

Resistance Mounts Against 'Monster of Lisbon' Clinton's Courage Stalls Bloomberg Option British Escalate Drive for Global Chaos

# LaRouche Strategic Assessment: The Doomed & Brutish Empire



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# From the Managing Editor

Lyndon LaRouche's *Feature* on "That Doomed and Brutish Empire" is intended by the author as a pair with "On Monadology," which appeared in EIR on Feb. 22. I can best introduce the second article, by quoting LaRouche's introduction to the first:

"At my present age of eighty-five," he wrote, "I retain a happily vibrant sense of what are, probably, the remaining productive years now ahead of me. However, I dare not ignore the prudence of saying now what it will be important that I would have said, while the opportunity still remains for me to do so...."

Matters of special importance, he continued, "such as my adolescent discovery of the meaning of Leibniz's Monadology, must become shared, especially, by all those others among my associates generally, who have committed themselves to faithful promotion of that same kind of intended benefit for all present and future humanity."

This week's seguel aims to break the chains of delusion that hold the people of the United Kingdom in thrall to the mindset of a Brutish Empire; but if they refuse to break, it is nonetheless necessary that the rest of us comprehend that Anglo-Dutch Liberalism has seized hold of our minds as well, and is drawing us toward a planetary new dark age. La-Rouche discusses this from the basic ontological standpoint: What is man? He also presents the crucial issues of scientific and economic practice, pointing to the solutions required to avert the global crisis which is even now upon us.

Elsewhere in this issue, Helga Zepp-LaRouche and her collaborators point to the strategic threat posed by the march of fascism in both the United States and Europe—notably the EU's Lisbon Treaty. There is resistance to it, which must grow quickly. In *International*, we report the Brutish Empire's drive to spread war and chaos around the world, so that the London-based financier oligarchy can maintain its political power, as the financial crash proceeds. And in National, there is good news! Hillary Clinton's success in the March 4 primaries opens new opportunities to derail the plan to install the fascist Michael Bloomberg in the White House; while the LaRouche Youth Movement's organizing for a Homeowners and Bank Protection Act has achieved new vic-

Next week, we'll feature LaRouche's March 12 webcast, which will be archived in video at www.larouchepac.com. Don't miss it!

Susan Welsh

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A STRATEGIC ECONOMIC ASSESSMENT

# That Doomed & Brutish Empire

by Lyndon H. LaRouche, Jr.

February 19, 2008

Whatever happens otherwise, if the United Kingdom continues its present course, Britain's imperial design (1763-2008) is now soon doomed to a very early and ugly end. All that remains in doubt on this account, is, whether or not the disintegration of the British empire will carry the rest of European civilization down with it, down into a prolonged, planetary-wide dark age, down forever from the Britain of Lord Shelburne which aspired to become a permanent successor to the failed Roman Empire. Thus, Britain's only chance of surviving, not as an empire, but as a mere nation, would be to choose to accept the defeat of Shelburne's imperial dreams, as it should have accepted this fate no later than the close of World War II: a defeat of its present imperial commitment to a suppression of the 1648 Peace of Westphalia.<sup>1</sup>

Bertrand Russell wrote in 1953: "As for public life, when I first became politically conscious, Gladstone and Disraeli still confronted each other amid Victorian solidities, the British empire appeared eternal, a threat to British naval power was unthinkable, the country was aristocratic, rich and growing richer.... For an old man, with such a background, it is difficult to feel at home in a world of ... American supremacy."<sup>2</sup>

Bertrand Russell, the accomplice, and sometime rival of the avowed fascist H.G. Wells,<sup>3</sup> had spent his public life in furthering a British imperial commitment to

<sup>1.</sup> The February 1763 Peace of Paris had already established the British East India Company as a British-empire-in-fact. The late, evil Tony Blair government was not merely the author of the fraud used to launch the currently running Iraq War, but led the effort to crush the Peace of Westphalia out of existence.

<sup>2.</sup> Bertrand Russell, *The Impact of Science on Society* (New York: Simon & Schuster, 1953). Russell had been the author of the policy of "preventive nuclear warfare," to establish, thus, "a system of world government," as this already existing intention to extend the British Empire had been boldly publicized to the world at large in September 1946 edition of *The Bulletin of the Atomic Scientists*.

<sup>3.</sup> H.G. Wells said, in a public speech at a club of Liberals at Oxford in 1932: "I am asking for liberal Fascisti, for enlightened Nazis." See *EIR*, Feb. 29, 2008, for the role Winston Churchill, played as pro-



National Archives

British imperialists, like Winston Churchill, shown here (right) at the 1943 Casablanca conference with President Franklin Roosevelt, "aimed to bring about, a ruin of U.S.A. world leadership which the British empire intended should not last for much more than another full, post-war generation," LaRouche writes. "If in only a certain degree, the British were successful in bringing on their intended evil."

destroy the empire's deadliest adversary, the United States of America. Now, Russell, like Wells, is dead, but their common devotion to that wicked intention is very much alive, not only in the United Kingdom, but among all too many brazen influentials met among the nominal citizens of our own United States today.

Worse, the current trend in thinking among London's allies in that wicked intention, is as the wicked New York City Mayor Bloomberg and his accomplices have proposed, the "globalized," neo-malthusian break-up of all of the world's present nation-states, using a form of political society cast in the self-doomed model of medieval Venice's organization of that Lombard League of city-based banking power which crashed in Europe's Fourteenth Century. The latter, medieval system which crashed in the Fourteenth-Century, was the infamous "new dark age" which began, like the threatened outbreak of a "new dark age" today, when one of those Italian cities' Lombard banks, Lucca's House of Bardi, set off a chain-reaction, that great wave of doom, which plunged all of Europe into a "New Dark Age." It was a catastrophe in which half the parishes of Europe vanished from the map, and the population shrank by about one-third during a short

tector and friend of Sir Oswald Mosley, leader of the British Union of Fascists. interval of a few decades.4

In sharp contrast to those medieval models, over the course of President Franklin Roosevelt's 1933-1945 Presidency, the U.S.A. rose from a deep economic and moral depression, to become the most powerful economy and military power the world had known. Yet, still, despite that lesson from recent experience, a ruined British Empire, at the close of World War II, remained determined that, as both Winston Churchill and Bertrand Russell had vowed, Franklin Roosevelt's victory would become no more than the temporary triumph of our U.S.A. over the British Empire. The British imperialists aimed to bring about a ruin of U.S.A. world leadership, which the British empire intended should not last for much more than another full, post-war generation. If in only a certain degree, the British were successful in bringing

on their intended evil.

So, through the complicity of President Harry Truman in furthering imperialist Churchill's anti-FDR intentions, U.S. power began to slip away, as from the time of the 1963 assassination of a U.S. President, John F. Kennedy, and, beyond that, through the ruinous, decade-long U.S. war in Indo-China which that assassination made possible. Thus, from 1968-1971 on, the U.S. economy and political system have been falling, more and more, into the hands of our avowed, old enemy, that vengeful old imperialism of the Anglo-Dutch Liberal financier oligarchy, an oligarchy which is centered, at least officially so, in the City of London and the associated British monarchy.

<sup>4.</sup> The original form of what became known as modern fascism, called "corporatism," was actually organized under Italy's Benito Mussolini, organized by Venetian bankers such as British agent Volpi di Misurata, along the same lines as those of the Fourteenth-Century Lombard League. Typical of this model for today, is the present program of fascist banker Felix Rohatyn and the cabal organized around Mayor Bloomberg by the Rockefeller Foundation, together with the son of a Nazi, Arnold Schwarzenegger, who is today's Governor of California, and Governor Rendell of Pennsylvania. Behind this present revival of the old Venetian model of financier leagues of cities, is the same Felix Rohatyn who figured, together with George Shultz, in backing that Pinochet dictatorship of Chile which is also notorious for its role in that Nazi-mass-murder operation of the early 1970s known as "Operation Condere"



National Park Service/Abbie Rowe

Up to about 1967-68, the post-FDR design of the U.S. economic system had remained inherently strong, until the eruption of moral decadence which was highlighted as the aftermath of the assassinations of the Rev. Martin Luther King and Robert Kennedy, and the tragic cultural-paradigm which was unleashed by the neo-fascist "left" called "the 68ers." Shown, Dr. King (left) and Bobby Kennedy, at the White House, June 1963.

Thus, to a large degree, beginning with President Truman's ruinous policies, the British Empire has appeared to have succeeded, as if inch-by-inch, in its decades-long, post-1944 intention. So, as an Athens was misled toward virtual doom by its Sophists during the time of Pericles, the British empire has sought to employ the corrosive influence of a form of increasingly radical sophistry spread among our leading political and other relevant institutions, and also the population generally, as the means for bringing down the U.S. economy and U.S. political influence world-wide.<sup>5</sup>

Yet, despite Truman's globally crucial strategic accommodations to the U.S.A.'s avowed imperialist enemies from old Europe, we remained a growing economy until about 1968, as the successful adoption of the manned Moon-Landing project attests. Up to about 1967-68, President Kennedy's leadership had shown that, despite the systematic undermining of our American tradition during the 1945-1968 interval, the post-FDR design of the U.S. economic system itself had remained inherently strong in its potential for a morally driven, fresh recovery, but this option remained, if only until the eruption of a new phase of moral

decadence which was highlighted as the aftermath of the assassinations of the Rev. Martin Luther King and Robert Kennedy and the tragic cultural-paradigm which was unleashed by the neo-fascist "left" called "the 68ers."

In such cases of long waves of decadence, as such are to be recalled from the examples of the repeated attempts at assassination of France's President Charles de Gaulle, the orchestrated scandal which ousted Prime Minister Harold Macmillan in Britain, and the assassination of President Kennedy, it is not the assassinations and kindred ousters of leading figures which are the roots of an ensured moral disaster; but, rather, as in the failure to properly punish Prime Minister Tony Blair, and also in the case of the current Bush Presidency's criminality, the worst disasters are fostered by post facto complicity of those leading circles, such as Speaker Nancy Pelosi's fascist Felix Rohatyn, which cover up the actual authorship of such mass murderous crimes, as in the launching of a new Iraq war through the outright, aggravated, official lying so lavishly condoned by the current U.S. Speaker of the House. When both officialdom and the general public consent to such after-the-fact complicity in such moral in-

difference to great matters of truth, the political process of government and electorate alike become polluted, more by their own complicity after the fact, than by even the preceding, relevant terrible act itself.

So, over the course of three subsequent, post-1968 U.S. Presidencies, Nixon, Ford, and Carter (1969-1981), the most essential policy elements of U.S. physical-economic strength were destroyed. The U.S.'s reliance on the Bretton Woods, fixed-exchange-rate, monetary system was shattered, treasonously, under President Nixon; and, the essential elements of a sane and sound physical economy were shattered and smashed under the Carter Administration's control by the wrecking actions of an implicitly treasonous Trilateral Commission's 1970s program of "controlled disintegration" of the U.S. economy.

The global irony of all this, is that the slow seismic-like, global effects induced by British imperial guile,<sup>7</sup> may have ruined our U.S.A.; but they are, with merciless historical irony, also, already collapsing the pillars of what is now the cer-

<sup>5.</sup> I.e., after the initial success of the breakthrough in Normandy, when the right turn against FDR began inside Washington, D.C., and elsewhere.

Were John Milton to be resurrected today, he might have spoken of "new right" as "new left" writ large.

<sup>7. &</sup>quot;How should one boil a (living) frog?"

tainly foredoomed British system itself.8

I explain the relevant systemic connections, if only summarily, as follows.

## A Sick World System

Over the course of the recent three-and-a-half decades, I have, often, publicly addressed numerous aspects of the subject of the presently accelerating, global threat to our decadent world civilization as a whole. This, I have identified, repeatedly, as a threat radiating chiefly from the influence of the Anglo-Dutch Liberal, neo-Venetian, *Sarpian* (i.e. Paolo Sarpi) system of finance-imperialism (otherwise known as the hoax of free trade). Here, in what I write here and now, I put my earlier published treatments of those subjects on a nearby shelf, where they remain constantly available on the record, to be recalled when they are of needed relevance for some occasion of today and beyond.

I impose this limitation on my subject here, so that I might now concentrate the readers' attention narrowly, here, on the subject of the specific, systemic effects of that ultimately decisive aspect of the intellectual failure, in economics, by virtually all among today's official and other leading specialists in the shaping of our republic's financial and economic policies. These are the policies whose effects include the current cases of both the U.S. Treasury Secretary and Chairman of the Federal Reserve System, for example, failed officials whose recent spurts of hyper-inflationary madness show them as being demonstrably, pathetically incompetent in matters of national economy.

What I have to report on those accounts, in this present location, is a matter of what are, presently, the rarely known, fundamental principles of a science of physical economy. This must also include the rare, but, nonetheless, essential subject of what I must also emphasize as the importance of a related expression of the same Classical Principle of Tragedy shown by the works of Aeschylus, Shakespeare, and Friedrich Schiller. Economic processes are not merely things which happen; they are chiefly the result of what the often errant will of people, either high or low in rank, have caused to happen. Thus, "the people factor" in economy reigns today, chiefly, as a principle of tragedy, a type of principle of which most of today's existentialist and other philosophically reductionist types of supposed academic and other specialists in the subject of drama, are, actually, pathetically ignorant.

That is to say, that the subject of a true Classical tragedy, as tragedies by those whom I have just referenced as masters of the drama typify the case, is a society, such as the real-life society which was the setting of Friedrich Schiller's *Wallen*-

stein Trilogy, for which that particular drama presents an actual case of a society which was inherently doomed by its adherence to what virtually influential strata of the subject society regarded as the culture which they assumed it was their principled, if foolish commitment to defend. It was loyalty to their foolish oaths which doomed them.

The real-life Wallenstein, like that of Schiller's Trilogy, came to realize that he must betray the evil Habsburg rulers; but, as playwright and historian Schiller emphasizes, Wallenstein, both in real life, and in the drama, could not conceive of the needed remedy which lay only beyond the bounds of his perceived tradition.

A tragic society, such as the real-life Europe of the actual Wallenstein's wars, is doomed by what its ruling bodies of generally ruling opinion have come to accept as the *limited* assortments of those axiomatic-like principles, or even mere habits of conduct, which they have come to regard as a set of generally accepted customs. Shakespeare's *Hamlet* is an example of such a type of society which is doomed by what it has either inherited, or recently adopted as the moral boundaries within which its ruling culture must roam, even if that means the fatal choice which Shakespeare's Hamlet made.

Thus, it was the character Hamlet's limitation of his outlook to the confines of the culture of the people of Hamlet's Denmark of that time, which, as Shakespeare demonstrated, was a culture already self-doomed by its own nature, at that time: a habituated impulse for self-inflicted doom from which Shakespeare's Hamlet refused to break free, a doom which he embraced, thus, as the awful fate, the awful culture from which he refused to change. The wanted change in that society's culture, was, so to speak, as in the fatal quality of the ultimately doomed in Shakespeare's *Julius Caesar*, "Greek" to Hamlet.

Such, precisely, has been the tragic failure menacing the continued existence of our U.S.A.—and the world at large—at the moment of the present U.S. pre-Presidential election-campaign.

It is essential to recognize, in this way, that the root of the principal long-ranging failures of nations' economic policies, is located in the same principle of systemic moral error identified, as warnings, in the best examples of European Classical tragedy.

Thus, for example, a competent practice of economics as physical science, shows that any society which has adopted "free trade" as a standard of public behavior, has thereby adopted all the inherent characteristics of a culture which is now doomed, so far, to be efficiently destroyed by no other required means than by relevant, ingrained cultural habits of its own people. The distinguishing difference among such sundry varieties of such fools, is, essentially: all are ultimately like political cannibals at heart, but, some such fools are eaten sooner, and others later. In the present case of the British Empire today, all of Britain's victims, the Americans and the Europeans, and Britain itself, would be consumed by their own

<sup>8.</sup> As Shakespeare wrote in *The Tragedy of Julius Caesar*: "The fault, dear Brutus, lies not in our stars, but in ourselves, that we are underlings."

Paolo Sarpi, the leading figure in the late Sixteenth-Century launching of that New Venetian party which founded modern European Liberalism, and from which Anglo-Dutch Liberal imperialism developed.

intentions more or less simultaneously—unless they make the needed changes from their presently habituated, prevailing habits in making their opinions.

That is the type of the tragedy which grips the leading institutions of government and popular opinion of a virtually doomed U.S.A. today. It also dooms, especially, the relevant predatory fellows who, like New York City's avowedly fascist (i.e., "corporatist") Mayor Bloomberg and filthy Felix "ppp" Rohatyn, are working to destroy our republic. These sundry varieties of fascist, or fascistic malefactors typify the same Anglo-Dutch Liberal cabal which put the dictators Mussolini and Hitler into power: which they did for the purpose of carrying out the tragedy which was the way the post-war peace was ordered intentionally in the proceedings at post-World War I Versailles. That was the exact same kind of tragedy which has, now, been ripened to the point of revealing itself as having been the diabolically malicious intention of that criminally insane policy authored by the Thatcher-Mitterrand, Maastricht decree. Maastricht was a "Versailles II" Treaty: the agreement which the wicked Mrs. Thatcher's British Empire demanded, in her expressed intention to destroy the economy of a reunited Germany. <sup>10</sup>

That much said as preface; now, turn to the technical meat of the matter.

# 1. Money Versus Value

The potentially fatal intellectual and moral flaw in the thinking of the majority among the currently influential stratum of the U.S. population, has been its fanatical, monetarist's obsession, its delusion, that money as such is an efficient measure of economic value.

So, looking more broadly, over the passage of longer times and wider places, the essential, potentially fatal error which standard financial accounting practice makes when it pretends to be the basis for shaping economic policies, is that accounting practice, like financial dogma generally, is essentially *digital* by definition, and is implicitly Cartesian; whereas, the principles of competent economic practice, which reject the delusions inhering in the accounting model, are not statistical, but are *dynamic*, and belong to a category of a specific quality of non-statistical, dynamic, non-linear, "analog" functions. <sup>11</sup>

A sane government's monetary policy, such as that crafted under the leadership of Treasury Secretary Alexander Hamilton, Henry C. Carey, and President Franklin Roosevelt, is what is recognized by terms such as "protectionist," or "fair trade." Government regulation must manage relative pricing within ranges which correspond to the physical effects of such regulatory policies.

"Free trade" is an ironical form of consent imposed by the tyrant on the victim who is weak-willed, foolish, or, simply, vulnerable. A proper regulation of tariffs, credit, and pricing, is an absolute necessity for the health of an economy of a free people. "Free trade" is often a name for the looting of the unprotected.

The essential conceptions of any competent view of modern economy, which must inform the indicated matters of policy shaping by and among sovereign nations, are rooted in a rigorously crafted certainty of the existence of an absolute, categorical distinction of the human species from all lower forms of life. Therefore, the human standard of value can only be one which takes efficiently into account *Genesis* 1's categorical distinction of man and woman from lower forms of life. The notion of value must be in agreement with the significance of that power of human reason which enables man to change the ordering of developments, including increases in mankind's potential relative population-density, within the universe which he inhabits.

In fact, man accomplishes this needed quality of succes-

<sup>10.</sup> Beginning the Autumn of 1977, I began investigations intended to define scientific-technical and related political measures which might effectively reduce the continuing threat of a thermonuclear exchange among principal military powers, a threat which was significantly increased by the inauguration of a U.S. Carter government assembled around National Security Advisor Zbigniew Brzezinski's Trilateral Commission. I proposed such a policy as a plank of my U.S. Presidential pre-candidacy in the Summer of 1979. A team at a high level within the new Reagan Administration, provided supervision on behalf of that President, for my exploratory discussion of my proposed policy with the Soviet government. The President announced the policy in a March 23, 1983 five-minute segment of his live television broadcast. The Soviet General Secretary turned the offer down flat. His Soviet successor, Gorbachev, grew very nasty, especially against me personally, over this matter. The fiercest aspect of the fraudulent legal and related Anglo-American harassment against me personally, and against my associates, was launched in the immediate weeks following that broadcast. This is the heart of the continuing "heat" around the name "LaRouche," still to the present day. I warned in 1983, that the Soviet refusal to negotiate President Reagan's offer meant that the Soviet system would collapse "in about five years." A little more than five years later, in an October 12, 1988 broadcast from Berlin, I announced the impending months collapse of the economies of the Comecon, to begin within Poland. At that time I identified a constructive offer which the U.S.A. should extend to the Soviet government under those conditions. When we compare my alternative, presented thus on October 12,1988, with what President George H.W. Bush and Prime Minister Thatcher did to Russia et al., there is no mystery as to why I was railroaded, by a fully transparent judicial hoax, into prison, that at approximately the exact-same moment George H.W. Bush was inaugurated. Beginning 1989, Germany, under the British imperial policy to become known as Maastricht today, is being given the same kind of treatment by Britain, that Britain had heaped on the Germany of the early 1920s.

<sup>11.</sup> For an introduction to the principles which underlie a competent economic thinking, see my "On Monadology," *EIR*, Feb. 22, 2008. Anyone who has failed to grasp the argument I have made there, is thus rendered intrinsically incompetent in dealing with the essential features of successful economy—for as long as he, or she persists in that delusion. Admittedly, that piece of mine is intellectually challenging, but, unless it were understood, no one should think of himself or herself seriously as an economist. "Analog" as in the Leibniz-Bernouilli conception of the principle of universal physical least action

sive changes, only through those mental powers of creativity which are typified by Johannes Kepler's uniquely original discovery of one of the universal physical principles of our universe: the so-called principle of universal gravitation.<sup>12</sup>

Therein, in that kind of notion which represents characteristically human, rather than beastly values, lies the key to understanding both the causes and remedies for the prevalent, literally axiomatic incompetence of what is generally accepted, as academically, as "economics" today.

That distinction, between beast and human, is shown clearly only in those manifestations, such as the effect of scientific potential in effecting the increase of *the potential relative population-density of the human species*, an increase which correlates with humanity's specific distinctions of superiority, as a species, over all other forms of life. This standard must be emphasized as representing an absolute. That distinction lies only in the manifest role of the power of creativity, as creativity is expressed only as the anti-entropy which originates from within a sovereign potential of the individual human mind.

It is that distinction of the human species which must regulate the choice of notions of relative economic value for different forms of organization of society, and for each society of a distinct type of organization.

# The Promethean 'Model'

As I have repeatedly emphasized throughout my adolescent and adult life, that since the moment I rejected the a priori characteristics of the Euclidean geometry as, intrinsically, a specifically Sophist form of systemic incompetence, 13 we must, therefore, then recognize, that the proper, absolute distinction of the human being from all other forms of life, is located in those specifically creative powers of the human intellect which were banned from human practice by the Olympian Zeus of Aeschylus' *Prometheus Bound*. This specific Olympian quality of incompetence which I denounce here, is one which is typified by that ancient, medieval, and modern form of Sophistry, which has assumed a special form of expression in its modern role as the central role of Cartesian and similarly aprioristic methods, such as these are encountered in the prevalent forms of customary, axiomatic assumptions of the modern world's widely accepted teaching of what is called "science," or, worse, the functionally psychotic, contemporary neo-malthusianism rampant among the so-called "environmentalists" of our "Baby Boomer" generation.

There exist sundry, theological and other objections to the presentation of a "Promethean Model." Competent science shows these objections to be either false axiomatically, or the



Prometheus stole fire from the gods and gave it to mankind. "What Aeschylus' Prometheus Bound signified by the existence of a principle which might be given the name of "fire," is, in fact, the human mind's specific capability of discovering universal physical principles of the type represented by Johannes Kepler's uniquely original discovery of the principles of universal gravitation." This painting, "Prometheus Carrying Fire," is by the Flemish artist Jan Cossiers (1600-91).

fruit of a misunderstanding of the subject-matter. The most common form of objection to the "Promethean model" is premised on an arbitrary, Sophist type of assumption. That latter is *an assumption specifically contrary to Genesis 1*, an erroneous assumption to the effect that the Creator of the Universe was a kind of mere "local king" of the universe, who had lost any former power to create once He had finished the work of creation: Friedrich Nietzsche's Sophist argument for a "God is dead" thesis.

This issue, the "good news," so to speak, posed in this report, as I have just defined it in that manner, is an expression of the principle which is key to recognizing the presently virtual inevitability of the impending fall of the British Empire into its presently looming, richly deserved oblivion.

However, that much said, there is a still more profound implication in this. What the looming catastrophe of the Brit-

<sup>12.</sup> See Lyndon H. LaRouche, Jr. *Op. cit.*, in which the principles underlying any competent notion of economy are identified. See, also, LYM's published work New Astronomy—on *Kepler* at (www.wlym.com/~animations/).

<sup>13.</sup> Cf. Lyndon LaRouche, Op. cit.

ish imperial system represents, is something of much broader and deeper significance for all mankind.

Consider some of the relevant historical evidence to that effect.

The recent, approximately three thousand years of a relatively well known history of the roots of what we call European culture, and of the history of the development of that culture through its ups and downs, presents us with a record which has been dominated by a series of linked catastrophes often identified as empires. These cases have included those, most significant, relatively universal imperiums of the Babylonians, Achaemenids, Rome, Byzantium, as also the imperial form of the medieval, Venetiancrusader pestilence, and, now, what is fairly described, interchangeably, either as the British empire, or, more precisely, the imperial form of neo-Venetian, Anglo-Dutch Liberal form of financier oligarchical hegemonies. 14

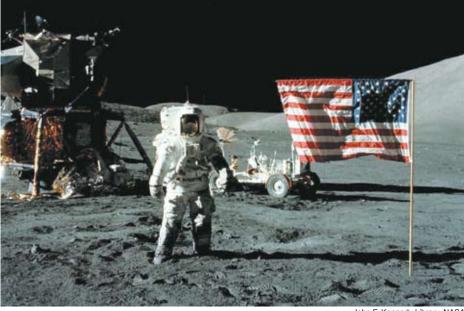
The circumstances which define the relative hegemony of the present Anglo-Dutch Liberal, neo-Venetian system of financier tyranny, especially the characteristics of that system's evolution over the period since 1968-1972, have created a quality of crisis which is implicitly of a quality of profun-

dity greater than at any juncture in the preceding phases of European culture's historical evolutions. The relevant fact is that the human population has now reached a level approaching seven billions living individuals, bringing us to the point, that, arguably, the planet's population could not continue to

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the means for progress for
a growing world
population.

Right: President Kennedy inspects "Friendship 7," at Cape Canaveral, Feb. 23, 1962, as Col. John Glenn looks over his shoulder. Below: Apollo 17 Astronaut Jack Schmitt stands on the surface of the Moon, Dec. 11, 1972.





John F. Kennedy Library, NASA

exist at present levels under such presently proposed, masshomicidal conditions of deliberate, "neo-malthusian" abortion of scientific-technological progress in economy, such as the current "Global Warming" hoax.

Therefore, science, as typified by the implications of nuclear fission, must be liberated fully from the neo-Malthusian hoaxes, such as the current hoax of "Global Warming," which have been increasingly dominant in the planet's practice in the aftermath of the riotous upsurges of 1968.

For this purpose, if civilization is to avoid the presently onrushing plunge into another "new dark age," not only must a great affirmation of the concept of the sovereign nation-state

<sup>14.</sup> The medieval empire had two phases. The first, prior to the Fourth Crusade, and the later emergence of the dominant role of the practice of usury under the system of that Lombard League. It was that Lombard League phase of the medieval system, whose practices of usury brought on the Fourteenth-Century "New Dark Age," which is the precedent for the presently ongoing, global breakdown-crisis.

republic take over general practice, but the commitment to a return to science-driven economic progress must be freed from that fatal curse of the irrationalism—e.g., Sophistry—which is inherent in Liberalism.

At this same time, we can show, at least to those lively minds continuing the sentiments of the Kennedy Manned Moon Landing effort, that we have available a clearly visible and hopeful prospect of changes in the organization of relationships. These would be changes echoing the great principle of the Peace of Westphalia: relationships for practice among sovereign nations, through which scientific potentials can be mustered to supersede the somewhat arbitrarily assumed barrier represented by global population-levels in what some project as the seven- to eight-billions range of living human populations.

Any attempt to continue the current fascistic, neo-Malthusian trends now dominating the rhetoric of the financier interests of Europe and the Americas (and their political hangers-on), would mean a general breakdown-crisis of the planet's culture, a breakdown which would probably become far worse than the effects of Europe's Fourteenth-Century "New Dark Age." At the same time, if we are disposed to crush the fascist impulses met among trans-Atlantic and kindred financial and other oligarchies, the sense of the present crisis should supply us the impetus needed to commit ourselves to launch the next great, qualitative technological and cultural leap forward in mankind's relationship to our universe.

#### **Prometheus, When Unbound**

What Aeschylus' *Prometheus Bound* signified by the existence of a principle which might be given the name of "fire," is, in fact, the human mind's specific capability of discovering universal physical principles of the type represented by Johannes Kepler's uniquely original discovery of the principles of universal gravitation. I explain the crucial point of distinction as follows.

