example, knowledge is limited, as a possibility, as a matter of a set of a-priori, quasi-sense-perceptual forms. The explicit argument by Descartes, who echoes the Euclideans that far, is that man's knowledge of the universe is limited to such a set of a-priori forms. In this, Descartes imitates the swindle of Euclid and the Euclideans; both schools assume that an impenetrable barrier exists, separating this side of the experience of such forms, which was presumed to be correct, but prohibiting the human mind's access to the underlying reality which exists only on the other side of sense-perception, a side which the empiricists deemed inaccessible to human mental experience.

The distinction which I have just underlined in that manner, is between science as defined by both the ancient Pythagoreans and Plato, on the one side, which locates the experience of perception as merely the shadow cast by the instruments of our sense-perceptual powers, as distinct from the standpoint of those

experimentally discoverable universal principles which have cast the shadows which we may recognize as merely sense-perceptions. The power of human creativity which distinguishes human powers absolutely from those of beasts, is the basis for the systematic knowledge given to us from the ancient Pythagoreans and Plato, and of modern European physical science since the fundamental discoveries in science by Nicholas of Cusa and such among his followers as Luca Pacioli, Leonardo da Vinci, Johannes Kepler, Fermat, Leibniz, Bernhard Riemann, and such Twentieth-Century moderns as Max Planck and Albert Einstein.

The complementary feature of this distinction is that the actual comprehension of universal physical, and of equivalent principles, actually exists only as the actually efficient substance on the ontologically "other side," opposite to sense-perception. The corollary point, as to truth, is that no actual universal physical principles exist, ontologically, within the domain of sense-perception as such. Universal physical principles exist only as experimentally definable efficient universals. This definition is best illustrated for the modern classroom, by the way in which Kepler presents the discovery of universal gravitation in his *Harmonies*, as that which is neither the perception of sight or (harmonic) sound, but is made apparent by the ontological contradiction projected as by the experimental coincidence of the two.

The result of such true discoveries of efficiently universal physical principles, expresses that power of efficient discovery of actually universal physical principles which is specific to the human individual among all known living species.

The Subject of Immortality

Thus, Kepler's account of the problem of defining a principle of universal gravitation reigning in the Solar System as a whole, brings our attention to the related point made by Albert Einstein, and, in that way, makes clear the actual meaning of the *infinitesimal*, as that latter term is defined and employed by Gottfried Leibniz. The discussion of this connection of the work of Kepler follower Leibniz to Einstein's appreciation of Kepler, defines the proper use of the term "infinitesimal" in the practice of physical science.

"Infinitesimal," employed as a term in that context, is not what the hoaxster Leonhard Euler alleges, fraudulently, to be "smallness in space-time." The relative

smallness of an interval of action in a gravitational field is actually the relationship of the size of the universe defined by the principle of universal gravitation, relative to any degree of smallness or brevity of the observed part of the local action one has chosen to measure. In that sense, and only in that sense, the smallness of the chosen interval of action considered, is a reflection of the fact that the principle encloses the universe in the manner which Einstein emphasizes as characteristic of a universe which is finite, but unbounded by any efficient external consideration.

All competently defined notions of universal physical principle present us with the same irony which Einstein recognized in Kepler's founding of the only valid approach to the founding of a universal, experimental physical science.

Thus, in Leibniz's (and also Einstein's) rejection of a Cartesian manifold, the universe is not defined by unknowable forms sealing off the mind from that which is not merely sense-perception. It is the discovery of universal physical principles which bound the universe, with respect to some principle, as Einstein states that case for the universe as a system in the likeness of the portrait of physical processes provided by Kepler's discovery of universal gravitation.

It is through that method of discovery, the method traced from the ancient Pythagoreans and Plato, through the fundamental discoveries of Nicholas of Cusa and his followers among the leaders of valid modern European science, that man transforms what Vernadsky defined as the Noösphere, as if from the top, down, thus creating the general environment within which individual human action for change is situated.

It is only the mind whose approach to economy is physical, rather than financial accounting practices, which is capable of understanding, and accounting for the relative values generated by economic processes.

The summation of the progress of mankind thus far, is associated with the work of Bernhard Riemann, a Riemann to be considered as Einstein did, in his department of work, and as I have done in mine. For both of these approaches, a certain essential result is the same: the revolutionizing of human practice of society through the nurture of the creative powers of discovery uniquely specific to the human mind. Progress is not the fruit of habits, but of revolutions in habits of society as a whole, as I have indicated in the memoranda featured in the leads of the briefings for this past Wednesday and Thursday.

Change the Subject

by Dennis Small

The following appeared in the Oct. 8 edition of the daily briefing of the LaRouche political movement. See Lyndon LaRouche's comments following this. Subheads have been added.

We are in the process of making another three or four revolutions, Lyndon LaRouche reported to the Tuesday night [Oct. 7] gathering of the LYM [LaRouche Youth Movement] and NEC [National Executive Committee of the LaRouche political movement]. The recent music work in Boston, and new breakthroughs in the Basement around Kepler and on the Riemann project, are at the center of the process.

The key problem the world is now facing in the economic meltdown crisis, Lyn began, is conceptual. Almost no one has any understanding of actual physical science anymore, and yet, this is the basic problem of modern civilization. Few Baby Boomers ever really got into the subject at all, and although we approached the subject with the LYM's Kepler Project, we never really resolved it. To address the matter, let's first establish the historical context.

The attempt to overturn the achievements of the Council of Florence came to the fore with the 1492 Expulsion of the Jews from Spain. We had a period of religious war outbursts that raged throughout Europe, from 1492 up until the 1648 Peace of Westphalia. Machiavelli explained the central issue clearly: The Habsburg reactionary pigs couldn't entirely suppress the Renaissance with their methods, and so the Venetian Paoli Sarpi emerged, with ideas that were not all that original, but which shifted the approach, and relocated the center of the operation to the North.

Recall that the big North-South division of Europe began when the Venetians sent Henry VIII a marriage counselor. At the Council of Trent, Machiavelli's point was in fact acknowledged, which is that the Renaissance had introduced a cultural change in the cities of Europe, a shift from the old guilds to the new artisanry, which meant that these layers, organized as military forces, could defend the cities and prevent the Habsburgs

from winning. The Habsburgs could launch bloody religious warfare across Europe, but they couldn't win.

So, Machiavelli emerged as a great thinker, as the founder of modern military science, as a necessary touchstone of all European military training up to the present.

Faced with this problem, Sarpi—who was against Aristotle and smarter than him, although with the same underlying philosophy—got rid of Aristotle, because that approach, as embodied in the Habsburgs, had failed to destroy the Renaissance. Sarpi instead revived the degenerate lunatic William of Ockham as a paradigm, a paradigm whose name is *Liberalism*.

Sarpi's Ockhamite approach was radically hedonist, based on the axiom that sense certainty rules in all domains. There is no truth, no underlying principles, only what sense certainty teaches by way of information. Therefore, he argued, technological innovation is okay, but *not truth*, not principles.

It is because of this disease of *Liberalism* that the conception of principle virtually no longer exists in modern European civilization.

The Great Issue Today

This is the fight today. The systemic difference between the European and the American systems, both in economics and politics, is the difference between social conventions, on the one hand, and the Presidential system, on the other. It is the difference between a system under which currency is uttered by the government *only*, and the European model of monetary system, in which private interests are allowed to utter. Since those private interests are enemies of the nation-state, and are global, the essence of a monetary system is supranational by nature.

This is the great issue today, Lyn explained. There are quadrillions of dollars of debt running amok in the world, fabricated by private financial interests, which cannot be paid. If we reorganize the system, and put it into bankruptcy reorganization in order to avoid collapse, we will have to eliminate 80% or more of the "money" or debt now circulating. We will have to wipe it out, *burn* it—even if it's in some people's pockets.

Face it: This is a money-oriented culture. People relate to each other and themselves around money. "You got money? I got money? She got money?" This is our problem in science, and in culture.

The way we address this is with the following thesis: There is no such thing as a mathematical statement of

principle. The very idea of "science based on mathematics" is utter nonsense—an oxymoron liberally peddled by Sarpi. No universal principle can ever be represented by a mathematical formula, and to think that it can, is idiocy and incompetence.

Just take the case of Newton, that piece of crap. Newton is the standard at universities today—the idea that mathematical formulas can represent reality. Anyone subjected to such university education has absolutely no understanding of physical science. And the real tragedy, is that *people don't know that*.

If you think through the concept of the infinitesimal, the idea becomes clear. On the one hand, you have sense perception. You experience the universe through your senses, such as hearing, and vision. In hearing, you know only harmonics: Any attempt to linearize hearing, or to represent hearing linearly as vision, does not work. The way to think about it is that we are equipped with two primary sensory devices: sight and hearing, and there is absolutely no ontological similarity between them.

Kepler understood this. To determine the orbits of the planets, he looked at the entire planetary *system*, not a single orbit. Because the orbit is not defined by itself. What orders it? The planetary system of which it is a part. So Kepler used vision as the basis of his first attempt. But he was able to solve the problem of the ordering of the orbits based on discoveries under the influence of Cusa and Leonardo, with the Platonic solids—with the *idea* of the solids, with the root concept. There is absolutely no explanation for this within the domain of vision alone. So he went to *harmonics*, which produced his discovery of the universal principle of gravitation.

So, as with Kepler, what we know is *not* based on sense certainty. Sense certainty is a fraud. Take the example of microphysics: the senses don't work at this level. You have to infer the ordering in the domain by *harmonics*: you cannot linearize. What you can do is create instruments which act like artificial senses. Then you have to ask: Is this sense-certainty true? No, it is not.

What Is Truth?

What is truth? It is the function of the mind in discovering the real meaning of the disinformation coming from sense certainty. Cusa, Plato, the Pythagoreans all knew this: that the location of knowledge lies not in practical experience, but in the paradox of harmonics

and vision, and your mental activity to resolve that paradox.

All education on this subject in our culture has been crap. The issue is the *mind*, not the *senses*. Only in and through the *mind* can you know truth. All competent science agrees with me on this, Lyn stated.

So the problem that we have, both in ourselves and as organizers, in understanding economic and social processes, is that we have been brainwashed: Kinetic interaction is presented as cause-and-effect. And we don't look at the actual reality of life today.

Never do what you tipped the enemy off to expect you to do, LaRouche told his associates. Get his nose pointed in that direction—and then kick him in the ass! Hit him with what he thinks is irrelevant, with what he doesn't understand. Ridicule him! Outwit him! People tend to go in straight lines. Instead, change the subject!

What is that reality? For the lower 80% of income brackets, for the majority of the world, they are facing a system that is clinically insane. *Everything* is coming down. Like this crazy bailout bill which was just passed by Congress. It is utterly insane, as are the hyperinflationary policies that have followed it, day by day. I am the only competent economist in the world, Lyn said; all the others have demonstrated that they are not.

Incompetence, on the other hand, is what you get, including among our own people, when people believe what the press tells them, when they adapt to social processes around them, when they bend their knee to what all “experienced” people tell them. “Experience teaches us this. Experience teaches us that.” You’ve all heard it. So you should say: “Oh, yeah? Your experience hasn’t performed too well in this crisis, has it?”

Instead, many of our own Baby Boomers will try to confuse people with a lengthy litany. Because they have been educated in *Liberalism*, they don’t believe in truth, and they try instead to create a *belief* in others, to get them to agree to share their *belief*—rather than have a short conversation about reality. And so they sound like

liberals—which is what the population most hates! And you wonder why they hang on you?!

The Real Meaning of Tragedy

The way to make a revolution is by going *against* the idiots who are refusing to recognize this reality. The U.S. economy, in physical fact, has had no real growth since 1967-68. The *tragedy*—and real tragedy always applies to a society, not to the individual—is that people actually believe that there has been growth under this system. It’s like the guy who drives his truck right into a tree: You have to say, “Boy, that was crazy.” Well, when an entire society does the same thing, as it is doing now, you have to say: “This is crazy.”

To avoid tragedy, societies need individual *leaders* to go against popular opinion. It is the fear of going against popular opinion that is always a disaster, corruption. For example, people don’t believe in the *human soul*. They believe they *are* their senses while they are alive. But your actual life does not end; your influence lives on beyond you in the mental powers of others. Most people lack that sense of purpose in their lives. Once you die, your senses are gone; the importance of life is what you contribute with it. You need that *intention* in life in order to outlive your own last breath.

The universe is composed of just such universal physical principles, which are beyond the bounds of sense perception. The most obvious of these is your life. People imprison themselves by confining themselves inside society. Tragedy is when there is a lack of a leader to lead from *outside* today’s society, to help people break free from their own imprisonment.

So, don’t adapt to what the enemy does. Always address the horrors of the crisis facing society, but then immediately switch to something that is intellectually uplifting.

Change the subject!

Never do what you tipped the enemy off to expect you to do. Get his nose pointed in that direction—and then kick him in the ass! Hit him with what he thinks is irrelevant, with what he doesn’t understand. Ridicule him! Outwit him!

People tend to go in straight lines. Instead, *change the subject!* Hit him on another issue, and do it with humor. And as you practice doing this, you will develop your own creativity.

We are a small organization, and we have to move fast to succeed. So, change the subject.

How the Human Mind Works (The Sight & Sound of Science)

by Lyndon H. LaRouche, Jr.

October 8, 2008

In the customary rush of things, the most important element of the Tuesday [Oct. 7] evening briefing session, the principle of human creativity, was lost betwixt cup and lip. The occasion for this report, by me, to that meeting, was the coincidence of crucially important scientific discoveries by Chris Landry and Sky Shields, respecting the unique nature of human scientific and political creativity as such.

The following report leaves the internal detail of Chris's and Sky's reports to the accounts being prepared by those two and their immediate collaborators. My remarks in this present location are intended merely to situate the reading and discussion of the reports being prepared by them.

This kind of omission, in matters bearing on such topics, is typical of the effects, especially on members of the so-called "sixty-eighter generation," of the vicious, continuing destruction of the science-dependent, productive powers of labor over the decades since Spring 1968. This bears on the fact, that there has been an uninterrupted collapse of the physical economy of the U.S.A., per capita, and per square kilometer of territory, since U.S. fiscal year 1967-68. Any contrary opinion on this matter is either simply ignorant, or intentionally fraudulent.

On this account, the report presented in the Wednesday [Oct. 8] morning edition of the daily briefing, by Dennis Small, should be accepted as far as it goes; but, the following subject-matter, omitted from his account of the preceding evening's discussion, should be added to the reading of his report.

The most crucial of the issues posed by the present, world-wide, physical breakdown-crisis of the present world monetary-financial systems, is the factor of the suppression of the recognition of the role of human individual creativity in determining the relative physical

productivity of labor in economies, as measured in physical terms, per capita and per square kilometer.

The point to be emphasized, is that virtually no secondary or university student graduated since approximately 1968, has any actual, mere comprehension of what scientific and related creativity actually signifies in practice. This problem is most notable in those students who mistake mathematics-at-the-blackboard for physics. Thus, the emergence of the role of actual creativity within the work of the LaRouche Youth Movement (LYM), especially the "basement operations," is of the greatest significance for treating the crisis which menaces all of mankind at the present moment.

In the context so identified, it is, therefore, of the most notable relevance, to focus attention on the fact that the presently customary reliance on Liberalism's notion of statistical determination in measurement and forecasting of net performance of economies excludes any competent notion of human creativity in the most thoroughly vicious manner. Hence, the intrinsic incompetence, respecting long-range forecasting of all among my known rivals, including would-be rivals in my own association.

Notably, the errors, on this account, which I have been forced, implicitly, repeatedly, to counter among my own associates, are often a result of their attempting to propitiate commonplace opinions met within sundry strata of the population, especially a morally rotten leading press, such as the ideologies of the *Washington Post* or *New York Times*.

Similarly, we have, also, the ideological pressures upon my associates which reflect both the intrinsically anti-scientific bent of the so-called "Baby Boomer" generation's influence inside the Congress, as elsewhere. This includes the phenomena of the peer pressures on my own immediate associates from the population in general. These combined, intellectually and morally corrupting outside influences on our work, must be recognized as representing a broader, perva-

sive, systemically tragic factor controlling the mass-behavior of nations and their populations thus far.

It is the influence of those corrupting beliefs which has been the most significant of the efficient political forces causing the present, global breakdown-crisis of not only the U.S.A., the Americas, and Europe generally.

The Rot Called ‘Liberalism’

As we must emphasize in this specific kind of discussion, the general cause for the tendency for the breakdown-crises known to the history of European

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culture and its nearby antecedents, is that identified by the historian-dramatist Aeschylus’ *Prometheus Bound*: the prohibition of knowledge of the principles of scientific-economic creativity (e.g., “fire”) by the legendary Olympian Zeus. In all known empires, including Rome and later, as in the Babylonian tradition earlier, the general suppression of the creativity of the great majority of the population, is the characteristic root of all the major evils, and consequent doom, of what had been once powerful cultures.

As I emphasized, once again, in last evening’s briefing-session, the systemic failures in modern European physical science and economy, have been chiefly the consequence of the introduction of what has become known as the Anglo-Dutch “Liberalism” which Paolo Sarpi premised on the lunatic method of the medieval William of Ockham (Occam), which has been the principal source of the lunatic corruption expressed within Liberal reflections on subjects of modern physical science and social practice generally.

Most notably, it has been the figures of René Descartes and his bastard offspring, the largely mythical Isaac Newton, which has been the most vicious of the destructive forces within the teaching and practice of modern science, and also the axiomatic root of the in-

herently destructive nature of the misanthropic notion of political economy associated with imperialist Lord Shelburne’s lackey Adam Smith. There is no science worthy of that name in any aspect of notions of economy traced from the syphilis-like influence, and the filthy sporrans, of David Hume and Adam Smith.

As I emphasized, again, during last evening’s meeting, to find a competent trace of the spoor of that foul perversion known as modern European, Anglo-Dutch Liberalism, we must view that Venetian pervert known as Paolo Sarpi, against the backdrop of the earlier activity of the circles of Venice’s Francesco Zorzi (a.k.a. “Giorgi”) as marriage-counsellor to England’s King Henry VIII. The essential features of the account run as follows.

The medieval system of rule by a Norman chivalry which was itself, in turn, controlled by the Venetian financier-oligarchy’s Lombard investment-banking system, broke apart in the Fourteenth-Century collapse of Europe into a New Dark Age. The later happy outcome of what had been this disastrous European crisis, was the founding of a modern European civilization through events converging on the great ecumenical Council of Florence.¹ The Venetian reaction against that great Renaissance was expressed most significantly in events beginning with the orchestrated fall of Constantinople and immediately subsequent developments. The rise of Venetian power, which followed as a consequence of the fall of Constantinople, led into the vast religious warfare, of 1492-1648, which began with the expulsion of the Jews from Spain.

