

Tens of thousands of machine-tool shops closed in the Midwest and New England, never to open again.

**Figure 1** shows U.S. machine-tool production for selected years. By 1985, U.S. machine-tool production had fallen by more than half from its 1980 levels, as stated in both 1982 constant dollars and in units. Though there has been a limited recovery since 1990, what this represented was the bouncing up and down around a trough; the level of production never equalled that achieved in 1980. Annualizing the output of the first six months of 2000, the machine-tool industry will produce machines worth \$2.412 billion (in 1982 dollars), and totalling 177,050 units, which will be steeply below the levels of 1980, by 55.9% and 45.3%, respectively. An indispensable sector for the upward development of the U.S. physical economy has been destroyed.

There are two points that are in order. First, what is happening now in the machine-tool sector represents a new phase of accelerated downturn within a 30-year process of U.S. physical economic collapse. Second, a number of commentators have hit upon the idea that the U.S. economy could have a mishap and end up in recession in the first quarter of 2001. But, the devastated level of U.S. machine-tool production, as well as the collapsed level of machine-tool consumption, shows that the U.S. physical economy is not "about to enter a recession." It is flat on its back.

# Boston Fails to Act: Its Citizens Will Pay

by Suzanne Klebe

With the wolf of Winter at the door, and Boston citizens strongly backing a City Council call for national emergency action to control soaring energy prices, the Boston City Council failed, on Dec. 13, to vote on the emergency resolution, bowing to the pressure of slanders against economist Lyndon H. LaRouche, Jr. Councilman Chuck Turner had put up the emergency resolution, after studying LaRouche's memorandum on emergency state-to-state oil trade to stop the wild speculation in energy prices (see *EIR*, Dec. 15, 2000). LaRouche's memo has been circulating internationally since early September, with the prices of most Winter fuels doubling, or worse; and he had urged Boston to "fire a shot that would be heard around the world" against the energy speculators and cartels.

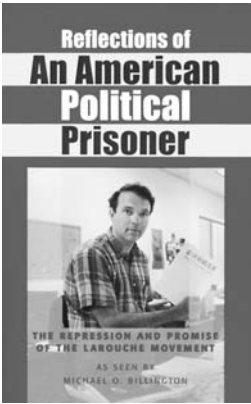
In a tragic piece of comedy, the Boston Council members excused their failure to act, by citing the recent fall in the international oil price—while the Massachusetts Regulatory Committee on Energy approved further 10-14% increases in energy prices across the board in the state! One Boston church pastor, after petitioning for the resolution and seeing it tabled by a vote of 8-3, told the Councilmen to "get their pens ready" to send condolence letters to families who die of space heater fires, or relatives of elderly citizens who freeze.

The Council bowed to obvious, strong pressure from three forces: Boston banks and financial powers, known locally as "The Vault"; the Anti-Defamation League of B'nai B'rith, sending anti-LaRouche slanders through Councilman Mike Ross; and energy multitis speaking through think-tanker Daniel Yergin, who put forward the absurd fig-leaf about "falling oil prices." Even Energy Secretary Bill Richardson in Washington had to declare, that very day, that energy prices were a national emergency, and Richardson has himself bungled the Winter energy crisis by insisting on leaving prices to "the market."

The Councilmen capitulated after a majority of them had previously agreed that the resolution was needed, and after Councilman Michael Flaherty, who chaired a full day of hearings on energy price speculation on Dec. 4, publicly called them the most informative hearings he had ever attended.

## 'Public Opinion' as Defined by the ADL

A "picture worth a thousand words" in the Beacon Hill/Back Bay *Chronicle* neighborhood paper on Dec. 13, showed Flaherty and Ross, arm in arm, raising funds at the Boston



## Political Prisoners in America?

You bet these!