As I have emphasized in locations such as my *Monadology*, <sup>15</sup> the key to man's origins and essential nature is stated, poetically, in *Genesis* 1. Mankind is set apart from the beasts by special powers which present man to us as in a certain likeness to the Creator of the universe. These are of the type of the powers which include what are known to competently educated minds as discoverable universal physical principles. The modern precedent for the defining of such principles, was Kepler's uniquely original discovery of the principles of universal gravitation. Unfortunately, the actual discovery of gravitation, by Kepler, is, presently, chiefly ei-

ther savagely misrepresented in classrooms and comparable circumstances, or is simply unknown to most of those of today's nominal title as scientists, or others. That is especially so in a world which is dominated by the radical extremes of today's morally corrupting influences of the present adult generations' extremely decadent, "post-industrial" form of what is identified historically as Anglo-Dutch Liberalism.<sup>16</sup>

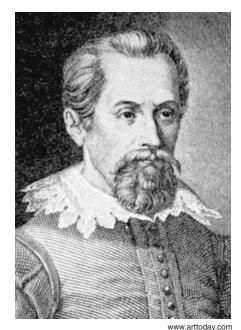
The most convenient summation of the point just made here, is that view of the implications of the work of Bernhard Riemann adopted by the greatest among the Twentieth-Century scientists, such as Academician V.I. Vernadsky and Albert Einstein, who provided clarity for the use of any mind informed by the distinct meaning of the term "universal physical principles." These are principles as that term refers to what was understood by the ancient Pythagoreans, by Plato, and by Nicholas of Cusa, Johannes Kepler, and Gottfried Leibniz, which Riemann and such followers as these have provided.

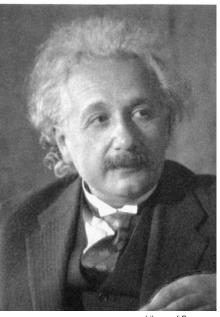
On the contrary side, actual knowledge of this Riemannian notion of universal physical principles, does not presently exist in the practice among most of the present generation of scientists, scientists whose capacities for clear thinking about such more profound matters have been virtually destroyed by the intended quality of influence of the radically reductionist dogmas of followers of the Ockhamite irrationalist Paolo Sarpi and his empiricist, positivist, and existentialist followers, especially among the devotees of the relatively more depraved "post-industrial" ideologies of empiricism, positivism, and existentialism of today.

Not only did the Philosophical Liberalism of Sarpi et al., prohibit the use of the notion of actual universal physical principles, under the prevalent rules for contemporary re-

<sup>15.</sup> The ontologically infinitesimal power of anti-entropic change which is uniquely specific to man, among living creatures. See LaRouche, "Vernadsky & Dirichlet's Principle," *EIR*, June 3, 2005, and Sky Shields, "What Exactly, Is the Human Mind? Analog, Digital, and Transcendental," *EIR*, Jan. 4.

<sup>16.</sup> For precision, the following definition of "Anglo-Dutch Liberalism" must be provided in the form of an extended footnote. The proper, precise meaning of the term "Liberalism," as employed here, refers to the axiomatic-like change in Venetian dogma which occurred in the form of the action, by Paolo Sarpi, the putative founder of what is called the "New Venetian Party," in adopting the irrationalist dogma of the medieval William of Ockham (Latinized: "Occam"). Sarpi's essential argument was that the Aristotelean baggage of the old Venetian system would not permit Venetian interests to adopt the improved measures of armed and related combat needed to defeat the rising potentials which had been unleashed by the great reform launched as the 1439 A.D. Council of Florence (i.e., of Cardinal Nicholas of Cusa, et al.), unless the New Venice party allowed a practice of innovation which would be intrinsically contrary to the inherent, pro-Aristotelean stagnation of medieval feudalism. Sarpi's rise to power coincided with his New Venetian Party's shift of its economic base of strategic, supporting maritime economic power from the Adriatic to the natural maritime regions of the North Sea, Atlantic, and Baltic. Thus, a Sarpian "New Venetian" maritime power, was concentrated in the Netherlands and along other coastal regions of northern Europe, up to the point of William of Orange's coup d'etat in England. The power of imperialism does not spring from the interior of political-economies, but from financier-oligarchical modes in maritime power. Hence, the needed precision embodied in the expression "Anglo-Dutch Liberalism" today.







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"It was Albert Einstein [center], looking backwards, who recognized the significance of the role of Cusa's [right] and Kepler's [left] notion of the ontologically infinitesimal, by tracing the concept of a 'finite, but unbounded universe' to roots in the work of Kepler, and by defining modern physical science in terms of the process of development of such a conception of the universe, as a whole, in those terms of reference."

ductionist fads usually practiced in the name of science today; but, under those circumstances, no competent conception of the functional nature of the human individual is possible.

The practical issue so situated, is posed by the proof, that, as *Genesis* 1 prescribes in its chosen fashion, man and woman have both a given capacity, and a corresponding obligation, to take care of as much of the universe as comes within the present reach of mankind's developable capabilities for improving that universe in modalities consistent with the principled character of a human species made in the likeness of the Creator. This distinct power of mankind resides in the sovereign, miraculous capabilities of the individual human mind: what are efficiently identified as the "creative powers" of that mind, using the term "creative" as congruent with *anti-entropy*.

Essentially, those "creative powers" are typified by the discovery of universal physical principles, as the Pythagoreans and Plato recognized this, and as Cardinal Nicholas of Cusa launched the uniquely competent modes in modern, creative (i.e., anti-entropic) European science and Classical art, through his re-discovery of the remedy (the notion of the "ontologically infinitesimal") for the crucial systemic error in Archimedes' claim to have defined the generation of the circle by quadrature. It was Kepler who gave those discoveries by Cusa their realization as universals of scientific thought, as expressed most clearly through Kepler's unique two principal

discoveries in astrophysics.<sup>17</sup>

It was Albert Einstein, looking backwards, who recognized the significance of the role of Cusa's and Kepler's notion of the *ontologically infinitesimal*, by tracing the concept of a "finite, but unbounded universe" to roots in the work of Kepler, and by defining modern physical science in terms of the process of development of such a conception of the universe, as a whole, in those terms of reference.

It is that course of development, launched by the work of Cusa's great follower Johannes Kepler, which is the implied bench-mark of reference for measuring value in modern economy.

The specific role of Vernadsky, relative to Einstein's statement on the importance of Kepler's work, is to be recognized in the way in which Vernadsky defined the physical-chemical universality of the biophysical phase-spaces of the Biosphere and Noösphere, respectively. His discovery on these accounts affords us a crucially important insight into the way in which the concept of the Kepler-Riemann universe seen by Einstein must be approached by us today.<sup>18</sup>

As I have emphasized in my report of my experience with

<sup>17.</sup> Lyndon H. LaRouche, Jr., "On Monadology," Op. cit.

<sup>18.</sup> The discovery of the actual, crucial-experimental, physical-chemical concept of the Noösphere is actually unique to Vernadsky; earlier references to such a term, as by Teilhard de Chardin, were fanciful, without actual evidentiary basis. See my "Vernadsky & Dirichlet's Principle," *Op. cit.* 

Leibniz's *Monadology*, the long reign of Sophistry within European culture, in particular, has premised itself on attributing a "self-evident" authority for sense-certainty, as Euclidean and Cartesian geometry does this. Therefore, among European culture's examples of scientific opposition to Sophistry, as in the tradition of the Pythagoreans and Plato, human knowledge, especially scientific knowledge, is premised chiefly upon conclusive demonstration of the fallacies inherent in belief in sense-certainty.

For example, a former associate of mine, from more than a quarter-century past, called my attention then to the extant proof of Philo of Alexandria's refutation of syllogistic Aristotelean theological dogma, a proof entirely consistent with the astrophysics (*Sphaerics*) of the Pythagoreans. Briefly, the Sophist form of reductionist's argument used by those Aristoteleans, was that if the universe is perfect, then God Himself could not have changed anything essential once the universe had been set into motion as created: essentially, this was the model for the later Sophistry of the hoaxster Claudius Ptolemy.<sup>19</sup>

The same principled fallacy persists today within the common teaching of science, and in kindred precincts, as in the expressed, reductionist views, such as those of the modern Cartesians and their mimics, which, contrary to the famous principle of Heracleitus, and contrary to the case presented by Plato's *Parmenides*, separate existence, ontologically, from motion.

When that error is corrected, the error of separating the ontological notion of being from the motion of a process of qualitative self-development, the hero of mankind called Prometheus, in effect, is thus unbound, as Heracleitus' famous aphorism suggests. The result of recognizing this needed correction, is expressed as the concept of universal antientropy (contrary to the hoax of a so-called "second law of thermodynamics"). This is the concept represented by Nicholas of Cusa's founding of all valid currents of modern European science through his rejection of Archimedes' notion of the quadrature of the circle; this is the concept underlying all valid claims to progress in not only the properly intended practice of modern science, but progress in realizing that intended role of man and woman in society which is implicit in Genesis 1.

# 2. Creativity As Universal Motion

As I have emphasized in my recent, earlier report on the lesson to be taken from the *Monadology*, <sup>20</sup> the idea of *a uni*versal physical principle, is the notion of not merely an active, but a universally acting principle, whose own actual existence is external to sense-perception as such, but whose existence, expressed by effects, as being exactly such a universal principle, is effectively demonstrable empirically (e.g., experimentally) through methods sometimes identified by professionals as "crucial experiments," or better named either "unique" or "universal" experiments. The most important of the latter type of cases include the illustration given by Kepler's presentation of universal gravitation; that is, not only as a principle as such, but as that principle entirely underlying that organization of the Solar System in a physical space-time which is beyond the controlling, direct reach of, for example, either the assumed visual or auditory fields. <sup>21</sup> The more exact method for definition of universal evidence, cohering with that of Kepler, is supplied as Riemann's notion of "unique experiments."

As I have emphasized in that earlier report, if we limit the significance of the concept "universal" to a merely spatial quality of an instantaneous existence, as might be implied by the notion of a naively defined space-time such as that of a student's Euclidean geometry, or, as Leonhard Euler erred in his ontologically fraudulent attack on Leibniz's concept of "infinitesimal," we could fail to come up to that level of Einstein's famous defense of Johannes Kepler's unique achievements respecting the founding of a practically universal modality for modern experimental science thus far.<sup>22</sup>

The crucial point here, is that the essence of all competent scientific thought, whether as physical science, or in the counterpoint of Johann Sebastian Bach, is located in motion, or, as conductor-composer Wilhelm Furtwängler stressed the same principle with extraordinary excellence in practice, *a science of rubato*<sup>23</sup> in the broader and deeper meaning of his manifest applications of the conception of the Pythagorean *comma*, as "between the notes." Truth in science is *not* what is perceived; it *is* what is truthfully demonstrated to be a process of becoming, as Einstein echoed Heracleitus and Plato for physical science generally, as in his own defense of Kepler's unique role in all competent modern science.<sup>24</sup>

<sup>19.</sup> Notably, both Copernicus and Tycho Brahe, who recognized a formal fallacy in Claudius Ptolemy's hoax, failed to define a principled form of organization of regular action in the Solar System, where Kepler succeeded in discovering the principle of gravitation. The method employed by Kepler for his unique success is the same method of *Sphaerics* represented by the Pythagorean Archytas' construction of the duplication of the cube, as Eratosthenes emphasized the significance for all science of that construction by Archytas. The same issue was posed implicitly by the success of Leibniz and Bernouilli, as contrasted with the frauds on the subject of the ontologically infinitesimal by de Moivre, D'Alembert, Euler, Lagrange, et al.

<sup>20.</sup> Op. cit.

<sup>21.</sup> See Harmony of the World on the LYM website (www.wlym.com/~animations/).

<sup>22.</sup> Ibid.

<sup>23.</sup> E.g., the Pythagorean "comma."

<sup>24.</sup> W.A. Mozart's "Ave Verum Corpus" is an elementary demonstration of this role of the sequence of Lydians in leading to a concluding realization of

Such essential notions of physical science and Classical artistic composition, can not be presented competently as mere definitions which are bounded by the sterility of a dead formal logic, such as that Sophist dogma of Euclid's which is associated with Aristotle. The relevant act of a quality of defining experimental discovery, must be experienced as demonstrating a certain efficiency of a quality of existence, a quality of existence demonstrated to be operating as if "from outside" the domain of mere deductive-inductive abstractions from ordinary sense-perceptions.

# **Principles of Experiment**

Thus, no actually existing universal physical principle could ever be competently demonstrated by a design of experiment which pretends, as empiricism does, to locate what is actual within axiomatic ontological presumptions adduced from naive sense-perception, as Euclid and Descartes did, for example.

Select the case of Cartesian method to illustrate this point.

Cartesian analytic geometry proceeds from the assumed physical existence of a set of quasi-Euclidean, a-priori notions of space and time. This presumption of Descartes was demonstrated to lead, inevitably, to what Gottfried Leibniz demonstrated to have been an arbitrary absurdity;25 this demonstration was the pivotal experimental evidence against the absurdity of Cartesian geometry, which was employed by Leibniz to revive the experimental physical principle of dynamics (dynamis) from its ancient origin in the legacy of Pythagorean Sphaerics and Plato. Leibniz viewed this demonstration of a fundamental fallacy in all empiricist method (such as that of Descartes) as a demonstration which served as a kind of launching-pad for developing his (and Jean Bernouilli's) work in showing the general physical implications of the related notion of Fermat's principle of "least time." The result was that Leibniz-Bernouilli concept of universal physical least-action, which is the original crucial proof, within modern science of the Riemann-Einstein tradition, of the need to dump the false axiomatic assumptions of digital methods in favor of what are termed "analog" methods.26

The fallacy inherent in all empiricist and related method, is an expression of the same essential Sophistry traced as a systemic error from Aristotle to Euclid, and from Aristotle and Euclid to Claudius Ptolemy's hoax. In all of these and related cases, it is assumed that the real universe is the universe of sense-certainty as misdefined by extension, for the very



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"The essence of all competent scientific thought, whether as physical science, or in the counterpoint of Johann Sebastian Bach, is located in motion, or, as conductor-composer Wilhelm Furtwängler [pictured here] stressed the same principle with extraordinary excellence in practice, a science of rubato in the broader and deeper meaning of his manifest applications of the conception of the Pythagorean comma, as 'between the notes.'"

small.<sup>27</sup> In all related cases, the a-priori assumptions inferred from a notion of sense-certainty are treated as if that notion were the basis for a set of self-evidently universal physical principles, as Leibniz exposed the fallacy of this kind of presumption by Descartes and others in Leibniz's *Specimen Dynamicum* and other writings on the subject of physical least action.

So, when proverbial Professor X went to the blackboard to demonstrate a point, he had already, then and there, built in axiomatic-like assumptions about some primeval state of

<sup>&</sup>quot;becoming," an achievement by him which is expressed as the underlying intention of all truly great Classical musical compositions since J.S. Bach.

<sup>25.</sup> Specimen Dynamicum, in Gottfried Wilhelm Leibniz: Philosophical Papers, L.E. Loemker, trans. ed. (Dordrecht, Boston, London: Kluwer Academic Publishers, 1976, second edition).

<sup>26.</sup> Cf. Sky Shields, Op. cit.

<sup>27.</sup> Note that Riemann, as in his 1854 habitation dissertation, warns that competent science does not extend apparent space-time from the ordinary experience into the domains of either the astrophysically very large or microphysically very small.

space and time into defining the subject he would then allege he was explaining to whoever present were credulous enough to believe in this academic occasion's sleight of hand.

What Leibniz represented in that refutation of Descartes et al., echoed the earlier discovery of the same quality of proper meaning of the term "truth," as in the experience which, like Kepler's discovery of the ontologically infinitesimal local action of gravitation, demonstrates the existence of an efficient principle which is acting from beyond the domain of sense-perceptual notions as such. Kepler had demonstrated that we must not attempt to derive universal physical principles from a naively aprioristic geometry, but must define physical geometry from the standpoint of relevant, crucial-experimental demonstrations of what the cognitive powers of our mind must discover to be the physical principles, contrary to sense-certainty, which define the physical geometry of efficient space with regard for the implications of both the very large and very small. <sup>28</sup>

A rigorous sense of the failures implicit in apparent limits of apparent sense-perceptual certainties, is a precondition, as by continuing a Riemannian process of elimination, for defining the efficient existence of principles of action, such as universal gravitation as discovered by Kepler, which are operating from outside the repertoire of what might be explained as effects of explicitly sense-perceptible actualities.

The paradoxes to which I have thus referred, should already have become clearer to us, through experimental penetration into the evidence of experimental knowledge of the atomic and sub-atomic domains, at the one extreme, and as to the higher astrophysical scale, on the other. In these domains we can no longer rely on the simple evidence of our senseperceptual apparatus; we require the design of instruments, instruments which, since they must remind us of the functions of our naturally supplied senses, and thus serve as surrogates for our sense-perceptual powers, warn us that a naive estimation of our given powers of sense-perception also suffers a tendency to promote erroneous, axiomatic, or axiomatic-like presumptions; this should, therefore, warn us against a popular tendency for fallibility in the way we tend to think about defining our natural or synthetic perceptual experiences, respectively.

So, now, proceed from those remarks, to treat some relevant higher considerations.

Prototypes of what I had just stated, include the identification of the specific form of *dynamic* distinction of the physical geometry of living chemistries from non-living ones, that in a way which defines a physical-chemical definition of a principle of *life per se* operating from outside the

functional capacities of what are otherwise experimentally known as the ordinary physical-chemical domain. Or, similarly, the efficiently practical proof of the uniqueness of human creative powers, and their relevant physical geometries, as experimentally distinct, on principle, from anything extant among lower forms of life. These distinctions arise in experimental methods of investigation, but arise only through attention to the implications of the concept of the ontological specificity of the Leibniz infinitesimal, as opposed to the explicitly fraudulent denial of the evidence of the ontologically infinitesimal by reductionist ideologues such as de Moivre, D'Alembert, Euler, Lagrange, Laplace, and Cauchy.<sup>29</sup>

Therefore, it is of crucial importance that we recognize the fraudulent character of the typical arguments of followers of Sarpi's dogma, such as Galileo, Descartes, de Moivre, Euler, Cauchy, Clausius, Grassmann, Helmholtz, et al., as typically symptoms of the role of Ockham's irrationalism when expressed, typically, for modern society in the form of empiricism, positivism, contemporary monetarist ideology, and the radically deconstructionist methods of the existentialists.

All of these bounding considerations which I have just summarized in the preceding paragraphs, come into focus in defining economy as *implicitly defining a physical economy which is expressed as the function of a process of discovery of universal physical principles which is unique to specifically human practice*. Thus, a science of physical economy, as I have defined this for what have been my uniquely successful methods for long-range economic forecasting, corresponds to the presently highest known standpoint of physical science in general.

#### My Experience

Conversely, the comprehension of the actual, physical principles of economy could not have been discovered in any different way than the way in which I developed my own original insights into the principles of economy, through the implications of my own, ostensibly spontaneous recognition of the inherent fraud of what was presented to me as a Euclidean geometry.

The most essential pre-condition for scientific thinking, in this case of my experience and similar cases, pertains to the desire to avoid those conclusions respecting our knowledge of the universe, the which ignore that qualitative distinction between human knowledge, on the one side, and the different kind of experience of the universe, on the other side, expressed by the species-reproductive modalities of lower forms of life. Therefore, the only competent premises *for any branch of physical science*, are those specific to the design based on experience of mankind's willful accomplishment of a willfully

<sup>28.</sup> For example, only a kind of utter, ideologically driven incompetence, could have impelled the devotees of the wild-eyed Sophist Ernst Mach into attributing the apparent form of organization of visible objects in sense-perceptual space to the ontology of a sub-atomic, microphysical domain.

<sup>29.</sup> This is to be recognized, otherwise, as the principle named *dynamis* or *dynamics*, as Leibniz emphasized the latter term in exposing the fraud inherent in Cartesian method.



EIRNS/Michael Carr

LaRouche writes that his unique contribution to the science of physical economy was based upon his recognition of the inherent fraud of what was presented to him as a Euclidean geometry, during his youth. Here, a January 2008 cadre school in Austin, Texas. LaRouche is reproducing in the minds of a new generation the fundamental principles of scientific discovery.

driven qualitative form of progress in potential relative population-density per capita and per square kilometer which, specifically, does not occur under any lower form of living process.

Thus, the professional who insists, "I am a scientist who has no time to bother with economics" has thus exhibited a specific, specifically anti-humanist kind of incompetence respecting the principles of science in general. He has ignored the specific characteristics of the social-reproductive processes of the species he is implicitly considering, the human species.

Human progress in the raising of the potential relative population-density of societies, and, thus, of the persons who dwell within them, depends upon conscious intention to increase the potential relative population-density of the society as a whole. This is not limited to one's own nation; the very principle of dynamics itself, shows that the failure to raise the level of potential relative population-density of any section of humanity, has a depressing effect on what would be otherwise the increase of the potential of those portions of humanity which are progressing, relatively, in other ways; real economic processes are globally (i.e., universally) physically *dynamic*, not Cartesian.

Only when I had progressed from my initial commit-

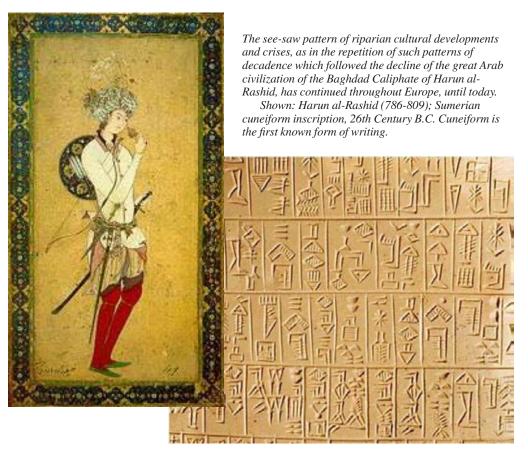
ment to what were, for my adolescent years, the crucial implications of the work of Leibniz, to my realization of the significance of Riemannian physical geometry, nearly two decades later, did I recognize those crucial implications of dynamics for a science of physical economy on which my unique successes as a forecaster have depended. Not only was it necessary to make these steps; with a certain healthy contempt for the false ontological presumptions of socalled conventional views, I would not have been impelled to work adequately through the implications of the demonstrable follies within views of economy antithetical to my own.

Among the most agreeable sensations experienced in that enterprise, has been the recognition, first, of the exciting discovery of the essential validity of the founding and further development of the American System of political-economy, which was already, in my youthful experience, contrary to what had been taught to me in the

circles of my parents and others from adolescence through my thirties and beyond. Without these preliminaries of adolescence and young manhood, my 1953 discovery of the relevance of the principles of Riemannian method would not have been possible.

Failure to recognize the proof of the ultimately disastrous effects for humanity as a whole, of the presumption of "globalization," the delusion that the cheapest labor is competitively the most efficient for humanity as a whole, is the presumption of fools ignorant of the barest elements of the dynamics of actual economies. Transferring the property-title for government-financed and created basic economic infrastructure to a mechanism of looting the nation in the hands of loan-sharks who are misnamed "private entrepreneurs," is an economic and moral disaster copied from those practices of Lombard-banker usury which plunged all of Europe into the great medieval "New Dark Age" which wiped out about half the parishes of all Europe and reduced the population by about one-third within approximately a generation!

It was once famously said by a Professor George Santayana from Harvard, of all places, that those who have failed to study history are condemned to relive it. One wonders today: How foolishly illiterate can some elected officials, Presidential candidates, and others, be?



# 3. Sumer, Women & History

Humanity is the only living species which is capable of a willful mode of progressive ordering of the increase of its species' potential relative population-density. Once we have accepted the reality, that man and woman are distinguished categorically from all other mammals by the potential creative (anti-entropic) intellectual powers specific to the human species alone, the subject of history is to be recognized as nothing other than the processes of evolution and devolutions of human cultures' combined scientific and Classical-cultural response to that Solar System setting from within which humanity is operating.

From that point on, the subject of the action exerted by that historical process is located, for competent thinkers, as lying principally in the Noösphere, rather than the Biosphere.

1.) Life has never come from non-life. 2.) The distinction of human life is located in a principle which belongs to a domain outside the domain of animal life. In the evolution of our planet, there are three presently known, categorical phases, the *pre-biotic*, the *Biosphere*, and the *Noösphere*. The characteristic direction of both our Solar System and the transformation of our planet itself, has been the creation and the increase

of the Biosphere, as typified by the generation of a breathable atmosphere and of waters, relative to the non-living, and of the Noösphere, relative to the Biosphere.

On those accounts, there is a relevant lesson for today to be learned, as an example, from inclusion of questions posed by one of the crucial case-studies of the known ancient history of the physical economy in the west Asian part of the larger, Mediteranneancentered region within which European civilization arose. That is the ironical case of the rise and fall of ancient Sumer and other expressions of the cuneiform culture, and the even more profoundly ironical lesson to be learned when we compare that case of ancient through medieval Mesopotamia with a pres-

ent-day problem associated with the role which, unfortunately, continues to be assigned, if only implicitly, to women generally, in modern European cultures today.

Ancient Sumer's attributable origins were those of a maritime culture expressed in the region of the Indian Ocean, 30 one among the examples of the way in which one among the non-Semitic, dominant maritime cultures of the last great, millennial post-glacial melt period had functioned. That culture is best known to us today in its manifestation as a cuneiform culture, a colonization typical of notable lower riparian regions upstream from the mouths of those major rivers which had been left running in the wake of the earlier portions of the great post-glacial melt.

From notable archeological studies, amid the available evidence from the relatively earlier portions of this colonization-process, we have the appearance, in this case, of what archeologists have defined as an ancient "bow-tenure system." In this system's more respectable phases of existence, the farmers who maintained the irrigation system, and defended it against salination, among other threats, had a positive kind of symbiotic physical-economic relationship

<sup>30.</sup> The role of such Indian-Ocean-based cultural roots is a subject usually related to the radiated influence of Indian Ocean maritime cultural influences

with the managers and bookkeepers of the great common granaries.

What appears to have been the original form of this riparian system, underwent crises, crises leading toward the rise and fall of an Akkad which was partly an echo of the cuneiform culture of Sumer, and also continuing what became a subsequent underlying, see-saw pattern of riparian cultural developments and crises, past the rise and fall of the great Baghdad Caliphate of Charlemagne's ally Haroun Al-Rashid and the latter's successors.<sup>31</sup> There lies a pattern which remained evident to the eye of the witting traveler as I spent a couple of days moving by helicopter, up part of the Euphrates north of Baghdad, in April 1975.

The essential feature of this pattern itself, had been the recurring effects of a pattern of cultural degeneration from the equivalent of "bow tenure," to the equivalent of hired "stoop labor," to outright slavery, as in the repetition of such patterns of decadence which followed the decline of the great Arab civilization of the Baghdad Caliphate. That pattern, which has continued throughout Europe, still today, through the time of that infamous modern Sophist and organizer of African slavery in North America, John Locke, was first made clear for modern students of archeological history, by their considering the long-ranging pattern of the evidence assembled from such beginnings as archeological studies of Sumer. This provides us a demonstration of the otherwise typical effects of a periodical eliminating, or virtually eliminating of the role of the willfully creative powers of the individual human mind from the general cultural practice of the relevant society.

The modern expression of the effort to suppress the recognition of the creative powers of the human mind, is the so-called philosophical Liberalism introduced to modern Europe by Paolo Sarpi, as his revival of the doctrine of the medieval irrationalism of William of Ockham, a form of modern irrationalism which emerged during the Seventeenth Century in such expressions as empiricism, positivism, and existentialism, all of these under the rubric of the form of irrationalism which came to be known as modern Anglo-Dutch Liberalism.

Against the background which I have just identified in this present chapter thus far, I refer again, as earlier in this report, to the concept illustrated by Aeschylus' *Prometheus Trilogy*, the surviving elements represented by the *Prometheus Bound* most notably.

## **Women in Recent History**

Within the range of such historical studies of these and other roots of development of what emerged as European civilization, when that evidence is compared with similar patterns in known history generally, we have the not-unrelated case of the long record of relegation of women, of even our own present-day society, to a second-rate intellectual development, that even in modern European culture, as in the case of the U.S.A. during the Twentieth Century and now: a matter forced to special attention now, at the moment of the presently ongoing U.S. Presidential campaign.

The discussion becomes most interesting, and also most controversial, the moment we shift emphasis to a focus of attention on the subject of the often relatively degrading, assigned role of women in what is termed "social work."

I emphasize, thus, the example of a certain kind of "willing intellectual slavery," rooted in the forms of Sophistry associated with the behavioral characteristics of modern radically reductionist dogma and its habits, as found among avowed "feminists" and other "middle class" women in the globally extended European culture of today. I refer to the case in which women are ostensibly upgraded in their accessible *relative* social-status rank in the government of society, but achieve this gain under the frequently implicit condition, that the intellectual and moral condition of women generally, and the feminist of the relatively higher income brackets in particular, may enjoy certain benefits of social change, but usually gain virtually no net intellectual improvement in actual cognitive potential, relative to that of comparably leading cases from earlier generations; rather, the recent trend has come to represent a factor of relative cultural decadence, as in the decline of culture in Europe and the Americas since, especially, 1968.

Thus, in the wake of the shift to post-industrial society, a shift against which President John F. Kennedy fought the last few years of his life, the shift into a post-industrial ideology of practice saw women rising in their relative participation in executive roles, but also, therefore, sharing in an accelerating decline in the economic culture and general welfare and economy of the nation as a whole. More and more women came to play a relatively more significant role of influence in the management of what was, in net effect, an accelerating cultural degeneration of the society at large. This was, thus, a most ironical, relative advancement of more and more women of the upper through middle income-brackets to an executive role of participation in steering the economy presently toward Hell.

Since the immediate aftermath of World War II, there has been much change, especially that expressed by increasingly wild-eyed eruptions of sophistry and smoking of psychedelic marijuana,<sup>32</sup> but, since the mid-1960s, no net ad-

<sup>31.</sup> Although Charlemagne received the imperial crown, he was not only an enemy of the Byzantine imperial system of that time, but his achievements were the target of both the Byzantine Empire and its Norman-Venetian successors through those deaths of the Staufer emperors which paved the way for what was to become the Fourteenth Century's "New Dark Age." Peace between France and the Arab states of near Asia, was the mainstream of the diplomatic and related policies of Charlemagne and his notable successors through the death of Staufer emperor Frederick II. This was an underlying trend in anti-Norman policy of medieval and modern France, from Louis XI, until Napoleon Bonaparte's regime reversed it.