The efforts of the Venetians and their Habsburg puppets, to crush the effects of the Renaissance, ran into the growing strength of the modern nation-state, a growth typified by Louis XI’s France and Henry VII’s England, which were concretized expressions of the work of the Renaissance. This conflict between the forces of the Venetian-controlled Habsburg party and the legacy of the Renaissance principle of the modern nation-state system, prompted the Venetian party’s efforts to divide Europe between two conflicted parties. This division was built up by Venice’s corruption and control, by Zorzi, Cardinal Pole, Thomas Cromwell, et al., of the manifestly insane Henry VIII, a division, brought about by the defection of Henry VIII, which

1. See William F. Wertz, Jr., *Toward a New Council of Florence* (Washington, D.C.: Schiller Institute, Inc., 1993), Introduction: pp. 1-55.



EIRNS

Peter Martinson and Tarrajna Dorsey, members of the 2007 Basement Team, work on spherical geometry. "The emergence of the role of actual creativity within the work of the LaRouche Youth Movement," wrote LaRouche, "especially the 'basement operations,' is of the greatest significance for treating the crisis which menaces all of mankind at the present moment."

split Europe, to the present day, between, principally, a nominally Catholic, Habsburg, and Protestant parts. Hence, the religious warfare of 1492-1648, which historian Friedrich Schiller described as men fighting one another, not as men, but as beasts.

During this interval, the outcomes of the 1542-1563 Council of Trent, were the interdependent relationship between that Council itself and the rise to power of the Venetian faction of Paolo Sarpi. Sarpi continued the trend which had been set into motion, earlier, by Zorzi's role as marriage counsellor to what became, under his influence, England's lunatic butcher Henry VIII.

The immediate effects of this new division of Europe against itself, persisted as a Venice-directed religious warfare until that 1648 adoption of the Peace of Westphalia with which a decent quality of European civilization became a possibility again, but, as Gottfried Leibniz emphasized, with the highly problematic, persisting division of Protestant from Catholic parts.

However, the 1648 defeat of the cause of religious warfare, while setting back the Habsburg interest, left

the emerging superior power of northern maritime Europe in the hands of the essentially evil, Liberal followers of Paolo Sarpi.

Our U.S. Legacy

To identify the significance of the creation of our U.S.A., we must return our intention to its essential origins, with attention to the work of Christopher Columbus.

Columbus, a Genoese navigator in the Portuguese service, become informed of the intentions of the then-deceased Cardinal Nicholas of Cusa approximately A.D. 1480. This was notably the Cusa who had prescribed the formation of the modern sovereign nation-state, with his *Concordancia Catholica*, and had not only founded

modern European science, but defined the method of all competent science, afresh, with his *De Docta Ignorantia*, and with the work of such among his avowed followers as Leonardo da Vinci and Johannes Kepler. This same Cusa had recognized, from the aftermath of the conquest of Constantinople and the resulting breakup of the great ecumenical agreement forged at the Council of Florence, that European civilization was in a process of a new descent. Cusa had pointed his associates and followers to the importance of crossing the great oceans with the intent to renew European civilization from abroad. Christopher Columbus' voyage to the Americas was the explicit outcome of his adoption of Cusa's advice.

In the aftermath of Columbus' voyages of discovery intended to this end, what was to become our United States emerged, beginning, most emphatically, with the establishment of the Plymouth and later Massachusetts English colonies in 1620-1688 New England. This process in North America itself, assimilated something greater than the floods of immigrants from sundry parts of Europe; the best among the settlers brought with them a devotion to the greatest achievements of Euro-

pean civilization, but achievements largely freed from the oligarchical legacy's grip on the nations and culture of Old Europe.

Thus, our republic was founded as a constitutional nation-state under a Presidential system, rather than the crippled form of self-government represented by the parliamentary systems typical of western and central Europe to the present time. In matters bearing on the subject of scientific and related expressions of creativity, the most significant feature of specifically American republican culture, as distinct from the followers of the British East India Company, such as Judge Lowell, is the emphasis on the promotion of the scientific and related creativity of the typical citizen of what was to become our new republic.

Since that time, especially since the time of that February 1763 Peace of Paris which established the British East India Company as a privately controlled, Anglo-Dutch Liberal, financier empire, we in our U.S.A. have been divided, even in our scientific culture, between the patriotic tradition associated with Leibniz and the fraudulent, anglophile form of the Liberal tradition of Paolo Sarpi, as typified by the legacy of René Descartes and the hoaxster Isaac Newton.

Sarpi's Hoax

That much stated by way of general introduction, we now bring the discussion to the core of the matter.

The strategic problem, as defined by Paolo Sarpi's cultural policy, was to attempt to offset the effect of the creativity promoted by the strategic policies of such Cusa followers as Luca Pacioli, Leonardo da Vinci, Niccolò Machiavelli, and Johannes Kepler, by allowing a certain degree for technical innovations, but without allowing anything resembling the principle of creativity as exemplified by the discoveries of Cusa, Pacioli, Leonardo, and Kepler. To this end, whereas Sarpi had overthrown the authority of Aristotle, he replaced Aristotle with the raving, empiricist lunacy borrowed from the medieval William of Ockham.

On this account, we must see clearly both the agreement and disagreement between the philosophies of Aristotle and Ockham. Both, like Aristotle's follower Euclid, located knowledge within the limits of blind faith in sense-certainty, as did Sarpi's apologist René Descartes. The difference lay essentially in Sarpi's fostering innovation to the extent it did not lead to actually scientific knowledge and practice. With Sarpi, especially as his influence is expressed in Descartes and

such Eighteenth-Century followers of Cartesian empiricism as de Moivre, D'Alembert, the hoaxster Euler, and Lagrange, or the hoaxster Augustin Cauchy later, algebraic and related mathematical formulas are substituted for the kinds of those universal principles of physical science which are typified, explicitly, by the work of Kepler, Fermat, Leibniz, (implicitly) Gauss, Bernhard Riemann, Max Planck, and Albert Einstein—in opposition to such fraudsters as mechanist Ernst Mach or the even worse set of followers of the purely evil Bertrand Russell.

In all cases of Sarpian empiricism and its modern positivist outgrowths, the assumed pre-existence of mere forms, becomes a general set of arbitrary assumptions of belief superseding the simpler set of a-priori definitions, axioms, and postulates of an essentially Aristotelean Euclidean geometry. In this way, as Descartes explicitly prescribes this modern empiricist form of so-called "scientific" irrationalism, no margin is permitted for the actual discovery of any actually universal principle, such as Kepler's uniquely original discovery of gravitation, of our universe.

What, according to Albert Einstein, distinguishes the quality of originality in Kepler, is the originality of Kepler's discovery of the evidence showing that his principle of universal gravitation is defined by the ironical juxtaposition of the human sensory apparatus' senses of sight-versus-(harmonically ordered) sound, exactly as Max Planck's discovery of the quantum principle remains the necessary alternative to the mechanistic hoax of the pathological so-called quantum mechanics of both mechanistic and Russellite types. Kepler develops the foundations of this crucial argument at the foundations of his general discovery in the opening section of his work on the principles of universal harmonics.

As Einstein emphasized, the locating of Kepler's work as the underlying practical-scientific foundation of modern mathematical physics, leads Einstein to emphasize that the universe is self-bounded, as by Kepler's harmonically-ordered principle of universal gravitation, and is therefore mathematically finite, but without external bounds.

The specific genius of Kepler's discovery on this account, is the crucially experimental form of the demonstration that neither sight nor sound underlies the principle of universal gravitation. Rather, gravitation, as discovered, uniquely, by no one but Kepler, is the primary discovery, in science in general, which

shows us the means by which the individual human being's mind is able to discover principles which rule the evidence of the senses as if from outside and above.

This discovery, when recognized, as it must be, by any competent science classroom, leads us to a general notion of what we may term "scientific instrumentation." When we see that human sight and sound are merely instrumentation delivered in the package with the mortal human body, we are able to reach more broadly, into comprehension of a general theory of scientific instrumentation, under whose direction we recognize that the universe's efficient quality of existence is not in the form defined by the senses; but, that the senses perceive those shadows of reality which are adumbrations, rather than the actuality of universal principles. So, we proceed from our given senses, to the supplementary devices we recognize as instrumentation into the micro-physical and cosmic domains.

The case is made sufficiently well in Kepler's opening sections of his *Harmonies*. Sky Shields and his team, now addressing the crucial work of Riemann, have carried this into the direction of a study of the ironies explored jointly by Max Planck and by the Wolfgang Köhler of Köhler's *The Mentality of Apes*.

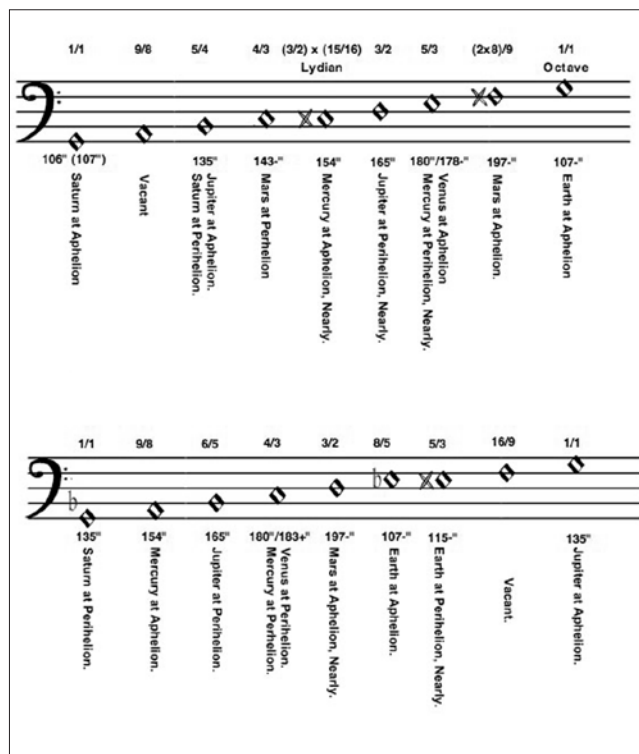
These are the aspects of Tuesday evening's discussion which were not referenced in Wednesday morning's briefing lead.



Johannes Kepler (1571-1630) gave modern science its first practicable, scientific conception of the astronomical universe. The illustrations here are from the LaRouche Youth Movement's "Basement" project on Kepler's Harmony of the World; the LYM explicates this monumental work through the use of animated graphics and musical examples (www.wlym.com/~animations).

The drawing is from Kepler's frontispiece to his 1627 Rudolphine Tables. It shows Copernicus and Tycho Brahe at the center, while Hipparchus and Ptolemy look on. On the base, the panel to the left shows Kepler himself, laboring by candlelight.

The musical scales shown here are taken from Kepler's Harmony, and show the "tonalities" of the harmonic orbits of the planets (these can be heard on the website). Above is the major scale; below is the minor scale.



Human Creative Reason as a Fundamental Principle in Physics

by Sky Shields, LaRouche Youth Movement

In the course of recent work preparing a translation of a piece by V.I. Vernadsky on the historical evolution of the concept of physical space-time (i.e., the concept that space and time as such do not actually exist, except as shadows of the physical processes which seem to occur within them), we encountered an interesting reference which may help in shedding further light on the ontological significance of the concept of *potential*, as investigated successively by Gauss, Dirichlet, Weber, and Riemann. Most significantly, it indicates avenues along which we may continue the same conceptual approach which Riemann took to this subject in his so-called philosophical fragments. The reference, taken from a 1931 written speech by Vernadsky entitled “The Problem of Time in Contemporary Science,” runs as follows:

Christian von Ehrenfels in Prague, a psychologist who is currently living, has pointed out, on the basis of study of the psychological life of the individual, a lawful, spatial manifestation in this domain, of phenomena which have long stood outside of scientific work. He has shown the necessity of recognizing certain geometric gestalts, or structures for visual space, for tonal melody and other similar types of phenomena connected with structure of the spatially and temporally identifiable cognitive apparatus. These notions of psychological gestalts were extended to phenomena of zoopsychology and physics by Berlin professor Wolfgang Köhler. They led to a new scientific expression of physical space and to an entirely new current in philosophy, studying the laws of cognition—to “Gestalt Psychology.”

This reference by Vernadsky was curious for a number of reasons. First, because the thesis of the essay

up until this point had been a demonstration that the concept of the unity of physical-space-time was not unique to Einstein’s general relativity. This notion, he says, had existed already with the ancient Greeks, and it was only with Descartes, and then Newton, that the fallacy of absolute space and absolute time as independent, self-evident entities had been introduced. In Vernadsky’s view, it was the work of physical experimentalists—in particular in this speech, he cites the experimental work of Pasteur and Faraday—which first began to force the necessity, in the modern period, of breaking from this Newtonian conception of empty space. He cites both Kepler and Leonardo da Vinci as conceptual predecessors to this break, because of their work on symmetry and the Golden Section, but oddly enough neglects to mention Riemann in this connection. Instead, he cites the mathematician William Clifford (who was responsible for the first English translation of Riemann’s *Habilitationsschrift*), and it is in this context that he makes the mention above, regarding Ehrenfels, Köhler, and gestalt psychology. The idea that gestalt psychology represented a revival of the concept of a unified physical space-time was new to me, because of how little I knew about the subject. The fact that Vernadsky was following Köhler’s work as a contemporary also struck me as interesting, so I decided to follow up on Vernadsky’s reference.

I was happy to discover that, as Vernadsky implies in his quotes, Köhler’s work on animal psychology was, for him, a secondary project which only resulted from the fact that Köhler was stuck on a research island full of apes for seven years due to the outbreak of World War I, and therefore had only apes as experimental subjects for those years. His original, and subsequent, work was on examining the human thought process, and in particular Classical artistic composition (he was noted for his dislike of Wagner). It was from this research that



EIRNS/Tarranja Dorsey

Author Sky Shields teaches a class in Monterrey, Mexico, to the LaRouche Youth Movement, April 2008. Shields is a leader of the LYM's "Basement Team," which has spent several years researching discoveries of universal physical principles, from the Pythagoreans to Bernhard Riemann. The group's work radiates through the rest of the LYM internationally.

he derived his concept of the gestalt—the fact that the human mind operates solely on the basis of whole ideas, which are not composed of parts. The *organization* of the parts is itself a self-subsisting principle, independent of those parts. This represented a revival in modern form of Leibniz's monad, as applied to human cognition, and consequently it also represented a revival (whether Köhler himself was aware of this or not) of Riemann's Herbartian (i.e., Herbart's Leibnizian) concept of the "thought-object" (*Geistesmasse*), as presented in the philosophical fragments. This alone would have been interesting enough, but the next item to deepen my curiosity considerably, was a reference by Köhler, in a 1959 speech titled "Gestalt Psychology Today," to discussions which he had engaged in with Max Planck. This reference occurred in the context of his discussing the tendency of physicists to mistreat their mathematical formulae:

When reading the formulae of the physicist, one may emphasize this or that aspect of their content. The particular aspect of the formulae in which the gestalt psychologists became interested had, for decades, been given little at-

tention. No mistake had ever been made in applications of the formulae, because what now fascinated us had all the time been present in their mathematical form. Hence, all calculations in physics had come out right. But it does make a difference whether you make explicit what a formula implies or merely use it as a reliable tool. We had, therefore, good reasons for being surprised by what we found; and we naturally felt elated when the new reading of the formulae told us that organization is as obvious in some parts of physics as it is in psychology.

Incidentally, others were no less interested in this "new reading" than we were. These other people were eminent physicists. Max Planck once told me that he expected our approach to clarify a difficult issue which had just arisen in quantum physics if not the concept of the quantum itself.

Again, this opened up a number of interesting avenues to pursue. Only four pieces of correspondence exist between Köhler and Planck, because most of their discussions occurred in person, while Köhler was Planck's student in Berlin, so it has been difficult to locate material containing the exact content of their discussions on this topic. But despite that, given the work that we have already done as a movement on Kepler's *Harmony of the World*, it will not be hard for us to guess what the gist of those discussions must have been, as I'll discuss below.

First, however, more on the significance of Köhler's work to what we are now investigating in Riemann's works. In a footnote in Köhler's 1939 book, *Dynamics in Psychology*, in the context of discussing which fields of physics he thought would be most fruitful for investigations in gestalt psychology, he writes:

Apart from physical chemistry and electrochemistry, the most important discipline which will have to be included in the list is *potential theory*,

the theory of macroscopic self-distributions. Unfortunately this field shares the neglect in which many parts of Classical physics have fallen since atomic physics came into the foreground.

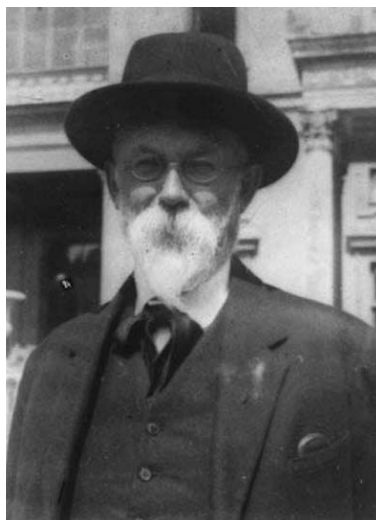
This reference was certainly a surprise, considering that I had not expected this side project to intersect with the work in which we are currently engaged in the Basement: investigating Riemann's work on potential theory in order to gain a better grasp of his application of Dirichlet's Principle to Riemann surfaces and the higher transcendentials, elliptical and Abelian functions. Suddenly, an aspect of the political significance of Riemann, Dirichlet, Gauss, and Weber's treatment of potential became clear. To explain this, some history of the concept is in order.

The Concept of 'Potential'

The mathematical expression which is popularly referred to as the potential function (though this name was only given to it later, by Gauss), and the differential expression now called the Laplacian, arose during Lagrange and Laplace's attempts to untangle the mathematical mess they created while attempting to apply Newton's inverse square law to the real universe—the three body problem in planetary perturbations. The ontological significance of potential, however, was denied by both Lagrange and Laplace in their attempts to cover up for the inverse square law, and was treated instead as an artifice—a useful tool for resolving a difficult problem of analysis. That this mathematical expression is, however, only the mathematical shadow of a principle, was a fact recognized by Gauss, Weber, Dirichlet and Riemann. The actual ontological significance of potential goes back to (and is really identical with) Leibniz's concept of dynamics.

The fact that all processes in the universe must be conceived of as governed by universal principles which exist only as wholes, which have no component parts is expressed in their physical manifestation by:

1. the fact that universal physical principles, though themselves not existing at any specific point in space or in time, exist as though outside of but tangent to every point and every moment in a physical process, no matter



Vladimir I. Vernadsky (1863-1945)

how small a division of that process is taken (the ontological infinitesimal of Leibniz),¹ as well as

2. the fact that the future state of any process is what governs its present (i.e., that intention exists as a governing principle in the universe).

