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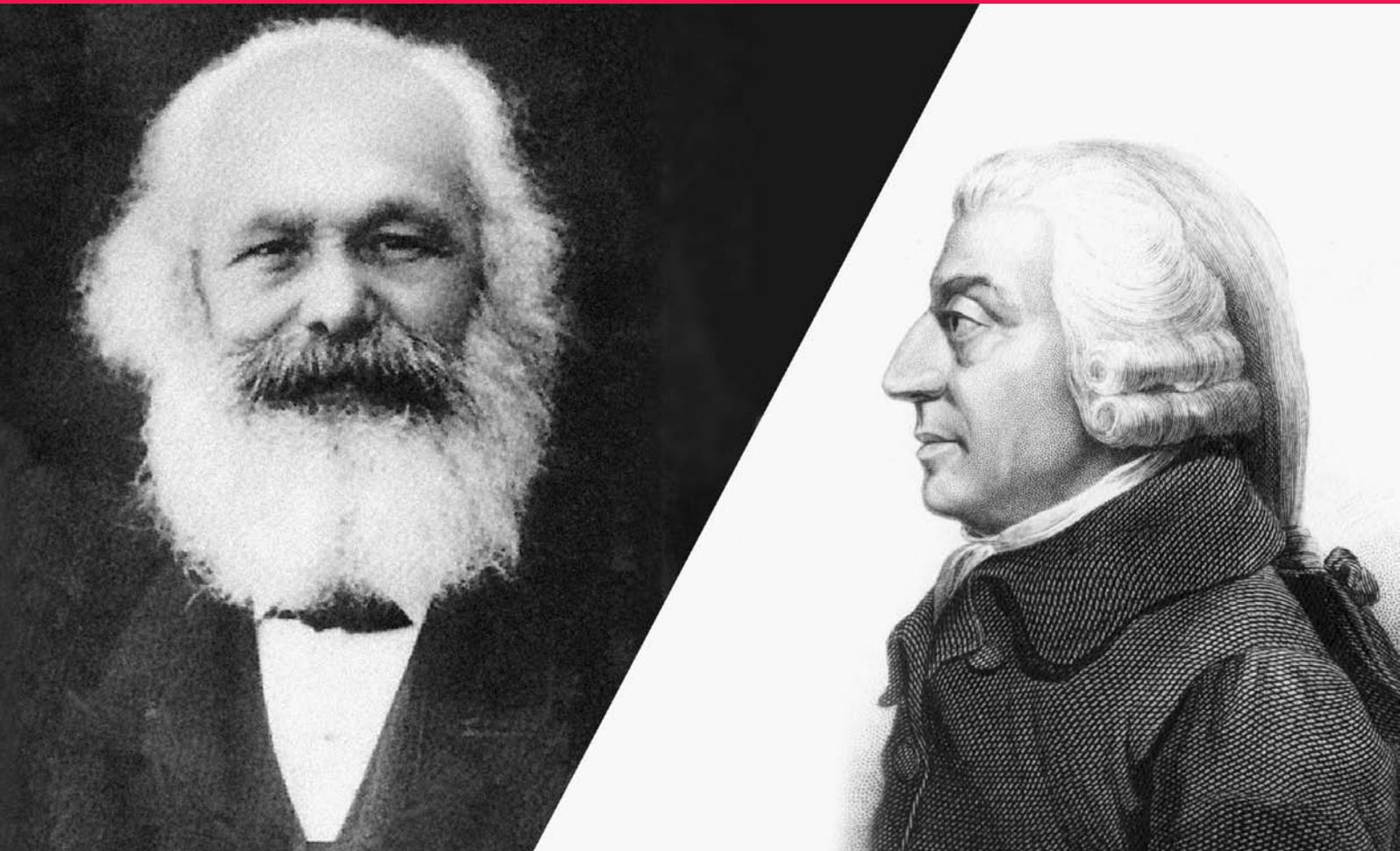
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Why Academicians Have Usually Failed in Economics
Israel's Gaza Attack: A Preemptive Strike Against Peace
LaRouche Calls for 'Pecora Hearings' on Bank Bailouts

**2007, Already a Year of Crisis:
How Russia Was Surprised**



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EIR

From the Managing Editor

We greet you in the New Year with the world's leaders facing monumental choices, in confronting the worst financial-economic meltdown in history. The problem is, none of them understand what their actual choices are, and therefore, cannot fathom what needs to be done, even though Lyndon LaRouche has explained it to them thousands of times.