<sup>32.</sup> The term "psychedelic" was minted by the circles of followers of the pro-Satanic Aleister Crowley, such as his initiates Aldous and Julian Huxley. It



FIRMS/Rill Iones

With the shift into a post-industrial society, "More and more women came to play a relatively more significant role of influence in the management of what was, in net effect, an accelerating cultural degeneration of the society at large," taking leading positions "in steering the economy presently toward Hell." For example: Rohatyn asset, House Speaker Nancy Pelosi, shown here with Sen. Harry Reid, following the Democrats' (Pyrrhic) victory, in the 2006 midterm elections.

vancement, but, rather, widespread retrogression exhibited, in respect to the functional quality of developed intellectual powers. Through methods of acute cultural degeneration of European civilization as a whole (such as the spread of existentialism), the standard of intellectual life in Europe and North America today, for both women and men, has fallen generally to what is relatively an abysmal level, relative to earlier times.

Therefore, we must not confuse the issue of currently relative social status, with that of absolute status. Sharing that poverty, or, the effects of the cognitive decadence which has become increasingly widespread in the Americas and Europe today, is not what should be intended as an advancement in "equality." Rather, it is the distinctions of the human being from all the beasts, distinctions specific to the creative powers expressed by Leibniz's notion of the ontological infinitesimal, which should be recognized as the absolute issue of political

was introduced as a surrogate for the clinically authentic term "psychotomimetic." The promotion of this explicitly Luciferian cult was centered in the circles of the same Brigadier John Rawlings Rees of the British official psychological warfare organization featured in the establishment of the London Tavistock Clinic, the organization which sponsored the development and promotion of LSD. Marijuana of an increased psychedelic potency is included in this repertoire.

life today; it is those qualities of the development and expression of the creative powers of the individual human mind, which distinguish man from beast, those creative powers of the human mind which do not exist among the beasts, which must be recognized as the existential quality of the "fighting issues" facing all humanity, still today.

That case of the relative condition of women, must be compared with the contradictory trends of recent decades in both the Americas and Europe. We witness the accelerating rise of the incomes and influence of our parasitical classes, such as the case of the parasite, New York Mayor Bloomberg,<sup>33</sup> which must be compared to the plummeting standard of living of the majority of our U.S.A. and western European populations since, not only, the early 1970s petroleum-price hoax which made the U.S. dollar a tool of the European petro-dollar swindle, but, most notably, under the Y2000 collapse under Ayn Rand follower

Alan Greenspan's reign at the Federal Reserve System.

Reliance on statistical trend-lines in economics, is intrinsically incompetence, as the influence of such incompetence of official reporting over the U.S. decades since the assassination of President John F. Kennedy has shown. Competent measurement in economy is not financial-statistical, but physical; it is essentially a matter of physical measurements which must be made according to the principles of Leibnizian (i.e., Riemannian) *dynamics*, not neo-Cartesian statistical mumboiumbo.

A pig has what some people might wish to consider "free will;" only human individuals share in common the specific potential creative powers of a Plato, a Nicholas of Cusa, a Dante Alighieri, a Kepler, a Leibniz, or a Beethoven. The relevant principle of dynamics is expressed both in terms of (Riemannian) potential relative population-density, and the specific rate of increase (or, decrease) of the characteristic rate of change in relative potential population-density for societies as wholes.

<sup>33.</sup> Bloomberg's identity as essentially a parasite is typified by his scheme for buying up government-created infrastructure at bargain prices, and then looting the public by charging usurious fees for the public's use of that infrastructure.

Thus, it is a mark of the physical-economic decadence of intentions of governments and popular opinions, which the U.S.A. and Europe are currently suffering, that, still today, the underlying, widespread, Romanticist's quality of implied presumption, is, in practice, that the modern woman is specially suited, not for the science upon which the maintenance of the conditions of life depends, nor for the modes of Classical artistic composition typified by Leonardo da Vinci, William Shakespeare, Johann Sebastian Bach, and Friedrich Schiller, which promote insight into the social process as a human process, but for the "social work" which is comparable to "rearranging the deck-chairs on the Titanic," or the like

Currently, the prevalent idea of a woman in management of a firm of any kind, is usually degraded to some form of the presumption, which might have been borrowed from the French sociologists of notoriously pro-existentialist leanings, such as the utterly decadent European Congress for Cultural Freedom, that the managerial post is intended to be a form of drawing upon the same quality of special, limiting capabilities of women for work which is comparable to the set of assumptions peculiar to the idea of "social work," as "social work" is associated with the relevant characteristics of the existentialist academic modalities typical of the types of "Ladydo-rightly" social-work doctrine during the childhood, adolescence, and adulthood of the generation born between 1945 and 1958: not making chairs, but merely re-arranging and decorating them.

This is to be compared with a growing, tragi-comic tendency, largely by default, to promote men from other employment, to the role of being "mothers" in almost all expressions short of child-bearing, with the consequent presumption that these new, "odd couple" types of "feminized" Don Juans will develop proficiency in "nagging."

As one excellent model of a modern woman I know puts it most aptly: "Intellectually impotent men bring out feelings of aggression in me!" Some women prefer, or even insist upon the type of intellectually impotent male upon which they will tend to chew as on the head of an old-fashioned leadpencil, or they will be enraged by a male who refuses to cooperate, submissively, in that intellectually degraded sort of pair-wise social relationship.

However, in all of this, the crucial fact to be considered is the role of dynamics. The quality of life in a society is the quality defined by the conditions among all sectors of its population. If men were well educated, and women not, the entire society will be dragged down, both physically and intellectually, by the resulting nature of the interaction of men and women generally. If part of the society lives in cruel poverty, the entire culture is morally and otherwise degraded. This principle of dynamics applies not only to men and women, but to the intellectual interrelations among all parts of the culture, as to the relationship between rich and poor alike.

That is the tragedy of oligarchical societies, even those

maritime cultures which had been, until recently, the leading edge of cultural progress. As the case of examination of the United Kingdom today shows, an advantaged social class, like that of the British, is degraded into decadence by the effects, upon itself, of its attempted oligarchical forms of tyranny practiced upon the intellectually and culturally stultified masses.

# Therefore, the Monadology

Instances of that sort should direct our attention back to both the opening subject of this report, and of my preceding report on the Monadology: the function of individual creativity in society, as I have defined creativity here. At the present moment, concentrate for a time on the role of true creativity in pair-wise and broader social relationships. Acknowledging the all too typical intellectual habits of our times in their own terms, you might be blinded by your own conceits, to the pat that you do not recognize the singular importance of that issue; but, after all, it is not the pain we suffer which is the most important of the practical issues we should face; but, rather, what should be crucial for us, is securing the means by which we may locate in ourselves the power to be freed from intoxication with the assorted types of fears and fantasies which, combined, tend to shackle, and stupefy the minds of most of humanity, world-wide, today.

Thus, in these terms of reference, the clinical, bench-mark case of ancient Sumer becomes a model benchmark-issue on which to moor our perspective on history's unfolding development over millennia leading to the state of affairs of today. This leads our attention to the subject of creativity per se, not merely as a matter of individual potency, but, as the principal, determining point of reference for tracing the evolution, or devolution of the role of dynamic social relationships in shaping the course of that span of history up to the present time. That, in turn, guides us to insight into the self-inflicted, now onrushing destruction of the British empire today.

The ultimate origin of all true progress in both the increase, and even the maintenance of the potential relative population-density of a society, depends upon the role of what are actually the anti-entropic, ontological characteristics of relative qualities of expression of potential individual human creative mental activity, that in the roles of both increasing the potential relative population-density in a culture, and in resisting the entropy induced by a lack of the beneficial effects of such creativity.<sup>34</sup> In the attempt to overcome

<sup>34.</sup> The depletion of a finite resource, as through compelling resort to poor qualities of such resources, lowers productivity. This must be offset, ultimately, by more advanced ("more powerful") higher energy-flux-densities of principles, technologies. or new resources). It is to be emphasized that the interval c. 4,000-2,000 B.C. represents the fag end of a long wave of glacial melt, from about 17,000 to about 2,000 B.C., during which the typical rise of the ocean levels, to present ones, was between 300-400 feet. The geography of the coastal regions, and the related changes in riparian characteristics, must be taken into account.

these flaws in currently prevalent patterns of beliefs, what is decisive is knowledge of the role of the individual in generating and mediating conceptions which are essentially anti-entropic in their opposition to the stultifying prejudices of the existing culture.

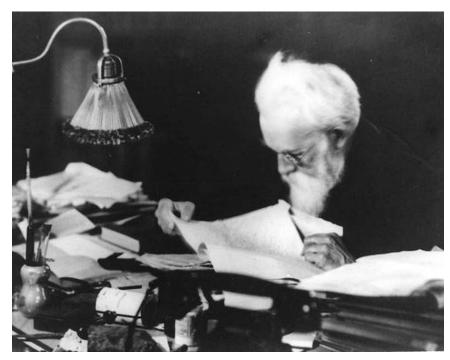
The benefits of these forms of creativity, which are rarely recognized in European culture today, are expressed, chiefly as either discoveries of universal physical principles, in the tradition of Cusa, Kepler, and Leibniz or, similarly, of the applicable implications of such discoveries, or in the form of Classical irony in Classical artistic composition. The standard which defines "progress" in cultural development, is, specifically, a manifest net increase in the potential relative population-density of a society as a whole: a term specific to the conception of dynamics, especially Riemann dynamics.

As I have frequently emphasized in my writings, and otherwise, on this and closely related issues of creativity, as during the past sixty years, the most charac-

teristic issue to be treated in any examination of human cultures during the just-indicated or much earlier times, is the issue summarily posed by the great Aeschylus' *Prometheus Trilogy*, the surviving fragment of that Trilogy, *Prometheus Bound*, most notably. That is the issue, the issue of that creativity which is essentially the functional distinction of human beings from beasts, a standard which is most typically represented by the conflict of Solon of Athens with that slave-system of Lycurgus' Sparta which typifies the Delphic origins of the Gaea-Python-Apollo-Dionysus cult associated with the roots of ancient Greek Sophistry.

The crucial fact of history implicit in these points which I have introduced in this present chapter thus far, is that there are two absolutely contradictory conceptions of the characteristics of the rise of modern European civilization since its roots in the relatively known history of the "Middle East/ Mediterranean" region. This is a contradiction whose known history can be traced efficiently since a point significantly earlier than the birth of what became a specifically European civilization born about the time of an alliance of Egypt with the Etruscans and Ionians against the maritime power of Tyre, approximately 700-600 B.C.

This is shown by the examples of the implicitly known work of Thales and Heracleitus, and the echoes of their work in the development of the foundations of known physical science by the Pythagoreans and the network of Plato. Through that entire interval, since the time of Thales, there is a clear



The Ukrainian-Russian scientist V.I. Vernadsky defined the Noösphere, the realm of cognition, as above and distinct from the Biosphere. "This quality, which distinguishes man fundamentally from beasts, is associated with the principle of specifically human discovery of true universal physical principles," says LaRouche.

pattern of conflict between two diametrically opposed conceptions of the nature of the human species, an opposition which is aptly typified by the real-life historical implications of Aeschylus' *Prometheus Trilogy*.

This difference between two opposing conceptions of human nature, is the key to the understanding of the crucial issues determining all of the world's history, now, and for the generations yet to come. The crucial issue underlying all of this, is *the notion of the ontologically infinitesimal*, a notion already implicit in the work of the Pythagoreans and Plato, which was revived as the basis for modern physical science by Nicholas of Cusa,<sup>35</sup> and expressed as the foundations of modern scientific progress in the work of Leonardo da Vinci, Johannes Kepler, Fermat, and Gottfried Leibniz, and, by Gauss, Riemann, Vernadsky, and Einstein. It is what I have identified as *the systemically antireductionist physical principle of the ontological infinitesimal* of the Leibniz-Bernouilli principle of universal physi-

<sup>35.</sup> I.e., the modern conception of the ontologically transfinite was introduced by Nicholas of Cusa's correction of the erroneous assumption specific to Archimedes' quadrature of the circle and parabola. The first systemic experimental proof of this discovery by Cusa was provided by Johannes Kepler's demonstration of the principle of "equal areas, equal times." Kepler's discovery is the foundation of the method employed by all competent modern physical science, as by Fermat, Leibniz, Gauss, Riemann, Vernadsky, and Einstein contrary to the Sophist methods of the empiricists and their like.

cal least action. This latter is the same principle featured in my *On Monadology*.<sup>36</sup>

# 4. The Monadology & You

The ostensibly sociological issue which I have emphasized in the preceding chapter, and in my earlier paper on Monadology, poses questions of urgent importance for our presently, increasingly calamitous times, social questions which we must refer, for answers, to the domain of Riemannian physical geometry.

As I have stressed in locations published earlier, the physical-chemical evidence which was implicitly referenced by Academician V.I. Vernadsky in defining the Noösphere, locates the efficient expression of the distinction of man from beast in a principle which is necessarily distinct from, in the sense of being categorically "above," the elementary concept of life as a principle of the Biosphere. This quality which distinguishes man fundamentally from beasts, is associated with the principle of specifically human discovery of true universal physical principles, as this notion from the ancient Egyptian and Greek Classical times was re-introduced to modern European civilization by Cardinal Nicholas of Cusa, as in locations such as his founding of modern European science in works beginning with his *De Docta Ignorantia*.

It is this same principle which is expressed by Johannes Kepler in Kepler's uniquely original discovery of the universal principle of gravitation, and which is at the center of Gott-fried Leibniz's uniquely original discovery of the calculus of *the ontologically infinitesimal*. It is the same principle, which owes its more fulsome expression, chiefly, to the anti-Euclidean physical geometry of Bernhard Riemann's 1854 habilitation dissertation.

The central feature of the relevant argument which I present in this present report, depends upon Vernadsky's proofs in the domain of physical chemistry, crucial proofs of the existence of a principle of life which does not occur within non-living processes. This also demands, that we pin-point the independent universal physical principle which distinguishes the human individual, ontologically, universally, absolutely, from all lower forms of living processes. The relevant argument required for our purposes here and now, goes as follows

There is no competent science of economy which does not rely upon these foregoing foundations of a competent science of economy.

To understand the cultural crises which wrack and ruin today's world as a whole, we must recognize that the notion of Sophistry, which is traceable in European civilization from such ancient sources as the Delphi Apollo-Dionysus

36. LaRouche, "On Mondadology," Op. cit.

cult, has been reincarnated essentially in the domination of the cultures of modern European society by the Anglo-Dutch Liberalism whose proximate origin is to be traced to the influence of the founder of the Neo-Venetian political party of Paolo Sarpi, a Liberalism whose influence produced that modern imperial form of Sophistry known as the neo-Venetian phenomena of Anglo-Dutch Liberalism, such as Cartesianism.

## **Economy & Modern Imperialism**

From its February 1763 Peace of Paris, which was the occasion of the founding of the actual financial empire of Lord Shelburne's British East India Company, still operating, if under modified costuming, until today, the British Empire has been essentially a neo-Venetian (Sarpian) form of global maritime empire of a reformed Venetian financieroligarchical system, a reform based on the revived irrationalism of the medieval William of Ockham, which thus superseded the failed Aristotelean doctrine of the old Roman imperial model of Byzantium and of the Crusaders' medieval Venice.

The installation of this philosophical standpoint of Anglo-Dutch Liberalism, has created an imperial boundary for development of modern society, a boundary within which it seeks to confine the prospects for continued human existence in that mode. This British imperial boundary imposed upon humanity at large, has been challenged by the developments in North America which, while transferring the best known fruits of modern European culture to the Americas, created an ordering of affairs within North America which was thus significantly, if not perfectly, free from the corruption represented by the neo-Venetian system of Anglo-Dutch Liberalism.

For reasons which I shall emphasize in the concluding chapter of this report, the continued role of the neo-Venetian style of financier imperialism represented by the British system, has imposed its threatened absolute boundary-condition on a civilization which succumbed to a continued hegemony of this British influence. The extension of world history under the inherent reflexes of that British system and its auxiliaries, would tend, strongly, to bring humanity as a whole to a limit at which a general, vastly genocidal breakdown of the present world system would occur: unless we now introduce certain radical changes which would, significantly, prevent that catastrophe.

The world has now reached approximately that limit, that verge of a now immediately threatened general, planetary breakdown-crisis.

The existence of this kind of now very rapidly approaching boundary-condition, was already demonstrated most clearly during the period of President Franklin Roosevelt's service. It was clear to Roosevelt and to his relevant adversary Winston Churchill, that the success of U.S. leadership in making possible the defeat of the Hitler regime, defined the imme-



"True scientific knowledge could not come into existence except through the effects of society's use of celestial navigation as a method for repeated migrations, back and forth, either under the conditions of long-term glaciation of large regions of the planet, or comparable circumstances."

Shown here, the Orion constellation, on the celestial equator.

diate preconditions for an inevitable collision between the U.S.A. and British systems, as President Roosevelt stated this frankly, and repeatedly, to Churchill during the course of World War II, and as Churchill's Britain understood this clearly in its own determination to uproot and destroy all of those qualities of the U.S.A.'s constitutional system which had defined the absolute superiority of the U.S. system to the British one.

Immediately upon President Franklin Roosevelt's death, President Truman joined Churchill's cause in the effort to castrate and gradually destroy those anti-imperialist characteristics of the U.S. constitutional system which Churchill and his confederates hated so devoutly. Later, with the assassination of President John F. Kennedy, the process of attempting to up-

root the Franklin Roosevelt legacy, went from sabotage to intentional uprooting and destruction of everything which had made the U.S.A. the great power which had led in the defeat of fascism. What H.G. Wells praised, as he did during the early 1930s, as his own, British style in fascism, has taken over, more and more, the cultural trends within the U.S.A. and Europe over the recent decades.

So, today, especially under the Bush-Cheney Administration, the U.S.A. has now become virtually self-destroyed, aided, lately, in this by the complicity of such fools as Speaker of the House Nancy Pelosi, an asset of the perfervidly fascist Felix Rohatyn. However, what the resulting, present state of world affairs represents more immediately, is the attempted triumph of the British empire's program for a model of society which is to be fairly described as a globalized new Tower of Babel. World civilization at large could not long outlive such a mode of collapse of the U.S.A., a collapse which would be, presently, a greater calamity than that which Europe experienced in the middle of its Fourteenth-Century "New Dark Age." Thus, the triumph of the Anglo-Dutch Liberal system at this time, would be the doom of civilization world-wide, a doom expressed in a chain-reaction style of general breakdown crisis of the planet as a whole: that for reasons I shall make clearer in the subsequent, concluding chapter of this report.

Those things considered, the question to be addressed is defined broadly as follows.

To serve the purposes of the subject which needs to be set forth in this particular report, I must devote the following portions of this present chapter of my report to presenting a relevant kind of summary form of recapitulation of the arguments on the subject of the physical science of economics which I have published in earlier locations, as follows. I present four categorical arguments to this effect.

#### First: What Is Science?

From the relevant known, attributable evidence obtained from ancient until modern sources, *science* begins where the reign of "sense-certainty" has been brought to a close.

The notion of science is, properly, the notion of knowledge addressed to specifically universal subject-matters, which means observation of principled changes in the observable universe, especially the astronomical universe. Such changes became observable for scientific or related purposes, only under the conditions of use of very long periods of observation of the visible aspects of our surrounding universe, for guiding what had been ancient, long-ranging, often repeated migrations.

In fact, for that reason, true scientific knowledge could not come into existence except through the effects of society's use of *celestial navigation* as a method for repeated migrations, back and forth, either under the conditions of long-term glaciation of large regions of the planet, or comparable circumstances.

It is presently known, as since Bernhard Riemann's reference to this fact in his 1854 habilitation dissertation, that phenomena occurring on a scale corresponding to the atomic and sub-atomic, on the one side, and phenomena on the astronomical scale, on the other hand, can not be competently represented by resort to assumed geometries which were based on the ordinary macro-scale's observations.

Thus, anything deserving the name of *science*, is a matter rooted in celestial navigation, as in the course of regular, probably seasonal migrations over navigable distances of thousands of kilometers, that during a span of very many generations. As study of ancient calendars points out to us today, a valid concept of science could have arisen only under such conditions of persisting, long-ranging celestial navigation. From thence, the idea of a true physical science descends to more local earthly activities, until the scientific crisis met on the scale of the atomic and sub-atomic becomes the new quality of challenge to be considered.

As I have emphasized repeatedly, earlier in this present report, and many reports uttered by me earlier, any and every attempt to interpret events and processes from the standpoint of *a-priori* assumptions, such as those of widely taught Euclidean Sophistry or kindred presumptions, introduces a crucial element of systemic incompetence, even into what were otherwise qualified experimental investigations. It is for these reasons, that virtually every general sort of long-range economic forecast presented publicly by leading personalities and institutions has proven, consistently, to be essentially incompetent, as we witness this incompetence afresh, in the policy shaping of the U.S. Federal government, and also most foreign governments presently.

What should have been the obvious issue here, is the fact, which I explain, I think that done adequately, in this location, that science and sense-certainty are antithetical subject-matters. Science requires some kind of evidence whose very nature affords us a means of verifying, or refuting the notions of the organization of the universe which sense-perceptions alone would tend to imply.<sup>37</sup> In other words, science begins where and when *a-priori* presumptions, such as those of Euclidean geometry, have been cast aside as being inherently, systemically, absurd.

Thus, contrary to the viewpoint expressed by the dupes of the Sophist hoaxster Claudius Ptolemy, the universe never simply repeats itself. There are always what may appear to be cyclical changes, but any given such set of changes is also subject to a higher set of changes, and so on. It is not some observed simple repetitions which define the organization of the celestial navigator's universe, but, rather, a nested array of successively higher-ranking such changes. It is the adducible principle of these nested orderings which provides us a practically reliable, actually physical notion of the meaning of "universe," as in the case of Einstein's notion of a finite, but unbounded universe.<sup>38</sup>

Such arrays of experimentally verifiable, nested patterns of universal change, thus define the proper meaning of *universe*. This situates the notion of *universal physical principles*. These are notions which correspond to recorded experience of observations in long-ranging calendars of the type attributable to products of a culture shaped by a long-ranging practice of celestial navigation, and are, thus, specific to the fruitful work of successive generations of astro-navigators. The notion of a universe of anti-entropic changes, so defined, is the unique quality of founding basis for a competent representation of any notion of science as such.

So, from that standpoint, we have Heracleitus' famous aphorism, and its echoes in Plato's Parmenides dialogue. In a true scientific knowledge of the type rooted in the habits acquired from celestial navigation, nothing exists but continuing change. Only the practical reliance on evidence of the universal, as demonstrated by reliance on long astronomical cycles expressed in terms of calendars of several thousands of years, or much longer evidence from the practice of celestial navigation, permits mankind to escape successfully from the folly of assuming that a-priori notions of sense-certainty define the actual universe in which we exist. That is to be taken as the practical meaning of the term "universal." It is the study of qualitative changes in ordering of the universal process, as in astrophysics or microphysics, which, by freeing us of the effects of blind, habituated faith in senseperception, define the only competent notions of truthfulness essential for the foundations of both science and competent statecraft generally.

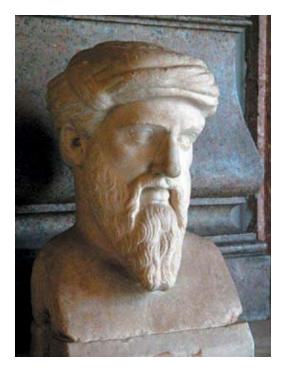
# **Second: The Method of Science**

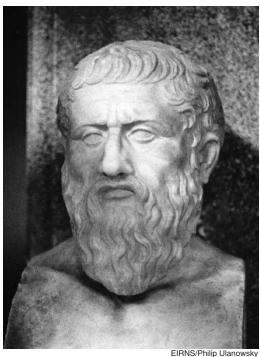
Thus, the Pythagoreans, who benefitted most notably on this account from the influence of the science of the Egyptians, adopted an expandable body of scientific knowledge which the Egyptians shared with relevant Classical Greeks, a knowledge named *Sphaerics* by them. Although we know competent science to be much, much older than the Pythagoreans, the poor state of organization of surviving documentation, such as the fragmentary, surviving documentation of the work of Thales and Heracleitus, compels us to take the known heritage of the Pythagoreans and Plato as today's historical benchmark-knowledge of systematic scientific thought.

In adopting that view, we must emphasize that the views on matters of physical science which are, like the Sophistry of Euclid, or reductionists such as the crude materialists, contrary to that of these preferred sources, are proven to be incompetent, even in their own terms.

<sup>37. &</sup>quot;Sense-certainty" is properly limited to discriminating between an actually experienced, as opposed to a merely imagined sense-experience.

<sup>38.</sup> Note again, that the conception of a "finite but unbounded universe" is specific to a science free of the intrinsically pathological presumptions of reductionist methods such as empiricism.





The Pythagoreans and Plato made three pivotally crucial contributions to univeral knowledge: 1. the notion of the "comma," from Pythagoras; 2. the doubling of the cube by the Pythagorean Archytas; and 3. the conception of the immortality of the human soul, attributed to Pythagoras, and rigorously defined by Plato. Left: Pythagoras of Samos; right: Plato of Athens.

We are thus obliged, as were the Pythagoreans and Plato, and Nicholas of Cusa and his intellectual heirs later, to contrast the notion of universals to the notions of local sense-perception.

On this account, the pivotally crucial heritage of the Pythagoreans and Plato is to be located in three outstanding features of the knowledge presented by these sources:

First, the notion of the *comma*, from Pythagoras. Second, the duplication of the cube (purely by methods of construction), by Plato's friend, the Pythagorean Archytas.

Third, the conception of the immortality of the human soul, attributed implicitly to Pythagoras, and rigorously defined by Plato.

When we view the accomplishments of the Pythagoreans, in retrospect, from the standpoint of Kepler's fundamental discoveries of principle presented in Kepler's *The New Astronomy*, the notion of Sphaerics is stretched, as the evidence requires, to take into account the notion of *the ontologically infinitesimal* associated with elliptical functions as this challenge was presented by Kepler to his intended heirs in the founding of modern physical science. By "modern physical science," we must signify such matters as the uniquely original discovery of the ontologically infinitesimal calculus by the Leibniz who combined Kepler's own discovery with the experimentally grounded, universal principle of least action which had been presented in a preliminary form by Fermat.

For the remainder of the matters to be considered on this

account, the essential issue of scientific method was settled in the opening pages of Bernhard Riemann's habilitation dissertation, when time by itself, matter by itself, and space by itself, ceased to be subjects of competent science, and the world view later expressed by Albert Einstein took over competent physical science, top down.

#### Third: Physical Science & Classical Culture

This author's deepest personal complaint against the kind of argument underlying the notorious New York Times' Style Book, is that the implicitly calculated, net effect of the change from Classical modes, which the Times' manual represents, is not merely entirely away from Classical practice, but habituates the consenting dupe of that manual to either a "grammarian's funeral," or, at the least, a systemic violation of the most essential features of the higher order of mentation expressed by all thoughtful modes of Classical prose and poetry. The mind of the victim of the Times' implicitly embedded doctrine, is a crippling form of stultification of the processes of thinking and communication which directs the Times' victim into the essentially irrational habits of the kind of Sophistry which is, indeed, fairly recognized as the duped readers' loss of power for actual Classical thought and composition.

By preventing the victim of the *Times*' and kindred doctrines from communicating in terms of what Percy Shelley identified, as in his *In Defence of Poetry*, as profound and impassioned modes of communication respecting man and nature, the *Times*' and other sources avoid, and even seek to destroy the same intellectually and morally superior terms to which I had become habituated, since childhood and youth,

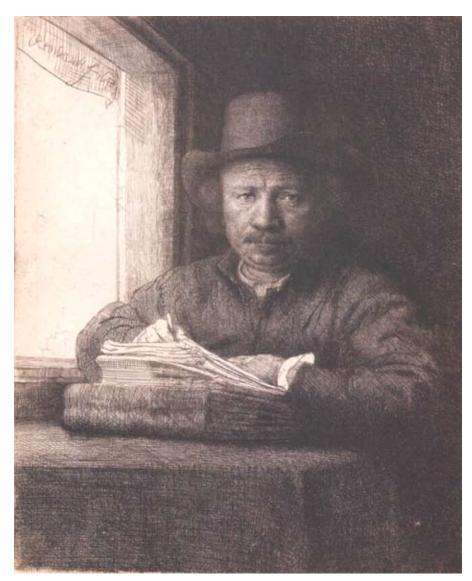
from Classical authors' works. The crippling of the power to speak coherently, as by the *Times*' doctrine, is also an habituated crippling of the power to think. So, the credulous victim of the *Times*' doctrine suffers a crippling impairment of the ability to think competently at all.

The systemic fault in what the Times' style typifies, is properly recognized as the same systemic form of pathology expressed in the way in Eighteenth-Century, which Cartesian empiricism corrupted the ability among many relevant, nominally leading scientists, of that and later centuries, to think scientifically. For example, without such systemic stupefaction in institutionalized education generally, today's acceptance of Ernst Mach, Bertrand Russell, and such Russell epigonoi as Professor Norbert Wiener and John von Neumann, would not have been feasible. Typical, and crucial in this Sophist perversion called modern Liberalism, is that denial of those essential principles of competent modern physical science which is associated with Descartes and such among his successors as the empiricists generally, the positivists, and the existentialists. Crucial, is the loss of the principle of the Pythagorean comma, which is not a mere punctuation mark; that loss is the same thing as the loss of access to the conception of the ontologically infinitesimal in physical science.