These two facts combine to provide us with a notion of the ontological significance of potential, understood in the sense of Leibnizian dynamics. This concept of potential is exactly what Isaac Newton was created in order to attack—hence the notion, inserted into the famous scholium of his *Principia*, that “I don't frame hypotheses,” really, as is clear

from both that scholium, and Cotes' intro to that book, “the act of hypothesis is impossible, because in the universe only facts, not reasons are knowable.”²

It is significant that Vernadsky makes exactly this point about Newton in the speech with which we began this paper, including the point that Newton's views as popularly distributed were a product synthesized by both Cotes and Clark in that edition of the *Principia*. He states:

It [the concept of the force of gravity] was introduced into scientific thought in 1713, in the foreword to the second edition of “*Philosophiae*

1. This is despite the reductionist's insistence, which is not validated by experiment, that an atom, say of carbon, within a living organism, is essentially the same in its internal characteristics as an atom of carbon outside of a living organism. I.e., that there exists no independent principle of life which cannot be reduced to non-living—abiotic—phenomena.

2. Cotes writes in this introduction, in response to Leibniz's observation that the idea of the “force” of gravity is an occult quality, and that the reasons for universal gravitation and the organization of the Solar System must be knowable:

“He who is presumptuous enough to think that he can find the true principles of physics and the laws of natural things by the force alone of his own mind, and the internal light of his reason, must either suppose that the world exists by necessity, and by the same necessity follows the laws proposed; or if the order of Nature was established by the will of God, that himself, a miserable reptile, can tell what was fittest to be done. All sound and true philosophy is founded on the appearance of things; ... These men may call them miracles or occult qualities, but names maliciously given ought not to be a disadvantage to the things themselves, unless these men will say at last that all philosophy ought to be founded in atheism.

Naturalis Principia,” a foreword written by Cambridge professor Roger Cotes, editor of this second edition, as one of the notions which could be logically connected with the mathematical results of Newton.

Newton highly esteemed Cotes, who was soon to die young, but he, at least officially, never read his foreword.

I can not here enter into an explanation of the reasons for this relationship of Newton to the appearance of an idea, which he always contradicted, in the foreword to his work. The idea, however, of universal gravitation, having placed its mark on all scientific thought of the following two centuries, was accepted as a consequence of the achievements of Newton—as a Newtonian idea.³

The approach taken by Gauss, Dirichlet, Weber, and Riemann therefore represented a counter-reaction to this attempted reduction of all physical phenomena to attraction and repulsion between hard balls.

We ourselves, in this current Basement team, initially became interested in Riemann’s work on potential because of his treatment of the subject in his philosophical fragments. There, he himself draws an



www.psychologie.hu-berlin.de

The work of Wolfgang Köhler (1887-1967) on Gestalt Psychology fascinated Vernadsky, who described it as leading to “a new scientific expression of physical space and to an entirely new current in philosophy, studying the laws of cognition.”

3. This same denial of the human capability for discovering truth, the source of the idea of absolute space and absolute time existing as a priori concepts, is what underlay Newton’s fabrication of the occult idea of “force.” As reported by Newton’s successor in his mathematics chair at Cambridge, William Whiston:

“It will not be unfit also, with regard to myself, nor unuseful with regard to the Publick, if I take notice here, that during the time of my Acquaintance with Him [Newton], He did always own the impossibility of solving Gravity mechanically, because it was ever proportional to the *Solidity* of Bodies, and equally effectual in the very middle of solid Bodies, as on their superficial Parts: whereas all mechanical Powers act only on their *Surfaces*: and he seemed to me always firmly persuaded, that this *Gravity* was deriv’d from the immaterial Presence and Power of the Deity, as it pervaded all the solid Parts of Body, and operated on them all. . . . I well remember also, that when I early asked him, Why he did not at first draw such Consequences from his Principles, as Dr. Bentley soon did in his excellent Sermons at Mr. Boyle’s Lectures; and as I soon did in my *New Theory*; and more largely afterward in my *Astronomical Principles of Religion*; and as that Great Mathematician Mr. Cotes did in his excellent *Preface* to the later Editions of Sir I.N.’s *Principia*: I mean for the advantage of Natural Religion, and the Interposition of the Divine Power and Providence in the Constitution of the World.

analogy between the processes of thought and the phenomena of gravitation, electricity, and magnetism—the three phenomena which may be mathematically represented by forces acting with an intensity of effect which is inversely proportional to the square of distance. In the context just laid out, this approach of Riemann, along with the fragments taken as a whole, takes on a significance to which Lyndon LaRouche has been repeatedly pointing in the last days—that the concept of potential understood ontologically is not a mathematical principle, though it has significant mathematical corollaries when applied to physical processes. It is, rather, necessary to study all three phase spaces of the physical universe, first and foremost the cognitive and the biotic, as independent principles of which the abiotic phenomena of electricity, magnetism, and gravitation are simply sub-processes. It is cognition which governs the world of phenomena, and cognition is best studied by a direct investigation of the human creative process in both science, and in Classical artistic communication of profound ideas.

It is significant to note that this was exactly the approach of Riemann in his so-called philosophical fragments. An examination of the original manuscripts of these fragments reveals that their classification into the separate categories given in Heinrich Weber’s edi-

tion of the Collected Works was accomplished only by the removal (perhaps accidental, perhaps intentional) of certain key paragraphs which demonstrate that Riemann's investigation of thought objects (*Geistesmassen*), his study of potential, and his critique of Newton were all part of the same thought process. A version of the fragments containing these missing paragraphs will be released soon. In the meanwhile, a study of the intellectual and social environment in which Riemann was immersed (detailed reports are forthcoming) ought to provide us a clearer picture of Riemann's influences in the area of human psychology and human creativity in general. These influences, as Riemann states in his philosophical fragments, gave rise to the method with which he approached these subjects of physical science, human creativity, and the higher transcendentals. His description of phenomena of gravity, electricity, and magnetism, taken from those fragments goes as follows:

Thought is a process within ponderable matter. Our external experience, the facts of our external perception, which must find their explanation in the processes within ponderable or gravitating matter, are

1. universal gravitation
2. the universal laws of motion.

Something lasting underlies each act of thought, something which, however, is manifested only under the specific occasion of memory as such, without exerting any enduring influence upon phenomena. Therefore with each act of thought, something lasting enters our soul, something which exerts no enduring influence upon phenomena.

On the other hand, our external experiences about ponderable matter can be explained if it is assumed that a homogenous substance fills the whole of infinite space, and constantly flows into ponderable matter and vanishes.⁴

We are already familiar with this method—of taking the principles of human creativity as primary—from our study of Kepler's Harmonies. The study of harmonics as presented there, and as expressed in the organization of the Solar System, exists only if the uniquely human concept of beauty is treated as a self-

evident, experimentally validated fact, independent of the abiotic phenomena which mediate its expression at any given time. As Kepler demonstrates, the concept of harmony as it is expressed in the Solar System—though it agrees with expressions in geometry and elsewhere—is neither derivable from them nor reducible to them. This concept of harmonics, not capable of investigation outside of an investigation of the creative human individual, is what is then applied, directly, as the principle which guides the organization of the Solar System as a whole.

From this, it is clear that the concept of potential, as a unified process governing the apparent forces of universal gravitation, was already recognized as a principle cognate with that of human creativity at its inception, with the scientific work of Johannes Kepler. This methodological approach to potential was continued in the work of Leibniz on dynamics, and in the work of Gauss, Dirichlet, Weber, and Riemann on attempting to undo the damage done to science by Newton's religious dogma.

In that context, I can feel comfortable including a rather lengthy citation from Köhler, which, despite certain shortcomings in other respects, does give some insight into the political fight around scientific method in which he and Planck were engaged during the first half of the 20th Century, as well as into possible avenues of investigation for us to take up today, respecting the ontological significance of Dirichlet's principle and the concept of potential. Taken from his *The Place of Value in a World of Facts*, it reads:

Experimental physics is not particularly interested in the study of such continuous macroscopic states. As the conditions under which self-distribution may be varied freely, an infinite number of macroscopic states is possible in each class: the hydrodynamic, the electric, and so on. The investigation of a number of individual cases would add little to our knowledge of basic physical facts. Besides, what could the experimentalist do? In order to know the distribution of a steady current inside a given volume he would have to measure the rate and direction of flow at as many points as possible—a thoroughly tedious occupation. At the same time this task would be awkward enough, since, at least in many cases, the very attempt to measure local flow will lead to interference with the

4. www.wlym.com.



Library of Congress

The eminent physicist Max Planck (1848-1947) was a collaborator of Köhler. Köhler reported that Planck “once told me that he expected our approach to clarify a difficult issue which had just arisen in quantum physics if not the concept of the quantum itself.”

distribution itself: The approach and the insertion of a measuring device would generally mean the introduction of new conditions to which the macroscopic state can respond only by a change of distribution. Satisfied that no essentially new facts are to be discovered in this field, the physicist will moreover give little time to macroscopic states in his teaching. This is why one can learn a good deal about practical physics without ever hearing much about this section of science. As a matter of fact, the investigation of self-distribution in continuous media has become a task for mathematicians rather than for physicists. The general rule which macroscopic states must fulfill is easily formulated in mathematical terms. A single differential equation, named after Laplace, will apply to most cases. Unfortunately, however, this equation does not express much more than that in a steady state the forces and the flow at each point should not alter this steady state. Just what distributions would, as a whole, correspond with this condition in a given case is the question which the mathematician tries to

answer. No direct and simple mathematical procedure is available for this purpose. During the 19th Century the invention of solutions for even comparatively simple cases occupied some of the best mathematical minds. The Dirichlet problem and the Neumann problem, formulations of this mathematical task for two slightly different sets of conditions, are noted for their tremendous difficulty. . . . This is not a branch of physics with which other men of science, philosophers and the public will become familiar through popular books. If they did, the belief would not be so general that physics is under all circumstances an “analytical” science in which the properties of more complex extended facts are deduced from the properties of independent local elements. The thesis that analysis, at least in this sense, does not apply to macroscopic dynamic states is borne out by the predicament of mathematicians who must find the steady distribution as a whole if they are to tell us what the steady flow is in a part of the system.

Our task now is clearly to further this conceptual approach to science and art. The concept of the human mind—cognition—as an efficient, independent organizing principle in the universe has been lost, in many cases intentionally eliminated, and that loss has brought humanity to a series of conceptual dead-ends. Science struggles between mindless statistical models and an equally mindless determinism, artistic expression has been reduced to the simplest expression of debased emotional states, and the organization of human society has merged both of these disasters to create the greatest abomination of them all: an economic system which blends the mindless mathematics of statistics with the irrational rule of utterly undeveloped human emotions—free trade. All of this is now collapsing, and we have reached the point where human society can progress no further while maintaining the presently popular forms of belief in science and culture. Our task as a movement must be to revive actual human creativity as a matter of practice, and to make this revival the basis upon which we, as a culture, find our way out of the mess into which we’ve gotten ourselves over these recent decades. Economics must again become the science of human progress, on the basis of human creativity.

Shut Down the Derivatives Markets To Save Civilization

by John Hoefle

Oct. 10—"It is time to break the silence on derivatives," Lyndon LaRouche said yesterday, after observing the carnage in the financial system and the pathetic response from the so-called regulators. "The true, hyperinflationary factor in the situation is the unregulated, insanely leveraged derivatives trade. This is what is killing us. This is the great crime of Alan Greenspan."

LaRouche described the derivatives market as a "hyperinflationary bomb, crushing the international financial system," and warned that "until you just shut down the whole derivatives trade—wipe these gambling obligations off the books of the financial system—you are just kidding yourself."

"Unless and until you deal with this derivatives bubble, which can not be bailed out, you are just kidding yourself," he continued. "It is time for Hank Paulson to swallow the only real medicine: bankruptcy reorganization of the entire, dollar-based financial system. And the first step in any such bankruptcy reorganization would be the cancellation of these quadrillions of dollars in pure gambling obligations. Without such action, this planet is doomed to a horrible dark age, just like the dark age of the Fourteenth Century, that followed the collapse of the Lombard banking system."

Blood in the Streets

You don't have to be a financial insider to see that the entire global financial system is collapsing, since that collapse is now front-page news every day. The

Bush Administration, its co-conspirators in Congress, and the Federal Reserve have passed the largest financial bailout scheme in history, and the Fed and the Treasury are cooking up new bailout facilities and increasing the money available in existing facilities on practically a daily basis. The stock markets are plunging, with the Dow Jones Industrial Index down 40% in a year, and dropping like a rock. The banks, particularly in the United States and Europe, are vaporizing faster than most people would have thought possible a year ago, with governments in most major European countries belatedly taking steps to prop up the banks and stop runs by protecting deposits. Yet despite it all, the crisis deepens by the day.

The carnage is becoming increasingly visible in the daily lives of citizens, as the demise of the securities market "debt machine" wipes out the credit most Amer-

Top U.S. Derivatives Bank Holding Companies, at June 30, 2008

(\$ Billions)

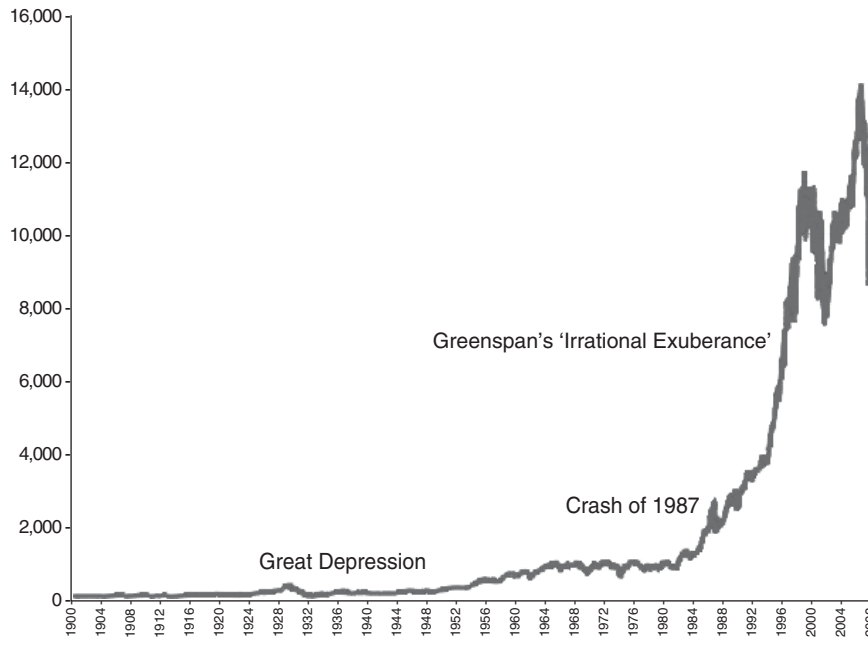
Rank	Bank Holding Company	Equity	Assets	Derivative
1	J.P. Morgan Chase	\$133	\$1,776	\$98,827
2	Bank of America	\$163	\$1,723	\$40,624
3	Citigroup	\$136	\$2,100	\$39,935
4	Wachovia	\$75	\$812	\$4,433
5	HSBC North America	\$27	\$461	\$4,081

Sources: Office of the Comptroller of the Currency, Federal Reserve.

FIGURE 1

Dow Jones Industrial Average, Weekly, 1900 to Oct. 2008

(Weekly Closing Value)



Source: Dow Jones.

icans had come to depend upon, in their households and workplaces. Banks are cutting back on credit-card limits and other consumer loans; mortgages are harder to come by; cash-out refinancings and home equity lines of credit are drying up as home prices fall; and businesses are finding it harder and harder to sell new debt in the bond, commercial paper, and other corporate debt markets. For an economy which is dependent upon debt, and already in hock up to its eyeballs, these are ominous developments. The fabric of society is breaking down, and the blood in the streets is spreading.

Deadly Derivatives

The chief financial factor in this carnage is the world's largest casino, the derivatives market. The derivatives market is far larger than the world's stock and bond markets combined, with bets in the quadrillions of dollars compared to the trillions of stocks and bonds. While it is impossible to put an exact number to the *size* of the overall derivatives market, given its unregulated operations and the way most derivatives deals are privately negotiated, it is possible to put a number to the *value* of the derivatives bets outstanding, and that number is *zero*.

Derivatives were the great financial innovation of

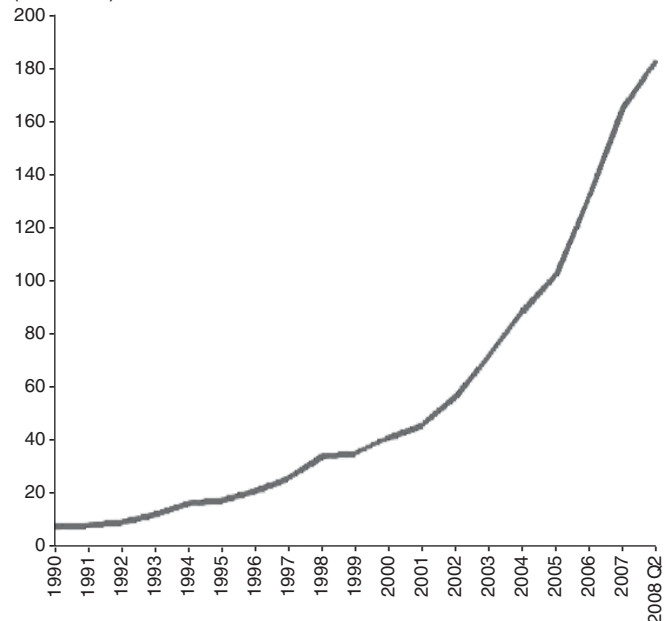
the Greenspan era, a form of sleight of hand designed to hide the bankruptcy of the financial system after the stock market crash of 1987, the collapse of the savings and loan sector, the bankruptcy of the banking system as a whole, and the collapse of the junk-bond bubble. The derivatives market was a fraud from its inception, a virtual market where the big banks and other speculators could bet on the movements of currencies, bonds, stocks, and the indices associated with them. Because the derivatives did not require the ownership of the instruments upon which they were nominally based, the level of bets soon outstripped the levels of the underlying instruments, with, for example, far more derivatives bets on bonds than there were actual bonds.

The derivatives market also employed high degrees of leverage, placing bets with borrowed money. Using leverage, the speculators could place far larger bets than they could,

FIGURE 2

Derivatives at U.S. Commercial Banks

(\$ Trillions)



Source: FDIC.

were they limited to their own money. This leverage was highly profitable—at least virtually—as long as the game was expanding, but turned deadly when the music stopped. Then, reverse leverage set in, and the players began losing not only their bets, but the money they borrowed to place those bets. This reverse leverage made it possible for the gamblers to lose multiples of the money they put in, before the loans.