Michael Billington was sentenced to 77 prison, ~~consisting~~ to go against the ~~read~~ Reflections of an American Political Prisoner ~~and~~ the LaRouche Movement

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*Boston City Councilmen Chuck Turner (left) and Michael Flaherty at the Council's Dec. 4 emergency hearings on Turner's resolution to call for national action against the crisis of soaring Winter energy prices. Despite support in the Council and from the citizens for emergency actions first proposed by Lyndon LaRouche, the Council failed to take action, due to pressure and slanders from the Anti-Defamation League.*

restaurant called “*Vox Populi*” (“popular opinion”). Flaherty had buckled to massive pressure from named and unnamed sources, dropped his support for the resolution, and acted to prevent its passage. Rather than recommend the resolution, which he had initially enthusiastically supported, Flaherty moved to block it in committee. Ross acted as an Anti-Defamation League asset on the Council, and played a significant role in the failure. He spread long-discredited slanders against Lyndon LaRouche among members of the Council, in a naked effort to intimidate them into dropping the LaRouche-authored emergency plan for dealing with New England and America's severe Winter energy emergency.

When two longtime LaRouche supporters, *EIR* counter-intelligence editor Jeffrey Steinberg and Brooklyn, New York Rabbi Gerald Kaplan, travelled to Boston on Dec. 11 to meet with City Council members and directly tackle the ADL slanders, Ross not only refused to meet, but, according to sources close to the Council, intimidated other members against sitting down with the LaRouche representatives. The same sources indicated that the Council members had come under other, even more severe pressure—from well-placed figures in the Boston financial establishment—to drop the LaRouche-inspired resolution.

In fact, there has been a complete uproar behind the scenes in the Council on this issue, *EIR* has learned from a wide range of sources in the city. Charges from ADL and “Vault” networks have attacked the resolution for daring to expose the speculative forces behind the oil price hike, and for using LaRouche as the authority to do so. “The Vault” is the term

used by Bostonian insiders for the group of bankers, insurance company magnates, and other New England patrician financier circles, that long have dominated policymaking in the region from behind the scenes.

But the “Vault” and the ADL are not the only political factor in town. More than 4,000 signatures have been collected supporting the resolution, in the past three weeks, with people calling into LaRouche's Boston office throughout the day to report their calls to the Council, and sending in more petition signatures. This growing support for the ideas in the resolution added to the tension in the Council, which came to a head at the final meeting of the body on Dec. 13. It was here that the church pastor warned the Council they will have on their hands, the lives of New England citizens who die, this very cold Winter, because of the unprecedented hyperinflation under way in fuel and energy prices.

On Dec. 13, resolution sponsor Turner attempted to thwart its rigged death in Flaherty's committee, by making a motion to have the resolution removed from committee without

a recommendation one way or the other, and voted on by the whole Council.

After a torturous City Council meeting, his motion was heard, and voted down, 8-3, with two Councilmen conspicuously absent just at the point of the vote. The motion and the vote were both done very quickly, in the proverbial “blink of the eye”—even with the sponsor demanding a polling of the vote. However, at the end of the meeting, the aide of the resolution sponsor commented: “Oh, you got three votes? I'm totally shocked. That's a lot more than I expected, with all that's been going on around here.”

The vote means that the resolution must be resubmitted to a new committee, and this process will probably not be possible until late January. A spokesman for the LaRouche political movement in Boston, Bill Ferguson, vowed that the mobilization will be greatly expanded during this time. Indeed, during the Dec. 13 Council meeting, there were dozens of citizens in the audience with large stickers announcing their support for the bill. Another church turned in petitions just before the hearings, and sent their elder to attend, as did the executive board of the city's American Federation of State, County and Municipal Employees Unions. State Sen. Bill Owens faxed a letter to all the Councilmen, and then called them to urge that the resolution be passed. Several residents of subsidized housing reported that their heat subsidies have not come, and their families are suffering from cold. In short, the population of Boston can be counted on to continue to mobilize support for the resolution—until such time that appropriate emergency measures are taken.