The fraudulent element in schemes akin to the *New York Times*' Style

Book, is the transparent attempt, there, to appear to emulate the Aristotelean syllogistic method. This is to be viewed from the standpoint of the theologian, in terms of what I have referenced earlier as Philo's condemnation of the Aristotelean theology of his time. The *Times* follows in the footsteps of those Gnostics who came under attack by Philo on this same account.

That is to emphasize, that the universe, like our Solar System itself, is a process of anti-entropic creation. The force of creation (anti-entropy) is expressed as an undeniable paradox which is presented for observation as an irony, the *irony*, akin to the type of irony which drives a Mozart or Beethoven composition in conformity with the principle of J.S. Bach, of some actual feature of a process—the proverbial "punch line,"



Like the fundamental scientific discoveries of Cusa, Kepler, et al.: "All meaningful statements in Classical art-forms are pointing to a coherent process of 'imbalance,'" a quality of irony, such as we see in the eyes of a Rembrandt masterpiece. Rembrandt produced this etching, a self-portrait, in 1648, the year of the Treaty of Westphalia.

which reflects the fact that the process represented is not closed, is perfectly imperfected, waiting to be perfected by the relevant richer development of the creative powers of the individual human mind.

All meaningful statements in Classical art-forms are pointing to a coherent process of "imbalance," like the ontological infinitesimal of Cusa's rejection of the fallacy of Archimedes' quadrature of the circle, an affirmation of the principle of gravitation which drives Kepler's Solar orbits, the Leibniz calculus, or the eyes of a Rembrandt masterpiece. It is that quality of irony, so expressed, which marks the difference between the ideas of irony which drive literate poetry or prose, and the practice of Sophistry prescribed in the *New York Times* Style Book.

## Fourth: Human Immortality & Science

Every meaningful aspect of human practice of true science and Classical artistic expression, reflects a principled difference between the personality of the living human being and any and all species of animal life. This consideration, as just so stated by me here, is crucial to the entire argument of this document.

Call it a kind of quality of "resonance." I explain this as follows.

When we take the relationship of the human species to all other living species, and also treat the relationships within the other living species, and the effect of the human species' dynamic interaction with those others, the action of the human species upon the set of all living species, is to be seen as unique. This uniqueness is located within the specifically creative potential of the individually sovereign mental powers of the human individual. In this set of relationships, the human species is unique by virtue of its unique kind of capacity for the willful ordering of the increase of the potential relative population-density of living species generally. This uniqueness of the human individual's powers, and, therefore, that individual's species-nature, is expressed in its effects as intrinsically immortal.

The point which I have just introduced here, thus, should be weighed from the standpoint of the methods of physical chemistry defined by the work of Academician V.I. Vernadsky, the Vernadsky view of physical chemistry which was unique in his original definitions of the respective principles of the Biosphere and Noösphere. From the experimental standpoint of Vernadsky's emphasis on physical chemistry, we must recognize that the distinction between man and beast is comparable, from the standpoint of universal physical principles, to the physical-chemical distinction of the nonliving portion of the gross mass and weight of our planet from that expressed portion as the Biosphere. The distinction between Biosphere and Noösphere is also an expression of a universal physical principle of distinction between the Biosphere and Noösphere treated, respectively, as universal phase-spaces.

Where then, is the principle of human cognition situated, in a fashion comparable to the difference in principle of phase-spaces separating the physical chemistry of non-living processes from living ones? In other words, in brief, there must be a universal principle, located in the individual human mind's development, which is not to be located in any other expression of life.

In effect, the answer assumes the broadly descriptive form of "tuning." Rather than presuming that human cognition is an "evolutionary" outgrowth of living processes generally, consider the Biosphere as a physical phase-space which provides the soil in which the independently created seeds of human individual cognition are able to take root and grow.

The importance of posing that conception in the fashion

which I have done here, as in some earlier locations, is the uniquely specific effect of human creativity in changing the composition of the physical universe as a whole, that in the sense of the way in which human creativity has already willfully directed a conceptually orderable process of changes of the planet Earth as a whole in respect to both abiotic forms and the Biosphere.

In other words, actual human creativity (anti-entropy) is a universal physical "force" independently of the capabilities expressed by both the abiotic universe (as a phase-space) and also the principle of the Biosphere.

The stereotype of this human cognitive principle, is seen in the physical effect of the change of the planet Earth as a whole, changes such as the increase of the mass of the Biosphere relative to the abiotic phase of the planet, and, also, the increase of the Noösphere as a whole, relative to both the Biosphere and the abiotic mass of the planet. In effect, thus, the creative powers of the individual member of the human species are a physical force of self-change in and of the universe as a whole. Ideas of the type associated with the generation of this unitary process of universal change in the physical universe, are efficient "physical forces" in and of themselves.

In effect, therefore, the mind of the living mortal individual, insofar as that individual develops creative powers as I have indicated in this published location, is a universal physical principle of the universe, as the relevant portion of *Genesis* 1 identifies, if only symbolically, the special place and role of man and woman in the universe as a whole.

These relations of the human intellect's immortal capability, while the individual is still alive as a medium for transmission of this higher power, have, thus, the general categorical quality of resonance, tuning. The instrument dies, but the music is immortal.

This brings us to the matter posed at the outset of this report: *The assuredly self-inflicted present doom of the British Empire*.

# 5. Why That Empire Is Doomed

I am, as Friedrich Schiller proposed, a patriot and a world citizen, a citizen and humanist. In such a profession there are few guaranteed rewards proffered to the wise, except that of what one has contributed to one's own immortality. Therefore, let us rejoice.

One night in the Spring of 1946, I stood in the Calcutta Maidan, watching literally millions of Indians marching en masse, as brothers, shouting an antiphonal chorus of "Jai hind" and "Pakistan zindaba," demanding promised freedom as a price for the terrible mass murder which British occupation police had wreaked with direct, headlong, massed machine-gun fire into the forward ranks of an approaching crowd of protestors. The congealed blood had

been still thick on the pavement of that street on the following morning after that shooting. President Franklin Roosevelt had died just a year before, Harry Truman was U.S. President, and I knew then, with great sadness, the general nature of what the death of President Franklin Roosevelt had meant.

In the following year, it would be reported that virtually the same men who had marched together in Calcutta, then, would be slaughtering one another, for the amusement of the British, in the bloody division of what had been a united people in the year before.

As I have stated in the beginning, whatever else happens, today, that British Empire which I learned to hate devoutly in Calcutta, is now probably doomed, by its own hand, in one sense of that, or another. The United Kingdom could participate in a general economic recovery, on the condition that it is willing to give up ties to the present Anglo-Dutch Liberal form of an attempted, global, neo-Venetian financier empire, now, as the United Kingdom should have given up imperial intentions in honor of the President Franklin Roosevelt who had died fighting that cause for all humanity; otherwise, in any case, that empire, if it continues, were now doomed by its own hand.

Now, today. the potential ability of the world's human population to sustain the present level of human population *under presently prevailing standards of practice*, has already exceeded the limits which the policy of our present world has allowed to be imposed, artificially, upon itself. This tragic horror is largely a result of the introduction of "globalization" and "neo-malthusian" fads, circa 1970-72.

This situation has been brought about by the present influence of a lunatic form of Delphic "environmentalism," a mass-murderous Dionysian cult. This cultish folly of these establishment cultists, has lowered the potential relative population-density of the planet, at the same time that the population of the relatively poorest regions of the planet have expanded their role in the world's production of physical needs, while the active productive potentials of the populations of North America and Europe have undergone the self-inflicted punishment of a continuing, presently aggravated form and degree of artificially induced, physical collapse.

Most unfortunately, since the aftermath of the death of Franklin Roosevelt, until today, most among our present generations of typical Americans, even leading political figures, among others, have lost connection, through attrition, to any competently systemic knowledge of their nation's actual history. Only an exceptional, relative handful of those born between 1945 and 1958, even among today's political leaders, possess a significant remnant of such intellectual competence.

Therefore, to summarize the case at hand in this report, we must step back a pace or two in modern European history, to consider the developments which led, from the events leading into that 1763 break of England with its colonies in North America, and on into the establishment of the U.S. Federal republic.

Briefly, therefore, some highlights of this history are to be considered as matters of background for presenting the crucial point of this present chapter of the report:

## **London: Our Republic's Great Adversary**

From the accession of France's Louis XI, until the follies of France's so-called "Sun King," Louis XIV, France had been recurrently, the first true and leading modern nation of Europe. Since the death of Louis XI, France's greatest period of power in outlook, science and scientific leadership in the world at large, and of related economic development, came to life again through the role of Cardinal Mazarin and Mazarin's associate Jean-Baptiste Colbert. France, then, under the leadership of that Colbert, was the leading nation of Europe, and remained the leading nation in physical economy and physical science<sup>39</sup> even into the great decline of France as a nation during the succession of the Martinist masonic cult of Count Joseph de Maistre's typical, London-steered cases of the Queen's Necklace, the Jacobin Terror, and the Napoleonic

The foundations for the decline of France from about the time of the wars into which Louis XIV was lured, led into the corresponding, continuing rise, as during that same time, under the influence of such as the Cartesian Abbe Conti, of the Anglo-Dutch Liberal heritage of Paolo Sarpi.

Thus, the Eighteenth Century still echoed the effects which had become embedded during the earlier phase of religious warfare, warfare which had been launched, chiefly, by that Venetian financier oligarchy associated with Paolo Sarpi. It must be remembered, that both of the opposing factions of Venice had previously combined their efforts to ruin European civilization with Sarpian, Liberal Venice's orchestration of the religious warfare during the 1492-1648 interval; this had left effects. That time, prior to 1648, had been the interval of a return, then, to a virtual "little new dark age" in the political history of Habsburg-inflicted Europe. It had been a kind of relative dark age which had persisted in successive phases from the launching of systemic anti-Semitism in modern Europe by the Spanish Inquisition (1492), until the Peace of Westphalia (1648).

However, in 1648, the role of the Pope's special agent assigned to France, Mazarin, had been crucial in creating the conditions for a revival of modern Europe, through an ending

<sup>39.</sup> As typified by the Ecole Polytechnique under the leadership and programs of Gaspard Monge and Lazare Carnot. The great decline of France came under the combined effects of the reign of Napoleon Bonaparte and the wrecking of the quality of the Ecole Polytechnique under the interim occupation regime of the Duke of Wellington and British occupation agents Laplace and Cauchy. By the late 1820s, leadership in science had passed from France to the then fragmented Germany of Alexander von Humboldt, Gauss, Dirichlet, and Riemann.

of generalized religious warfare per se. What emerged after 1648 was a modern European civilization, however troubled still. An order worthy of the name of civilization, was reborn with the 1648 Peace of Westphalia, thus establishing a civilization which would die in infamy today were the evil forces represented by the enemies of the Westphalian principle, such as former British Prime Minister Tony Blair, to triumph in trans-Atlantic relations now.

It had been during the time of the follies of that model predecessor of the Emperor Napoleon Bonaparte, France's Louis XIV, that France was lured into the snare prepared by the maritime financier power of Sarpi's Anglo-Dutch successors.

For example, the coup in England represented by William of Orange and his Anglo-Dutch Liberal faction, had led, in turn, to the establishment of a new empire through the means of London's orchestration of the so-called "Seven Years War" among the continental powers of Europe. This had led, in turn, into the emergence of the British East India Company of Lord Shelburne in the February 1763 Peace of Paris, where Canada and India, among other strategically crucial places, fell into the hands of the maritime power of the Anglo-Dutch Liberal forces now centered in London.

With that February 1763 Treaty of Paris, the Anglo-Dutch Liberal faction embodied in the British East India Company became, by fact and intention, a certain kind of caricature of what British braggarts called a new Roman empire. It was an empire indeed, but, essentially, a world maritime empire cast in the likeness of the realm of the Venetian financieroligarchy.

From the time of the rise of the Presidency of Franklin Roosevelt, through the lingering aftermath of a U.S.A. leadership representing loyal veterans of the Roosevelt Presidency, the legacy of that Roosevelt Presidency resonated still, until August 1971: until the successive effects of the wrecking of the Bretton Woods system and of the oil-price hoax which combined effects to establish the present hegemony of the Anglo-Dutch Liberal control over the price of the U.S. dollar by the "spot market." This deplorable state of affairs has continued up through the moment I write, today.

Through the assassination of U.S. President John F. Kennedy, and the consequent closing of that planned trap for the U.S. which became the launching of that war in Indo-China which that Kennedy, like Generals of the Armies Douglas MacArthur and Dwight Eisenhower would have prevented, the U.S.A. has been induced to destroy itself, by attrition, as a nation, under the guidance of the British empire and its virtual British colonial officials operating in financial centers such as Manhattan and Chicago.

Since then, during the course of 1968-1981, under the successive Nixon, Ford, and Carter administrations, the U.S. economy's most essential pillars of true sovereignty have been systematically destroyed by the complicity of our own elected governments, complicity in submitting to the policies which the British empire worked to impose upon us. I must

emphasize that this has been a submission which has been led by our elected governments themselves, right up to the present instant I write these very lines.

## Now, the Present Crisis

The means by which the present, lunatic policy of global practice, which I have denounced here, has persisted, since 1971, for as many decades as it has, has now produced a wave of what has now become an intrinsically hyperinflationary expansion of merely nominal financial-monetary assets. Thus, in the recent decades, 1987-2008 most notably, through an intrinsically hyperinflationary scheme typified by the policies of practice of former U.S. Federal Reserve Chairman Alan Greenspan, a great portion of the physical output of the planet has been managed through the relentless expansion of unpayable debt to be delivered to the customer who could never repay the obligation incurred by the product for which the producer will never actually be paid. Recently, the point was reached, quite lawfully, at which a hyper-inflationary crisis of the type experienced by 1923 Weimar Germany has struck the global Greenspan "Pyramid Club" scheme.

Unless appropriate reforms of the type which I have specified are adopted very soon, a general, global breakdown-crisis will unleash a chain-reaction general collapse of the present world system, a collapse comparable to what struck Germany in 1923, and Europe as a whole, earlier, during the mid-Fourteenth-Century "New Dark Age."

Were the present quasi-medieval, "Tower of Babel"-like policies of "globalization" continued under current conditions, the potential relative population-density of the world as a whole would collapse in a degree greater than the rate of depopulation which struck Europe during the mid-Fourteenth-Century "New Dark Age."

In the meantime, we have used up a critical margin of the presently standard quality of the world's raw materials. This, by itself, is not necessarily a cause for a crisis. Were the world to unleash a widespread application of capital-intensive investment in existing models of nuclear-fission power, and abandon the lunatic "green" models favored widely today, the problem of apparent raw-materials scarcity would not be a critical problem, respecting quantities, qualities, or prices. However, under a "green" and "globalized" doctrine, the presently onrushing, global crisis, would mean a prolonged and very deep depopulation of a planet sunk deeply into a prolonged, new dark age.

# 'Energy-Flux Density'

Unfortunately, a great private institution, the Fusion Energy Foundation (FEF), was destroyed by what the U.S. Federal courts later classified, albeit with manifest reluctance, as a fraud upon the bankruptcy court, a fraud organized by the office of the Attorney-General of the U.S.A., acting through the jurisdiction of the notorious "rocket docket," the Alexan-



Korea Hydro & Nuclear Power Co., Ltd.

The world has entered a phase-shift in physical-economic history, in which anything less than the energy-throughput provided by nuclear power, limits both the size and quality-of-life of the human population of the planet. "To oppose nuclear-fission power as a general source, is, now, in effect, a criminal form of practice of mass-murder against the human race," LaRouche writes. Shown: South Korea's Yongwang nuclear complex, with six reactors.

dria, Virginia Federal Court under Judge Albert V. Bryan. Nonetheless, during the preceding period that FEF was permitted to function, certain notable contributions to science and the cause of statecraft were made by it, made directly, or by a kind of ricocheted effect. Among these contributions was the adoption of a proposal for general use of the term "energy-flux density," as had been proposed by a leading Soviet scientist.

I stress that this adoption of the term "energy-flux density," by scientific parties on both sides of the "Cold War" divide, was a kind of moral compromise, although, under the circumstances of that time, a justifiable one.

The serious practical problem which this use of "energy-flux density" was adopted to moderate, is that critical developments of the 1970s had destroyed the ability among informed persons of good conscience, to continue being willing accomplices in the toleration of a famous hoax, a hoax in the name of "thermodynamics," the so-called "Second Law of Thermodynamics," a hoax which had been launched by the Nineteenth-Century figures Clausius, Grassmann, Kelvin and others.

The hoax in question had been launched as a radicalempiricist (e.g., "positivist," "radically reductionist") reification of an important contribution to the understanding of the subject of thermodynamics by a prominent member of France's Ecole Polytechnique, Sadi Carnot, on the subject of heat. 40 Like the legendary "Fat Lady" of the carnival, Clausius et al. had degraded what was called thermodynamics to the simplistic counting of calories. The use of the term "energy-flux density" served as a rule-of-thumb variety of remedy for some of the worst effects on policy-shaping which had been contributed by the silliness of Clausius, Grassmann, Kelvin, the Machian Ludwig Boltzmann, et al., in the matter of the discussion of nuclear-fission power and related matters. In the meantime, the fact of the matter is that the density of power, per square centimeter of cross-section of flux, describes a "non-linear" function, such that the same number of countable calories of nuclear-fission power is far greater in its power to do work, per countable calorie, than any ordinary chemical source.

It is the increase, by orders of magnitude, of the equivalent energy-flux-density of sources of power, which defines, conveniently, the amount of actual net work which a single calorie may effect.

We have presently entered a phase-shift in world physicaleconomic history, at which the limitation of sources of ap-

<sup>40.</sup> Not to be mistaken for another member of the same family, the President of France whose assassination was instrumental in preparing the stage for what was to become known as "The First World War."



A society that operates on a fixed technological level is doomed, but a culture which promotes the creative powers of its population "is one which will come around, sooner or later to overthrowing oligarchical modalities." This Chinese farmer represents a fixed level of technology, but China is determined to uplift its population through technological development.

plied power to less than the nuclear-fission level, puts a seriously declining upper limit on both the size and quality-of-life of the human population of this planet. To oppose nuclear-fission power as a general source, is, now, in effect, a criminal form of practice of mass-murder against the human race. In fact, the present scheme called "globalization" must be identified now as a practice of "genocide."

This case is a convenient illustration of the problem to be addressed in the following, concluding part of this present report as a whole.

#### The Road to Britain's 'Catch-22'

What Winston Churchill and others regarded as the threat which President Franklin Roosevelt represented to the continued existence of the British Empire, was, in sum, that the unleashing of the popular will of the people of the U.S.A. for a great expansion of the productive powers of labor represented an immediately mortal threat to the continued existence of the British Empire. In this estimation, the British imperialists were correct.

The immediate threat perceived by London, was President Franklin Roosevelt's repeatedly stated intention for the post-war world: that the great military-economic, agricultural, industrial, and infrastructural machine which that President had mustered both for the recovery of a shattered U.S. economy and in preparation for a war which had just

become already inevitable a few days prior to Roosevelt's first inauguration, would be converted, at the close of the war, for the included purpose of developing the colonial and semi-colonial territories of the world in ways essential to establish those territories as independently sovereign nationstates, thus eradicating the institution of imperialism from the world at large. Such were the intentions expressed by the 1944 proceedings of the Bretton Woods monetary conference.41 Such was Roosevelt's intention for founding a United Nations Organization.

ImmediatelyfollowingPresident Roosevelt's death, the British monarchy and the right-wing U.S. forces which had been prewar backers of Mussolini and Hitler's rise to power, reverted, under President Truman, to begin the process of destroying the Franklin Roosevelt legacy, and

its capabilities, and to do this as rapidly as were feasible.

Since such shifts in policy, from one direction toward an opposite one, must allow time for uprooting the established paradigms of the presently influential generation, it was nearly twenty years, the lapse from the death of Roosevelt to that of the John F. Kennedy who had strongly reaffirmed a commitment to the Roosevelt legacy, before the work of actually destroying the U.S.A.'s economy could be set fully into motion by the War in Indo-China and the unleashing of the Sixty-Eighters<sup>42</sup> for what was shamelessly identified as "a cultural-paradigm shift."

During the interval 1961-1968, there had been many attempted assassinations of high-ranking figures associated with the cultural paradigm of the World War II military veterans and related types of political leaders, such as Charles de Gaulle and Kennedy; there were other de facto coups d'etat or

<sup>41.</sup> Many economists and others have stated ex post facto, that John Maynard Keynes had defined Franklin Roosevelt's intention for the post-war monetary system. The ex post facto judgment is mistaken, but for many, an honest error. Roosevelt's intention had been the break-up of the British and kindred empires. President Truman's virtual kissing of the imperial rump of Winston Churchill, thus produced a scheme which might appear to conform to the proposal in Keynes' 1944 Bretton Woods address.

<sup>42.</sup> The portion of the relatively pampered white-collar class born between 1945 and the deep recession period of 1957-1958.

assassinations to kindred effect. The shock effect of these tumultuous doings, especially the assassination of President Kennedy, enabled the launching of the War in Indo-China, over, quite literally, President Kennedy's dead body. However, the most crucial of these politically orchestrated, horrid developments was the co-ordinated unleashing of the Sixty-Eighters and the role of those Sixty-Eighters, internationally, in launching that new epidemic of malthusianism called antinuclear, anti-farmer, anti-industrialist "environmentalism." These have become the new breed of existentialists and other virtual traitors to the human species.

All that evil in defense of the British Empire!

It has not ended with those developments. "Globalization," the campaign for a new "Tower of Babel," is a crucial part of this. The British imperial faction has gone back to its 1920s and 1930s promotion of the fascism of Mussolini's Italy, Schacht's and Hitler's Germany, and similar cases of that time. Today's George Shultz and Felix Rohatyn are typical of today's would-be copies of the fascist figures and tyrannies of the 1920s and 1930s, figures of the types which the British monarchy had played a leading role in creating and backing from the start, then, as now.

Now, comes the proverbial "Catch-22" as such.

## **Prometheus Bound**

The pattern just described is known to ancient through modern history by various names, all properly chosen to express the same phenomenon. Typical names from ancient times are "The Persian Model," or, generically, "The Oligarchical Model," as typified by the legacy of Sparta, of the Roman Empire, the Byzantine Empire, the Venetian-Crusader tyranny, and by British imperialism, and its successor, the fascism of Felix Rohatyn, Michael Bloomberg, et al., since 1763.

The paradigm which underlies these expressions of the oligarchical model, is found in Aeschylus' *Prometheus Bound*. The key to the oligarchical model is the banning of knowledge of universal physical principles from the generality of the population, especially the so-called lower classes. The British population as seen, and, perhaps worse, heard, on the television receivers today, is typical of a population which has been, to a large degree, stupefied culturally into a mental state suited to the making of a helotry in the tradition of the ancient oligarchical model.

All imperial systems, in their character as systems, depend for their conditional durability on stifling those creative powers of the human individual which are expressed typically in the form of discovery of universal physical principles, or comparable intellectual qualities of Classical artistic activity. The design is intended to degrade the great mass of humanity, as virtual cattle, to a condition of mental life in which human mental life is brought to resemble the farmer's herd of cattle. This effect is accomplished, simply, by outlawing mental activity tantamount to knowledge of fire, or, better said today,

nuclear fission. It was on this account, that the legendary Olympian Zeus of Aeschylus, condemned Prometheus to quasi permanent torture for confiding knowledge of the use of fire to those intended Delphic cattle known as mortal man and woman.

To keep a large population stupefied in a state like that of the unfortunate ordinary "Brit" seen on screen today, is considered necessary if the population is to be mentally self-incapacitated in a manner suited to oligarchical overlordship. The destruction of Classical culture in mid-1960s Germany on, and the brutish dogmas of practice of that piece of fascist filth of Adorno, et al., the book called *The Authoritarian Personality*, are typical of such swinishness.

Such Malthusian or kindred policies of practice, encounter an existentially crucial problem for the society which harbors such trickery. Any society operating on a fixed technological level is doomed on that account, but any culture which promotes the creative powers of its general population is one which will come around, sooner or later to overthrowing oligarchical modalities. Thus, the British empire, if it wishes to remain an empire, must suppress actual creativity in the generality of the subject population, or cease to be tolerated as an empire, thus creating a situation in which the British must either give up their imperial tradition, or be doomed by the consequences of suppressing scientific progress as a characteristic of the morality of its own population.

I.e.: "Catch-22." The British must monopolize scientifictechnological progress in order to stupefy its subject populations, which it must do to remain an empire. Yet, if it does not promote that scientific and technological progress in practice in such a general way that the potential productive powers of the general labor-force keep ahead of the rate of attrition inherent in a fixed level of technology, the empire will undergo a physical collapse, as is witnessed by the general history of imperial and similar attempts at "zero-technological-growth" systems.

Lately, the combination of the increase in population, especially among the relatively poor masses into which much of production has been shifted away from the formerly industrialized powers, with the falling overall productivity caused by this "outsourcing," has produced a fall in per-capita and persquare-kilometer rates of net physical output which will doom the present civilization, if continuation of that approximately net-zero-growth policy were permitted. Currently, the world is operating below technological break-even on this account, for precisely this set of reasons.

The empire, just because it is an empire in terms of the embedded cultural characteristics of its reigning institutions, is probably doomed, simply for the reason that it would prefer to die, than abandon those features of its embedded cultural reflexes which define it as an empire. For the rest of us, the question is: do we prefer to go down with the empire, or to cut free from both its physical, and, more important, cultural embrace?



THE JOURNAL OF THE LAROUCHE-RIEMANN METHOD OF PHYSICAL ECONOMICS

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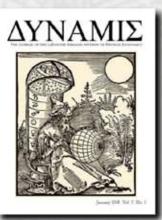
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# **EXERCISE** Strategy

# **GLOBALIZATION HAS FAILED!**

# Resistance Mounts Against The EU's Lisbon Treaty

by Helga Zepp-LaRouche

Mrs. Zepp-LaRouche is the chairwoman of the German political party Civil Rights Solidarity Movement (BüSo). Her article has been translated from German.

You can fool some of the people all of the time, and all of the people some of the time, but you can not fool all of the people all of the time.

—Abraham Lincoln

Anyone who has been in constant dialogue with the population at booktables and on the street, as the BüSo has been, cannot fail to have noticed a recent turnabout in popular sentiment. Faced with proposals for wage and pension increases which come nowhere near the so-called "perceived" rate of inflation; the self-enrichment of top corporate executives, which can only be described as obscene, as they continue to eliminate tens of thousands of jobs, despite their super-profits; the wide-spread sense that we're living in a media dictatorship; and the spectacle of a government whose members, on a daily basis, violate their solemn oath to protect the general welfare, whether it be against [the European Union bureaucracy in] Brussels or against financial locusts of every description—there is a growing sense in the population that "enough is enough!"

And even though no one can predict what the world will look like as this year draws to a close, it is nevertheless certain that the financial oligarchy's strategy of reacting to globalization's systemic crisis with the same methods they employed in the 1930s, is not turning out to be as easy as they had hoped. It remains an open question whether the next U.S. President will respond to the world economic and financial crisis with the tradition of Franklin D. Roosevelt, or will instead impose the recipes of Mussolini and of Hjalmar Schacht. And it equally is undecided whether Europe will be transformed into an oligarchical dictatorship with the Lisbon Treaty, or into a Eu-

rope of the Fatherlands, of sovereign nation-states.

Hillary Clinton's primary election victories, especially in Texas and Ohio, have ensured that she will remain in the race all the way to the Democratic Party Convention at the end of August. And leading up to the decisive April 22 primary in Pennsylvania, the Rezko-Auchi scandal and the "Obama trial" in Chicago will have dashed Obama's election prospects. And by that point, the disintegration of the international financial system will have reached new hurricane levels, and will demonstrate conclusively that Obama has nothing substantial to offer for solving the systemic crisis, and that Hillary Clinton is the only candidate so far, who has been addressing at least some aspects of the crisis, such as the mortgage crisis, and has been calling for a moratorium on home foreclosures.

But the danger of a fascist resolution in the U.S.A. is by no means over. In the wake of Clinton's latest victories, Michael Bloomberg is no longer considering running as an independent candidate, but instead he is using his billions to ramp up the pressure to establish himself as Wall Street's man for Republican Vice Presidential candidate—a new Dick Cheney for a future President McCain, who, even now, is not in good health.

## 'Stealth Bomber' Lisbon Treaty?

Meanwhile, in Europe, governments' attempts to smuggle through the Lisbon Treaty as a sort of stealth bomber, under the noses of the population, in order to abolish democracy covertly and without the population's consent, are meeting growing resistance. In Ireland, where a referendum is set to be held in late May, polls indicate that only 26% of Irish citizens favor the EU treaty. In other European countries, ever greater numbers of people who learn about this, are in a state of mounting rage against their governments' blatant deception maneuvers. It could even turn out that Europe's governments, with their peasant-sly strategy, have chosen the worst of all

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possible options for them, and will wind up bringing Nemesis down upon them.

The hijinks around the Treaty would be a total farce, were it not for the fact that it has very real and tragic consequences for the citizens concerned. In Berlin, Hamburg, and Hesse, Germany's parties continue to play their black-green and red-red-green sand-castle games, while on the federal level, they have illegally transferred to Brussels 86% of the sovereignty which voters entrusted to their representatives—for that is the percentage of legislative initiatives which have been coming straight from Brussels. And so, if the remaining 14% is given away by the Lisbon Treaty, why should anyone care who makes a coalition with whom? Cynics point out that, as expected, the only right which the members of parliament will not give away, is their right to increase their own salaries.