Another innovation that was highly “profitable” before it blew up, was the market for credit derivatives (a.k.a., credit default swaps, or CDS), a form of insurance policy for bonds and derivatives bets. While the derivatives market was in full swing, banks, insurance companies, and other financial firms sold trillions of dollars of credit derivatives to guarantee the value of a wide range of securities. The credit derivatives were a fig leaf, a necessary part of the derivatives scam.

The obvious point is that, in any widespread securities crisis, the credit derivatives sellers would never be able to cover the insurance they wrote. AIG, for example, wrote hundreds of billions of dollars of credit derivatives, including a substantial amount based upon securities issued by Lehman Brothers. When Lehman failed, so did AIG, which has now received some \$120 billion in emergency loans from the Fed.

The settlement date for credit derivatives written on Lehman securities was Oct. 10, at which point the Lehman securities were valued, optimistically, at just 8.6¢ per dollar of face value. This will be the largest payout ever for the credit derivatives market, assuming the sellers (protection-writers) can afford the payments.

Shut It Down

The attempt to save the fictitious “values” and “profits” of the derivatives market is one of the prime drivers of the largest bailout *attempt* in history.

It is therefore essential that the bailout of the derivatives bubble be stopped, immediately. All derivatives trades should be declared null and void, and wiped off the books of the speculators. Any financial instrument containing a derivative should also be declared null and void, and wiped off the books. This unregulated, insanely leveraged casino should be shut down, and all claims arising from derivatives bets nullified, as if the bets had never occurred.

There can be no compromise on this. Shut it down, and shut it down now. Your life, and that of the nation, depend upon it.

johnhoeft@larouchepub.com

International Bankers’ Scramble Shows Money Can Solve Nothing

by Nancy Spannaus and Claudio Celani

Oct. 11—The week that began with the ramming through of the U.S. Congress’s bailout bill on Oct. 3, was supposed to demonstrate that the U.S. political-financial establishment, and its European colleagues, had brought the global financial meltdown under control. In fact, all it showed was that the current financial authorities have no credibility, and that the issuance of *money*, trillions of dollars of it, will do absolutely nothing to save the financial system.

Rather, as Lyndon LaRouche has emphasized consistently, the current financial system *cannot* be saved. It must be put through bankruptcy reorganization, and replaced.

The unprecedented collapse (800 points) of the U.S. stock market on the day immediately after the bailout was signed, launched a process of escalating panic, which unfolded day by day over the week. Leaving aside most of the European measures, which we will relate later below, the following shows the increasing amounts of money which were thrown down the bottomless sinkhole:

Oct. 6: The Fed increased to \$900 billion the lending limit in its Term Auction Facility, and announced that it would begin paying banks interest on their reserves, thus, de facto, reducing interest rates by 0.75%.

Oct. 7: The Fed invoked emergency powers to establish a new unit, funded by a deposit by the Treasury at the New York Fed, which will buy up an undisclosed amount of *unsecured* commercial paper, which businesses are no longer able to sell to banks to fund their daily operations.

Oct. 8: As the stock market opened in the U.S., the central banks of the Group of 7 announced a coordinated cut in interest rates, in the alleged pursuit of providing liquidity to the banks. The cut brings the U.S. rate down to a nominal 1.5%. The Fed announced that it was issuing an additional \$38 billion to AIG, because it has already burned through most of the first \$85 bil-

lion, without touching its “core business.”

Oct. 9: Treasury Secretary Henry Paulson announced that he may devote \$200-300 billion of his \$700 billion bailout fund to purchasing preferred stocks in U.S. banks, rather than dump it all in purchasing toxic bank assets.

Oct. 10: With market turmoil sweeping worldwide, despite the bailout efforts, the only thing the U.S. government could think of to do, was to bring out President George W. Bush to address the public—after which the U.S. markets went through unprecedentedly wild gyrations, but ended up only 128 points down.

The European Epicenter

It has long been LaRouche’s contention that the European banking crisis was, in fact, worse than that of the United States. The last week exemplified this reality dramatically.

On Oct. 8, the British government intervened with a mega-bailout plan of £500 billion pounds (about \$1 trillion), a figure approaching the almost £600 billion total government spending. The plan will see the government spend up to 50 billion pounds (\$86 billion)—the equivalent of £2,000 for every taxpayer—on buying proprietary shares in the banks in order to increase their



EIRNS/James Rea

The LaRouche Youth Movement organizes in Germany’s financial center, in Frankfurt. The sign says, “What do Obama and Saakashvili have in common? Their political and financial godfather George Soros.”



EIRNS/James Rea



EIRNS/James Rea

BüSo (Civil Rights Solidarity Movement) organizers in Berlin. Left: “The only Liquid Bank Is the Sperm Bank.” Right: “Financial Crash: LaRouche Was Right: 3 Point Plan Now!”

capital. Half is available immediately, while a further £25 billion can be used if necessary in future. In addition, the government will make £250 billion (\$500 billion) available to underwrite the banks' medium-term debts. Meanwhile the Bank of England will inject a further £200 billion into the markets, by offering Treasury bonds for "toxic assets." This makes a potential liability of £500 billion, which amounts to more than a third of the British GDP and would almost double public debt. So far, eight banks are reported to be seeking government help under the new scheme: Abbey, Barclays, HBOS, HSBC Bank, Lloyds TSB, Nationwide Building Society, DBS, and Standard Chartered.

But, as the emergence of this week's crisis in Iceland showed, the financial house of cards centered in the City of London is going to be hit a lot harder.

Iceland had been built as a "carry trade" center by British banks over the last few years. In a country of little more than 300,000 inhabitants, massive money was poured in, in order to exploit the different exchange rates between the Japanese yen and the Icelandic króna. Money was borrowed in Japan and used to buy Icelandic bonds. The whole country was transformed into a hedge fund! Icelandic banks were flooded with money, which they invested in assets totalling over ten times the GDP.

A few years ago, when the carry trade flow was inverted, the money turned into a huge debt. The collapse of the derivatives bubble created a reverse leveraged dynamic, as the Icelandic government tried to prevent capital outflow by repeatedly increasing interest rates, until the whole thing collapsed.

Facing bankruptcy, Icelandic authorities ordered the country's banks to begin calling in their loans and leverage positions, particularly in Great Britain. The British launched a pre-emptive strike, and the UK Financial Services Authority seized the British subsidiaries of Kaupthing, Landsbanki, and Glitner. This was done under anti-terror legislation. This was a move that forced the Icelandic government to move in, and take over the banks under the new emergency legislation, which gives the government the right to take over full control of the banks. Kaupthing Bank was taken over on Oct. 9, along with Glitner, after the government cancelled its plan to purchase the bank for Eu600 million. Landsbanki was taken over earlier this week.

This had an immediate repercussion in Britain, as hundred thousands of Britons have their money in Icelandic accounts. This includes private citizens, local

governments, banks, and utilities. For instance, the county of Kent had £40 million, the London transport authority £30 million, various municipalities have anywhere between £10 and £20 million apiece.

Measures of Self-Defense

While the British measures were the most dramatic, national governments throughout Europe felt compelled to make decisions this week to try to protect their banking systems, and populations. While none of these is adequate—nor could it be under conditions of the collapse of the global dollar-based system—their very failure will tend to impel national leaders to move in the direction of the FDR-style measures which are being championed by LaRouche.

Most importantly, as we emphasized last week, these country-by-country emergency measures have once again asserted the primacy of national sovereignty, as against the bureaucratic impotence (if not malevolence) of the European Union bureaucracy.

Germany announced over the Oct. 4 weekend that it would provide unlimited state guarantees for bank depositors. It was followed by Sweden and Denmark on Oct. 6, and by Italy on Oct. 8. The ability of these nations to carry out these intentions is clearly in doubt: Germany would need to have a Eu1.6 trillion fund to protect all depositors, as would Italy. Such an expenditure would bring Germany to the current state of indebtedness of Italy, while Italy's debt would become over twice its GDP.

Clearly, the primary intention of these announcements was to prevent panic runs on the banks, rather than to actually pour in funds.

So far, the government which has come the closest to acting for the public good has been Iceland's. Prime Minister Geir Haarde, in taking government control of the banking system, froze bank assets, and divided them into two categories, one of which (dealing with the domestic economy) would be guaranteed a credit line, and the other of which was put on a second tier. On Oct. 8 Haarde announced: "The total indebtedness is such, that there is no way that the Icelandic population can take responsibility for the debt these private companies have incurred. It happens every day in bankruptcies, that some are burned."

A New Bretton Woods

There is, in parallel, an increasingly lively discussion within Europe on moving beyond self-defense, to

building a new monetary system. President Nicolas Sarkozy of France and Economics Minister Giulio Tremonti of Italy have both called for a New Bretton Woods system. Sarkozy, who this week hosted an international conference on the world financial crisis which included Russian President Dmitri Medvedev, has raised the call for an emergency international conference on this matter, to be held in the United States, probably immediately after the November Presidential elections.

One of the most active debates on the New Bretton Woods is occurring in Italy, where Sen. Oskar Peterlini has introduced Motion 1-00029, a resolution which outlines the requirements of a New Bretton Woods credit system. The motion identifies LaRouche as the author of such proposals, and backs LaRouche's call for a Four Power agreement (United States, Russia, China, and India) to establish a New Bretton Woods system. The motion will be debated next week.

In a Senate debate on Oct. 9 on the world financial crisis, Sen. Gianpiero D'Alia called for bankruptcy reorganization and a new monetary and credit system as the only possible solution to the crisis. D'Alia referred to Peterlini's motion, and read through the

main elements of that text.

"It is not thinkable," D'Alia said, "that the hole created by speculation could be completely filled, nor it is admissible that public money be used to cover losses caused by mortgage-based assets and by derivative instruments that multiplied speculative values beyond imagination.... It is therefore necessary [to have] a system of rules where such speculative debts are extinguished or cancelled, the banks' balance sheets be cleaned up guaranteeing small depositors' moneys." D'Alia spoke before a full house, convened for listening to emergency communications by Economics Minister Tremonti.

Tremonti, who has appeared publicly in discussion on the economy with LaRouche, has been outspoken against the economics of speculation, for the building of Europeanwide infrastructure, and for a New Bretton Woods.

What can be said for sure, is that the discussion of establishing a new global financial system will be increasing over the next weeks, as it becomes ever clearer that throwing money at the systemic breakdown, will not feed or clothe anyone—and will only make the situation worse.

Russian State TV Puts LaRouche On The Air: Revive FDR's Bretton Woods

The Vesti Nedeli (News of the Week) program on Russia's national TV Rossiya channel put American economist Lyndon LaRouche on the air Oct. 5, in a segment about the current global financial meltdown. In excerpts from an interview with correspondent Konstantin Syomin, LaRouche laid out both the inevitability of the total demise of the current financial system, likely by the end of this year, and the emergency alternative that he is fighting for.

During the program, anchorman Yevgeni Revenko drew attention to recent proposals by Russian President Dmitri Medvedev for a new financial architecture, as well as Prime Minister Vladimir Putin's insistence that spurring the real economy, as opposed to financial crisis-management, is the key to a lasting solution.

Vesti Nedeli is the Sunday prime-time news round-

up program on TV Rossiya, whose regular viewing audience numbers 70 million people.

Here, from the third segment of the program, is an edited transcript of the program.

The Financial Crisis: Victims of the American Dream

[Yevgeni Revenko:] On Friday, Oct. 3, the U.S. Congress finally approved the bailout plan for the American economy. An astronomical sum will be allocated—\$700 billion, although from Monday to Tuesday, after the crash, the U.S. economy slimmed down by \$1.3 trillion.

Late Saturday evening, the leaders of the four EU countries that are also members of the Group of 8—Germany, France, Italy, and Great Britain—finished



"This system, in its present form, is virtually extinct," Lyndon LaRouche told the Russian television audience.

talks on how to save their economies from the financial crisis. There were ideas about creating some kind of common fund, but they only agreed to some degree of coordination. Meanwhile, each will try to get out of the crisis on their own, as best they can. However, [French President] Nicolas Sarkozy voiced the idea of convoking, in the near future, an expanded summit of the Group of 8, with the participation of Brazil, China, India, South Africa, Mexico, and possibly South Korea or Australia. Combined, that would represent 80% of world GDP, to decide together on how to combat the global crisis.

On the background of these difficulties, there was one story that sounds almost like a joke: One Wall Street broker, Kristo Mishkov, has already taken the tonsure as a monk, and returned to his homeland, Bulgaria. What will be the lot of the rest? As correspondent Konstantin Syomin tells us, they're not in the mood for jokes in America.

[Konstantin Syomin:] If you could take a cardiogram on the world economy, it would look like this. You don't have to be a doctor to notice that stock markets from São Paulo to Seoul are beating with the same, pre-heart attack rhythm. And you don't even need to see any numbers. The diagnosis is written on the brokers' faces. The problem is, that the crisis has already sloshed

over from the stock exchange tickers into the streets. Now everybody is affected. Globalization didn't waste its efforts, in fighting against state borders: in some places, they hardly even exist.

"Those of us who came up North, now we're in an awful fix. We would leave, but there's a crisis there, too. All the banks are in a crisis," says this Mexican, Pablo Rojas.

For the first time, the illegal immigrants who hold up the entire U.S. economy have practically stopped sending money to their relatives. How are Mexico, El Salvador, Peru, and Colombia going to live? New residential buildings in Spain, with uncurtained windows. What is to be done with these apartments? Who will buy them? Bankruptcies and layoffs in England. A recession in Japan.

"Purchasing power has dropped in America because of the crisis, especially demand for cars. This has hit Japanese producers. The whole thing has dragged the Japanese economy down, too," says Osamu Kamizono, vice president of the Japanese TV company TBS.

Who could have imagined that the world depended to such a degree on one single country, and that dozens of nations would be following the vote on Capitol Hill as if it were their own parliament?

Paulson on His Knees

An unprecedented scene: the U.S. Secretary of the Treasury gets down on his knees before the Speaker of the House. [Paulson caricature:] "For God's sake, support our package." [Pelosi caricature:] "I never would have thought you were a Catholic."

[Cuts to Vatican, with choir singing Alleluia.] "The tragic outcome is that if a person seeks only immediate profit, and sees this as the good, then ultimately, he will be left without any profit. And the crisis completely confirms this," emphasized the Vatican Secretary of State Tarcisio Bertone.

[Voiceover of CBS clip.] "A new CBS poll shows that Americans are more pessimistic than ever before about the future of the economy. Only one out of ten people thinks they're doing well. That's the lowest level in 20 years. And for the first time, the majority believes that things are very bad," according to a recent CBS TV report.

Last year, this couple celebrated Christmas in Portland, in a house which they were renting. But then, Mi-



“For God’s sake, support our package!” Treasury Secretary Hank Paulson begs House Speaker Nancy Pelosi. “I never would have thought you were a Catholic,” Pelosi replies.



“How much are they getting into our pockets for? Our homes are getting foreclosed, and they’re bailing out the corporations!” says the speaker at a street rally. “Ordinary Americans are upset,” notes the announcer.



“Your bill sets the fox among chickens,” charged Sen. Bernie Sanders (I-Vt.) at the debate on the Paulson bailout. “Explain to me why we are allocating \$700 billion to the Secretary of the Treasury, who not so long ago was the head of Goldman Sachs, which is responsible for all these problems?”

chael lost his job at a gas station. They moved here, to this tent city, and he’s looking for work. Today, Michael is trying his luck at a raw materials processing factory. [Factory official, in English:] “We don’t have any openings right now.”

There’s a chain of logical connections, like a row of slip-knots. In order to save the world economy, you have to save the American economy, i.e., to revive American consumption. But how can this be done, if the country has been living on borrowed money for all these recent years, paying for its fabulous prosperity with billions of dollars, backed up by nothing, and trillions in derivatives, which are devilishly complex financial obligations that turned out to be simply fictitious?

[LaRouche speaks from a studio in the U.S., with a view of the White House behind him:] “This system, in its present form, is virtually extinct. This system will not live out, probably, this year. By the first of the year, we may have a broken-down international financial-monetary system. The question is, what is the alternative to a collapse? It means a reorganization, on an emergency basis, of the entire international monetary-financial system. It would require that the United States would have to go to the three largest nations, outside itself, which would be Russia, China, and India. If [they] agree on reorganizing the international financial-monetary system, we could solve the problem. This would mean going to a Roosevelt approach, to a kind of new Bretton Woods system,” the economist Lyndon LaRouche is convinced.

Instead of New Deal, Bush-Paulson Bailout

The mention of Franklin Roosevelt is to the point. The current collapse most resembles the Great Depression of 1929. [Film footage of unemployment lines and soup kitchens during the Depression is shown.] So, it would seem, it’s just the right time for a Democratic President to appear and propose another New Deal for government intervention in the economy. But instead of Roosevelt, today there are Obama and McCain, and instead of a New Deal, the Bush-Paulson plan.

[Speaker at a street rally.] “How much are they getting into our pockets for? Our homes are getting foreclosed, and they’re bailing out the corporations!” [Trade unionist:] “I’m here to oppose this nationalization. This is redistribution for the wealthy.” Ordinary Americans are upset.

“Remember that the proposal for this legislation was defeated, on Monday, in the House of Representatives. Now, this reflected that 70% of the voting population of the United States hates what is being proposed by the Bush Administration at this time. The popularity of political Washington, the capital, among the ordinary citizens of the United States has dropped to below 10%,” noted Lyndon LaRouche.

[American analyst Bob Brasca:] “Actually, they’re worried over nothing. If you actually read the 110 pages of the plan adopted by the Congress, it turns out that nobody is going to get into Americans’ pockets. Other taxpayers will pay for everything.

“This money will be borrowed. The U.S.A. will get the money by issuing Treasury bonds. They’ll get the



"Back in 1934, at the height of the Great Depression, Marine Colonel Smedley Butler stopped a plot aimed at overthrowing President Roosevelt. . . . Among the plotters was the grandfather of the current President, Prescott Bush," the announcer said. Left: Butler, testifying in Congress; right: a scene from the Depression.

Russian Prime Minister Putin is shown in a televised address, in which he called for "a modern financial and credit system" to protect Russia "against global financial viruses."

money from the people who buy the bonds. That could include U.S. residents, but, most likely, it will be foreign investors. So, this is not money from the budget," explained consultant Bob Brasca.

In other words, the \$700 billion which will be used in an attempt to resuscitate the stock exchanges, is borrowed money from the outset. Borrowed money, which nobody has yet given to America. And the ones that are supposed to give it are foreign Central Banks, which hold a part of their reserves in the form of U.S. Treasury bonds. The list is headed by Japan, China, and Great Britain. To date, the main selling point for them has been the reliability of the U.S. government. It would seem that there are certain small problems on precisely that issue, just now.

[Prof. Zhao Xijun:] "Under these conditions, the Chinese government will be forced to diversify its currency reserves, for example, to hold part of our money in euros, Japanese yen or another currency. After all, the financial crisis in the USA is increasing risk, and our objective is to protect ourselves as much as possible." This is the view of Prof. Zhao Xijun, deputy director of the Finance Institute at the Chinese People's University.