The next time Frau Merkel starts lecturing foreign heads of state about a lack of democracy and violation of human rights in their countries, as she has already done with Russia, China, and Zimbabwe, international observers would do well to recall that Frau Merkel, too, has a little duck's foot, as Heinrich Heine described in his poem "Waldeinsamkeit." And the name of her little duck's foot is: democracy deficit!

1. Among the "elementary spirits" which Heine introduces in his poem "Waldeinsamkeit" ("Forest Solitude") are the gnomes:

Sie tragen Rotmäntelchen, lang und bauschig,
Die Miene ist ehrlich, doch bang und lauschig;
Ich ließ nicht merken, daß ich entdeckt,
Warum sie so ängstlich die Füße versteckt.
Sie haben nämlich Entenfüße
Und bilden sich ein, daß Niemand es wisse.
Das ist eine tiefgeheime Wund,
Worüber ich nimmermehr spötteln kunnt.
Ach Himmel! wir Alle, gleich jenen Zwergen,
Wir haben ja Alle etwas zu verbergen;
Kein Christenmensch, wähnen wir, hätte entdeckt,
Wo unser Entenfüßchen steckt.

They wear little red coats, long and baggy,
Their demeanor is honest, yet anxious and wary;
I didn't let them know that I had discovered
Why they so anxiously conceal their feet.
Namely, they have duck's feet,
But they imagine that no one knows this.
It is a deeply secret wound
Which I was never able to joke with them about.
My heavens! All of us, just like those dwarves,
We all have something to hide;
No Christian, so we imagine, could have discovered
Where we're concealing our little duck's feet.

# **Thema des Tages**

Wieshadener Kurier

Dienstag, 4. März 2008

# Inflation - das gefühlte Gespenst

Preise für Lebensmittel und Energie steigen weiter/Wahrgenommene Teuerung von 8,8 Prozent

WIESBADEN Das gleiche Phänomen, an der Zapfsäule wie im Supermarkt: Der Verbraucher wird mit Immer höheren. Preisen zur Kasse gebeten. Im Januar stieg die Inflationsrate um 2.8 Prozent. Das ist aber nur ein Mittelwert – die von den Verbrauchern gefühlte Teuerung liegt welt höher.

> /on Nevandra Maus

Die neuesten Zahlen zeichnen ein klares Bild. Das Leben in Deutschland wird teurer und teurer. Das Stratische 
Bereichte der Gestellt werden der Gestellt 
Gestellt den jenutar gerade 
auf 2.8 Prozent nach oben korrigieren. Die Stattistiker hatten 
mit einem Anstieg von lediglich 2.7 Prozent im Vergleich 
zum Vorjahreamonat gerechnet. Damit setzt sich der Trend 
vom Vorjahr auch in 2008 fort, 
denn im November erreichte 
die Teuerung einen Rekordwert von 3.5 Prozent. Insgesamt kletterte die Inflationsrate 2007 auf 2.3 Prozent. - den 
höchsten Wert seit 13 Jahren.

Höchster Wert seit 1994

Verantwortlich für den An
stieg der Verbraucherpreis
sind die hohen Energie- un
Lebensmittelkosten. Die Preis



oder Fernseher, sinken stellg
im Preis-was der Verbraucher
da er sie nur sellen kauft.
Aber das gefühlte Schreckgespenst der inflation ist es auch,
dass sich direkt auf die Konjunktur auswirkt. Denn wenn
die gefühlte Inflation hoch ist,
verunsichert dies die Verbraucher und bremst deren Kaufverhalten. "Im vieren Quartal
ist der Konsum um 03 Prozent
ist der Konsum um 03 Prozent
zoren wie geringeren Lohnebenkosten", resümiert Mütze.
Dieser Trend halte aber nicht
an: Für 2008 rechnet Mütze
mit einer moderaten Preisentwicklung und einem Anstieg
des Konsums um ein Prozent.

#### Konsum steigt wieder

"In der ersten Jahreshällte wird die Inflationsrate höher erschnien wir aber mit 23. Prozent", so Mütze. Der Olpreis werde aufgrund der siche ein-trübenden Weltkonjunktur sinken, zumal der starke Euro die Olpreisentwicklung dämpfen. Die Haushältsenergie, also Strom, Gas und Heizol, stiegen allerdings weiter – wiele Anhies allerdings weiter – wiele Anhies houngen angekündigt, Abeb ei den Lebensmitteln haben wir sehn ein sehr hohes Ni-

"Galloping inflation": The Wiesbadener Kurier adapts an etching of the "Four Horsemen of the Apocalypse," by Albrecht Dürer.

It is equally scandalous that the government still refuses to admit that we're in the final phase of a systemic collapse, and that they have done absolutely nothing to shield the population from its ravages, nor have they taken any initiatives to overcome the crisis. Apparently they feel they can comfortably acquiesce, now that they have ceded their monetary sovereignty to the European Central Bank. Fat chance: European Central Bank (ECB) President Trichet has just now decided that, in light of exploding inflation rates, the euro should continue to soar upward without restriction—while European exports collapse along with it. Because the reality is that neither Trichet, nor Europe's governments, has the slightest idea what to do!

## **Inflation Dynamite**

The greatest factor in the turnabout within the majority of the population is, without a doubt, the skyrocketing prices of food, home heating, and gasoline. The depreciation of the value of money since the introduction of the "teuro" has continued without letup, and in many places people have to pay the same sum in euros which they previously had to pay in deutschemarks. But now, on top of this, since the outbreak of the global crisis last July, we have had to deal with spiralling inflation. Prices for milk and grain products, for example, increased by 20-40% between September and December of last year, while raw materials prices have risen 15.1% since January—the greatest increase since the Commodity Research Bureau Spot Index was started in 1956! The price of gold is hov-

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<sup>2. &</sup>quot;Teuer" = "expensive."

ering just below the \$1,000 mark, while oil is at \$103 a barrel.

Since 56% of all households in Germany must spend their entire income on basic living expenses, the actual inflation rate for them must be more like 10-20%, as opposed to the official 3% inflation rate. And as for poorer families which must spend most of their income on food, rent, and transportation alone, this means that they no longer have enough for healthy eating. Even the *Wiesbadener Kurier*—not exactly a paragon of social conscience—devoted an entire page to the specter of inflation, and reminded its readers that the "black decade" of the 1920s left especially the middle class and small businessmen destitute, and that inflation brought fatal consequences, smoothing the way for the National Socialists.

The fact that we have once again arrived at that same point, is shown by a new study by the German Institute for Economic Research (DIW), which reports that the number of households with median income has shrunk over the past seven years from 62.3% to 54.1%. The number of households with lower income (less than 70% of the median) has meanwhile grown from 18.9% to 25.4%, while the share of households with high income (over 150% of median income) has grown from 18.8% to 20.5%. This means that over the past seven years, 5 million people have "dropped out" of the middle class, and one-fourth of all households are poor, or have a meager income.

So, if the public service trade unions refuse to be bought off with wage increase offers that are significantly lower than the real rate of inflation, they can hardly be blamed for causing the increase in inflation, as the EU Commission and the ECB have been trying to convince them, but rather they are simply attempting to defend themselves against a massive reduction in their members' living standards. And so, it looks like we're in for an uncontrollable strike wave here in Europe, based on all-too-justified demands.

Such strikes, however, will succeed only if their leaders raise their eyes above the edges of their dinner plates, and—as the German Trade Union Federation did in the 1930s, with its Woytinsky-Tarnow-Baade Plan<sup>3</sup>—they concentrate on the causes of the economic crisis, and how to overcome it.

Significantly, China's government appears to be more concerned with its citizens' well-being than people are in Berlin, because the Chinese are at least acknowledging the extent of the crisis. At a press conference, Ma Kai, Minister of the State Development and Reform Commission, along with People's Bank of China Governor Zhouo Xiaochuan and Finance Minister Xie Yuren, stressed that as a result of the global crisis and the U.S. Federal Reserve's inflationary reaction to the mortgage crisis, China is facing entirely new challenges, which go way beyond its previous experience and existing know-how. But at the same time, they also announced measures for defending the population's living standard. Moreover, the Chinese government declared that it will make the

fight against inflation its absolute priority. Already back in November 2007, leading Chinese institutions and news media were reacting very positively to Lyndon LaRouche's programmatic proposals for a new financial architecture.

#### **Globalization Has Failed**

Giulio Tremonti, the former (and possibly future) Italian Economic Minister, has likewise made a public declaration that globalization is the height of folly, and has failed. And he's right when he says that the crisis will grow far worse, and that the solution cannot come from any one country, but must be based on a New Bretton Woods system.

What Germany's government lacks most, is the courage to acknowledge the systemic nature of the crisis. Because without such an admission, they will surely be unable to muster the courage to take measures needed to overcome the crisis. And in order that we may help Frau Merkel, the Cabinet members, and the Federal President more quickly to learn how to reduce their democracy deficit, we need a broad, public debate over Europe's future course. And what we especially need is a referendum on the Lisbon Treaty.

Even though people in Germany (and in other European nations) have long grown unaccustomed to the exercise of republican virtue, the beginning of civic involvement by a growing number of citizens is nevertheless a positive sign. Because only when people begin to grasp, before it is too late, the dramatic historic decisions we will have to face over the course of this year, and only if a sufficient number of them begin to personally intervene into this process, will there be well-founded hope that the systemic crisis which seems to be gripping all aspects of our lives, can be overcome.

One thing is clear: A dramatic culmination of the world financial crisis, and of hyperinflation, will be setting the stage for both the U.S. Presidential elections, and European parliaments' attempt to whip through a ratification of the EU Treaty. And every parliamentarian and citizen should get themselves uncompromisingly clear on the fact that by adopting the EU Treaty, we would be relinquishing all possibility of defending the general welfare and of adopting such measures as a New Deal and a New Bretton Woods system. With the EU Treaty, we would be condemning ourselves to plunging into a new dark age.

#### There Is Hope

As the financial crash escalates, there is, however, hope that in the course of the U.S. Presidential elections, Roosevelt's policies will be placed on the agenda, and that a growing number of political leaders in the world will raise their voices in favor of a New Deal and a New Bretton Woods. If 2009 opens with a new President who activates Roosevelt's policies, and if we in Europe can manage to bury the Monster of Lisbon once and for all, and can decide in favor of a vision of a Europe of the Fatherlands with a positive mission for world development, then we can forget about our present

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<sup>3. &</sup>quot;Wladimir Woytinsky, Revolutionary," EIR, April 11, 1997.

### Battle Rages Over EU's Lisbon Treaty

#### by Rainer Apel

If the European financier oligarchy has its way, the European Union's Lisbon Treaty, which would strip member nations of any vestige of sovereignty, will be ratified this Spring, without debate, without anyone ever reading its 277 pages, and certainly without any popular vote. If only one EU member nation fails to ratify the treaty, it cannot be put into effect. But since mid-February, resistance to the treaty has been mounting, at the same time that its proponents are moving to silence dissent. Helga Zepp-LaRouche, the chairwoman of the BüSo party in Germany (Civil Rights Solidarity Movement), issued a call on Feb. 23 for a referendum on the treaty in Germany (see *EIR*, Feb. 29).

Ireland, as the only country so far that has scheduled a referendum, is the particular focus of political countermoves. EU Commissioner Margot Wallstroem went to Dublin on Feb. 27, in an attempt to defuse Irish concerns over the loss of neutrality under the "solidarity clause" of the treaty, which would oblige nations to unite to combat "terrorist activities." On Feb. 28, Polish Prime Minister Donald Tusk, in a scarcely veiled attempt to corrupt the Irish population into accepting the treaty, proposed that Irish Prime Minister Bertie Ahern would be an ideal candidate for the new post of EU president. But there's a sleight-of-hand here; similar offers have been made to several other nations, implying that if they voted "yes" to the treaty, the first EU Presidency would go to one of their politicians.

Ahern went so far as to argue that the only way to cope with "global warming" would be for Europe to be strengthened as a world player—and for that, the Irish would have to vote "yes" to the treaty.

The pro-treaty camp in the European Parliament also organized a vote of 499 against 129, to defeat an Irish motion for an amendment that would have obliged the Parliament to respect the outcome of the Irish referendum. The message here was that no matter how the Irish voted, the European Parliament would stick to its own majority vote of Feb. 20, in favor of the treaty.

#### **Opposition Takes to the Streets**

On the anti-treaty side, in Britain, the "I Want a Referendum" cross-party alliance rallied more than 2,000 protesters for a day of action on Feb. 27, with picketing in front of the British Parliament, "test" referenda in ten regions, as well as

press conferences and lobbying of Members of Parliament. Those referenda, some of which were held in election districts of three British government members, yielded a majority of up to 90% in favor of a referendum. Therefore, the fact that on March 5, the British Parliament voted against two amendments that called for a referendum, one with 311 to 248, with 14 abstentions, and the other with 311 against 247, and 15 abstentions, is only a Pyrrhic victory for pro-treaty Prime Minister Gordon Brown and his Labour Party, as the defection of 29 Labourites to the pro-referendum side shows. It is interesting to note that hints are being made about "deratification" being on the agenda, should the opposition Tories come to power in the next election, which is still a year away. That does not stop the treaty in Britain now, but there are probably legal ways left to block the enactment of it, even after ratification.

This is also under discussion in other European countries, for example in France, where 1,000 lawyers have filed suit against the treaty with the European Court of Justice in Strasbourg, and in Germany and Austria, where legal experts are thinking about lawsuits in their own constitutional courts. Two such suits are expected to be filed in Germany by the Linkspartei (Left Party), and by Peter Gauweiler, a conservative Christian Social Union (CSU) party Member of Parlia-



Ireland's Sinn Fein party is circulating this poster in opposition to the European Union's anti-national treaty.

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ment. The moment their suits were admitted by the Constitutional Court, German President Horst Köhler would not be legally allowed to sign the Lisbon Treaty, even if it were ratified by mid-May, as planned by the government, because the entire case would be pending before the court.

The treaty ratification has run into other difficulties in Germany, because the Federal government faces resistance among the state governments, relating to the "accompanying law" which the Merkel Cabinet wants to have passed by the Parliament, in order to have a smooth ratification of the treaty there. But this new law involves questions of Article 23 of the Basic Law (Germany's constitution), concerning the delicate balance of powers between the Federal and state governments. Therefore, all 16 state governments have declared that they will not ratify the treaty for the time being.

Austrian labor unionists issued an appeal on Feb. 26, to all politicians who are also members of a labor union, to recall that in 2004, labor throughout Europe opposed the original EU Constitution draft, on the grounds that it was anti-labor and would lower wages, and to recall that this "no" laid the groundwork for the defeat of the Constitution in referenda in France and the Netherlands in the Spring of 2005. The EU Constitution therefore never went into effect (and was, in fact, resubmitted, as the current EU Treaty). Labor leaders spoke up at a hearing of the Labor and Social Affairs Committee of the European Parliament on Feb. 26-27. The Austrian initiative also exposes the threat which the Lisbon Treaty poses to the nation's neutrality status.

In the Netherlands, the opposition Socialists, who hold almost 25% of the seats in the Parliament, are at the core of a cross-party initiative to pass legislation making a referendum mandatory.

#### The Higher Stakes

This resistance to the Treaty is intersected by the interventions of the LaRouche movement, which is the only institution making the crucial point that the struggle against the treaty, and against the Bloomberg-Rohatyn Presidential conspiracy in the United States, are one and the same fight. That point is beginning to attract more and more interest among anti-treaty activists, as demonstrated at two events at the end of February: The LaRouche BüSo party held a joint German-Austrian event against the Lisbon Treaty, on Feb. 29, together with representatives of the pro-referendum movement of Austria (see accompanying article). The day before, Helga Zepp-LaRouche gave a presentation on the treaty at an event in Rome (see EIR, March 7). There she exposed the "intertwining of NATO and the European Union" under the solidarity clause of the treaty, placing this in the context of the pro-fascist conspiracies in both the United States and Europe: "If you have a Bloomberg fascist government in the United States and a Lisbon [Treaty] dictatorship in Europe, I have fear that we are on a road to World War III," she said. Furthermore, her Feb. 14 statement calling for Europeanwide resistance to the treaty, was pub-

#### Conference Report

### Austrians Push for Referendum on Treaty

by Alexander Pusch

The independent citizens' initiative Save Austria convened a first-rate symposium of experts in Vienna on Feb. 27, on whether the European Union Reform Treaty—which Helga Zepp-LaRouche has called the "Monster of Lisbon"—should be submitted to a national referendum in Austria, from a constitutional point of view. The ballroom at the Justice Palace was bursting at the seams: The question of the far-reaching changes in the legal system, which the EU Treaty would signify for all of Europe, is a burning issue for Austrians.

The invited experts were former Austrian justice minister Prof. Hans R. Klecatsky, one of the authors of the Austrian Constitution; university instructor Dr. Adrian Hollaender; former Austrian foreign minister Dr. Willibald Pahr; and Dr. Theo Öhlinger, former university professor and author of an expert opinion for the government concerning the EU Treaty. Two representatives of the Schiller Institute attended, to help coordinate Europeanwide resistance to the further empowerment of the EU bureaucracy, and to promote a strategic understanding of where the danger to our free constitutional order comes from, during this economic crisis.

The first theme discussed from the podium, was the elimination of Austria's perpetual neutrality, through its incorporation into the EU. The EU's Solidarity Clause, which obliges member-states to support one another in "the common battle against terrorism," de facto means that soldiers of the member-states could be deployed into battle without their own governments having veto power over it. For Austria, this contradicts, without doubt, one of the fundamental principles of the Constitution.

This point was argued by Dr. Hollaender, a brilliant young expert in constitutional law, who is vigorously engaged in resisting the European Treaty's obliteration of the national sovereignty of the European member-states. He made eloquent reference to the history of the Austrian Constitution. If anyone still doubts the necessity for a referendum, he urged them to apply the well-known principle of criminal law, to constitutional law: *In Dubio pro Reo* (when in doubt, favor the accused), by invoking the principle, *In Dubio pro Democracia* (when in doubt, favor democracy).

Professor Klecatsky made an impassioned plea for the

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fundamental character of the principle of neutrality in the Austrian constitutional system. In the discussion with the audience that followed, the esteem in which he is held, and his moral authority, were abundantly clear. He received repeated standing ovations and thunderous applause, particularly for his impassioned refutation of the sophistical argument of Professor Ölinger, that by entering the EU, which was done by Austria through a referendum, the country already gave up its neutrality to a large degree, and that therefore the Reform Treaty is no big change.

The discussion then turned to the character of the Reform Treaty as an enabling act or a "blank check." In this connection, the lawyers also raised the question of the lack of veto power for the individual member-states. Dr. Pahr seconded Dr. Öhlinger sophistry that Austria had already given up its sovereignty, by joining the European Community. They could not understand why the EU Treaty and the opposition's demand for referenda should be creating such an uproar today. Öhlinger further attempted to argue that the four pillars of Austrian constitutional law—namely, the republican principle, the democratic principle, the legal principle, and the federal principle—would not be affected by ratification of the Treaty.

#### **Building a Europeanwide Resistance**

Hollaender and Klecatsky replied, that the danger is that the nations of Europe no longer have any power over how far the changes in the legal system will go. Klecatsky, who lived through and actively shaped the founding of the Austrian Republic at the end of the post-war occupation, in 1955, made the point that it is precisely democracy and all democratic legitimacy that would be destroyed by the treaty. Hollaender then went into the question of *who decides*, how far the changes in the legal system would be allowed to go. In a heated discussion, the audience expressed its displeasure at the attempt by the media and the politicians to head off debate, as for example, in the Federal Republic of Germany, where no public debate is being allowed.

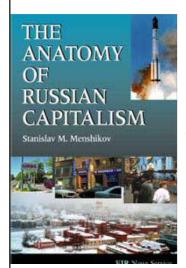
We of the Schiller Institute intervened at this point, to indicate some of the strategic background to this Monster of Lisbon. Many people are particularly perplexed by the haste and furtiveness with which this Treaty is supposed to be ratified, behind the backs of the population.

As Lyndon LaRouche and Helga Zepp-LaRouche have frequently pointed out, it is vital to understand that the Lisbon Treaty is a project of the London financial oligarchy, to consolidate dictatorial structures in parallel in the U.S.A. and Europe, because of the breakdown of the financial system. In the U.S.A., this is expressed in the candidacy of New York Mayor Michael Bloomberg; in Europe, it is the EU Reform Treaty. Thus it is important to coordinate Europewide resistance to it. It was pointed out that, in Ireland, the only country so far, where a referendum on the Lisbon Treaty has been announced, only 26% of the population

supports the Treaty. In Denmark, there is an intense discussion of the need for a referendum; in Slovakia and the Czech Republic, there is resistance in parliament, and in England itself, Parliament will vote on whether to have a referendum.

The movement in Austria is an important component of such Europewide resistance, to overturn the consolidation of power by the financial oligarchy in the EU bureaucracy. Demonstrations will be organized, educational efforts will be carried out, and legal documents will be introduced, to at least slow down ratification by the National Assembly.

Individuals and organizations in the various memberstates, which are organizing resistance, can draw strength and inspiration from the fact that they are not alone in their struggle with the EU in their own country, but that together, we are striving for a Europe of the Fatherlands,<sup>1</sup> for the common good, and for freedom. Those who are committed to these ideals, can build upon the resistance that exists in Austria.



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<sup>1.</sup> This phrase of Gen. Charles de Gaulle served to emphasize the alliance of sovereign nation-states, as opposed to the concept of the supranationalists, who wanted to eliminate national sovereignty in a united Europe.

### **International**

## British in All-Out Drive for Global Chaos

by Jeffrey Steinberg

British intelligence is behind a fast-moving global insurgency against the nation-state system, with two major foci.

First, London is at the center of a drive in the U.S.A. and Europe, for a trans-Atlantic fascist-corporatist consolidation by early 2009, with the U.S. Presidential inauguration, and the launching of the new European Presidency, under the terms of the Lisbon Treaty, abolishing sovereign nations in the European Union. The last time that London sponsored a continental fascist dictatorship over Europe, with the Hitler-Nazi coup d'état of early 1933, the United States went the other way, under the new President, Franklin Delano Roosevelt, who revived the American System of political economy, led a global campaign to defeat fascism, and had every intention of abolishing European colonialism, had he survived the war.

Today, London is promoting New York City's corporatist mayor, Michael Bloomberg, as its new Mussolini, and is moving aggressively to assure his inclusion in either the Republican or Democratic ticket in November. The London-hatched Bloomberg operation is intended to guarantee that the United States, this time, goes with Hitler and Mussolini, not FDR. To achieve this goal within the framework of the ongoing U.S. Presidential race, London must first destroy both Democratic frontrunners, Hillary Clinton and Barack Obama. Obama is the designated instrument to bring down the Clintons, and he is now targeted for his own rapid demise, once that mission has been accomplished, through the London-orchestrated Rezko-Auchi scandal.

Second, London is promoting chaos, war, and ungovernability throughout Africa, Southwest Asia, South Asia, and Central and South America, activating longstanding as-

sets and methods—to pile up crises beyond the ability of any government to handle. In a speech in Chicago in 1999, then-British Prime Minister Tony Blair announced this London policy as a "post-Westphalia" world of failed states, supranational intervention, and oligarchical power.

Ultimately, a new European super-state would launch rearmament and prepare for World War III, taking aim at Russia and China, following the destruction of the last vestiges of the American republic. The London *Economist's* chief Russia attack-dog, Edward Lucas, recently spelled out the parameters of a "New Cold War" against Moscow, in a book that is being widely promoted in Europe and the Americas (*The New Cold War: Putin's Russia and the Threat to the West*). And a recent edition of the *Economist*, commemorating the 50th anniversary of the European Union, announced plans to bring down the United States and restore European oligarchical world domination.

All of these London-centered schemes are being pursued at breakneck speed now, due to the accelerating collapse of the world financial and monetary system, a collapse that began in full force by the middle of 2007, and has accelerated ever since. For London, the solution to this financial meltdown is genocidal war, and the establishment of a global monetary dictatorship, in the hands of private offshore financial interests.

However, none of these efforts are new. Since the defeat of London's Confederacy, in 1865, and despite the assassination of President Abraham Lincoln, the British oligarchy, often in league with continental European like-minded factions, has pursued the destruction of the United States from within, utilizing three principal treason factions—the Boston Brahmins, the Wall Street Tories, and

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Agencia Bolivariana de Noticias

the heirs of the Southern slavocracy. What is new, is the ferocity of the London drive for worldwide empire and war, and the intensity of the campaign to bring down the United States once and for all.

#### A World of Trouble

An updated survey of the major global hotspots confirms the charac-

ter of the London-centered drive. None of these crises are of regional origin; they all stem from British global operations, aimed at a singular effect: plunging the planet into a New Dark Age, akin to what destroyed Europe in the 14th Century.

In Southwest Asia, London has activated longstanding irregular warfare assets—at precisely the moment that there was a glimmer of hope for progress on peace, in the aftermath of the Annapolis, Md. peace conference of November 2007. Muslim Brotherhood factions within the Hamas organization intensified rocket attacks into Israel, from the Gaza Strip in recent weeks, virtually assuring, by profile, an Israeli Defense Forces invasion of Gaza, which is seen as a prelude to a much larger military operation later in the year. London's ability to play off both Islamist and Israeli Jabotinskyite assets is an old story, but one that continues to block any serious efforts towards comprehen-

A British set-up: Venezuelan President Hugo Chávez, London's "latter-day Simón Bolívar," has been promoting the narcoterrorist FARC in Colombia, which held hostage Clara Rojas (shown here, with Chávez), along with many others. Chávez's grandstanding over the hostages set the stage for the most recent eruption of crisis in the region. The Colombian military attacked a FARC safe-haven across the border with Ecuador, killing guerrilla leader Raúl Reyes-Wall Street's friend. Ecuador's President Rafael Correa is shown below, at a March 3 news conference protesting the Colombian incursion. (Colombia apologized.)

President of Ecuador

sive peace, and has the potential to blow up the entire region.

Also in Southwest Asia, London's long-term "Greater Kurdistan" project has inflamed the situation in northern Iraq and neighboring Turkey. In recent weeks, another series of terrorist provocations by the Kurdish People's Party (PKK), provoked Turkish military incursions into the Kurdish region of northern Iraq. London's Kurdish operation targets Turkey, Iran, Iraq, and Syria—all areas where Kurdish separatist insurgents are on call to unleash chaos.

And Saudi Arabia, a close ally of London and a leading promoter and financier of the spread of Wahhabi fundamentalism throughout Southwest and South Asia, has been pressing the Bush Administration to prepare punitive military action against Syria, over Syria's refusal to acquiesce to Riyadh's and Washington's demands to "butt out" of Lebanon. An American Naval expeditionary force is now in the eastern Mediterranean, adding fuel to the regional fires.

Sources in Washington warn that Vice President Dick Cheney, an asset of London, is once again promoting a U.S. bombing campaign against Iran, before the Bush Administration leaves office. The latest pretext for such a preventive war? Claims that Iran provided rockets to Hamas and Palestinian Islamic Jihad, to hit targets inside Israel.

In short, all of Southwest Asia is on the edge of regional war, with London sitting back and watching the fireworks.

In the Balkans, bordering Russia, a similar separatist/ terrorist operation is being engineered, to blow up that faultline region. Kosovo's recent unilateral declaration of independence—and the subsequent endorsement by a mad U.S. President George W. Bush, and several leading European states—including Gordon Brown's Great Britain—of that illegal independence, threatens to unleash a new Balkan war, by means of which Russia could easily be drawn into confrontation with the West (see accompanying article).

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Such actions, compounded by the planned stationing of U.S. ballistic missile defense installations in Poland and the Czech Republic, and Britain's constant stream of hate propaganda against outgoing Russian President Vladimir Putin, are fueling a future military confrontation, once again, in the heart of Eurasia.

#### A New War of the Pacific

In South America, as detailed below, London is activating a longstanding scenario-on-call for provoking border wars-this time involving Venezuela and Colombia, and potentially drawing in Ecuador, Nicaragua, Chile, and Argentina. As Lyndon LaRouche warned at the beginning of the year, London reacted violently to the inauguration of the Bank of the South, knowing that it was modeled on LaRouche's own 1982 blueprint for Ibero-American integration and development, Operation Júarez. To kill off the Bank of the South, London activated their latter-day Simón Bolívar, Venezuelan President Hugo Chávez, to promote the narcoterrorist FARC insurgency against Colombia. When Colombian military forces launched operations against FARC safe-havens along the Colombia-Ecuador border, Chávez stepped in, with a Jacobin outburst that set the entire region into conflict. As of this writing, the situation is precarious.

Key to the South American destabilization is London's Dope, Inc. operations, which have built up a cocaine-based underground economy, that fuels insurgency through billions of dollars in dirty money. Washington sources report that under Chávez, Venezuela has become a major port-of-exit for cocaine, while the country's oil revenues have been used, in turn, to further bankroll a spreading narco-insurgency, aimed at breaking up several nations. The vast funds generated by the narco-economy—estimated to be well-beyond \$1 trillion annually—ultimately flow into Anglo-Dutch offshore financial havens, which, in turn, fuel the assault on sovereign governmental control over currency and credit.

According to U.S. intelligence sources, recent intercepted communications between top FARC commanders and European government ministers, have opened some eyes in Washington to the London-led European assault against the United States, an assault abetted from within the U.S.A. by the antics of the Bush Administration, and such London loyalists as Felix Rohatyn and George Shultz, who openly extol the British East India Company model of private mercenary armies, and oligarchical control over world finance.