But, even if the \$700 billion is raised, will it help? According to the Bush plan, the government will buy toxic waste from the banks. That means derivatives, which the banks themselves issued. A strange method. When a similar crisis happened in Scandinavia, for example, the government did not purchase the banks' problems; it bought the banks themselves, along with the real estate behind the bad loans. Then housing prices rose, and the government made back the money. It's as if the American government, by contrast, is afraid of

touching the corporations. Actually, it may have good reason.

The Fox Among the Chickens

"Your bill sets the fox among chickens. I may be the only one who sees this, but explain to me why we are allocating \$700 billion to the Secretary of the Treasury, who not so long ago was the head of Goldman Sachs, which is responsible for all these problems?" asks Vermont Senator Bernie Sanders.

Senator Sanders was not the only one to notice the fox among the chickens. Henry Paulson, like another one of the architects of this crisis, Alan Greenspan, comes out of the investment bank Goldman Sachs. Its capitalization has doubled in the past few weeks. While crying about the end of the world, Goldman Sachs and a few other banks bought up their competitors on the cheap.

When the dust settles, it will turn out that some countries' economies have been ruined, and instead of tens and hundreds of bankrupt companies, [animation of banks melting down into a red puddle] America has three financial super-giants: Citibank, JPMorgan Chase, and Goldman Sachs [animation of three skyscrapers rising from the puddle]. Many people have observed that there is no need for that kind of super-concentration of capital in peacetime.

"The danger of war is very great. I think that the temptation to go for a quick war, so that people would forget about everything, is very great under these conditions. These groups are out of control," thinks the political analyst and member of the European Parliament Giuletto Chiesa.

Back in 1934, at the height of the Great Depression,

Marine Colonel Smedley Butler stopped a plot aimed at overthrowing President Roosevelt. A group of bankers and military men who were against the New Deal wanted to set up a dictatorship [film footage of Butler testifying before Congress on the plot]. Among the plotters was the grandfather of the current President, Prescott Bush.

Actually, such simple solutions would be unlikely to be put into operation today. For that, there would have to be at least one Roosevelt.

Russia Wants a New Financial Architecture

[Revenko:] As you see, serious American economists are also talking about the formation of a new financial architecture in the future. Russia is a part of it; I remind you that President Dmitri Medvedev brought this up at the St. Petersburg Economic Forum [in June 2008]. Last week, major decisions were taken. The Central Bank has allocated 50 billion rubles to the Development Bank, to refinance the foreign debt of Russian companies.

The government also authorized the Central Bank to issue unsecured six-month credits to corporations. On Friday, Oct. 3, the needed legislative amendments already passed the State Duma in the first reading. Here's how it works: The Central Bank deposits \$50 billion in Vnesheconombank, which then lends to other banks and to companies, so that they won't have to shut down programs they have already started. In addition, the Central Bank itself has been authorized to issue unsecured credits to the commercial banks. This represents support to the construction sector, agriculture, and leasing, which the airlines depend on. Finally, \$75 billion has been allocated to support the stock market. But, it would be worth it to depend not only on extraordinary measures, in combating the current difficulties.

[Prime Minister Vladimir Putin:] "The latest events have shown that the government needs to have substantial currency reserves and other ways of providing insurance, to maintain stability. And we have these. But we cannot count only on such a security cushion. The main guarantee is a competitive and stable national economy, the development of market institutions, and effective means of applying government regulation where it is justified and needed, as well as a modern financial and credit system that relies chiefly on internal resources, thus gaining strong immunity against global financial viruses," stated Russian Prime Minister Vladimir Putin.

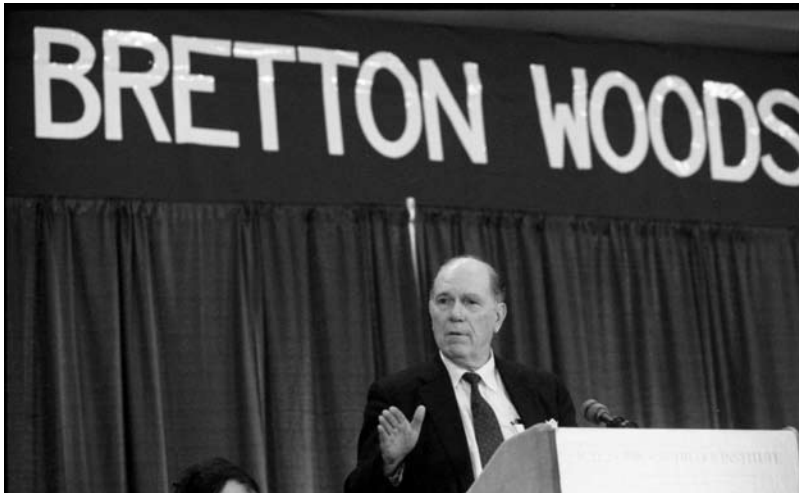
LaRouche's Proposals: It's Time to Listen!

The following is a chronology of some of the major proposals presented by the world's leading economist Lyndon LaRouche, from 1975 to the present, for reorganization of the world monetary system. Adoption of these proposals would have prevented the kind of civilization-threatening implosion which is now underway. For our purposes here, we do not include the regional development proposals which LaRouche also put forward, but only those which deal with the global system. In every instance, LaRouche's proposals called for the equivalent of bankruptcy reorganization, in which the unpayable debt would be set aside, and credit re-established through the agreement of sovereign governments, which credit would be directly tied to the creation of new physical wealth, especially crucial infrastructure projects.

An International Development Bank

April 1975: In the midst of the global debt blowout which occurred after the Oil Hoax and the destruction of the old Bretton Woods system, LaRouche proposes the replacement of the International Monetary Fund by an International Development Bank (IDB), which would be established by the three-way agreement among the industrialized capitalist sector, the so-called developing sector, and the Soviet bloc countries. By treaty agreement, the bank would issue credit especially vectored for industrial development, and expanded food production. A complementary debt moratorium would be put into effect.

January-March 1988: At back-to-back Schiller Institute conferences in Andover, Massachusetts, and Cologne, West Germany, LaRouche puts forward the concept of a new monetary system to replace the IMF, as the only means by which the destruction of humanity by AIDS and other epidemic diseases, or a total debt blowout, could be avoided. Occurring within months of the stock market crash of 1987, the U.S. conference is held in New Hampshire, in the vicinity of the historic Bretton Woods conference of 1944, and is vectored to offering an approach upon which nations from all sections of the world economy can agree, on developing a



EIRNS/Stuart Lewis

Lyndon LaRouche addresses a conference of the Schiller Institute and International Caucus of Labor Committees in Reston, Virginia, on Feb. 15, 1997. His campaign for a New Bretton Woods began the month before, with a call for President Clinton to convene an emergency conference to establish a New Bretton Woods system, to put the global financial system through bankruptcy proceedings, and to reorganize it for development.

new, just world economic order, in effect, a New Bretton Woods.

The Plague of Derivatives

June 1993: LaRouche, from prison, points to the plague of derivatives, as a leading feature in the destruction of the world economy, and calls for the derivatives cancer to be taxed out of existence through a transaction tax. LaRouche's positive program calls for federalizing the Federal Reserve, and launching massive infrastructure projects, in collaboration with other nations. In a mass-circulation pamphlet issued at this time, LaRouche exposes the dirty doings of Nazi collaborator George Soros, and his network of foundations, especially throughout the nations of Eastern Europe.

June 1994: LaRouche issues his Ninth Forecast, which warns: "The presently existing global financial and monetary system will disintegrate during the near term. . . . That collapse into disintegration is inevitable, because it could not be stopped now by anything but the politically improbable decision by leading governments to put the relevant financial and monetary institutions into bankruptcy reorganization."

January-February 1997: With the outbreak of the global financial crisis, beginning in Asia, LaRouche and his wife, Helga Zepp-LaRouche, initiate an international campaign for a New Bretton Woods, urging U.S. President Bill Clinton to convene an emergency

conference to establish a "new Bretton Woods system," to put the world economy through bankruptcy proceedings, and to reorganize it for productive development, with special focus on the mega-project for a Eurasian Land-Bridge.

October 1998: In the wake of the near-death experience of the world financial system in August-September, around the Russian GKO crisis, and the LTCM blow-out, LaRouche escalates his campaign for emergency action by governments, to put the world system through "general financial reorganization, as in general bankruptcy." This will require sovereign governments to take control of their economies, and their currencies (setting fixed-exchange rates), so as to protect the essential functions of agriculture and industry, and to *outlaw* the use of financial leverage, through such methods of derivatives, and other financial gambling frauds.

Committee for a New Bretton Woods

January 1999: LaRouche launches his Presidential campaign for the Democratic Party nomination for the 2000 elections, with a focus on the needed global financial reorganization as shown in the name of his campaign committee: LaRouche's Committee for a New Bretton Woods.

April 2000: The LaRouche movement, through Helga Zepp-LaRouche's Schiller Institute, issues a call for an Ad Hoc Committee for a New Bretton Woods, to demand implementation of LaRouche's proposal. Over the coming year, the statement is signed by over 500 parliamentarians, from over 40 countries, and several hundred civil rights leaders, trade unionists, industrialists, and representatives of social organizations.

June 2001: LaRouche addresses a hearing of the Russian Duma (parliament), where he presents the terminal nature of the world financial crisis, and the solution, in terms of sovereign national cooperation for a new, fixed-rate monetary system.

September 2002: The Italian Chamber of Deputies votes up a proposal, worked out with LaRouche representatives, calling for the government to promote internationally "a new financial architecture able to support the real economy and to avoid speculative bubbles and financial crashes." Such a new financial architecture

must be the answer, the resolution says, to the current “crisis of the whole financial system.”

February 2005: LaRouche’s newly formed PAC, the LaRouche Political Action Committee, releases “Earth’s Next Fifty Years,” a compilation of articles which define the causes of the *ongoing, accelerating* breakdown crisis of the financial system, and outlines the policies, rooted in Franklin Roosevelt’s anti-colonialist legacy, that must inform the replacement system. LaRouche writes: “We are caught, like a ship in a storm, within an already onrushing world crisis, which now threatens to plunge the planet as a whole into a new dark age. It were still possible to save the world economy from this horror: but, we shall not survive without abrupt, radical measures which would return us to President Franklin Roosevelt’s intended unleashing of his intended, post-war implementation of the Bretton Woods monetary system. We either choose that option, or blame ourselves for the awful things which soon follow.”

The Four-Power Agreement

May 2007: LaRouche begins to specify the need for a Four-Power agreement—comprised of the United States, Russia, China, and India—to take the lead in establishing the agreements that would form the basis for a New Bretton Woods.

July 2007: In an international webcast July 25, LaRouche announces: “Only a fundamental and sudden change in the world monetary financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don’t know, but it will go on, and it will be unstoppable. And the longer it goes on before coming to an end, the worse things will get...”

LaRouche calls for the U.S. government to approach Russian President Vladimir Putin with a Four-Power plan: that the United States, Russia, China, and India take leadership to establish a fixed-exchange-rate monetary system, and negotiate the peaceful reconstruction of Southwest Asia, among other places.

Within days following the webcast, with the international financial blowout then visibly underway, LaRouche presents his Homeowners and Bank Protection Act of 2007, as the first step for bankruptcy reorganization for the United States.

‘Three Simple Steps’

March 2008: LaRouche concludes his March 12 webcast by describing “three simple steps” for overcoming the crisis, which were subsequently massively circulated.

“One: HBPA [Homeowners and Bank Protection Act]. We must provide for an indefinite period, until we can solve the problem, we must provide bankruptcy protection for the homeowner and for the banks, that is, for the legitimate banks, for legitimate banking operations, not speculation.

“Secondly, we must establish a two-tier credit system, between 1 and 2% for government-authorized credit, and let the interest rate float, to 7, or 8, or 9% for other things. *No stimulation package.* A stimulation package is called a “hyperinflationary package.” Anybody who is for stimulation—like these sex freaks, like Paulson and Bernanke—they want “stimulation” all the time! Stimulation! Get ’em some Viagra, or whatever! But don’t give them money. And don’t float money out there. You’ve got to have a conservative view, to defeat inflation. You must have a regulated view, an expansive view, for construction, for the security of people, the security of communities, and for the normal functioning of the country, as it used to function. That these habits are built into our system! Normal banking, no more of this hyperinflationary stuff, no more golden parachutes. One to two percent basic rate. Rebuild the economy! People can understand that.

“So, have a system of credit which is anti-inflationary: 1-2% for authorized use of the Federal government, as a means of generating credit. For distribution, primarily—when not by the government itself—primarily through state- and national-chartered banks, functioning in a normal way, pre-inflationary. Shall we say, pre-Volcker, pre-Greenspan ways. We need that.”

He then went on to the third step.

“We also need a factor of world expansion and co-operation, which means we have to go to create a partnership among a number of leading powers, which include Russia, China, and India.

“If we bring together an alliance of the United States, Russia, China, and India, and bring other countries into the same alliance, on economic policy, we can create a new international monetary-financial system—like the Franklin Roosevelt system. Under those conditions, with these three measures, and measures which are required to facilitate their implementation, we can mobilize most of the world to *get the Hell out of this thing!* And come back to a system where human beings can decently live again.”

Oct. 1, 2008: With the crash in full swing, LaRouche once again reiterates his three-step solution.

When are people going to listen?

The British/Saudi Slush Fund And the Rise of Wahhabism

by Ramtanu Maitra

Oct. 9—On Sept. 18, Dhaka, the Bangladeshi capital, reported the arrest of ten members of the British-headquartered Islamic militant group Hizb ut-Tahrir, in northeastern Bangladesh. The police said the Hizb ut-Tahrir men were distributing leaflets calling for the establishment of Islamic caliphate rule, and the ousting of the present, parliamentary government, during the holy month of Ramadan.

The report is one of many in recent months which indicate that the British-Saudi nexus, run through militant Islamic groups, has consolidated its position in Bangladesh—a Muslim-dominated nation that has made efforts, since winning its independence in 1971, to prevent the country from becoming a staging ground for extremism and a threat to the regional security.

However, there are reasons to believe that Dhaka is losing this battle. The old British plan—executed with the help of various Wahhabi outfits and the use of the slush money generated by the British-Saudi Al-Yamah arms deal—to use Bangladesh as a flank to spread communal violence in India, is progressing rapidly. Wahhabism is a conservative form of Sunni Islam, dominant in Saudi Arabia. It is also known as Salafism.

Is India the Target?

Across from Bangladesh's border with India, in the northwest, communal violence has broken out in the sparsely populated Indian state of Assam. Assam is infested with small secessionist movements, as are the tribal areas adjacent to it, where many ethnic groups were kept isolated in "Palmerston's zoo,"¹ by the British colonials during the Raj days through apartheid-like

regulations. New Delhi has not succeeded in integrating them adequately. However, Assam did not suffer any communal problem until Bangladesh was formed, in 1971. But, things have changed. A large number of Bangladeshis (mostly, if not all, Muslims) have begun to move out of Bangladesh to avoid the crushing poverty that continues to haunt this 140 million-strong nation. Many have moved into Assam.

This illegal immigration caused serious changes in Assam's demography, and the immigrants often became victims of those who do not like their presence. This has also provided an opportunity for anti-Indian forces, such as the Pakistani ISI (Inter-Services Intelligence) and the Islamic militants to bring in armed and trained individuals, not only to protect the immigrants, but also to foment communal conflict between Muslims and Hindus. In early October, the Indian daily *The Hindu* reported the death toll at 39, in the clashes between Bodos, an ethnic group in Assam, and immigrant Muslim settlers in the northern districts of Udalguri and Darrang, and the lower district of Baksa. The exodus from the riot-struck areas has continued, with the number of displaced people rising to 110,000.

These developments pose a serious threat to India, which has already become extremely vulnerable because of the authorities' disillusioned economic policies, and the new threats that emerged in a neighborhood that is becoming increasingly violent. New Delhi is focused on beating back what it sees as the perfidious designs of Pakistan, executed through the ISI. Because of the blinders that New Delhi has put on, it has failed to address the real problems, and, as a result, has further jeopardized India's internal security.

Over the years, a very strong anti-India, and, in es-

1. See "Lord Palmerston's Multicultural Zoo," *EIR*, April 15, 1994.

sence anti-stability, force has begun to assert itself in populous Bangladesh, which has a fragile political structure and is poorly governed. Bangladesh became the target of the Wahhabis. The driving force behind militant Islam's spread in Bangladesh is not only financial backing from Saudi Arabia and other Arab states, but also, the international flows of migrant workers, the invisible foot soldiers of globalization. For example, according to the Migration Policy Institute, Saudi Arabia has been one of the largest importers of Bangladeshi laborers, but many of these immigrant workers have been rendered jobless by Riyadh's desire to "Saudi-ize" their workforce. They return to Bangladesh imbued with Salafist intolerance, unemployed, and with few future prospects. Many of these returnees are ready to promote orthodox Wahhabism at odds with traditional, moderate Bengali practices.

Al-Yamamah Money

Since Bangladesh has scores of millions of poor, it was relatively easy for Wahhabis from the Gulf area to recruit, and recruit heavily. The method was the same these Wahhabis adopted in spreading their version of Islam in Central Asia following the collapse of the Soviet Union.

In the case of Bangladesh, it was even easier, since the Jamaat-e-Islami group, which never saw eye-to-eye with most Bangladeshi Muslims, existed since 1971. Plentiful money was available, created by the British-Saudi Al-Yamamah contract. As *EIR* uniquely reported (June 22, 2007: "Scandal of the Century Rocks British Crown and the City," by Jeffrey Steinberg), the real story behind the BAE-Saudi oil-for-weapons barter deal in 1985 is much bigger than the billions of dollars in bribes paid to Prince Bandar and a host of other Saudi officials and princes. The real story is that at least \$100 billion in offshore, off-the-books funds has been accumulated since the original Al-Yamamah deal was signed in 1985, and those funds have been used to finance covert intelligence operations around the globe—including the Afghanistan "mujahideen" war against the Soviet Union, the Iran-Contra arms-for-hostages scheme, the channeling of Soviet-made weapons to Africa, etc. In December 2006, British Prime Minister Tony Blair ordered the Serious Fraud Office (SFO) to shut down its investigation into the BAE-Saudi Al-Yamamah scandal, invoking British national security interests. Just before leav-

ing office, Blair inked another deal between BAE and the Saudi Ministry of Defense, worth an estimated \$8.7 billion.