Will patriotic U.S. institutions rally, in time, to defeat the onrushing drive for war and fascism, coming out of London? Will these institutions take LaRouche's lead, and line up with other leading sovereign world powers—Russia, China, India—to amass the forces to defeat the British empire once and for all?

#### The Kosovo Crisis

### British Move To End Sovereign Nation-State

by Elke Fimmen

As Lyndon LaRouche warned last December, when the UN Security Council split on the issue of independence for Kosovo, the principle at stake is the sovereign nation-state, which was established with the Peace of Westphalia in 1648. Now, after the province of Kosovo declared independence from Serbia on Feb. 17, and after Serbian protests in Belgrade and northern Kosovo, the full dimensions of the consequences of this British-orchestrated crisis are unfolding. This includes a Western course of increasing confrontation with Russia, as well as a spiralling effect, to activate so-called "frozen conflicts" around the world—with dangerous repercussions for the integrity of national sovereignty, both in Europe and worldwide.

At an informal Commonwealth of Independent States (CIS) Summit in Moscow on Feb. 22, Russian President Vladimir Putin described the recognition of Kosovo's unilateral declaration by several major world powers as a "terrible precedent." He warned it would "break up the entire system of international relations, a system that has not taken just decades, but centuries to evolve," leading to a "whole chain of unpredictable consequences." Russian Foreign Minister Sergei Lavrov had stressed earlier, in a phone call to U.S. Secretary of State Condoleezza Rice, that the "consequences of independence for Kosovo can lead to the destruction of world order and stability." And a commentary in RIA Novosti on Feb. 22 correctly pointed out that, "the world is swiftly being driven away from the Westphalian order of international relations," which, in the 17th Century, "had stopped half a century of religious wars in Europe and provided for the basic principle of national sovereignty—the territorial integrity and noninterference with the domestic affairs of the sovereign states."

In answer to a e-mail question from an ethnic Albanian Macedonian citizen, in late February, Lyndon LaRouche had underlined the fact, that the push for unilateral independence was "an entirely British imperial operation," in which "nominally U.S. assets," such as Richard Holbrooke and the "H.G. Wells-legacy of his former boss, Madeleine Albright" have been used. As if to prove that point, Holbrooke blamed Russia for backing "extremist elements" who were inciting violence in Belgrade, a claim which was rejected by the U.S. State Department. The Foreign Ministry in Moscow issued a sharp rebuttal to Holbrooke's statements.

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Russia, of course, well remembers the role of Holbrooke and Albright in orchestrating the completely unnecessary 1999 NATO-led war against Yugoslavia over the issue of Kosovo—which Tony Blair in a speech in Chicago, in the middle of that war, glowingly portayed as the precedent of his new doctrine of imperial "liberal interventionism," which would end the era of sovereign nation-states forever.

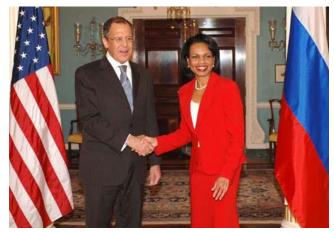
Reactions to the declaration of independence by Kosovo in other areas of the world, where national sovereignty is disputed, were immediate, including in Abkhazia and South Ossetia, two "frozen conflicts" in the Transcaucus, which had declared (unrecognized) independence from Georgia in 1991, and which lean towards Russia. Chechnya welcomed the Kosovo developments as supporting its own struggle against Russia. The Basque independence movement declared, that Kosovo was "a lesson" for them, and Flemish "foreign minister" Geert Bourgeois of the N-VA party, which wants to separate from Belgium, announced it would send a delegation to Kosovo, "to explore common means" to develop their institutions.

In China, the Chinese Foreign Office criticized the recognition of Kosovo by Taiwan, and disputed its authority to do so. This, on the backdrop of a referendum to take place on March 22, on whether the island should be recognized by the UN as "Taiwan." In the Islamic world, in addition to other problems, inter-communal conflicts are in constant danger of being activated (e.g., problems with Berber unrest in Morocco and Algeria, large or significant Shi'ite populations in Bahrein, Saudi-Arabia, Qatar, and the UAE). And in Bolivia, President Evo Morales warned in a speech Feb. 19, that an "autonomy referendum" of four federal states inside Bolivia could lead to a "Kosovo-style division of the country."

#### In the Wings: More British-Led Provocations

Kosovo was-and still is-subject to UNMIK (United Nations Mission in Kosovo), which bases itself on UN Security Council Resolution 1244, being supported by up to 17,000 KFOR (NATO) troops. Now, the situation is becoming blurred, as to who is legally responsible. Russia, and of course, Serbia, completely dismiss the legality of the planned EU-LEX (EU Rule of Law) mission, according to which 2000 European Union "experts"—policemen, judges, and other administrative personnel—are to be deployed, to "assist" the Kosovo institutions, starting formally in June. The real intention behind pushing the Kosovo authorities to declare independence quickly, instead of contuining to struggle for a joint solution with Serbia, was thus clearly, to put a "government" in place as quickly as possible, which then could "invite" the EU, since the only legal road to move forward, through the Security Council, was blocked.

According to the plans of EUPT, the European Union Planning Team, headed by former British diplomat Roy Reeve, the EU and its EULEX mission shall take over major responsibilities from UNMIK. Reeve vehemently denies that the EU mission is creating another "protectorate." Reeve is a



State Department/Michael Gross

Kosovo's declaration of independence threatens to spark a new Balkan war, which could draw Russia into confrontation with the West. Here, Russian Foreign Minister Sergei Lavrov meets with U.S. Secretary of State Condoleezza Rice in Washington on Feb. 2, 2007.

good example of how British establish control mechanisms over crucial geostrategic areas. As a Soviet specialist, he worked for the British diplomatic service from 1966-99, was stationed in the British Embassy in Moscow from 1968-71, and was a member of the British delegation to the Geneva Conference on Security and Cooperation in Europe (CSCE, now OSCE) from 1978-81. Then, he headed Political Affairs in Northern Ireland (1983-85); and after other assignments in South Africa and Australia, he was, from 1995-99, British ambassador to Ukraine. After his early retirement from diplomatic service, from 1999-2003, he headed the OSCE Office in Yerevan, Armenia, after which he led the OSCE mission to Georgia, before being appointed in December 2007 to be head of EUPT for Kosovo.

Reeve's prior appointments to Georgia and Armenia are significant, since these crucial areas, which have their own ethnic-breakaway situations, are now responding to Kosovo's unilateral declaration of independence. The OSCE mission, which Reeve led in Georgia, also monitored the sensitive border between Georgia and the Chechen Republic, as well as the border with Ingushetia and Dagestan.

The strong resistance by Russia has apparently now thrown a monkey wrench into the scheme to push through the planned EU mission. UNMIK, even if it wished to, will not be able to simply hand over responsibility, because a UN Security Council decision is necessary for its mission to formally end, and Russia insists on this. Now, in an obvious attempt to further circumvent the missing legal basis for the EU mission, and to "create facts on the ground," an "International Steering Group" (ISG) was constituted in Vienna on Feb. 29, supposedly to guide the development of Kosovo's institutions according to the so-called "Ahtissari plan" for international "supervised independence." But this has already been rejected by Serbia, Russia, and China. This group has no legal mandate, and is

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constituted only by those countries, which support Kosovo's unilateral declaration of independence from Serbia.

So far, 15 EU and NATO countries have joined, including the former Kosovo contact group (minus Russia)—the United States, Germany, France, Italy, and Great Britain. Also participating in the ISG so far are Austria, Sweden, the Czech Republic, Slovenia, Denmark, Finland, Switzerland, Belgium, and Turkey. Even Australia and Japan have been invited, in an obvious attempt, to create the illusion of a broad international support, UN-style! Designated to run the show for the ISG in Kosovo, is EU special envoy, Dutch diplomat Pieter Feith. Russian Foreign Ministry spokesman Mikhail Kamynin immediately called the ISG "contradictory to UN decisions" and said, this move could have "unpredictable consequences."

Ahtisaari, former UN envoy for Kosovo, had early on rejected further negotiations between Kosovo and Serbia and pushed for independence from Serbia. The former President of Finland wrote an article in October 2007 on "empowering Europe," by greatly strengthening the EU's foreign policy, especially to confront the "belligerent" Russia of President Vladimir Putin. His co-writers were former German Foreign Minister Joschka Fischer, who had forced German support for the NATO-war against Yugoslavia in 1999 (which paved the way for future German military involvement outside of NATO-territory), and two other imperial-minded representatives of the newly founded European Council on Foreign Relations (ECFR), including Mark Leonard, a close collaborator of Tony Blair.

Pieter Feith, in a interview in Kosovo TV in early March, tried to avoid concrete answers to an impatient Kosovo-Albanian interviewer, about what exactly the EU and ISG presence would look like. However, according to reliable reports, the situation for the Kosovo-Albanians, many of whom of course had hoped for self-government, will now become even worse than before. Under UNMIK, each ministry and institution had "advisors" in their offices, most of them British. Now, according to reliable reports, Feith plans to assume a position of colonial viceroy, by having all laws and regulations placed before him, before any action can occur at all. Under these plans, Kosovo will be reduced to the misery of an ever more impoverished free-trade zone in a globalized world, playing a subservient role in an imperial EU-NATO structure.

The very fact that all of this is happening in Europe, despite the refusal of EU countries, such as Spain, Greece, Slovakia, and Cyprus, to recognize the statehood of Kosovo, is a scandal in itself. It gives a foretaste of the even more dictatorial manner, in which future political and military decisions are to be pushed through in Europe, were the Lisbon Treaty to be ratified, as well as of the character of the planned new post of a "high representative of foreign policy" for Europe.

#### Russia Avoids Confrontational Course

Russia, which at present upholds the principles of international law, fortunately, has not let itself be pulled into a

confrontation *modus operandi*, which obviously British geopoliticians are hoping for. Military options have been categorically ruled out by Russia, and Moscow has also warned Belgrade against military actions. For the time being, the Serbians will try to opt for intensifying links to their ethnic minority in northern Kosovo. It is unclear, how far this will go, also in light of the shaky government coalition in Belgrade. There are warnings from the Russian side, that a split along ethnic lines of the heavily Serbian-populated northern Kosovo is already playing out. Indicative of this were recent announcements by the Serbian state railway company to retake control over the northern Kosovo railroad connections.

In the region itself, Russia seems to give emphasis to the economic aspect. In a brief visit to Belgrade on Feb. 26 by Foreign Minister Lavrov and Dmitri Medvedev, outgoing CEO of Gazprom, and now the newly elected President, even offered options for reconciliation between Serbs and Kosovar-Albanians in the context of infrastructure projects in the Balkans, for example in the natural gas sector. Medvedev and Serbian Prime Minister Vojislav Kostunica signed a draft agreement on the South Stream project, a gas pipeline transporting natural gas from Russia to Italy, through Bulgaria, Serbia, Hungary, and Austria. Medvedev stressed that taking Serbia on board, was important to make "the project feasible, complete, fruitful, and mutually beneficial," and "particularly important, as regards the situation in Serbia today." He said, this was "essentially an element of our moral, material, and economic aid to the state." Kosovo is also invited to take part in the project, which would improve and secure its gas supply. On Feb. 28, a contract on the South Stream project was also signed with Hungarian Prime Minister Ferenc Gyurcsany, following talks with Putin in Moscow.

The South Stream project plans to transport 10 billion cubic meters of Russian gas annually across the Black Sea, with the first deliveries scheduled for 2013. Jointly built by Gazprom and Italy's Eni, South Stream is a rival project to the Nabucco pipeline backed by the EU and U.S., which would pump Central Asian gas to Europe via Turkey, bypassing Russia. That project also involves Bulgaria, Romania, and Hungary, but as they are frustrated over the slow progress of the Nabucco project, they decided to take part in South Stream at the same time. The fact, that they would not join the anti-Russia policy of the EU, has much enraged the European bureaucracy which insists on "either, or."

Thus, the lines for Europe in the Balkans are clearly drawn. Will its nations submit to becoming a "post-modern" empire along British geopolitical dictates—or, as EU-advisor Jacques Rupnik at a recent conference in Paris said, "a substitute for an empire"? European nations, on the other hand, can still adopt LaRouche's perspective of Eurasian-wide economic development of sovereign nation-states, in the context of a "New Bretton Woods" agreement, thus averting the steep fall into a new dark age.

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### LaRouche Hits British Plot vs. South America

Lyndon LaRouche on March 5 denounced the British attempt to orchestrate a regional war across South America, as part of their international strategy of "globalizing" the sovereign nation-state out of existence, and imposing fascism under conditions of the ongoing disintegration of the world financial system. The first and foremost target of the British financial oligarchy, LaRouche explained, is the United States itself, as seen in their desperate effort to impose the two-bit, coy Mussolini, New York City Mayor Michael Bloomberg, as the next President of the United States—over the political corpses of all the current candidates of both parties.

"The same people who want to turn the management of the U.S. over to Wall Street," LaRouche elaborated, "are also meddling in the hemisphere, to put in jeopardy the unity of the Americas around the Bank of the South initiative," which is a step in the direction of building a new international financial architecture free of the current sinking system.

The reactions from many South American governments to the Colombian government's March 1 cross-border raid against a camp of the narcoterrorist FARC (Revolutionary Armed Forces of Colombia) inside Ecuadorian territory—an attack in which FARC kingpin Raúl Reyes was killed, along with 16 others—play right into the British hand, LaRouche said. "The British employ foolish statements by people as ways of causing trouble. That's the way you manipulate history, by using the foolishness of the people themselves against them."

"Venezuelan President Hugo Chávez is a British asset," LaRouche went on, "and declared himself to be one," both by calling for the dollar and the United States to be destroyed, and by endorsing the FARC drug cartel as a supposedly legitimate group which should be granted "belligerent" status under the Geneva Treaty—a clear violation of Colombian sovereignty.

Various voices across South America have protested against Colombia's violation of Ecuadorian territory in the March 1 raid. LaRouche commented:

"The issue of national sovereignty is that you can not, on the one hand, claim that a terrorist drug-running operation has national sovereignty. If governments allow an international terrorist organization such as the FARC to use their territory, then they have no complaint when the aggrieved government takes action at the border. The question is: Were the governments involved willing to back, and cooperate with, Colombia on preventing their own borders from being used as a safehaven for terrorists?

"This is a fascist, drug-pushing organization, of the same type which is causing great distress in Southwest Asia. And they are tightly linked to Wall Street and other international financial interests, that run the drug trade from the top. And therefore you cannot complain, unless you are willing to cooperate when a government finds that a major terrorist threat is using a nearby country as a staging area for terrorist attacks. You have to cooperate with that country, some way or another, or you have to turn a blind eye to the fact that they crossed your border."

As for Colombia, LaRouche continued, "You have to make sure that everybody understands that you're going to do something, but you are going to do it in a way which has no bad intention toward the country whose borders you may be bruising, because the terrorists are occupying part of their territory."

For that reason, LaRouche stated that he disagreed with statements issuing from certain quarters in Colombia, such as the Santos family's *El Tiempo* newspaper, justifying the attack on the grounds of the British doctrine of "limited sovereignty."

"We don't agree with that at all. But, the fact is this is a drug-financed international terrorist operation which has been killing innocent victims all over the place, and there is no excuse for failing to recognize that governments that are threatened by these people should get cooperation from other governments in doing something about these cross-border operations. When one government, by inability or otherwise, allows its territory to be used for terrorist operations against the people of another country, they do not have immunity."

If the Colombian government truly wants to defuse the British effort to induce regional warfare, LaRouche noted, why don't they release the documentation from Raúl Reyes's captured computers on his infamous 1999 meeting in the jungles of Colombia with Richard Grasso, then head of the New York Stock Exchange? At that meeting, Wall Street cemented its alliance with the FARC for "mutual investments," with a jungle embrace between Reyes and Grasso, which became known as the "Grasso Abrazo."

LaRouche returned to Britain's strategic objective in South America. "The issue here is the Bank of the South, which is an institution to be defended. The issue is, Venezuela's oil has been a significant factor in building for the unity of South America," including helping Ecuador and Argentina survive when they fought the financial system which was killing them. "And now, Chávez has gone crazy, which is not surprising to us, knowing his background. He is being played by the British. He is protecting, defending terrorists, as if they had some kind of sovereignty, by calling them revolutionaries, and calling for their being granted belligerent status. This is absolutely stupid. It is the best way to break up the Bank of the South, which is why it's happening. These forces pulling Chávez's strings are now out to break up the very thing he helped to create," LaRouche concluded.

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### Raúl Reyes and The 'Grasso Abrazo'

Venezuelan President Hugo Chávez went on national television on March 2, to call for a minute of silence for that "great revolutionary," Raúl Reyes, operations and finance chief of the Revolutionary Armed Forces of Colombia (FARC), who had been killed by Colombian military forces the day before.

Wall Street was less public in its mourning, but it had long ago claimed Chávez's "great revolutionary" as their man.

On June 29, 1999, then-president of the New York Stock Exchange, Richard Grasso, called a press conference on the floor of the Exchange, to announce that after an "extraordinary" meeting with Reyes, in their southern jungles of Colombia, Wall Street had struck a pact with the FARC for a mutual exchange of capital between their two organizations, just as soon as "peace" could be arranged, at terms acceptable to the FARC. My visit, he declared, "will mark the beginning of a new relationship between the FARC and the United States."

The embrace (*abrazo*), pictured here, which sealed the pact between Grasso and Reyes, was posted on the website of then-President Andrés Pastrana. *EIR* published it on the cover of its July 16, 1999 issue, along with the transcript of Grasso's

shameless press conference, as part of an explosive package titled, "The IMF and Wall Street Are Gunning for Drug Legalization." The photo quickly became infamous worldwide as "the Grasso *abrazo*."

Grasso proclaimed that the pact with Reyes exemplified Wall Street's strategy of being "very aggressive in trying to pursue international markets and opportunities."

This was a big opportunity, indeed. The FARC was then, and is still, the dominant drug cartel in Colombia, the world's leading producer of coca and its derivates, crack and cocaine. In February 2001, Colombian military operations seized no less than 12 cocaine laboratories under the control of the FARC in the southern Guaviare region alone, producing two tons of cocaine a week.

Not surprisingly, Grasso discovered that Reyes was "very sophisticated ... and he knew a *lot* about investment and capital markets, and the need to stimulate outside capital coming to Colombia." The chief of operations of Colombia's leading dope traffickers was indeed "very interested in how Colombian companies could come to the U.S., and raise capital to be invested in the country," Grasso gushed to reporters.

"I invited *Comandante* Reyes and the [FARC] Supreme Commander [Manuel "Sureshot" Marulanda] to walk the trading floor with me, and I hope that when they do accept that invitation, they'll have the firsthand experience of what we talked about on Saturday," said Grasso. "Again, to underscore: This was a very, I believe, sophisticated leader. I

think that Raúl Reyes—Comandante Reyes—is quite knowledgeable, and very much interested in coming and seeing this firsthand. Perhaps meeting many of you."

The Wall Street Journal was ready, writing in a June 29 editorial: "Mr. Reyes... is profitable, he's global and he's strategically positioned. Stay tuned, the NYSE chairman is said to have offered the guerrilla a floor tour of the exchange. What's next, an IPO?"

Over the next year, international CEO's would follow Grasso, and meet with Reyes and other top narcoterrorists in the Switzerland-sized protected enclave they had been given in Colombia. FARC leaders, including Reyes, would be welcomed in European capitals, in the name of negotiating their legal participation into the "new global economy."

Britain's Dope Inc., orchestrating this charade, called it "peace negotiations"; Colombians called it murder.

—Gretchen Small



ANCOL/Fernando Ruiz

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### International Intelligence

### Russia May Help NATO Get Supplies to Afghanistan

According to diplomats at Russia's NATO mission, for the first time Russia may allow non-military supplies from Russia through former Soviet republics such as Uzbekistan and Kazakstan to go to NATO troops in Afghanistan, the *Financial Times* of London reported on March 7.

Dmitri Rogozin, Russia's new ambassador to NATO, had signalled his interest in forging an agreement in this area at a recent NATO-Russia Council in Brussels. Outgoing President Vladimir Putin, as his last major diplomatic mission, has agreed to attend the April 2-4 NATO summit in Bucharest, as a guest. This would be the first time that Putin has accepted the invitation for this annual NATO summit.

It is evident, however, that Russia is not prepared to give NATO a blank check. On March 3, Russian Ambassador to Kabul Zamir Kabulov told the BBC's Persian service that the United States and NATO must use their presence in Afghanistan only to fight terrorism, and not for regional political or economic purposes. "We see the military presence of armed forces of the United States and NATO ... in Afghanistan just in the framework of our common campaign against terrorism," Kabulov said.

## Attack on Yeshiva Could Ignite Messianic Struggle

The attack on the Mercaz Harav seminary (yeshiva) in Jerusalem by a Palestinian man on March 6, which left eight students dead, could escalate the conflict in the region. This is the number one Zionist-nationalist yeshiva, founded in 1924 by Rabbi Abraham Isaac Kook, and later operated by his son, Ravvi Zvi Yehuda Kook. Many of the most extreme messianic Zionist rabbis came from this yeshiva, and the radical settlement movement Gush Emunim has its roots there. *EIR* published a profile of the Merkas Harav yeshiva in its Special

Report of December 2000, Who Is Sparking a Religious War in the Middle East? documenting that the "Kook" operation was run from the start by British oligarchical networks.

According to Ynet, there are now fears that radical settlers will take revenge that could lead to even more violence. The Jerusalem attack took place just at the time when Egypt was trying to mediate a ceasefire between Israel and the Palestinians; in fact representatives of Hamas and Islamic Jihad were meeting in Egypt at the time.

The head of the yeshiva, Rabbi Ya'akov Shapira, speaking at the funeral attended by thousands, declared the attack "a continuation of the 1929 massacres" and said, "The time has come for all of us to understand that an external struggle is raging, and an internal struggle, and everyone believes that hour has come ... for us to have a stronger leadership, a more believing leadership...."

People at the funeral chanted "death to the Arabs."

### Will Blackwater Enter Pakistan's Tribal Areas?

Speaking to the Italian news agency AKI international in Karachi on March 5, Pakistan's former chief of Inter-Services Intelligence (ISI), and one of the mentors of the Afghan Taliban movement, Lt. Gen. Hamid Gul, said: "Seven hundred and fifty American commandos will participate in upcoming military operations in the Pakistani tribal areas.... I confirm this to you on the basis of my information that those American commandoes will be sent through private contracting firms like Blackwater, and they will supervise the whole operation." Blackwater is the private security firm that has been at the center of controversy over the brutality of private contractors in Iraq.

Gul revealed this on the same day that a suicide attack on a government office guarded by Afghan and NATO troops in eastern Afghanistan left two alliance soldiers dead and four more wounded, a U.S. military spokesman said.

Although the arrival of the U.S. commandos in Pakistan was reported earlier, it was not clear that the decision had been reached to move into the tribal areas, despite opposition by the local population and the PML(N) political party (led by Nawaz Sharif, the party was the second-largest vote-getter in Pakistan's Feb. 18 elections). The PML(N) calls the U.S. intervention a violation of Pakistan's sovereignty.

It is evident that the decision to send the U.S. commandos was decided earlier, and that the U.S. Centcom chief, Adm. Mike Mullen, who was in Islamabad, holding talks with President Pervez Musharraf and Army Chief Gen. Ashfaq Kayani, was there to inform the Pakistanis. Mullen "is here to continue developing the relationship military-to-military and to discuss a range of bilateral issues of mutual concern, including regional security," U.S. Embassy spokeswoman Elizabeth Colton told AFP.

### President Hu Addresses Importance of Taiwan

Chinese President Hu Jintao on March 4 addressed the first day of the Chinese People's Political Consultative Congress, an advisory body which meets a few days prior to the National People's Congress, which opens on March 5. Hu used most of his speech to address the importance of the Taiwan issue, calling the drive for independence the "greatest menace" to China's national sovereignty. While repeating China's determination never to accept Taiwan's independence, he reiterated the government's commitment to continue to deal with the issue by peaceful means. He stressed, however, that any issues touching on Chinese sovereignty would have to be decided by citizens on both sides of the Strait—i.e., that any referendum in Taiwan is insufficient for any change.

Hu said that China was going to increase the exchange in people, products, and culture across the Taiwan Strait, and reiterated his pledge to meet with any of the Taiwan parties as long as they accepted the principle of "one China."

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### **PIRNational**

#### **MARCH 4 PRIMARY**

## Clinton's 'Courage Under Fire' Stalls Bloomberg Option

by Harley Schlanger

As the votes were beginning to be tallied in Ohio and Texas on March 4, Lyndon LaRouche offered his congratulations to Democratic Presidential candidate Hillary Clinton, pointing out that her "courage under fire" demonstrated the "vital leadership quality" which the next President must possess to deal with the accelerating disintegration of the world financial system.

By the end of the evening, it was evident that a majority of Democrats in Ohio and Rhode Island, as well as a majority of those who cast ballots in the Texas Democratic primary (which included Republicans—see box) responded to that demonstration of leadership, as she won decisive victories in those states. Her victories occurred despite consistently hostile media coverage, with many pundits insisting she should drop out of the race, for the sake of "party unity," as well as pressure from traitorous networks in the Democratic Party, tied to fascist financier Felix Rohatyn, which are attempting to undermine

her campaign on behalf of the "Bloomberg option."

Senator Clinton won the primaries in Ohio and Rhode Island by significant margins (including more than 10% in Ohio), and defeated Sen. Barack Obama in Texas by more than 100,000 votes, out of a record of nearly 2.9 million votes cast. Her victories on "Super Tuesday II," as some media dubbed it, represent a significant blow to the efforts to bring in New York City Mayor Michael Bloomberg as a new Mussolini, to impose a fascist dictatorship over the United States, though LaRouche warned on March 6 that the Bloomberg option remains a live threat to the survival of the nation.



Barbara Kinney Photography

Hillary Clinton, shown here at a campaign rally in San Antonio Feb. 13, made a political comeback on March 4, by becoming a voice for the "voiceless," as FDR did in fighting for the "forgotten man."

#### **Reality Strikes Back**

These results reflect the effect of what might be called the "reality principle" hitting the campaign, driven by Senator Clinton's insistence that the economy is the leading issue. Following her defeat in the Iowa caucuses, she shifted her approach in New Hampshire, emphasizing that the next President must address the effects of the collapsing economy and financial system, which are hitting the vast majority of Americans with devastating force.

By sharply refocusing on the economic desperation of the unemployed and the declining "middle class" in Ohio and Tex-

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as, and the growing fears of millions that they face losing their jobs, their homes, and access to medical care, the Clinton campaign showed that "hope" is not just a word, but depends on a fight against the corporate cartels which have been looting the nation. Evoking the image of Franklin Delano Roosevelt, who said he would represent the "forgotten man" in his campaign for President at the peak of the Depression in 1932, Clinton said she would be a voice for the "voiceless," in fighting for their rights.

This point was reiterated forcefully on the eve of the March 4 primaries by senior Clinton campaign advisor Harold Ickes, on PBS's "Charlie Rose" show. In making the case that Clinton should stay in the race, Ickes pointed out that with eight months to go before the November election, economic problems will, more and more, be in the forefront of the debate. Therefore, nobody should "rush to judgment."

The image of Hillary Clinton as a fighter, who would not back down, or quit in the face of enormous pressure, rallied many voters who were undecided until the last minute, to vote for her. Polls show that she won nearly two-thirds of the votes cast by those who made up their minds in the last four days before March 4.

There were two other factors at play, as part of the reality that shaped the environment leading to March 4. First, there was the weak response of Senator Obama to the pummeling, which has just begun, regarding the case of indicted Chicago businessman Tony Rezko, whose trial on corruption charges opened on March 3. LaRouche had pointed to the Rezko case,

which is quickly becoming the "Obama case," as an example of how Bloomberg's London-based backers intend to dispose of Obama, after the Illinois Senator has knocked Clinton out of the race.

Obama, who was used to basking in the adulation of the press, was suddenly placed on the hot seat, and he handled it poorly. He awkwardly fled from reporters during a press conference in San Antonio, when he was confronted with contradictions between leaks about his relations with Rezko, which had appeared in the British press, and his efforts to deny any substantive ties to Rezko.

The other factor is that Bloomberg, despite his prominent denial, in a Feb. 28 op-ed in the *New York Times*, that he is running for President, *is* still a candidate—if not for President, then for Vice President. Backers of the would-be Mussolini have inserted his name in lists of potential Vice Presidential candidates for both parties; and the same pundits who are trashing Clinton have been promoting Bloomberg. As La-Rouche had forecast last November, the Bloomberg option would be activated after Rudy Giuliani was dumped, which LaRouche accurately predicted; and, then, after Obama had defeated Clinton, he, too, would be cast aside, clearing the way for Bloomberg.

#### LYM Takes on the Bloomberg Option

That Hillary Clinton has acted defiantly in the face of this scenario, to counter it in a manner which was unexpected by

### Did Texas Republicans Outfox Themselves?

Howls have been heard coming from GOP quarters in Houston, as the party's unofficial strategy—i.e., urging Republicans voters to cast ballots in the Democratic primary to aid the weaker of the two Democrats—seems to be backfiring, as the GOP "strategists" are increasingly confused as to which candidate that would be!

The idea, which some attribute to Karl Rove, was to throw enough votes to the Democratic candidate (Texas allows "crossover" voting) who would be easier to beat in the November general election. More astute Democratic analysts see this as part of the ongoing Bloomberg campaign, to wreak havoc on the Democratic Party in the months leading up to the nominating convention.