By 2005, it became evident that Bangladesh was already awash with non-native Islamic charities and banks which are closely associated with the Islamist movement. Deobandi and Wahhabi preachers were also increasing their missionary work in the country. In 2005, a joint report was compiled by Bangladesh's Special Branch, National Security Intelligence (NSI) and Defence Forces Intelligence, which concluded that ten Islamic charities and NGOs were helping to promote and finance Islamist militancy in Bangladesh. They listed: Revival of Islamic Heritage Society (RIHS), Rabita Al-Alam Al-Islami (Muslim World League), Society of Social Reforms, Qatar Charitable Society, Al-Muntada Al-Islami, International Islamic Relief Agency, Al-Forkan Foundation, International Relief Organization (IRO), Kuwait Joint Relief Committee, and Muslim Aid Bangladesh (U.K.). The report found that more than 100 foreigners from different West Asian and African countries were working with these NGOs and were in the country illegally.

According to one terrorist watcher, the Muslim Council of Bangladesh (MCB) in the U.K. is the prime controller of the extremists in Bangladesh. It has gained almost unparalleled political power over British Muslims and it has done so with the backing of ministers from the British Home Office and Foreign Office. The Islamist movement that MCB represents is reportedly heavily coordinated by the Muslim World League (MWL), which is based in Saudi Arabia. It was set up in 1962, to counter the spread of communism and Egyptian President Gamal Abdel Nasser's Arab nationalism. It was originally based in Geneva, but moved to Jeddah, Saudi Arabia, in 1969. The organization helps fund Islamist organizations around the world, and often invites Islamist leaders to Saudi Arabia to talk about global strategy for coordinating their activities. The late Maulana al-Maududi, the ideological leader and founder of the Jamaat-i-Islami, was a founding member of the organization. Wael Hamza Jalaidan, a Saudi businessman, who is believed to be a co-founder of al-Qaeda, was also a founding member of the MWL.

Another U.K.-based group that provides physical support to the Bangladeshi extremists is Muslim Aid (U.K.). Muslim Aid was founded in 1985 and is the

largest Muslim charity in the U.K. It has often been accused of supporting terrorism, but it continues to carry on as before, while it is common knowledge that Muslim Aid leaders work closely with the Jamaat-i-Islami movement in Pakistan and Bangladesh. There also exists a closely interwoven relationship between the Muslim Aid and the MCB. For instance, Dr. Mohammed Abdul Bari, the current secretary general of the Muslim Council of Britain, is a trustee of Muslim Aid U.K., while Sir Iqbal Sacranie, the former secretary general of the MCB, is a trustee and a former chairman of Muslim Aid. The majority of the trustees also worked for the Islamic Foundation U.K., which was founded by Prof. Khurshid Ahmed, the vice president of the Jamaat-i-Islami Pakistan.

Three Terrorist Groups

On the ground, the British-Saudi-led efforts are carried out by three major terrorists groups, although there exist other local operations, which also receive funding. These three are: Jamaatul Mujahideen Bangladesh (JMB), Harkatul Jihadi al-Islami (HUJI) and the ostensibly peaceful Hizb ut-Tahrir (HT) Bangladesh.

JMB has a clear political agenda: It aims to capture power through armed revolution, and run the country by a Majlis-e-Shur (central committee) under Islamic law. JMB came to light in 2005, when the group carried out a series of blasts in 63 of 64 districts across Bangladesh, planting 458 locally made bombs, while distributing leaflets which declared, “We are the soldiers of Allah. We’ve taken up arms for the implementation of Allah’s law the way the Prophet, Sahabis [companions of the Prophet] and heroic Mujahideen have done for centuries. . . . It is time to implement Islamic law in Bangladesh” (*Bangladesh Observer*, Aug. 18, 2005). In the crackdown that followed, two top leaders of the group, Shaykh Abdur Rahman and Sidiqul Islam (alias Bangla Bhai), were executed in 2007; several hundred cadres have also been arrested from different parts of the country. Many of these have since been given tough sentences by a judiciary which was once high on the list of JMB’s potential targets. However, observers point out that the JMB still exists underground, and they have not stopped recruiting members.

On the other hand, HUJI was founded first in Pakistan in 1980, when Pakistani President Zia ul-Haq sought MI6 and CIA help in recruiting mujahideen to fight the invading Soviet forces in Afghanistan. From the outset, HUJI members were trained in arms. Two

of the Pakistani Wahhabi groups, Jamiatul Ulema-e-Islam (JUI) and the British-based Tablighi Jamaat, set up this organization. Initially, HUJI recruited mujahids (holy warriors) for Afghanistan’s Hizb-e-Islami (Younus Khalis). Later the HUJI was recognized by al-Qaeda and Osama bin Laden, reports indicate. With financial assistance from bin Laden at the initial stage, they created an underground organization in Bangladesh in 1992. Young followers of Jamat-Shibir joined the terrorist outfit. At that time, a movement arose in Bangladesh to ban the Jamaat e-Islami (JI) for its anti-liberation war activities in 1971, and its continuing pro-Pakistan views. To counter this movement, JI sought help of the HUJI, observers point out.

With blessings from JI and the British-Saudi nexus, HUJI started its activities in Bangladesh in 1992. Of all the militant outfits in the country, HUJI is the strongest and most organized.

The third terrorist group is Hizb ut-Tahrir, headquartered in Britain and operating in more than 100 countries. Its Bangladeshi arm operated for a while under the name of East London Youth Forum. According to one British undercover journalist, Hizb ut-Tahrir is spending considerable sums of money recruiting Bangladeshi Muslims in the area; taking out full-page recruitment ads in Bangladeshi newspapers; inviting Bangladeshis to Hizb ut-Tahrir study circles and events; and telling Bangladeshis not to vote in local or national elections as this, they claim, is against the principles of Islam.

More worrying is the evidence uncovered on the area’s East London Youth Forum, which is operating as a front organization for Hizb ut-Tahrir. The Youth Forum engages Muslim youths in seemingly innocent activities, ranging from hiking to paint-balling—which their parents are happy to see them partake in. Yet, an undercover London *Sunday Times* journalist accompanied members of the group to one paint-balling session a few years ago, in Manchester, where an Imam described Osama bin Laden as a “Muslim brother,” and said it was the “responsibility” of every Muslim to bring back the caliphate.

Hizb ut-Tahrir Bangladesh’s focus lies in its search of an “elusive state” and has lowered its presence in Central Asian states like Uzbekistan and Kyrgyzstan—for now. It is gearing up primarily to take over control of the country, using the financial and political muscle of the Bangladeshi population living abroad, and the Al-Yamamah slush fund.

Book Review

Advice from the Generation that Worked

by Nancy Spannaus

Making Government Work

by Ernest F. "Fritz" Hollings, with Kirk Victor
Columbia, S.C., University of South Carolina
Press, 2008
360 pp, hardcover, \$29.95

We need Alexander Hamilton, whose vision was not a nation of consumers but a nation of producers, of builders.

This quote, from the conclusion of former Sen. Fritz Hollings' (D-S.C.) autobiography, reflects part of what is extraordinary about this retired lawmaker, a veteran of World War II, who served as state legislator, South Carolina governor, and U.S. Senator for 29 years. While I could argue with him about those of his policies which I believe deviate from those of our revolutionary first Treasury Secretary, his outlook on questions of trade, regulation, agriculture, and industry, probably come the closest to that of Hamilton, than anyone else in the Senate over the past 40 years. It is to the detriment of the nation that he no longer serves there.

Having been involved in the political battles over the past 40 years, particularly over economic policy, I have to admit that I was surprised to read about many of Hollings' battles. The Senator's name was blazoned in lights on the 1985 Gramm-Rudman-Hollings budget-balancing bill, and that is the major context in which I thought of his record. That legislation, in my view, was a monetarist fraud, which would condemn the country to disaster by treating all budget items as "equal."

But Fritz Hollings, unlike the economic whiner Phil Gramm, is not obsessed with number-crunching, or, like the modern conservative economist, with cutting

off heads to equalize the supply with the number of hats available, as Pope Paul VI so eloquently put it.

Rather, Hollings' career developed around a number of crucial battles which went against the tide, especially that of the dominant wing of the Democratic Party, itself a bunch of consumerist, post-industrial ideologues. First and foremost, Hollings fought to maintain industry, especially the textile industry, and to provide the protection which it required. He approached this task from the standpoint of another of Hamilton's principles, which he also quotes: "Not only the wealth, but the independence and security of a Country, appear to be materially connected with the prosperity of manufacturers. Every nation . . . ought to endeavor to possess within itself all essentials of national supply. These comprise the means of Subsistence, habitation, clothing and defense." (This comes from the 1791 *Report on Manufactures*.)

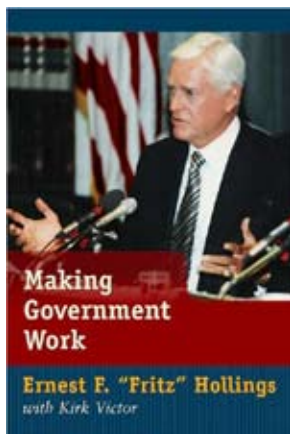
Hollings lost that battle again and again, but he never gave up.

Another of the crucial areas where Hollings fought against the tide, was in the area of deregulation. As early as the late 1970s, when President Jimmy Carter was following the Trilateral Commission script in ripping up the nation's transportation regulatory structure, Hollings took the issue on. "Government must not off-load its responsibilities to protect citizens from rapacious pricing schemes and in-different service," Hollings write.

From early in his career, Hollings distinguished himself as a close collaborator of the Kennedy family, an association which caused him no end of trouble in South Carolina, especially on issues such as race. However, he consistently followed through on such fronts as government ensuring food for the poor (both internationally and domestically). Later, he maintained the same principled outlook in pursuing just relations with other nations (reflected in his support of the Panama Canal Treaty, which was also very unpopular in his state).

Hollings also made a name for himself in advocating government support for modernizing our nation's infrastructure, specifically the high-speed rail corridors which the nation so desperately needs.

It's refreshing to read about a Senator with guts, and a commitment to Hamilton's philosophy of government and economy. I recommend you read this book.



A Country with Hungry Mouths To Feed Needs Food Irradiation!

Arun Sharma is the head of the Food Technology Division at Bhabha Atomic Research Centre and Professor at the Homi Bhabha National Institute. He received the Indian Nuclear Society's 2006 award for outstanding achievements in the field of radiation and radio-isotope applications, and has more than 300 publications in national and international journals, including chapters in books and encyclopedias, articles for international and national conferences, and invited talks.

Dr. Sharma was interviewed via e-mail by EIR's Ramtanu Maitra.

EIR: What is the scope of the Indian food irradiation program? What products do you irradiate?

Sharma: The Indian food irradiation program has its roots in the research and development effort that started more than five decades ago, alongside its nuclear program as envisioned by Dr. Homi Bhabha, the founder of India's nuclear program. Most of the earlier research work from this center is documented in the best scientific journals of the time. And, the tradition continues even today. In 1987, the government of India set up a National Monitoring Agency to oversee commercial applications of food irradiation. Thereafter, the Atomic Energy Act was amended in 1991 to frame the Atomic Energy (Control of Irradiation of Food) rules (further amended in 1996), to allow commercial applications of the technology.

Also, related legislation for food in India, Prevention of Food Adulteration Act rules (1954), were amended to allow, for the first time, irradiation of onions, potatoes, and spices. These rules were further amended in 1998 and 2001 to allow additional food items (**Table 1**).

The department has now approached the regulators to allow radiation processing of food on a generic food-class basis. In 2004, the government also amended plant

protection and quarantine regulations to include irradiation as a quarantine measure.

The Department of Atomic Energy has set up two technology demonstration units for radiation processing of food and allied products. A Radiation Processing Plant at Vashi, Navi Mumbai, has been operating since January 2000. It is a 30-ton-per-day capacity unit capable of hygienizing spices and other dry ingredients, and is being operated by the Board of Radiation & Isotope Technology (BRIT).

KRUSHAK (Krushi Utpadan Sanrakshan Kendra) at Lasalgaon, near Nashik, is another technology demonstration unit being operated by the Food Technology

TABLE 1

Items of Food Permitted for Irradiation Under 'Indian Prevention of Food Adulteration Act'

Name of food	Dose of irradiation (kGy)		Purpose
	Min	Max	
Onion	0.03	0.09	Sprout inhibition
Potato	0.06	0.15	Sprout inhibition
ginger	0.03	0.15	Sprout inhibition
Shallots, garlic, rice	0.25	1.0	Insect disinfestation
Semolina (Sooji or Rawa), Wheat atta and Maida	0.25	1.0	Insect disinfestation
Pulses	0.25	1.0	Insect disinfestation
Dried sea-food	0.25	1.0	Insect disinfestation
Raisins, figs, and dried dates	0.25	0.75	Insect disinfestation
Mango	0.25	0.75	Shelf-life extension and quarantine treatment
Meat and meat products, including chicken	2.5	4.0	Shelf-life extension and pathogen control
Fresh sea-food	1.0	3.0	Shelf-life extension
Frozen sea-food	4.0	6.0	Microbial pathogen control
Spices	6.0	14.0	Microbial decontamination



Dr. Arun Sharma speaking on food irradiation at the Gandhi Institute of Technology and Management in 2005.

Indian Association of Nuclear Chemists and Associated Scientists

Division of the Bhabha Atomic Research Centre (BARC), for sprout control in potato and onion, and preservation of agricultural commodities. The unit has been operational since July 2003, and can process about 5 tons of onion per hour.

The department is encouraging entrepreneurs in private and cooperative sectors to set up radiation processing facilities. BARC/BRIT has signed more than 20 memoranda of understanding (MoUs) with entrepreneurs and cooperatives for setting up radiation processing units. Some of these plants are already in the advanced stage of construction or commissioning.

Commercially, we are irradiating spices and dry ingredients like onion powder, and among fruits, mango for export.

EIR: What kind of irradiators do you use, and how many do you have?

Sharma: We are using cobalt-60 based panoramic wet storage irradiators. Currently, 3 irradiators are owned by the Department of Atomic Energy and 12 by private operators. All are multi-product irradiators. They also carry out radiation processing of non-food

items like pet food and health-care products.

About 12 irradiators to be built under the MoUs are in the various stages of commissioning, and would come up in the next two to five years.

Mangos for Export

EIR: How is the mango irradiation program going? Are there actually U.S. inspectors at the irradiation facilities and the shipping points? (I read that there were, under the special agreement with the United States.) Do the small farmers benefit from this?

Sharma: As you know, India is the world's largest producer of mangos, totaling about 12 million metric tons, but accounting for less than 1% of the global mango trade. Maharashtra is a leading state that showcases its most sought-after variety, the Alphonso. Another top variety of the region is Kesar. One can tell the difference between the Indian mango and those from the rest of the world only after tasting them!

America's taste for mangos is growing, with 99% of the demand of nearly 250,000 metric tons, valued at around \$156 million. It is met mostly by imports from Mexico and South America. In contrast, India exports only around 58,000 metric tons. Of which, this year India exported a meager 275 tons to the U.S.A., which is nearly double the quantity exported last year.

It is the radiation technology and the R&D efforts in BARC of the past several years that made it possible to overcome the quarantine barrier imposed by the U. S.A., which denied market access to the Indian mango for the past 18 years. Thus, there is a huge untapped potential.

There is only one irradiator that is currently geared to carry out radiation processing of mango, that is KRUSHAK. Last year, 157 tons of mango were irradiated. This year, the quantity has almost doubled to 275

tons. Under the pre-clearance program, USDA/APHIS [U.S. Department of Agriculture/Animal and Plant Inspection Service] posts one inspector at the facility during the irradiation campaign.

Eventually small farmers would benefit, as the demand for good quality mango for export goes up.

Origins and Future Prospects

EIR: When did India's program begin? What kinds of research was done at BARC?

Sharma: Mathur, Lewis, Dharkar, and Sreenivasan at BARC were the pioneers of the studies on evaluation of effects of gamma radiation on tropical fruits, including mango, in the early '60s. The delay in ripening of about a week, observed in mango exposed to a low-dose of 250 gray (Gy) and stored at an ambient temperature of 25-30°C, was quite remarkable, and had potential commercial application in India.

These studies were published in well-known scientific journals. A few years later, the efficacy of irradiation for disinfestation of fruits, killing of fruit flies and



Mangos treated with irradiation can be picked ripe, and keep their wholesomeness and flavor longer. India is the world's largest producer of mangos.

IAEA

stone weevils, for overcoming quarantine barriers with similar doses was also demonstrated. It was also found that the best results were obtained if mangos were irradiated at a hard mature stage (80% maturity), during the pre-climacteric phase. There were several studies reported from BARC on the flavor and aroma components of mango, both raw and ripened.

EIR: What are the plans for future development?

Sharma: There is a lot of scope for use of the technology in preservation of grains, bulbs, tubers, fruits,

On the Need for Food Irradiation

These quotes are from two of Dr. Sharma's recent articles.

Food security of a nation, to a large extent, determines its economic stability and self-reliance. With the fast-growing population, shrinking arable land, and increasing costs of agricultural inputs, we should not only aim to increase our agricultural productivity but also effectively preserve and con-

serve what is produced. . . .

The seasonal nature of production, long distances between production and consumption centers, and the rising gap between demand and supply are some of the factors that have made this need even more relevant today. The hot and humid climate of the country is quite favorable for the growth of numerous insects and microorganisms that destroy stored crops, cause food-borne illnesses, and spoil food products every year resulting in huge economic losses that often remain hidden. . . . In comparison with heat or chemical treatment, irradiation is more effective and appropriate technology to destroy food borne pathogens.

and vegetables; microbial decontamination or hygienization of spices, meat, and fish, and even fresh fruits and vegetables. There is increased interest of private entrepreneurs to sign MoUs with our commercial unit, the Board of Radiation & Isotope Technology. The Ministry of Food Processing Industry, Government of India, is encouraging the adaptation of the technology, providing a 50% subsidy for plant and equipment, and technical civil work costs.

As we move from the technology demonstration phase to more serious deployment, there is a need to liberalize policy and make the technology economically more attractive to entrepreneurs. Government agencies like the Food Corporation of India (FCI) could consider using it in its own warehouses, to save the buffer stocks from destruction by insect pests. This would necessitate the introduction of electron beam machines that would provide high throughputs required for such a purpose. Also, a switchover from jute bags to poly-lined hermetically sealed bags or insect-proof silos, would be required along with the radiation technology.

Further, a generic food class-wise approval for the use of the technology would be required to make the irradiators economically viable by bringing more foods in the ambit of the technology.

EIR: We've noted the trend in the developing sector to go with the irradiation of high-value cash crops for export, instead of preservation of foodstuffs for domestic use. What do you think about that?

Sharma: I think radiation processing is as much use to high-value foods for exports as to the relatively low-value foods for domestic consumption. The technology is essentially need based. Basically, high-value foods need to cover food safety risk; however, low-value food items like grains need to be covered for food losses or food security. In India, for domestic purposes, it is the latter which is important. For a developed country like the U.S.A., it is the former.