Working from earlier poll numbers, they thought Obama would be easier to defeat, so some Republicans voted early for Obama; others who voted for Obama were driven by long-term hostility toward the Clintons, hoping they could finish off those pesky Clintons in Texas; still others, like right-wing windbag Rush Limbaugh, have been urging Republicans to vote for Hillary, to defeat Obama. Reports from precincts in solidly Republican areas show a highly disproportionate number voting in the Democratic primary.

As voters went to the polls on March 4, leading Republicans began to realize that this strategy was backfiring. It seems that these oh-so-clever Republicans were unable to figure out which Democrat was the weaker candidate! There are credible reports that some dismayed Party leaders spent the weekend trying to figure out how to convince Republicans to vote in the GOP primary, without spilling the beans about their sly plan to disrupt the Democrats. Rank-and-file GOP voters called local right-wing radio talk shows on the morning of the voting to complain that, after voting for Obama (or Hillary) in the Democratic primary, they discovered they could not vote for Republican candidates in the other races on the Republican primary ballot.

Exit polls showed that 9% of the votes cast in the Texas Democratic primary were cast by self-identified Republicans. Of these, 52% voted for Obama.

-Harley Schlanger

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the pundits, is made evident in a column in the March 6 *Washington Post* by right-wing whiner Robert Novak, with the not-so-ironic title, "Why Clinton Isn't Dead." Novak reports that, prior to the March 4 vote, top Democrats were moving to dump Hillary, that "elaborate preparations ... had been made for her expeditious burial." These prominent Democrats "were organizing a major private intervention. A posse of party leaders would plead with her to end her campaign and recognize Obama as the Democratic standard bearer."

The plan for deployment of this "death squad"—which would likely have included such Rohatyn cronies as Al Gore and Nancy Pelosi—has been put on hold, as voters responded to Senator Clinton's leadership on election day.

A key role in rallying voters to defeat the Bloomberg option has been the effective deployment of the LaRouche Youth Movement (LYM) in Ohio, Texas, and Rhode Island. The LYM mobilized in Texas under banners which read, "Defeat Bloomberg in the Texas Primary," while distributing more than 40,000 copies of two leaflets put out by LaRouche PAC on the Bloomberg option: "Mitt Romney Walks Out," which exposed why London-based financial networks were desperately pushing Bloomberg's candidacy, as a last-ditch effort to destroy the U.S.A., by placing it under a Mussolini-style corporatist regime; and "Bloomberg Lies: 'I Am Not Running,' Only Dripping Copiously," which updates the first leaflet, identifying the next phase of the Bloomberg option, to knock out Obama.

A similar mobilization by the LYM in Ohio had the same effect as in Texas, causing Democrats to stop and think—"I didn't know Bloomberg was running," was a universal response, giving LYM organizers the opportunity to explain to them the Bloomberg option. Both Clinton and Obama supporters responded by saying, "I knew there was something else going on, this election seemed too orchestrated."

That prescience, that there is something wrong, coincided with the widespread unleashing in the press just days before the primary, of the story of the Rezko/Obama case. This confirmed for many that there was, indeed, something bigger going on: The Bloomberg option was now in the public eye.

It was this confluence of events, occuring at the moment when Clinton had, once again, "found her voice," and demonstrated her commitment to fight for the "forgotten men and women" of America, which offers our nation a chance for survival.

Now, it is on to Pennsylvania, the next mega-contest, on April 22, and then, as the Clinton campaign has made clear, the battle will continue to the Democratic convention in Denver at the end of August.

One thing is certain: Neither the would-be Mussolini, Mayor Bloomberg of New York, nor his close collaborators, such as fascists George Shultz and Felix Rohatyn, are pleased by this turn of events.

# LaRouche's HBPA Wins Rhode Island Primary!

by Matthew Ogden and Alli Perebikovsky, LaRouche Youth Movement

It's time to take action on the issue of foreclosures. As we know, it affects everyone across the country. Mostly, I ask you to support this resolution to specifically come up with ways to not just feel good, but to actually *do* good.

-Rhode Island State Rep. Joe Almeida

On May 29, 1790, Rhode Island became the last state to ratify the United States Constitution. However, on March 4, 2008, Rhode Island became the first state to officially endorse Lyndon H. LaRouche's Homeowners and Bank Protection Act (HBPA), the first step towards saving that same U.S. Constitution today. Rhode Island also made history on March 4, by delivering a crushing blow to London's fascist Bloomberg option, responding to LaRouche's warning, circulated in a mass leaflet during the days leading up to the March 4 primary, that an Obama victory would only pave the road for a Michael Bloomberg Presidency. Record numbers of Rhode Islanders, mostly among the ranks of the lower 80% of family incomebrackets, turned out to vote for Hillary Clinton, thereby blocking London's Bloomberg plot.

Lyndon LaRouche is *not* running for President. However, the LaRouche Youth Movement (LYM) has been campaigning across the nation to make the issue of a Franklin Roosevelt-style economic recovery the *only* issue of the current Presidential campaign. State Rep. Joe Almeida and State Sen. Juan Pichardo, in the face of a severe budget crisis and deteriorating social and economic conditions, have turned to the LaRouche Political Action Committee as having the only alternative to fascist budget-cutting austerity policies, like those typified by "Benito" Bloomberg and California Terminator Arnie Schwarzenegger.

LaRouche has long emphasized that if the Democratic Party wishes to survive and to actually save the nation, it must return to their original constituency, the lower 80%, FDR's "forgotten men," or, what LaRouche characterizes as the "sleeping giant." Both the passage of the HBPA in the Rhode Island Statehouse, and the landslide defeat for Bloomberg in the primary, can only be understood as the waking of that sleeping giant; the nation heard "the voice of the voiceless."

#### Waking the Sleeping Giant

In the days following the Super Tuesday primaries on Feb. 5, both the Obama and Clinton campaigns were scrambling to set up campaign operations on the ground in Rhode Island.

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However, the LYM was already there, campaigning for its Presidential candidate, the Homeowners and Bank Protection Act. On Jan. 18, the Providence City Council had passed a resolution in support of the HBPA, hours after LaRouche delivered an international webcast. Representative Almeida, the chair of the minority caucus, was already engaged in a fight for this policy, and addressed the following statement to the audience of the webcast: "I support the policy proposed by Lyndon La-Rouche in the Homeowners and Bank Protection Act, and we're working very hard right now, to push a resolution supporting this act through the Rhode Island House of Representatives. We are expecting a vote by next week. But I'd also like to urge all other state legislatures across the country to join us in passing similar resolutions. You do not need an economics degree to realize that LaRouche's proposal is necessary."

Before the March 4 vote even took place in by the state legate the House, Senator Pichardo, deputy majority leader of the Senate, stood up in support of the HBPA and passed it in the Rhode Island Senate on Feb. 28, only four days after the Cranston City Council had cast their vote in support of the HBPA. These rapid-fire resolutions are the result of months of outreach and organizing by the LYM, on the streets, the college campuses, city councils, and the State House.

#### The Mass Effect Principle

Young people are the political wild card in the 2008 Presidential elections. The LaRouche Youth Movement is actively shaping the policy of the country, defining the political and his-



State Rep. Joe Almeida

torical identity of our generation. In Rhode Island, as well as in Ohio and Texas, going into the March 4 primary, our focus was to recruit students off of the campuses and into organizing of their elected officials, and to expose the danger of the Bloomberg fascist coup. We generated the greatest effect at Rhode Island College and at Brown University, where our organizing reached a boiling point. Days of mass literature distribution, motorcade

rallies, and one-on-one political discussion, exposed the students to the quality of leadership represented by the LYM—the leadership necessary to revive the Franklin Roosevelt legacy.

Our campus organizing and policy leadership overlapped in one very ironic moment in the basement of the Rhode Is-



LaRouche Youth Movement organizers in Rhode Island on March 4, the day of Senator Clinton's victory in the Democratic primary, and of the passage of LaRouche's HBPA by the state legislature.

land State House. A group of students from Brown University, who had seen us on a street corner earlier that day, were visiting the office of the minority caucus for a school project. Representative Almeida and minority caucus liaison Maria Lopes (a long-term, dedicated pro-LaRouche fighter), interrupted their discussion with these students by enthusiastically introducing members of the LYM, as the authors of Almeida's HBPA resolution. The students, working for the Obama campaign, were flabbergasted that the same young people, who they had seen organizing at a table earlier in the day, were working to make policy in their state government. Weeks later, on the tumultuous primary day, from behind their Obama signs, the same students saw us once again, this time, organizing for the destruction of Bloomberg, just hours before the defeat of Barack Obama in the Rhode Island primary and the triumph of Lyndon LaRouche's HBPA!

This irony is typical of the effect we had on students. At Rhode Island College, the first day of organizing found another "sleeping giant": the so-called apolitical youth generation. The students were shocked to see any sort of political activity going on at their campus. However, within a few months, the campus was completely politicized. Our strategy: ATTACK MYSPACE!

This pulled the students into political reality and a few of them responded by engaging in the intellectual curriculum by attending a LYM weekend cadre school, attempting to replicate in themselves the sort of political leadership they saw in our movement. Now, even though the primary is over, these students remain mobilized.

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<sup>1.</sup> See *The Noösphere vs. the Blogosphere: Is the Devil in Your Laptop?* La-Rouche PAC pamphlet, December 2007.

#### **Re-creating American Politics**

The even deeper effect of our outreach, beyond resolutions and primaries, is to re-create the American political system. Our HBPA mobilization, in the context of the current global crisis, is succeeding in reestablishing the dialogue not only among city, state, and Federal governments, but also the citizens of the United States. The key is activating all layers at once. By bringing our policy to state representatives, city councils, and the people of Rhode Island, simultaneously, we created a truly dynamic political discussion. Our outreach to community constituency groups forced the Providence City Council to immediately adopt the resolution. City Councilman Nick Narducci and State Representative Almeida encouraged each other to fight for this policy. The rapid passage of the resolution in the State Senate, provided the back up for the House to follow suit. News of each endorsement crossfired through the state and directly to the U.S. Congress.

This kind of collaboration, among the layers of government, has been lost in the recent decades of our history, demoralizing a citizenry that would otherwise be looking to their elected officials for leadership to face oncoming crises. But, as these citizens begin to see their elected officials fighting "to do good," they become remoralized, and become a powerful political force to be organized. The sleeping giant, which the nation saw awake on March 4 in Rhode Island, proves that FDR-style leadership, and the courage to fight the fascism represented by Michael Bloomberg today, is the political strategy that will save the United States.

"Let's kick ass for another day!"—Rep. Joe Almeida

#### **Documentation**

This resolution was passed by the State of Rhode Island in General Assembly, January Session, 2008, "Memorializing the United States Congress To Take Emergency Action To Protect Homeowners and Banks":

WHEREAS, The onrushing financial crisis involving home mortgages, debt instruments of all types and the banking system of the United States, threatens to set off an economic collapse worse than the Great Depression of the 1930s; and

WHEREAS, Millions of Americans, including residents of the State of Rhode Island, are faced with foreclosure and loss of their homes over the coming months; and

WHEREAS, The hedge funds which spread this financial collapse among markets worldwide, by dominating speculation in all those markets, are now going bankrupt and demanding government bailout of their securities and derivatives, and the nominal value of the derivatives based on mortgages alone is the size of the combined GDP of the nations of the world; and

WHEREAS, This financial crisis threatens the integrity of

both state and Federally chartered banks, as typified by the run on deposits of Countrywide Financial Corporation in California on August 16, which could wipe out the life savings of too many American people, and drastically undermine the economic stability of our states and cities; and

WHEREAS, Under similar circumstances in the 1930s, President Franklin D. Roosevelt successfully intervened to protect banks and homeowners, addressing Congress with a "declaration of national policy" on April 13, 1933, which stated "that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability, and that to protect homeowners from inequitable enforced liquidation in a time of general distress is a proper concern of the Government"; now, therefore, be it

RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations hereby calls upon the United States Congress to take emergency action in the form of a Homeowners and Bank Protection Act of 2007, as proposed by an economist, specifically to:

- 1. Establish a Federal agency to place Federal and state chartered banks under protection, freezing all existing home mortgages for a period of time, adjusting mortgage values to fair prices, restructuring existing mortgages at appropriate interest rates, and writing off speculative debt obligations of mortgage-backed securities, financial derivatives and other forms of financial pyramid schemes that have brought the banking system to the point of bankruptcy;
- 2. Declare a moratorium on all home foreclosures for the duration of the transitional period, allowing families to retain their homes. Monthly payment, the equivalent of "rental payments," shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalizing the banking system. These affordable monthly payments will be factored into new mortgages, reflecting the orderly deflating of the housing bubble, the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. While this shakeout may take several years to achieve, in the interim period no homeowner shall be evicted from his or her property, and the Federal and state chartered banks shall be protected, so that they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.;
- 3. Authorize governors of the several states to assume the administrative responsibilities for implementing the program, including the "rental" assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition; and be it further

RESOLVED, That the Secretary of State hereby is authorized and directed to transmit a duly certified copy of this resolution to each member of the Rhode Island Congressional Delegation, and also to the President of the United States, for immediate action.

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#### Shakespeare's Richard III

# The Staging of A Coup d'État

by Stu Rosenblatt

It may seem incongruous to link King Richard III of William Shakespeare's play with New York Mayor Michael Bloomberg. Yet, what is occurring behind the scenes in the United States during this Presidential campaign is in fact an attempt at a coup d'état, with the intention of inducing the American public to place Bloomberg in the White House. Shakespeare's play provides a brutally insightful look into the motivations and cutthroat actions that ended with Richard seizing his throne, and a sharp comparison to a similar, albeit seemingly less violent operation today cannot be avoided.

When one thinks of Richard III, the name Dick Cheney immediately comes to mind, and there are startling similarities between the Vice President and the blood-soaked butcher of Shakespeare's play. Upon further investigation, the method by which Richard seized power bears a striking resemblance to that currently in progress to put Bloomberg into the White House.

Historically, the oligarchical faction, be it the British variety, or its earlier Babylonian or Roman predecessors, has employed the method portrayed in *Richard III* to impose tyrants on the throne. As Shakespeare chronicled this approach in *Julius Caesar* and *Richard III*, the game is to mobilize a foolish, "popular" movement to demand the seating of a dictator, who then proceeds to slit the throats of the people who put him in power. This can be seen in the manipulation of the Roman mob in *Julius Caesar*, or the deluded Italian mobs that put Mussolini into power in 1922, or the crazed German mobs who rallied to Hitler.

Where Richard plotted his own ascent to power, in our real-life drama, the New York Mayor is merely the smiling pawn of desperate, but powerful, British-centered, Wall Street financiers such as Felix Rohatyn, George Shultz, and Michael Steinhardt. Today, a conglomeration of think tanks, moneybags, and Wall Street sharks are moving the pieces into place to stick Bloomberg into the Oval Office. This sleazy apparatus includes the Rockefeller Foundation's Judith Rodin, the Build America Coalition of Govs. Arnie Schwarzenegger (R-Calif.) and Ed Rendell (D-Pa.). In the 1930s, the fascists were brought to power by a similar group of financier families, including the Rockefellers, Bushes, Harrimans, and Morgans, under the direction of the British monarchy and Bank of England governor Montagu Norman.

The string-pullers intend to eliminate each of the leading



Both the historical Richard III, and the one portrayed by Shakespeare, seized power by unscrupulous methods that bear a striking resemblance to those now being used, to put Michael Bloomberg in the White House.

candidates, one after another, and while details of the plot are still developing, the ending is already written: to bring Bloomberg in over the carcasses of the other discarded candidates.

Shakespeare's Hamlet, says about Claudius, the King, who has murdered Hamlet's father, and married his mother, "He can smile and smile and be a villain," and the same can be said of Bloomberg. It is important that Americans confront their deep denial that "this kind of thing could happen here," and their foolish nay-saying "that it could never be that putz Michael Bloomberg." They must do as Shakespeare commands in *Julius Caesar*, to peer into their souls as to how they have "become underlings," susceptible to bringing about their own downfall.

This brief sketch will highlight the brutal drive for power dramatized in Shakespeare's *Tragedy of Richard III* in the hope of provoking the American public to crush the incipient coup before it reaches fruition.

#### **Richard III: The Tyrant Stalks the Throne**

Shakespeare's drama is focused on Richard's irrepressible drive to succeed his brother, Edward IV, as King of England. Shakespeare derived his idea from a manuscript by the Renaissance humanist Thomas More, who pilloried and satirized the last monarch of the War of the Roses. He wastes no time in the opening soliloquy outlining Richard's first move.

"Plots have I laid, inductions dangerous, By drunken prophecies, libels, and dreams, to set my brother Clarence and the King In deadly hate, the one against the other; And if King Edward be as true and just As I am subtle, false, and treacherous, This day should Clarence closely be mewed up

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About a prophecy which says that 'G' Of Edward's heirs the murderer shall be. Dive, thoughts, down to my soul...."

While pledging his undying love for his brother Clarence, Richard hires two assassins to murder him. While Clarence awaits his fate, Richard moves on to woo Lady Anne, the widow of the son of the previous king, Henry VI. Richard had just killed both the king, and Anne's husband in war. The conquest of Anne will position him to seize the throne when the expected opportunity arises.

"For then I'll marry Warwick's youngest daughter. What though I killed her husband and her father? The readiest way to make the wench amends Is to become her husband and her father; The which will I not all so much for lover As for another secret close intent By marrying her which I must reach unto. But yet I run before my horse to market."

Shameless rogue that he is, Richard proposes marriage to Anne when she is at her most vulnerable, at the funeral of her husband, who has just been killed by Richard! Once Anne has fallen under his power, Richard gloats:

"Was ever woman in this humor wooed?
Was ever woman in this humor won?
I'll have her, but I will not keep her long.
What, I that killed her husband and his father,
To take her in her heart's extremest hate,
With curses in her mouth, tears in her eyes,
The bleeding witness of my hatred by,
Having God, her conscience, and these bars against me,
And I no friends to back my suit at all
But the plain devil and dissembling looks?
And yet to win her, all the world to nothing!
Ha!"

Richard now moves to have his brother Clarence murdered, while Clarence remains deep in denial that such a horrible event could be conceived. Clarence continues to believe, all the way to his grave, that Richard loves him and will intervene to save his life from the very assassins sent by Richard to carry out his execution.

Clarence's murder becomes the pretext for Richard to pit one faction of the remaining members of the royal family against the other. After the dying Edward IV succeeds in getting all factions to reconcile their mutual hatreds and antagonisms, in a "Westphalian" agreement, the malevolent Richard intervenes to rekindle the oligarchical hatreds. The King foolishly blames himself for Clarence's death, and Richard blames the Queen's family.

This classic oligarchical tactic—divide et impera (divide and rule)—is being played out even now in the Presidential campaign. Lyndon LaRouche has repeatedly warned that Barack Obama's campaign is being used to destroy the efforts of Hillary Clinton; while on the Republican side, the same financiers plan to lower the boom on John McCain. They will finish off the unwitting Obama with ready-made scandals, already brewing. This leaves the door open for Bloomberg's emergence as the "man on a white horse."

King Edward IV dies a timely death following Richard's murder of his brother Clarence, and Richard moves forward ruthlessly to fill the power vacuum. He summarily arrests both the Queen's son and brother, potential impediments to his plan, and has them executed. He does the same with Lord Hastings, his close ally, who nonetheless refuses to support the developing coup d'état. Only unquestioning loyalty will satisfy the usurper.

Richard then hatches his next scheme, a series of slanders to be circulated among the populace, vilifying the sons of his brother Edward IV, who are the legitimate heirs to the throne. The analogy to today's "media brainwashing and slanders" currently deployed against Hillary Clinton, could not be more obvious. Richard dictates the plot to his closest confidant Lord Buckingham:

"Go after, after, cousin Buckingham. The Mayor towards Guildhall hies him in all post: There, at your meetest vantage of the time, Infer the bastardy of Edward's children. Tell them how Edward put to death a citizen Only for saying he would make his son Heir to the Crown—meaning indeed his house, Which, by the sign thereof, was termed so. Moreover, urge his hateful luxury And bestial appetite in change of lust, Which stretched unto their servants, daughters, wives, Even where his raging eye or savage heart, Without control, lusted to make a prey. Nay, for a need, thus far come near my person: Tell them when that my mother went with child Of that insatiate Edward, noble York My princely father then had wars in France, And, by true computation of the time, Found that the issue was not his begot...."

Richard then tells Buckingham that he is recruiting (bribing) several clergymen to pray with him at his residence, and encourages Buckingham to recruit the gullible townsfolk to view the spectacle of contrition at Richard's castle. Here they can be mobilized to beg him to accept the Crown.

In the meantime, Richard will dispense with his final obstacles, Edward's two sons, including the designated heir

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to the throne, Prince Edward.

"Now will I go to take some privy order To draw the brats of Clarence out of sight, And to give order that no manner of person Have any time recourse unto the Princes."

#### **Orchestrating the Coup**

Richard's initial attempt to mobilize the populace of London to carry him onto the throne backfires, when the unwilling mob refuses the entreaties of his emissaries. Buckingham's pleas fall flat, as the people refuse to buy his sales pitch:

"Your discipline in war, wisdom in peace, Your bounty, virtue, fair humility; Indeed, left nothing fitting for your purpose Untouched or slightly handled in discourse. And when mine oratory drew toward end, I bid them that did love their country's good Cry 'God save Richard, England's royal king!'"

Richard is shocked when the mob fails to give its approval to Buckingham's proposition. However, Buckingham's stooges, planted in the crowd, lead a chant endorsing Richard, and this ploy stirs up support. Buckingham grabs the mayor and a few townsmen by the arms and drags them to the castle to meet with Richard, where they plead with him to take the throne.

The two evildoers then set the stage. They place Richard between two clergymen; now, Richard is ready to whip up the mob to beg him to accept the crown. Buckingham then drags in the gaggle to meet Richard, who is deep in prayer. Buckingham greets them thus:

"Ah, ha my lord, this prince is not an Edward! He is not lolling on a lewd love-bed, But on his knees at meditation; Not dallying with a brace of courtesans, But meditating with two deep divines; Not sleeping, to engross his idle body, But praying, to enrich his watchful soul: Happy were England would this virtuous prince Take on his Grace the sovereignty thereof. But sure I fear we shall not win him to it."

Richard, flanked by the bishops, feigns surprise when approached by the group as he "prays"; Buckingham begs him to consider taking the crown. In a dialogue filled with delicious irony, Buckingham and Richard exchange "holier than thou" pleadings about Richard's deep religious convictions and the mob's desire that he become king.

Implying that the decent Edward IV was a rogue and scoundrel, who had defaced the throne, the Rohatyn-like Buckingham implores the "coy" Richard to accept the crown.

Richard demurs, as Buckingham continues to appeal. Finally, the previously intransigent Mayor interjects and demands that Richard become king.

The "flirt" Richard again refuses, and the entire mob leaves the palace, crestfallen. Now, another of Richard's allies, Catesby, emerges from the crowd to implore the bloody duke to assume the title.

"Call him again, sweet prince. Accept their suit. If you deny them, all the land will rue it."

Richard responds,

"Will you enforce me to a world of cares? Call them again. I am not made of stones, But penetrable to your kind entreaties, Albeit against my conscience and my soul."

After more despicable begging, pleading, and wringing of hands, Richard accepts the crown.

His first act is to hire an assassin to murder the young dukes, the true heirs, who had been locked in the Tower of London.

The bloodshed continues as the mad king is now free to attack all opponents, real or imagined. As he had earlier promised, Richard has his wife put to death in the midst of the carnage.

"But I am in So far in blood that sin will pluck on sin. Tear-falling pity dwells not in this eye."

#### **Henry VII and the Defeat of Fascism**

Shakespeare's play is an unvarnished look at the method of oligarchical control, typical of the feudalism, so admired by the allies of Bloomberg and their European counterparts promoting the fascist Lisbon Treaty. The play is set against the conclusion of the War of the Roses, the "endless war," pitting the oligarchical houses of Lancaster and York against one another, and destroying the country for generations.

Happily, the genocidal war is brought to a conclusion with the destruction of Richard at the battle of Bosworth Field. He is slain by Henry Tudor, the Earl of Richmond, who ascends to the throne as Henry VII, who brings the Italian Renaissance to England and France.

As LaRouche has warned, nothing short of a thorough overturning of existing axioms, and the defeat of the fascist threat, will deliver this nation and the planet from the tyranny. Lurking behind the smiles of Bloomberg and his controllers lies the same brutal hand that destroyed Europe with fascism in the 1930s. It *can* happen here, but only if we allow it. There is no better time to learn the lessons of Shakespeare's great tragedy.

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### **Example** Economics

# Save Housing: Put Financial System Into Receivership

by John Hoefle

You can hardly look at the news these days without hearing about the U.S. housing crisis. Foreclosures are at an all-time high and the rate is accelerating, home prices are falling all across the nation, and the number of homeowners who owe more on their homes than they are worth is rising. This is a national problem which must be solved.

At the same time, however, this housing crisis is being used in a heartless and cynical way by the big financial institutions, which are seeking to have themselves bailed out under the guise of helping homeowners. Proposals abound in Washington which are aimed at protecting not the homeowners, but the mortgage-holders, and the holders of trillions of dollars of mortgage-backed and mortgage-related securities. Under all the posturing and spin, the American people are being thrown to the wolves by the bankers, in order to protect the fictitious values of speculative financial paper.

To sell their bailout, the financiers constructed a phony story about how the subprime problems developed, painting themselves as the victims of unscrupulous subprime lenders and greedy home-buyers. They got away with it because a year ago, when they started pushing this scam, the cracks in the banking system were not nearly so visible as they are to-day. The bankers knew, but the public did not, and the bankers played on that ignorance.

One year later, the financial markets are in panic, and the bailout process has begun. If we continue down this road, not only will the housing crisis worsen, but the economy will explode in a hyperinflationary blowout the likes of which the United States has never experienced.

#### **Housing Meltdown**

Bad, and getting worse, sums up the situation for homeowners. Foreclosures rose to a all-time high in 2007, accord-

ing to the Mortgage Bankers Association, which noted that 40% of all foreclosures involved people with prime or subprime mortgages who walk away from their homes *before* their adjustable-rate-mortgage interest rates reset, and another 23% involved people who walked away from their homes after receiving some sort of beneficial loan modification. Late payments rose to a 23-year high, with 5.8% of all home loans more than 30 days late, a rate not seen since 1985.

Nationally, some 29% of all subprime loans were in trouble at 2007 year-end, as were 35% of all adjustable-rate subprime loans. Subprime loans accounted for about 13% of the total number of mortgages. Troubles with prime loans are also increasing, with 4.5% of all prime mortgages delinquent or in foreclosure nationally, as were 8.7% of adjustable-rate prime mortgages.

The net worth of households fell in the fourth quarter of 2007 for the first time since 2002, decreasing by \$533 billion, with housing-related net worth falling by \$176 billion, according to the Federal Reserve. That net loss would have been almost three times bigger, had the Fed used the figures from S&P/Case-Shiller instead of those from the Office of Federal Housing Oversight, according to J.P. Morgan Chase.

The drop in housing prices, combined with the refinancing wave of the past several years, means that as a whole, the amount of equity Americans own in their homes has dropped below 50%, Federal Reserve statistics show. Since about 35% of homeowners own their homes outright and have no mortgages, the 65% who do have mortgages owe a lot more than 50% of their homes' value.

Freddie Mac projects that sales on new and existing homes in the United States will probably fall to 5 million this year,

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down a third from the all-time high of 7.5 million in 2005, and even that number reflects increased government bailout activity, since the private mortgage-backed securities market has collapsed.

While foreclosures get most of the press coverage, the effects of the housing crisis are also hitting people who are still making their payments. The exorbitant prices for homes in recent years have put many families in the position of having to pay far more for housing than they should, and the combination of high mortgage and rent payments, high gasoline prices, and the rising cost of food and other essentials due to the falling value of the dollar, has put households in a terrible bind.

#### The Cause

The fact that subprime loans are at the bleeding edge of the housing crisis does not mean that subprime loans were the *cause* of the housing crisis. For the cause, one has to look at the banking system and the creation of the largest speculative bubble in history.

Far from being caused by subprime lenders on the periphery of the financial system, the real estate bubble was the creation of Wall Street. The game was to run up real estate values, and use the "wealth" created by the higher valuations as fuel for the bubble. The debt created by the mortgages was then used as the basis for the creation of an even larger market in mortgage-backed securities and even more mortgage-related securities such as collateralized debt obligations and other forms of insanity. As the bubble grew, it required ever larger amounts of fuel, which in turn, required more, and bigger, mortgages.

As housing prices rose, they began to outpace the ability of the population to pay the mortgages, so the banks began to loosen loan requirements. Over the last few years, with prices so high that buyers were increasingly difficult to find, the lenders opened the floodgates, issuing adjustable-rate mortgages, subprime loans, low-documentation loans, no-documentation loans—basically doing whatever they had to do to keep the mortgage debt flowing. By design, and intent, the banking system was selling mortgages to people who could not afford them.

The idea that this was the fault of the subprime lenders is a myth, for two main reasons. The first is that the subprime lenders were just middlemen—they originated the loans and then immediately sold them to larger institutions which would combine them in pools for mortgage-backed securities. Had the big banks not bought the loans from the originators, the originators would have quickly run out of capital and ceased to exist. The second reason is that many of the subprime lenders were allied with, or even owned by, big banks.