EIR: How much of your post-harvest food grain crops is lost to spoilage etc., and how do you think food irradiation will help? What particular crops could be targeted?

Sharma: A recent *Times of India* report says we lose around 100,000 tons of grains every year in our FCI warehouses. The fumigation that is done repeatedly is not effective, and is harmful to both human

health and the environment. The damaged grains are probably destroyed or find their way to the market through unscrupulous practices.

Another report in the *Hindu*, put losses in fruits and vegetables worth around Rs. 23,000 crores [\$4.8 million]. Can a country like India with so many hungry mouths afford these losses?

EIR: Are you working with other countries on a regional basis to promote food irradiation?

Sharma: Yes, we have regional programs under the IAEA/RCA (Regional Co-operative Agreements), where we work together on commonly identified problems, using solutions based on radiation technology.

EIR: What is your personal background, and how did you get involved in food irradiation?

Sharma: I joined the Training School of Bhabha Atomic Research Centre, Mumbai, in 1975, after finishing a masters degree in microbiology from the National Dairy Research Institute, Karnal. My early work was related to aflatoxin biosynthesis and control in food commodities, for which I was awarded a Ph.D. from the University of Bombay in 1984. I was a DBT Post-Doctoral Associate at the Department of Plant Pathology, University of California, Riverside, during 1990-91, where I worked on the molecular mechanism of host-pathogen interactions. I also studied food irradiation in 1989 at the Royal Institute of Quality Control of Agricultural Products (RIKILT), Wageningen, The Netherlands.

I made substantial contributions to the field of food irradiation technology, with special reference to microbiological safety of foods, and radiation processing of food commodities, including spices and mangos. I was the project manager of KRUSHAK irradiator project at Lasalgaon, near Nashik, for demonstrating the low-dose applications of radiation in preservation of food and agro commodities. As a result of these efforts, Indian mangos could be exported to the U.S.A. after a gap of 18 years.

I've been the chief coordinator for three projects in the field of applications of radiation technology for food preservation and hygienization, and I represented India in the coordinated research programs, and as an expert of the International Atomic Energy Agency. I've been the secretary of the Environmental Mutagen Society of India, and vice president of the Indian Society for Environmental Science & Technology.

LAROCHE IN DIALOGUE WITH ECUADOR'S PÁEZ

Repercussions, Alternatives To World Financial Crisis

Lyndon LaRouche was interviewed on Quito, Ecuador Radio 530 AM on Oct. 6, along with Pedro Páez, Ecuador's Minister of Economic Policy Coordination. Their host was Patricio Pillajo. LaRouche appeared on the same program with Mr. Páez on Jan. 30, 2008 (see EIR, Feb. 7, 2008). Translation from Spanish was supplied by EIR's Dennis Small. Here is an edited transcript.

Patricio Pillajo: Greetings to everybody. The subject we are going to be dealing with today is: "Repercussions and Alternatives to the World Financial Crisis," with the American statesman and economist Lyndon LaRouche, who is in touch with us by phone from Washington; and in Quito, with economist Pedro Páez, the Coordinating Minister for Economic Affairs of the government of Rafael Correa.

Greetings, Mr. LaRouche.

The repercussions of the financial crash are global. We have been informed about the impact on Wall Street, but there have been bank bailouts in England, Ireland, Germany. France is proposing the creation of a fund of Eu300 billion for banks that are in trouble, and the United States recently approved an aid package of \$700 billion.

We reiterate our welcome to our distinguished guests. We would like to begin by asking the economist Lyndon LaRouche, who has been a constant critic of this process of bailouts, and the role played by the fi-

nancial system in the world economy: What will happen to the global economy when this \$700 billion bailout of the financial system goes into effect?

Lyndon LaRouche: The result, if it's allowed to continue, will be insanity and a new Dark Age. This is the attempt of the thieves to rob the factory, and then, you don't get production.

The South Will Not Be Forced To Pay

Pillajo: We'd like to reiterate our welcome today to economist Pedro Páez, and ask him: What actions can be expected from the Ecuadorian government in the face of this phenomenon, about which the President of the Republic himself has said, in reference to the financial crisis, that he doesn't care?

Pedro Páez: Thank you very much for the opportunity to converse again with our friends in the United States.

What we had talked about a few months back, is now hitting strongly. This crisis goes way beyond being a mere problem of corruption in a few sectors, of a few imprudent investors. This is a crisis which demands profound changes. It's a crisis which is contaminating about 40% of the world's GNP, and it is not only in the United States; it's not only in the housing or construction sector of the United States. It has fundamentally contaminated capitalism's way of acting, of operating, internationally. And, undoubtedly, it re-



million compatriots, who are now working as migrants in Spain, Italy, and the United States itself.

Pillajo: So this does affect us; and should we be concerned?

Páez: I think that it does affect us. It affects us and it should concern us. And, in fact, we've been developing a series of measures to protect the Ecuadorian economy in the face of a situation as serious as what we are discussing here.

What President Correa said,

and he was emphatic, is that we have taken all sorts of precautions, so that the country, the economy, can be calm. We have various security buffers so that today this won't mean perturbations of the macroeconomic stability of the country.

But without a doubt, we are defining the urgency of those proposals for a new regional financial architecture, and for a new domestic financial architecture, which are going to be the re-

sponse in the face of a crisis which is as important as the one we are seeing.

The Bailout: Unleashing Hyperinflation

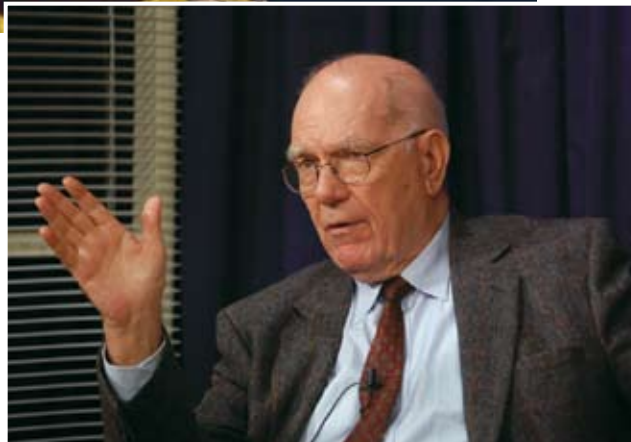
Pillajo: Mr. LaRouche, could you please be a little more specific about what the bank bailout is going to mean for the global economy? What's going to happen to the dollar? What's going to happen with inflation? What's going to happen with the banking system and the productive apparatus?

LaRouche: What was done by Secretary Paulson

Ecuadorian Minister of Economic Policy Cooperation Pedro Páez (right) with President Rafael Correa Delgado. Mr. Páez said in his interview, with respect to the current global financial crisis, "We are not going to sit around and do nothing. We have decided to be subjects of history...."

quires a most proactive response by the countries of the Third World.

This time—various Presidents have said this, along with Ecuador's President [Rafael] Correa—this time the North is not going to make us pay for the crisis. They did it in the crisis of the '60s and the '70s, by aggressively indebting us, and with the recycling of petrodollars, which was the antecedent of the foreign debt crisis, as a fundamental lever for the blackmail of the neoliberal policies in our countries. Which has meant, through the imposition of the conditionalities of the International Monetary Fund and the World Bank, the dismantling of the productive apparatus over recent decades in Latin America, above all in Ecuador. And also, a process of unprecedented social polarization, which has generated levels of frustration and despair whose most visible symptom is the expulsion of 3.5



EIRNS/Stuart Lewis

Lyndon LaRouche: "Unless we put the world system into bankruptcy reorganization, in every part, and take the same approach that Franklin Roosevelt took in the United States in 1932-33, and unless we assemble enough power to crush the British Empire, which has been controlling the world for the past decades, there's no chance for any part of civilization today."

and his accomplices, was to unleash a form of *international* hyperinflation, comparable to what happened in Germany in 1923. The current policies of the United States government are *clinically insane* from the standpoint of U.S. interests, as well as international interests.

However, it's extremely important to understand, that the direction of the *causes* for this crisis, are not coming originally from the United States: The mistake is made of assuming that the United States is the world imperial power. That is not true. Since 1968, there has been a change in the world policies. The actions taken under President Nixon: U.S. President Nixon passed the authority over the world economy from the leading role of the United States, *to the United Kingdom's financial system*.

This is typified by a single case, that of George Soros. George Soros is an agent of the British Foreign Office, and as you probably know, he controls much of life in the Caribbean area and south. Since the breakdown of the Bretton Woods system under Nixon, and then, the British and Saudi Arabian creation of the floating-exchange-rate market for petroleum, the U.S. dollar has been a plaything of the British Empire. And the role of George Soros in controlling the U.S. elections, as well as much of the international drug trade, controlling Russia, controlling large sections in Europe, and controlling other parts of Eurasia—this is characteristic of the present situation.

The changes made in 1971 through 1973, that is, through the repeal of the Bretton Woods system and the establishment of the spot market in petroleum, has created an international monetary-financial system, which is now exploding out of self-destruction.

You can understand the problem best, by looking at what the solution is: As I have proposed, the United States must approach Russia, China, and India, for collaboration, and setting into motion a solution for this global problem. This is a return, in a sense, to the Franklin Roosevelt policy of a Bretton Woods system, which was destroyed between 1968 and 1973.

Pillajo: Mr. LaRouche, is the role of the dollar-standard in the world economy in danger? You have said that we're at the edge of a process of disintegration never before seen. Is the role of the United States dollar itself in the world economy threatened?

LaRouche: Well, it is not the U.S. dollar anymore, but it is the dollar. It's the Anglo-American dollar, and

it's controlled from London. That's the significance of this past measure taken recently in the United States, and dictated by London. President George W. Bush is a puppet of London. And you have a revolt in the United States, where probably only about 10% of the population actually would support the agreement, the legislation that was just enacted in the United States. You have a situation in the United States, which is comparable to the beginning of the French Revolution. It's like the King of France, who, at that time, paid no attention to the feelings of the people, or Lafayette, and thus destroyed France. You have a *terrified* membership of the Congress, which is submitting to orders from London!

A New Financial Architecture

Pillajo: Minister Páez, do you agree with this evaluation? How do you see the future of the dollar, not only as the standard of the world economy, but, in the case of Ecuador [which is dollarized—ed.], and what would we be facing in those circumstances?

Páez: Look, what I'm saying here is that the North is trying get someone to pay the bill for this crisis. Latin America has said, this time, Latin America is not going to do it. One of the alternatives which we are building, is, in fact, the new regional financial architecture, which is going lay the basis for what we can be, as is being mentioned here: a multipolar international agreement, which will allow us to build a new *international* financial architecture, and a new world order, which would have much more solidarity and be much more sustainable.

I believe that the oligarchies of different nationalities who are profiting from the current situation, of this excluding capitalism, this speculative capitalism, this capitalism which has asphyxiated the productive apparatus, which was in fact its own *raison d'être*, its own greatest achievement in creating the golden years, especially after the Second World War. This speculative and *rentier* capitalism which lives off financing economies, has prevented the productive apparatus from actually fulfilling the needs of the world, which the scientific and technological revolution would permit. So, here we are, in the 21st Century, facing the danger of starvation, facing an energy crisis, and not only monetary-financial issues, threatening the very existence of our societies.

And to pose that the only profitable alternative for these great world oligarchies is to bet on war, to bet on plunder, to bet on robbery such as we are experiencing

right now—this has to be replaced by a great alliance of peoples to rebuild the world order, to establish new rules of the game.

And what is being done modestly now from South America, with this new regional financial architecture, that is to say, the Bank of the South, as the heart of a network of development banks, which would allow us to return to the view that the productive apparatus, not only in terms of our current international role as suppliers of raw materials, but which begins to develop the internal markets, and places the satisfaction of the basic needs of the population of Latin America as the first priority.

And to have, along with this network of development banks, a network of central banks with a heart, with a Southern Monetary Fund, as an alternative to the International Monetary Fund, and to break with this neoliberal view, and which makes the subject of development and the reduction of structural asymmetries a central element in the construction of macro-economic sovereignty on a continental level.

And linked to this, the possibility of having a different type of approach based on a system of settlement of accounts, which would allow us to better lubricate trade and financial transactions among the countries of Latin America, and which would allow us to protect the region, in the face of this international turbulence. This is going to establish the possibilities of a new type of international financial architecture, a network of networks, which would put us in a position of equality in this multipolar world, in order to reestablish the functioning of a monetary system which would be at the

FIGURE 1

South America: Great Rail and Agricultural Projects



service of production, both here in Latin America, and also in the North.

And I see a problem in the United States, which has led it to losing its hegemony, which is that it has asphyxiated the productive apparatus, in order to serve the interests of multinational financial capital.

The alternative which is now being posed, is to produce, produce, produce.

From that standpoint, I think that a new pact can be established, a new pact of coexistence among peoples, a new relationship between the North and the South

which would pose the perspective of peace and solidarity.

Pillajo: Leaving aside the issue of whether the great powers reach an agreement or not, can Latin America contribute to this vision?

Páez: We cannot influence, we cannot control the agenda of the great powers. But we can, based on our own decisions, based on what we can achieve relying on our own strength, transform the correlation of forces, and establish a new path, a new approach, in which we believe there will be much better circumstances for the great powers in the North to come to their senses and be reasonable, and realize that the best alternative is this proposal for peace.

Is There a ‘Plan B’?

Pillajo: Mr. LaRouche, what will happen if there is not an international agreement, which you have so widely promoted, to reorganize the world economy? Is there a “Plan B” to the decision already made by the United States government to implement the multibillion-dollar bailout package?

LaRouche: You don’t talk about Plan B, because there is no Plan B.

What you have is a different situation: You underestimate the danger. You have to look at this from the top down, from the world as a whole, top down, not from nations up. There is no possibility that South America could independently survive under the conditions that are coming down now. This is not a problem of South America: It’s a problem that *hit* South America.

Unless we can get the kind of four-power agreement that I have prescribed, and which the Russians have now indicated they’re willing to go along with, we’re on the edge of a situation, in which the entire population of the planet will collapse, from over 6.5 billion people to less than 2 billion, in a fairly short time! Unless we put the world system into bankruptcy reorganization, in every part, and take the same approach



Metropolitan Touring

Dr. Páez underlined that “this time the North is not going to make us pay for the crisis.” During the 1960s and ’70s, he said, the IMF forced free-market policies on our countries, dismantling our productive apparatus, and causing untold suffering and social polarization. Shown, a primitive market in Ecuador.

that Franklin Roosevelt took in the United States in 1932-33, and unless we assemble enough power to crush the British Empire, which has been controlling the world for the past decades, there’s no chance for any part of civilization today.

Look at the solution: The Russian government has recognized its problem, and recognized the problems of other nations, and is willing to play a key part, to bring the United States, Russia, China, India, and other countries into a coalition to create a new international financial architecture *immediately*. Such an agreement is indispensable for providing the kinds of conditions needed to deal with the problems in *each part* of the world.

As you know, the problem is not only a financial problem; it’s a breakdown of the productive powers of labor in most countries of the world. Without high-technology infrastructure development on a massive scale, we can not solve the problems of this planet. We need to assemble this, and assemble nations together to each take their part of the world. For example, you have a special problem in the Americas: Large-scale capital improvements in technology are required to deal with these problems. So we have to create a new system of organization, as in South America, with North America,

and in Africa, and so forth. We need to create these systems under an umbrella of international power to protect these systems.

The food crisis of the world today, *alone*, is awesome! We're on the edge of mass death, merely because of hunger. The lack of infrastructure for development is enormous! The lack of access to capital markets is a real crisis. So, you need to have a rallying point of the world's effort to save itself from this crisis.

LaRouche's New Bretton Woods Is the Solution

Pillajo: The president of the European Union, [French President] Nicolas Sarkozy, issued a call last week for a reorganization of the financial system. What is your view of President Sarkozy's statement? Is there a willingness in Europe as well, to take that great step?

LaRouche: Well, Sarkozy is doing a useful job. But he's not the source of the job. As the Russians have understood, and others have understood: We have to turn the United States situation around, because you've got to control the United States. And you have to use the fact that the United States government, the present administration, is totally self-disintegrated in the eyes of its own citizens. If you can not bring Russia, China, India, *and* the United States [together], at the time that George Bush and his administration are *already* discredited, then you can not save the system.

And you have, from last Sunday [Oct. 5], from the Russian leading TV, with about 70 million viewers, the Russian government's representatives presented an acceptance of my proposal for a new initiative. Certain forces in Europe, including Sarkozy, people in Italy, and so forth, are moving in the direction of adapting to that. The conception of a New Bretton Woods system of the type I'm talking about, *is* the solution.

Pillajo: Mr. LaRouche, economist Pérez would like to add something.

Páez: It's very important to recognize that we're at a civilizational crossroads that can move very rapidly towards much worse conditions, that could plunge the world into a truly calamitous situation from which we would not be able to emerge in the short term, and that it could take a long time to implement an alternative. I believe it's fundamental to have a quick response, in light of the gravity of the crisis.

I also agree, that reference points, such as Franklin Delano Roosevelt and Bretton Woods, are very impor-

tant in this conjuncture, obviously changing things based on the needs and technological capabilities of the 21st Century. These details are *very* important.

It's fundamental that, in the recomposition of this world process, the recomposition of the world order, that every one of the countries, every one of the regions, be empowered to be able to stop the toxic unipolarity which has been leading world affairs into this dead end.

What I cannot agree with, is that the South should sit around and do nothing, or light candles to the Virgin, to just wait until the great world powers are enlightened and can come to an agreement. We believe that there has to be proactive, propositional action by the South. As for South America, this issue is fundamental in the construction of a space of supranational monetary-financial sovereignty that would allow us to join the international discussions based on a different correlation of forces. The arrogance and the arbitrary relations with which the North has dealt with the South, cannot continue to exist, based on legitimizing and consummating a situation which is leading humanity to a very painful situation, to an absolutely calamitous dynamic.

The alternative, without doubt, is along the lines of what is being posed here, what the economist LaRouche and Dennis Small have been presenting: the need to pose the idea of the foundation of a new international monetary and financial order, adopting many of the principles of Bretton Woods, adopting many of the alternatives which Keynes proposed at the time, but incorporating as well, a new organization of international trade. If we have an ordering of international trade which exacerbates the asymmetry and world imbalance, with structural deficits for certain countries, which is a result of neoliberalism, of deregulated savage capitalism, then it's obvious that those asymmetries will also be confirmed and exacerbated by the financing of those gaps, which come through foreign debt and through foreign direct investment, which is increasingly more onerous for our economies.

It's essential that this refounding of the international financial order should have as a counterpart, a refounding of the international division of labor, under conditions that are much more equitable, and under conditions of fair trade, which allow us to relaunch production on a much more inclusive and sustainable basis. That this be the material basis of a world political and social order which places its bet on peace and solidarity.

We Have To Change the Institutions

Pillajo: What is required for that?

Páez: I believe it is essential to move forward on the transformation of the world institutions. We need a new international monetary and financial order with, for example, what the Bank of the South has, a payments system, and the Southern Monetary Fund contributing to the autonomy, to vaccinating ourselves against the kinds of measures which can be taken by this Anglo-Saxon dollar, which Mr. LaRouche has mentioned. And which allows us to defend the space we have for production in the continent.

It's fundamental to prevent the logic, the dynamic, of profit-mongering and speculation to contaminate the solution.

A large part of the problem of this \$700 billion, which is the package which the United States is trying out, and which is going to be recycled in Europe and Japan, is that there is nothing to stop this going to reinforce the speculative tendency. The real alternative is to strengthen the productive apparatus in the North and the South, on a sustainable basis.

We have to change the World Trade Organization, we have to change international financing relations; we have to re-pose the issue of the debt. The foreign debt is a drug for the Third World, and we have to re-pose the international order, to have a "Jubilee" [debt forgiveness—ed.] as was proposed a long time ago, as the path to follow.

Pillajo: Mr. LaRouche, your comments, please?

LaRouche: Well, the point is, left out of the discussion so far, is the most crucial issue of all: First of all, you can not negotiate in a market that doesn't exist. If we do not get the kind of reform that I've prescribed *now*—and I'm talking in the immediate period ahead—there will be no significant cooperation among nations of *any* part of the world. Also, we have not discussed—

Páez: My dear Mr. LaRouche, my dear Dennis: We agree completely. We would be willing to support that kind of reform. In fact, we would applaud the fact of the United States, Russia, China, and India—the great world actors—converging on some type of agreement of this sort. But, a small country like Ecuador can not decide those kinds of things. What we can do is change the world correlation of forces from our small space that we have on the world stage. We are a totally mar-

ginal country; probably many Americans don't even know where Ecuador is. What we can do—

LaRouche: I know—

Páez: What we can do, is, we are not going to sit around and do nothing. We have decided to be subjects of history, and what we are doing, purposefully, is setting the course as far as we can, with significant advances in matters having to do with the agenda of the new regional financial architecture, changing the correlation of forces, and stopping unipolarity from proceeding with impunity in the world. It's essential that all voices be raised with a call to reason, and fight for peace and solidarity.

'I Am Your Advocate'

Pillajo: Mr. LaRouche?

LaRouche: I say, you need advocates. I'm your advocate. Other people could be your advocates. You need protection for your rights. The Bank of the South, for example, is a very interesting idea, to assist in that process. But you also need the credit for a large-scale infusion of higher technologies, which are needed to raise the productive powers of labor, physically, in these countries. You have to examine more carefully exactly how your country and other countries were *raped*, during the 1970s and 1980s. I was involved in this problem. I fought it then, it exists still today! That is the problem we have to beat. You must be given the right to have access to credit, on reasonable terms, and long-term assistance, especially in the infrastructure development which is necessary for the transformation of your country, and complete access to modern technology on reasonable terms.

Páez: I agree completely, but those are rights which we have to win. They will not come to us as generous gifts from the same sectors which have been profiting from the misery of the rest of the world. These are conquests which the Third World, which the South, have to achieve. And we have to do it, not based on autarchy, by any means, but in the spirit of what you are talking about, a new type of North-South cooperation, in which we are able to construct a world, a global space, of universal citizenship.

LaRouche: First of all, you have to have a revolution in the North. We must have a Eurasian revolution as well. We must have a shift of power, as the kind of revolution that Franklin Roosevelt made in 1932-33.



FDR Library

President Franklin D. Roosevelt clashed repeatedly with Britain's Sir Winston Churchill (right) over FDR's insistence that after the war, colonialism would come to an end. The British oligarchy has never given up their opposition to that goal.

He fought the same British imperial interests that we're fighting today. He continued the fight until he was betrayed by his successor, Truman. Truman supported Britain in reinstituting colonialism. We're on the verge, where we can seize power again, for the kind of thing that Roosevelt represented.

We have to make a revolution: a revolution of the nations who have been misled or abused, who have power. And that's why I'm in trouble, because I make that threat. For me, it's the only solution.

We Need a Credit System; Not a Money System

Pillajo: Mr. LaRouche, many people mistrust the plan that you propose, because they talk about the cost, the price that would have to be paid for a bankruptcy reorganization of the financial sector, and also for the great world accord of which you speak. What is the price of the plan that you're proposing, Mr. LaRouche?

LaRouche: Well, what we're doing, is we're going back to the United States system, which the Russians will join, and others will happily join. We're going back to revolutionize, to get rid of the corruption that came in after the death of Franklin Roosevelt.

And, I'm not impressed by money, at all. Money's a piece of paper! Today, with electronics, it's not even paper anymore. We're going to have to put the world into bankruptcy, and simply cancel most of what is called debt today. We're going to have to create a *credit* system, rather than continuing the old monetary system, creating international credit, which individual countries can turn into currency and so forth. And we have to have a set of priorities on development goals, which are largely social and physical economic goals.

In order for the countries which are weaker and smaller to do their own development, we must create a protective screen of great power, around that principle, that we're not going to allow this insanity to continue anymore. And when you look at the possibility—

Pillajo: Minister Páez has another question.

Páez: I'm very glad to hear this. Because in fact, the design of the new regional financial architecture which was approved by the ministers of Latin America on May 3, 2007, points in that direction, with that spirit, of a new international organization of credit with countries that are free of debt, and with a more just trade.

Pillajo: Excuse me, Minister Páez, are these medium-term or long-term plans? Because the crisis is now. That is, the basis of the financial market is disappearing.

Páez: Well, we're taking immediate, concrete steps with the matter of UNASUR [Union of Nations of the South] and the signing of the Bank of the South at the end of 2007, yes. Recall, that in the case of Bretton Woods, the Bretton Woods design was ready at the beginning of 1944, but the World Bank and the IMF began operation only in 1949. So we're in the same type of situation. So we're moving at a much more rapid pace, and we believe, we hope, that the gravity of the crisis will accelerate concretizing this internationally.

Pillajo: Mr. LaRouche?

LaRouche: I would say, that you have to realize

that you're also on the edge of global thermonuclear war. The crowd in London—and don't say "United States"; yes, there are forces in the United States, but the crowd is centered in *London*: The greatest strategic error you could make is to think that the United States is the center of the problem. It is not. It is London. The United States, today, is a puppet of London, from the top down, and has been since 1973, since the establishment of the floating oil exchange.

What you have, is, you have China, India, Russia, the United States, as nations, which have the interest in defending themselves. About 90% of the Americans *hate* this bill that was just adopted in the United States, for example, which was adopted from London! This—you have to understand, that that crazy piece of legislation just adopted in the United States, *came from London, not from United States!*

And thus, we need great power, which changes the world policy back in the direction of what Franklin Roosevelt represented, while he was alive, to guarantee, to the various parts of the world, the freedom and right to follow their own course. To eradicate all traces of imperialism from this planet.

Leading people in these countries, as the Russian leadership has expressed it, two days ago, is presently in agreement with that perspective. Today, all of Western Europe is in panic. The national monetary-financial systems of these countries of Western Europe are all collapsing, just as the United States. At this rate, the international impact will be a shutdown of the economy, of every economy of the world. The world is at a point of decision: Either it makes this choice that I've indicated, or the world is going to Hell for a while.

I know the ambitions in South America. They've had my sympathy for a long time. But these nations need the power, to be able to do what they wish to do.

Ecuador's Role

Pillajo: Minister Páez, you recently discussed these matters in a meeting with the President of the country. What conclusions did you reach? What actions are you going to take in this complex situation where, apparently, a change lies in the decision of the great powers?

Páez: The alternative is, on the one hand, to think globally and act locally. But also the urgency, the gravity of the crisis, demands that we act globally. And it's necessary to be able to influence this from where we can, with the modest possibilities that come from

being a small country on the world scene. To make these kinds of proposals, on which I find many points of agreement with what we are hearing from Mr. LaRouche, as well as other progressive forces around the world.

Now we have to open our minds to generate a broad front, to generate a summation of forces that are able to destroy those who augur disaster, those who augur violence and a scenario of greater confrontation. Mr. LaRouche has already even mentioned the possibility of a nuclear war. I would not rule out that barbarism might rule the world, because there are those increasingly anti-democratic oligarchical groups, which are increasingly involved in sinister and corrupt circumstances.

I think this should be the Springtime of the peoples of the world. We have to have great joy and hope for the future before us, based on the possibilities of communication, of understanding among the peoples, in order to be able to act jointly. Here in Ecuador, we're doing everything we can in terms of banking regulation—

Pillajo: The new Constitution?

Páez: Yes, the new Constitution is an advance. In the first place, because it is an affirmation of life, a demonstration that here the people in Ecuador are saying, "We are going to fight for happiness." We have every right, taking up some of the historically most important elements of the American Revolution: the right to the pursuit of happiness. That is what is being shown in the matter of our new Constitution. This, without question, is being made concrete, is materializing in a series of changes in economic policy, in the economic structure of the country, in the change in the method of accumulation, which point to the satisfaction of the basic needs of the population. And they point towards a new type of international organization of the economy and of society.

I think what is being done here with a modest effort is fundamental. For example, the idea of the network which will allow the cooperatives and the communal banks to cooperate in the farthest reaches of the country. This is totally compatible with this hopeful vision of a new future for all humanity. We have to work in the parishes, based on what we do daily; the most humble people have to recognize that they are subjects of history. We have to, of course, think and be provoked by the fact that the great powers, those that have the power to decide, that they return to their senses.

But we can not set aside our tasks and our responsibilities, here and now.

Here in Ecuador, we're working on a new domestic financial architecture, on economic policies of a new type, on recovering a series of tools of trade policy, on recovering a series of tools that have to do with international negotiations, with new fiscal management to create a new economic model which will relaunch motion in the direction of greater influence and more sustainability.

We believe that with this process of bringing forces together internationally—all progressive forces—we will be able to pose a different future, in which we bet on peace, bet on solidarity in taking up the possibility of production to satisfy basic needs worldwide. The world food crisis, the world energy crisis, do have an alternative to what is being presented by this oligarchical gang, who are betting on war, on ending justice in an absolutely terrible situation.

Pillajo: You are saying that the government can collaborate with political positions of sectors such as those led by Lyndon LaRouche in the United States?

Páez: Look, I think that convergence of sensible, progressive, and humanist sectors internationally, occurs precisely in the flourishing of various schools of thought. What Mr. LaRouche is saying has often been echoed, even before other people knew of his proposals, and there are a number of people who are working in the same direction.

And this is a demonstration of the fact that we can move forward with the hope that people will return to their senses in the world, because there are many people working from different standpoints: from the standpoint of the economy, from the standpoint of ecology, of fair trade, of freedom from the drug of foreign debt, from the standpoint of a popular economy with solidarity, from the standpoint of the possibility of constructing a different kind of society, of political structures around the world. Not only here in Ecuador, there are people who are working and moving forward.

I think we should definitely not understate the gravity of the situation: It is fundamental to realize the seriousness of the situation, and the urgency of having a quick response, an immediate response by the great powers. It is necessary to stop those war-mongering forces that have taken control of the apparatus which controls the fate of the world.

I believe, I salute the efforts being carried out by

people like the economist LaRouche and Dennis Small there in the United States. And I hope, I am sure that there are progressive forces also in Russia, China, Europe, and other parts of the world. It is necessary to promote a process of convergence, a process of agreement, which will close the door on war-mongering positions, on those who have entrenched themselves in financial speculation, in looting wars, in the control of non-renewable natural resources, in order to define a logic of capitalism in extinction, of discriminatory capitalism, of looting capitalism.

LaRouche: Let Us Proceed To Win!

Pillajo: Our time is running out. We would like to hear a final comment, a message perhaps, from the economist Lyndon LaRouche.

LaRouche: Well, as I say: We have a crashing international monetary-financial system, which will not continue to exist in its present form much longer. It is impossible to estimate dates of events, because human will does change the course of events. It is only possible to estimate the various potentials of the situation. And sometimes, the commander holds his forces in a fixed position, to wait to see what the enemy does, and then, to exploit the flanks which the enemy creates for himself.

We're in such a situation. I am proceeding aggressively internationally. There are forces moving as a result. I'm just waiting for the effect of the next mistake of the enemy to give us a new advantage. And I know that in Ecuador, and in other, neighboring countries of Ecuador, this is also understood. So, if we are wise and courageous at the same time, I think we can win. I can't guarantee it, but I think we can win. So let us proceed to win!

Pillajo: Very good. Our thanks to the American economist and statesman Lyndon LaRouche for his presence in this informational exchange. To Mr. LaRouche and Dennis Small, thank you both very much for your presence. And also to Minister Páez for being on this news show.

Páez: Thank you very much: And I also have an equally hopeful message, but also of being on constant alert. This is the moment for all voices, in which organization, conscience, and empowerment of all territories, communities, will show the way to what can be a new kind of more human civilization, with more solidarity, with a strong force for peace.

No Reason for Panic

Nothing characterizes the current state of affairs in the political-economic arena better than the term “panic.” All the smug assurances put out by the bankers over the years have faded away, only to be replaced by hysteria and outrageous claims that “no one could have known” that such a systemic breakdown could ever occur.

These claims are all blatant lies. No one knows better than the international banking community and political establishment, that Lyndon LaRouche has not only been forecasting the current result (if his proposals for reform were not taken up) for several decades, but that he has put workable options on the table. The financial “experts” preferred not to face the reality—and now we are where we are.

Behind the scenes, we can be assure the reader, there is a frenzy of activity, in the direction of seeking LaRouche’s advice. On the international scene, there are some significant reflections of this tendency. Notable is not only the Russian press coverage, but also prominent reporting in the Arabic and Chinese-language media. In most cases, the clear message is that LaRouche had warned of precisely such a crisis, years ago, and that he should have been heeded at that time.

In the United States, the major media has continued to follow its policy, explicitly stated in the *Washington Post* more than 20 years ago, of not providing any publicity for LaRouche’s activity, or that of his movement, unless it be negative. A slight break in that pattern occurred on Oct. 11, with an article in the *New York Times* about the individuals and institutions who are prominently criticizing, and in some cases gloating about, the Administration’s bailout measures, which included the following sentences about LaRouche:

“... a group supporting Lyndon H. LaRouche, Jr. walked by wheeling a poster that asked ‘Who will be next?’ They handed out flyers quoting Mr. LaRouche calling for the entire dollar-based financial system to be declared bankrupt and reorganized with a ban on derivative trading. Without such action, it warned, ‘this planet is doomed to a horrible dark age.’” LaRouche commented that this is the first time since 1988 that the *New York Times* has covered him straight.

The *New York Times* reference is outright pitiful, compared to the truth of LaRouche’s record. But it is a step in the right direction, and may actually help embolden some within the financial and political establishment who *know* LaRouche is right about what to do in this crisis, but fear retaliation of a brutal sort, should they tell this truth.

Thus, for the time being, the general panic is going to increase. The reality is that *no one*, outside LaRouche, has the depth of economic and historical knowledge required to know what to do to prevent this world financial and economic system from grinding to a halt, and then grinding up the lives of billions of this planet’s population. People don’t understand the concept of bankruptcy reorganization which was well known to the American System of political economy throughout our history; much less do they understand the nature of economic productivity itself.

But, if you are willing to fight for and support LaRouche’s ideas, there is *no need* for panic. He is on the scene, prepared to share his knowledge when people get up the nerve to ask his advice. As the evil forces among the bankers are further discredited and weakened, there *will* be the opportunity to act. Think, act, but don’t panic.

ΔYNAMIS

THE JOURNAL OF THE LAROCHE-RIEMANN METHOD OF PHYSICAL ECONOMICS

APRIL 2008 ISSUE

On the Noetic Principle:

VERNADSKY & DIRICHLET'S PRINCIPLE

by Lyndon H. LaRouche, Jr.

THE MAGNIFICENCE BEHIND THE SPHERE

An Initial Treatment of the Pentagramma Mirificum

by Ben Deniston

SPHAERICS vs. "THE BUBBLE"

by Meghan Rouillard

SPHERICAL TRIGONOMETRY

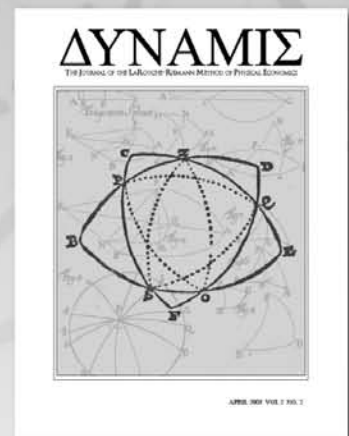
*A selection from the *Anfangsgründe**

by Abraham Gotthelf Kästner

Contributions to

THE THEORY OF ALGEBRAIC EQUATIONS

by Carl Friedrich Gauss



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INTERNET

- BCAT.TV/BCAT Click BCAT-2 Mon: 10 am
- LAROCHEPUB.COM Click *LaRouche's Writings*. (Avail. 24/7)
- MNN.ORG Click *Watch Ch.57* Fri: 2:30 a.m.
- RAVITELEVISION.COM Click *Live Stream*. Mon & Thu 11 am; Wed & Fri 10:30 pm
- SCAN-TV.ORG Click *Scan on the Web*. Sat 2 pm Pac
- WUWF.ORG Click *Watch WUWF-TV*. Last Mon 4:30-5 pm (Eastern)

ALABAMA

- UNIONTOWN GY Ch.2: Mon-Fri every 4 hours; Sun Afternoons

ALASKA

- ANCHORAGE GCI Ch.9: Thu 10 pm

CALIFORNIA

- BEVERLY HILLS TW Ch.43: Wed 4 pm
- CLAYTON/CONCORD CO Ch.26: 2nd Tue 7 pm; AS Ch.31: Tue 7:30 pm
- CONTRA COSTA CC Ch.26: 2nd Tue 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 pm
- HOLLYWOOD TW Ch.24: Tue 4:30-5 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- LONG BEACH CH Analog Ch.65/69 & Digital Ch.95: 4th Tue 1-1:30 pm
- LOS ANGELES TW Ch.98: Wed 3-3:30 pm
- LOS ANGELES (East) TW Ch.98: Mon 7 pm; Wed 6 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: 2nd 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 & Millenium 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

- ALBANY AMTC Ch.13: Tue & Thu: 7:30 pm
- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Tue 9 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 6 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: Wed 9:30 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

- BOULDER CITY CH Ch.2: 2x/day: am & 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: 3rd & 4th Fri 6 pm
- Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.15: 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.16: 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.34 & 35: Mon 10 pm; 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: Tue 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.6: 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: Mon 6 pm, Tue 4:30 pm, 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: 1st & 2nd 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: Mon 11 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;

MC=MediaCom; TW=TimeWarner; US=US Cable. FIOS=Verizon FIOS-TV.

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