This whole business was run by the big commercial and investment banks from the top down, and they in turn fed a steady stream of mortgage-backed paper into the hedge funds,

the mutual funds, the money market, pension and other investment vehicles. It was a giant pyramid scheme which was—seemingly—enormously profitable when real estate prices were rising, only to be revealed as an even bigger disaster when that price-growth peaked.

The homebuyers, far from benefitting from this process, instead found themselves paying huge amounts of money to the bankers through artificially high mortgage prices. Many individuals profitted from this speculative game while it was growing, but from a systemic standpoint, and, after the dust clears, it will be seen as one of the most destructive boondoggles of all time.

#### Crash, and Bail

To casual observers, the cracks in this system began to appear in early 2007, when the banks pulled the plug on the subprime lenders and began to portray themselves as victims. That Summer, the cracks split wide open with the Bear Stearns hedge fund crisis, and the death of the market for mortgage-backed securities. As the panic deepened, the market for other asset-backed securities, such as those backed by credit-card receivables, also seized up. By year's end, the whole securitization system had ground to a virtual halt, and the central banks were pumping liquidity like crazy, keeping the system on life-support.

With the new year came the next phase, the banking crisis; though called a "credit crunch," the real problem was *insolvency*, among banks with huge amounts of worthless paper on their books.

Now, things have deteriorated to the point that the talk about the insolvency of the banking system is out in the open, and the Federal government is openly discussing measures designed to save financial institutions. It is a far cry from a year ago, when all the experts were confidently assuring us that everything was under control, that the damage from the mortgage sector was containable. Today, the public statements are even more foolish, and far less confident. Panic is in the air, as is the toxic smell of a bailout.

Have no illusions about what is happening. The international banking crowd is doing what it always does in such circumstances, which is to dump as much of the losses as possible on the public. The bailout schemes before Congress vary slightly, but all have the goal of having the Federal government, and the U.S. taxpayer, buy the bad paper from the banks, so that the public takes the hit. Given the enormous amounts involved and the pitiful state of the U.S. physical economy, such a move would not only destroy the economy, but trigger a hyperinflationary collapse of the dollar, which would spread worldwide. It is insane, and it is coming, unless we stop it. If you think you have problems now, just wait. Better still, help LaRouche pass the Homeowners and Bank Protection Act and put a stop to the bankers' insane wet dream. (See National for news on the HBPA.)

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# Stealing the Highways: Rohatyn's Mussolini Infrastructure Program

by Marcia Merry Baker

The pattern of looting in the recent U.S. cases of the privatizing of government transportation assets described here "speaks for itself" on the real nature of Felix Rohatyn's campaign in the Democratic Party, and at large, for what he calls "innovative financing," which would, in fact, seize public works and subvert government sovereignty.

The transportation deals shown, promoted as the means to provide desperate states and localities with cash, are warmed-over versions of dictator Benito Mussolini's infrastructure schemes of the 1920s and 1930s. His hallmark projects were deals which gave his cronies 50-year rights to tolls, and guaranteed both government funding and expropriation of land for highways. In 1922, as soon as he was installed as Italy's Fascist Premier, Mussolini gave his friends the concession for the Milano-Laghi Autostrada, in northern Italy.

U.S. states traditionally were prohibited from allowing such looting of public assets. State laws, as well as the Constitution, prevented it. But over the past ten years, 24 states have lifted prohibitions. In 2006, Lyndon LaRouche denounced this process as going over to "Mussolini Laws," saying, if Mussolini is here, can Hitler be far behind?

Now, with the financial crash in full swing, Rohatyn et al. are making an all-out drive for fascist economics. The week of March 10, Rohatyn will personally testify to the Senate, and meet with House Democrats, on his infrastructure-grab plans. Besides outright looting, Rohatyn's intention is to end government sovereignty and responsibility for the public good. Instead, as he wrote in an article March 7, government funds should be "leveraged" to facilitate the involvement of private capital and control. Other cover-up jargon for privateer asset-grabs include, "investor concessions," or PBIs (Performance Based Infrastructure), a favorite of Governator Arnold Schwarzenegger. Well over 100 major new infrastructure sell-off projects are now before legislatures and local governments.

The two major highway routes targetted by the privateers are among the heaviest traffic corridors in the world for potential tolls: The 1,000-mile long east-west corridor, from Chicago to the Eastern Seaboard; and the transit routes through Texas, where all the north-south NAFTA traffic is channeled. In addition, California has many of the world's busiest lanes for potential tolls.

#### They've Got To Steal It

Major players in the takeovers are the Australia-headquartered Macquarie Infrastructure Group, and its related partner, the Spain-based Cintra Concesiones de Infraestructuras de Transporte, S.A., part of Ferrovial. Behind these firms are the financial circles of the global oligarchy, including Royal Dutch Shell, the Royal Bank of Scotland, Banco Santander, Lazard, Lehman, and others. In the scramble for fast loot, a few equity funds stand out: Goldman Sachs, Morgan Stanley, and the Carlyle Group.

These are the very circles—especially economic hitman George Shultz—behind the "Rebuilding America's Future," of Schwarzenegger (R), Pennsylvania Gov. Ed Rendell (D), and New York Mayor Michael Bloomberg (I), presenting themselves as a "bipartisan" option for national unity and a Bloomberg Mussolini candidacy. The trio wrote on Feb. 1 to *The New York Times*, "In the coming months, we will put a spotlight on the nation's infrastructure shortfalls. Our country needs a new, independent approach to infrastructure, one that provides sufficient financing...."

Within weeks of such proclamations, the financial blowout has reached the stage that this trio no longer has even a semblance of backing up its Mussolini pitch to save the day, and provide private funds. Rohatyn's fascist financier friends have got to *steal* the infrastructure from the American people who built it; they are not able to buy it now. That's the reason for Rohatyn's pushing a National Infrastructure Bank for \$60 billion in public funds to "leverage" private capital investments—i.e., bail them out.

Here are snapshot views of the leading projects:

Chicago Skyway, 2005. The 7.8-mile Chicago Skyway, opened in 1958, was sold by the city for \$1.82 billion for a 99-year lease in January 2005. The buyers were Macquarie Infrastructure Group (MIG) and Cintra Concesiones de Infrastructuras de Transporte, S.A., operating as one conglomerate called, "State Mobility Partners." With a cash-up-front deal, the city saw its bond ratings jump to their highest levels in about 25 years; just after the Skyway sell-off, Chicago's \$5.5 billion of general obligations bonds hit double AA. Goldman Sachs advised on the sale, making a reported \$9 million.

Cintra-Macquarie is to maintain the Skyway, for which they get the tolls. Within a short time, they cut the hourly wage of toll booth operators in half, from \$20 per hour, down to

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FIGURE 1
Privatized 'Public' Works—U.S. Mussolini Highways



\$10-\$12, and began to raise tolls. In February this year, the latest hike raised tolls 7-9%.

Chicago continued to be strapped for revenue, and so in 2006, Mayor Richard Daley next sold off its city-owned parking system of 9,600 spaces—the largest such municipal garage asset in the nation—to Morgan Stanley for \$563 million. Daley is also shopping out Midway Airport, one of the most heavily used municipal airports in the country, to potential buyers.

Mayor Daley was a prominent participant in Felix Rohatyn's 1999 U.S. Conference of Mayors meeting on "innovative global financing" for cities. In 2004, Wall Street banker Dana R. Levenson became Chicago's chief finance officer, and promoter of the Skyway sale—the first of its kind in the United States. By 2007, Levenson went on to become a managing director of the Royal Bank of Scotland, to engineer more infrastructure sell-offs.

Indiana East-West Toll Road, 2006. This 157-mile toll road connects Illinois and Ohio. Opened in 1956, it is part of the main highway corridor linking Chicago to the Eastern Seaboard. In June 2006, a 75-year lease was sold, for \$3.85 billion up front, to the consortium called ITR Concession Co. LLC, which is made up of Macquarie Infrastructure Group (MIG) and Cintra. The sale was approved by only a one-vote margin in the state legislature earlier this year. Gov. Mitch Daniels, who forced it through, was a former Office of Man-

agement and Budget Director under George W. Bush.

Trans-Texas Corridor, State Highway (SH) 130 Highway Section, 2006. The 4,000-mile Trans-Texas Corridor (TTC) plan was unveiled in January 2002 by Gov. Rick Perry (R), to mandate a grid of highways, rail, and utility lines, based on state funding authority for the benefit of private concessionaires. Texas state law had to be changed to permit state indebtedness and financing for this public/private dealing. Cost estimates ranged from \$30 billion to \$175 billion over the decades of building.

In 2005, a contract was signed by TxDot (Texas Department of Transportation) and a consortium of Cintra and Texas-based Zachry for work on the giant TTC plan, involving five toll roads. In 2006, the concession was granted for the first task, Segments 5 and 6 of State Highway 130 (SH 130), of 40 miles between San Antonio and north Austin, for \$1.3 billion from Cintra/Zachry, in exchange for 50 years of tolling rights. In the face of fierce public opposition, the legislature acted in April 2007, to put a two-year moratorium on any private equity toll projects in Texas.

Adding to the general scandal, Governor Perry's legislative director, Dan Shelley, had to leave office, when it was found that he was a consultant for Cintra beginning in December 2003, nine months before he became a top Perry aide, after which Cintra got the top contract.

Ohio Turnpike. The proposal to sell a long-term lease for

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the 241-mile system was a gubernatorial campaign issue in 2006, and was defeated along with its advocate, Ken Blackwell (R), by Gov. Ted Strickland (D). But now there is a renewed campaign to privatize the highway, which claims that a \$6 billion windfall would go to the strapped state and county coffers. A group called Road-to-Work is lobbying for it, arguing that Ohio localities will suffer if Indiana, and soon Pennsylvania, use their Turnpike lease money to attract business

**Pennsylvania Turnpike.** The push to sell-off all or part of this 537-mile system has been under way since at least the time Gov. Ed Rendell took office in 2002. Macquarie Infrastructure Group and others have been lobbying intensively in Harrisburg with the state legislature, using the familiar ploy that private leasing of the Turnpike will end the state's multibillion dollar shortfall for state transportation.

The Rendell Administration hired Morgan Stanley to estimate the benefits of monetizing the Turnpike, which reported that this will produce \$19.8 billion for the state, if a 99-year private concession is granted. Goldman Sachs projects a \$30 billion pot of gold for Pennsylvania.

New Jersey Turnpike. In the latest twist on the option to sell off long-term leases to New Jersey-owned highways, Gov. Jon Corzine (D) announced his intention to create a public benefit corporation that will use the toll-hikes on the 118-mile New Jersey Turnpike, plus two other state assets, the Garden State Parkway and the Atlantic City Expressway, to pay down debt and fund transportation projects.

**South Bay Expressway, 2007.** This 8.7-mile north-south tollway, which opened last November, links California State Route 905, adjacent to the Mexican border, with Bonita to the north, avoiding the current highway congestion in the San Diego area. This is Macquarie Infrastructure Group's first U.S. project. Another big player in California privatized tolling is the France-based Cofiroute.

**Dulles Greenway, 1995.** This view shows toll stations for the 14-mile Dulles Greenway Toll Road in 1995, the year it opened. It runs westward from Dulles International Airport, through the northern Virginia commuter belt. Greenway was built as a private toll road from scratch. It came about in 1988, when a syndicate of investors was granted a 40-year concession agreement to build a private extension of a highway past Dulles International Airport, instead of allowing the Virginia Department of Transportation to proceed on its already planned roadway extension.

The project was marked by delays and financial losses foisted on the state. Then came insolvency and a shuffling among shareholders—including by Kellogg, Brown & Root/Halliburton, and a sequence of three private operators. The state kicked in an additional 20-year toll concession, and in 2005, Macquarie Infrastructure Group acquired the roadway and the more than 51 years of remaining tolls. Despite all this, the Greenway is still called a "national model" for toll road PPPs. The charge is \$3.20 for a one-way 14-mile trip.

#### The FDR Precedent

### Constitution Invoked To Solve Bank Crisis

When President Franklin Delano Roosevelt took office March 3, 1933, more than 25% of the American workforce was officially unemployed, banks and businesses were falling like dominoes, and the nation was enmired in depression, both physically and in spirit. FDR moved instantly and vigorously to restore confidence in the U.S. banking system, and to set the basis for reviving the economy. Under his bold leadership, this was the most dense period of executive action in U.S. history, and represented the first steps to reviving the principle of the General Welfare in the U.S. government.

On March 5, FDR issued two Executive Orders. One called Congress into a special sesison on March 9; the second declared a National Banking Holiday, from March 6 to March 9, and gave special powers to the Secretary of the Treasury to prevent transactions in gold and foreign exchange. By the time the special session began, a draft Emergency Banking Act had been prepared for presentation.

The Banking Act set up three categories of banks: Sound banks could reopen without problems; troubled banks could be aided either by the Reconstruction Finance Corporation or the Federal Reserve. The RFC would now purchase capital (stock equity) and capital notes of troubled banks, thus capitalizing the troubled banks, without adding to their debts. The Act also authorized the district Federal Reserve banks to discount previously ineligible assets, and to issue new Federal Reserve notes against them, thereby increasing liquidity for the economy as a whole. And it instructed the Comptroller of the Currency to name receivers for the purpose of shutting down banks that were insolvent.

The Banking Act was passed and signed in record time, by 8:37 p.m. on Thursday, March 9. The banks were set to begin opening on Monday, March 13.

But before that occurred, President Roosevelt took an even more effective political action to restore the confidence of the nation: His first Fireside Chat, held Sunday night, March 12, drew an estimated audience of 60 million Americans.

On Monday, March 13, many banks did reopen, and by March 15, fully 70% of the nationally chartered banks were open for business, without needing aid from the RFC.

In this current period—where the breakdown of the financial system globally dwarfs the crisis which the world faced in 1933—the U.S. does not have a President who is willing to use his Constitutional powers to defend the General Welfare, by

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carrying out the banking reorganization which FDR did. Thus, similar measures cannot be taken. However, it is of critical importance that Americans once again comprehend the Constitutional principles which permitted FDR to take the actions he did, and which would permit the Congress to exert its responsibility, for example, in passing the Homeowners and Bank Protection Act.

Through the Preamble to the Constitution, and the specific powers allotted to Congress, the Federal government has not only the right, but the obligation to provide a functioning credit system, which will service the general welfare for our nation's citizens and their posterity. Our Constitution puts men before markets. In that spirit, we reprint FDR's Fireside Chat of March 12, 1933, issued 75 years ago.

#### FDR's First Fireside Chat

I want to talk for a few minutes with the people of the United States about banking—with the comparatively few who understand the mechanics of banking but more particularly with the overwhelming majority who use banks for the making of deposits and the drawing of checks. I want to tell you what has been done in the last few days, why it was done, and what the next steps are going to be. I recognize that the many proclamations from State Capitols and from Washington, the legislation, the Treasury regulations, etc., couched for the most part in banking and legal terms, should be explained for the benefit of the average citizen. I owe this in particular because of the fortitude and good temper with which everybody has accepted the inconvenience and hardships of the banking holiday. I know that when you understand what we in

Washington have been about I shall continue to have your cooperation as fully as I have had your sympathy and help during the past week.

First of all, let me state the simple fact that when you deposit money in a bank, the bank does not put the money into a safe deposit vault. It invests your money in many different forms of credit-bonds, commercial paper, mortgages and many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words, the total amount of all the currency in the country is only a small fraction of the total deposits in all of the banks. What, then, happened during the last few days of February and the first few days of March? Because of undermined confidence on the part of the public, there was a general rush by a large portion of our population to turn bank deposits into currency or gold—a rush so great that the soundest banks could not get enough currency to meet the demand. The reason for this was that, on the spur of the moment, it was, of course, impossible to sell perfectly sound assets of a bank and convert them into cash, except at panic prices far below their real value.

By the afternoon of March 3, scarcely a bank in the country was open to do business. Proclamations temporarily closing them in whole or in part had been issued by the Governors in almost all the states. It was then that I issued the proclamation providing for the nation-wide bank holiday, and this was the first step in the Government's reconstruction of our financial and economic fabric.

The second step was the legislation promptly and patriotically passed by the Congress, confirming my proclamation and broadening my powers, so that it became possible, in view of the requirement of time, to extend the holiday and lift the ban of that holiday gradually. This law also gave authority to develop a program of rehabilitation of our banking facilities. I want to tell our citizens in every part of the Nation that the national Congress—Republicans and Democrats alike—showed by this action a devotion to public welfare and a realization of the emergency and the necessity for speed that it is difficult to match in our history.

The third stage has been the series of regulations permitting the banks to continue their functions to take care of the distribution of food and household necessities and the payment of payrolls.

This bank holiday, while resulting in many cases in great inconvenience, is affording us the opportunity to supply the currency necessary to meet the situation. No sound bank is a dollar worse off than it was when it closed its doors last Monday. Neither is any bank which may turn out not to be in a po-



Franklin D. Roosevelt Library

President Franklin Roosevelt holding one of his famous "Fireside Chats" with the American people, in the depths of the Depression, April 1935.

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sition for immediate opening. The new law allows the twelve Federal Reserve banks to issue additional currency on good assets and thus the banks that reopen will be able to meet every legitimate call. The new currency is being sent out by the Bureau of Engraving and Printing in large volume to every part of the country. It is sound currency because it is backed by actual, good assets. A question you will ask is this: Why are all the banks not to be reopened at the same time? The answer is simple. Your Government does not intend that the history of the past few years shall be repeated. We do not want and will not have another epidemic of bank failures.

As a result, we start tomorrow, Monday, with the opening of banks in the twelve Federal Reserve Bank cities—those banks which on first examination by the Treasury have already been found to be all right. This will be followed on Tuesday by the resumption of all their functions by banks already found to be sound in cities where there are recognized clearinghouses. That means about 250 cities of the United States.

On Wednesday and succeeding days, banks in smaller places all through the country will resume business, subject, of course, to the Government's physical ability to complete its survey. It is necessary that the reopening of banks be extended over a period in order to permit the banks to make applications for necessary loans, to obtain currency needed to meet their requirements, and to enable the Government to make common sense checkups.

Let me make it clear to you that if your bank does not open the first day you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow.

I know that many people are worrying about State banks not members of the Federal Reserve System. These banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation. These state banks are following the same course as the national banks except that they get their licenses to resume business from the state authorities, and these authorities have been asked by the Secretary of the Treasury to permit their good banks to open up on the same schedule as the national banks. I am confident that the state banking departments will be as careful as the National Government in the policy relating to the opening of banks and will follow the same broad policy.

It is possible that when the banks resume, a very few people who have not recovered from their fear may again begin withdrawals. Let me make it clear that the banks will take care of all needs—and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime. It needs no prophet to tell you that when the people find that they can get their money—that they can get it when they want it for all legitimate purposes—the phantom of fear will soon be laid. People will again be glad to have their money where it will be safely taken care of, and where they can use it con-

veniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress.

The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system. Remember that the essential accomplishment of the new legislation is that it makes it possible for banks more readily to convert their assets into cash than was the case before. More liberal provision has been made for banks to borrow on these assets at the Reserve Banks, and more liberal provision has also been made for issuing currency on the security of those good assets. This currency is not fiat currency. It is issued only on adequate security—and every good bank has an abundance of such security.

One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the Government to assist in making these reorganizations quickly and effectively and even allows the Government to subscribe to at least a part of new capital which may be required.

I hope you can see from this elemental recital of what your government is doing, that there is nothing complex, or radical in the process. We had a bad banking situation. Some of our bankers had shown themselves either incompetent or dishonest in their handling of the people's funds. They had used the money entrusted to them in speculations and unwise loans. This was of course not true in the vast majority of our banks, but it was true in enough of them to shock the people for a time into a sense of insecurity, and to put them into a frame of mind where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. It was the Government's job to straighten out this situation and do it as quickly as possible—and the job is being performed.

I do not promise you that every bank will be reopened, or that individual losses will not be suffered, but there will be no losses that possibly could be avoided; and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some, at least, of the sorely pressed banks. We shall be engaged not merely in reopening sound banks but in the creation of sound banks through reorganization.

It has been wonderful to me to catch the note of confidence from all over the country. I can never be sufficiently grateful to the people for the loyal support they have given me in their acceptance of the judgment that has dictated our course, even though all of our processes may not have seemed clear to them. After all, there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stampeded by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work. It is your problem no less than it is mine. Together we cannot fail.

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### **Business Briefs**

#### **Finance**

### Italy's Tremonti Urges 'A New Bretton Woods'

Former Italian Finance Minister Giulio Tremonti proposed a "new Bretton Woods" financial system, during a talk show March 6 on Raidue national television. He said that deteriorating labor conditions in Italy and the collapse of purchasing power are due to "the folly of globalization," a folly invented "by a group of madmen, of mad illuminati, who decided in the last two decades to divide the world in two parts: Asia for low-cost production, and the U.S.A. and Europe for consumption. The result is that the situation has worsened for them and will be, in the end, worse for Asia too."

"Globalization has failed. The crisis will get much worse," he continued. The solution does not lie solely in one country: "We are thinking about an agreement among large nations, like the one in Bretton Woods: a new Bretton Woods."

Tremonti is the author of a new book, *Fear and Hope (La paura e la speranza)*, a critique of the free-market policies which have brought the world to this extreme crisis.

#### **Corporatism**

## Felix Rohatyn Calls for 'New Global Regulator'

Financier Felix Rohatyn, currently vice chairman of Lehman Brothers, explained his plan for a fascist new world order, in an interview published in France's leading economic daily, *Les Echos*, on Feb. 11. Rohatyn called for a "new global regulator, capable of imposing regulations and speaking with a single voice," to deal with what he described as far more than "just another crisis."

In a sophistical appeal to Franklin Roosevelt's New Deal, he revealed what his idea of the New Deal is: "Today, we need a new New Deal. It reminds me somehow of the middle of the seventies, when the city of New York was about to go bankrupt. Helmut

Schmidt and Valery Giscard d'Estaing had warned us: a bankruptcy of New York risked provoking a dollar crash. The crisis we confront today is much more global. That is something frightening."

Rohatyn was brought in to "save" New York City at that time, as head of Big MAC (the Municipal Assistance Corporation), which turned over the control of the city's finances from its elected officials to the banks, to ensure debt payments at the expense of wages, services, industry, and infrastructure.

In his interview, Rohatyn in effect called for a global dictator (himself?), saying the problem today is that "finance has been globalized ... but the control structures, they have not adapted. Taken separately, each central bank is too isolated and follows its own policy. America lowers its rates. Europe doesn't. We might need a more global regulator."

He also spelled out his corporatist scheme for infrastructure, making explicit that the key is the private sector use of public funds (see article by Marcia Merry Baker, in this section). He said the United States needs a "domestic World Bank" with \$60 billion in Federal funds, "which could then raise funds and lend money to finance great projects. It never would lend more than 50% of the investment, in order to maintain a strong relation to the private sector."

#### Agriculture

#### Threat of Food Crisis Worries India, Pakistan

Concern about the rapid rise in food prices, and shortage of food grains, has begun to appear on the Indian Subcontinent. New Delhi has imposed new restrictions on export of lower-priced rice varieties: Only those varieties which fetch more than \$650 per ton on the international market will be allowed for export.

In Pakistan, Naeem Butt, chairman of the private All Pakistan Flour Mills Association, said, "the government may have to import between 1 and 2 million tons of wheat to meet requirements." Pakistan will miss its wheat output target of 24 million tons for the 2007-08 crop year. Late sowing, a fall in the area planted with wheat, a shortage of irrigation water, and rising fertilizer prices are reasons for the lower output. Naeem Butt pointed out that nearly 1 million tons of wheat finds its way to neighboring Afghanistan.

The latest report of the UN Food and Agriculture Organization (FAO) says that wheat stem rust has been found in Iran. It is one of the most devastating of plant diseases: During the 1950s, a different strain of the stem rust destroyed over 25% of the North American wheat crop, in one growing season.

Major wheat-producing nations to Iran's east, including Afghanistan, India, Pakistan, Turkmenistan, Uzbekistan, and Kazakstan, should be on high alert, the FAO said.

#### Inflation

#### Chinese Officials Fear Crisis Will Get Worse

Inflation is seen as the most immediate threat to the stability of the Chinese economy. The Chinese press has repeatedly raised the question of just how effective the government's "tight monetary policy" is, given that there has been no resolution of the country's problems of excessive liquidity, trade surplus, and rising prices.

National Development and Reform Commission Minister Ma Kai said on March 6 that the measures taken in the wake of the 1998-99 Asian financial crisis prevented what could have been "unthinkable" consequences. China reversed its shrinking grain harvests, and produced "bumper" harvests in each of the past five years—"something rarely seen in Chinese history." Overheated and "haphazard" investment has been brought under control, and steps taken toward shifting the economy away from its export-dependence to developing its huge internal capacity. Had these control measures not been taken, "serious" inflation and "drastic fluctuations" would already be far worse than they are, Ma Kai said.

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### **Editorial**

### Global Fascism, or FDR

As in the wake of the Hoover Depression of 1929-1933, so today, Europe and the U.S.A. are menaced again by fascist threats, from without and within. Then, President Franklin Roosevelt saved the United States from a fascist takeover, and led the economic mobilization which enabled us to crush fascism in Europe. Today, the only visible and potent force for FDR-like policies is Lyndon LaRouche, and his associates, who lead the battle to reinstitute those policies in the United States, and Europe.

Through a critical leadership intervention by La-Rouche and his youth movement, especially, in the Texas and Ohio primaries, in alliance with other patriotic forces, the potential for getting a U.S. Presidency that will embrace FDR has greatly increased. But this potential will only be realized with a vast escalation of the campaign to educate leaders worldwide in both the real dangers, and the real opportunities, of the present situation.

Don't let anyone deny the danger of fascism today! This is not an academic question for debate. Not only is the dire state of bankruptcy of the world financial system obviously driving leading financiers to demand fascist austerity and controls, but the Bloombergs, Rohatyns, and Shultz-Schwarzeneggers of this world are right out front, demanding Mussolini-style corporatist policies.

There could be no clearer example than Felix Rohatyn, the fascist banker who has led the drive within the Democratic Party to try to extirpate FDR's policies, specifically as they are put forward by LaRouche. Rohatyn "came out" again in February, in an interview with France's leading economic daily *Les Echoes*, calling for the creation of a new "global regulator, capable of imposing regulations and speaking with a single voice," to deal with what he called a "dangerous," "worrisome," and "frightening" deep financial crisis.

What would such a "global regulator" do? Rohatyn specifically compared the job to that which he personally carried out in New York City, through "Big MAC." In the 1970s, the Big MAC program ripped up democratic government in the city, and imposed a regime which devastated wages, services, and infrastructure, all in the interest of assuring "financial solvency" of the bankrupt

banks. Such is the policy which Rohatyn, a godfather of the Pinochet dictatorship in Chile, recommends now be carried out on a global scale.

Rohatyn did not shirk from spelling out his corporatist infrastructure scheme as well—the one that he shares with London's choice for U.S. dictator, Michael Bloomberg, and California "Governator" Arnold Schwarzenegger. While lyingly comparing his plan with FDR's New Deal, fascist Felix makes clear that his "domestic World Bank" would have the Federal government provide funds to the private sector for its projects—the classic *modus operandi* of Mussolini corporatism.

Why do Democrats in the United States tolerate this fascism? How is it possible that Speaker of the House Nancy Pelosi is allowed to set up policy hearings featuring fascist Felix, without being run out of town? How can the banker who personally acted to shut down the U.S. auto industry in 2005, not to mention destroy New York City, be tolerated?

The answer can only be the weakness of those forces within the Democratic Party, and elsewhere, in fighting for the Franklin Roosevelt approach to rebuilding our nation, and the world monetary system as a whole. But the time for tolerating this weakness is running out. The window of opportunity is now—and, if action is not taken, it will close shut, potentially for generations to come.

There is every reason for optimism that the American people will respond to genuine leadership on behalf of an FDR program. The national momentum around La-Rouche's Homeowners and Bank Protection Act is one indication of such a response. Another is the extraordinary turnouts in recent Presidential primaries, which demonstrate the acute attention which the electorate, including those in the lower 80% of income brackets, are paying to this crucial election. If LaRouche's economic program were taken up directly, this would increase even more.

Over the coming weeks, the LaRouche movement will put the choice starkly before the world: Mussolini, or FDR? How people respond will literally determine the future of the human race.

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"The intention for the 2008 Presidential campaign, by certain very powerful international financial interests, is the election of a man-on-a-white-horse, New York City's Mayor Bloomberg, to become what historians would describe with a shudder as the American Mussolini dictatorship (or, perhaps, even worse) of January 2009."

—Lyndon H. LaRouche, Jr. EIR, Jan. 18, 2008

#### Some highlights of EIR's Bloomberg dossier:

**Jan. 18, 2008:** "The 68ers Reviewed: Under Their Skins," "Bloomberg 'Mussolini Option' Is Kicked Off in Oklahoma," "How Bloomberg Got His Billions"

**Feb. 1, 2008:** "Bloomberg's Fascist Plot To Steal the U.S. Election"

**Feb. 15, 2008:** "Bloomberg Fools Them Again: The Flirt," "Mitt Romney Walks Out"

**Feb. 29, 2008:** "Rohatyn, Bloomberg Peddle 'Post-Nation-State' World," "Fascist in an Armani Suit: Bloomberg Channels Mussolini's Corporatism"

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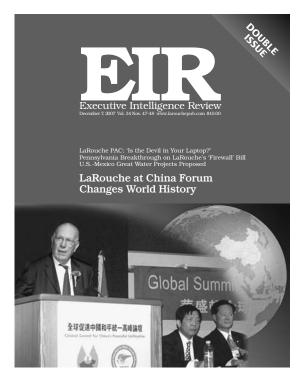
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