For those in the West, the choice is posed as one between Free Trade and Keynesianism. You can turn on the radio or TV any day and hear pundits kicking these back and forth. "Take your pick."

For those in Russia, there are those choices, but another lurking the background of consciousness: Marxism.

All three of these ideologies have *manifestly failed*. So what do the "experts" advise their governments to do? *Whatever it is, pour it on thicker!* Bigger Keynesian bailouts—prime that pump! More free trade—avoid that dreaded threat of protectionism!

They chew their fingernails and ask, "What else is there?" Well, there's LaRouche. That means the American System—Alexander Hamilton, Henry Carey, Abraham Lincoln, Franklin Roosevelt. All themes that are interwoven throughout this issue, from LaRouche's two features, to the call for a new Pecora Commission (*National*), to our *Lincoln Bicentennial* feature, to the *Editorial*.

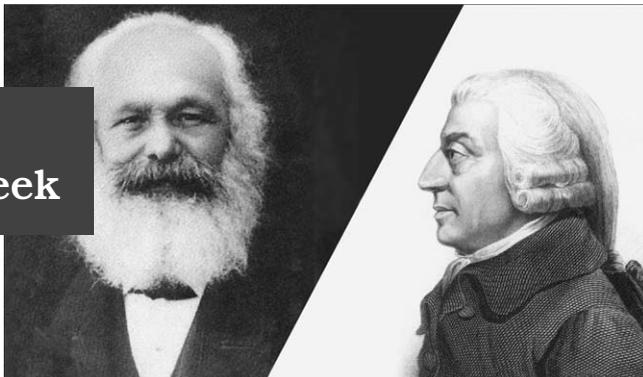
But there's more: LaRouche's unique contribution to the *dynamics* of the science of political economy, as he develops it again here. He puts it succinctly in "How Russia Was Surprised," in his rejection of Marx's so-called labor theory of value: "It is neither the development of infrastructure, nor the improvement of labor at the point of production, which defines the improvement; it is the way in which the development of the two interacts. . . . In other words: throw away the babble about the 'productive powers of labor.' It is the science-driven increase of the productive powers of labor, either as skilled direct production, or, more significantly, as increasing density of energy-flux-density and of capital intensity of means of production, which is crucial."

These "heavy ideas" will be put to policymakers at two webcasts this month, one on Jan. 16, before Inauguration Day, and the other on Jan. 22, two days after the new administration takes office. Both are at 1:00 p.m. Eastern Time, at www.larouchepac.com.



Cover This Week

*Karl Marx and
Adam Smith,
both tools of the
British imperial
system.*



4 2007 Was Already a Year of World Crisis: How Russia Was Surprised

By Lyndon H. LaRouche, Jr. The subject of this report is the immediate fate of humanity as a whole, “whose favorable outcome will depend significantly on Russia’s participation in its urgently needed, but corrected view of the present global situation. If the world is to avoid a presently threatened dive into a prolonged, planet-wide, ‘new dark age’ of all humanity, four leading nations—the U.S.A., Russia, China, and India—must act soon, in concert, to bring into being a new, global system of virtually all nations into a system of anti-imperialist cooperation among sovereign nation-states. Russia’s playing its part in this four-power initiative, is of crucial importance for the nations as a whole. In this report, the emphasis upon Russia, is made accordingly.”

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By Lyndon H. LaRouche, Jr. “One senses an approaching moment, like that silence heard by those either in the life-boats, or swimming in the chilling Atlantic ocean waters, in that moment when the *S.S. Titanic* had vanished under the waves,” LaRouche writes. Why then do academic and other economists insist upon denying the reality of LaRouche’s July 25, 2007 forecast? “The incompetence of my academic rivals’ failure as forecasters,” LaRouche continues, “lies presently in the way in which they define the subject itself. They have employed a method of forecasting which might be compared to the zeal of a passenger searching to upgrade his stateroom assignment on a sinking ship.”

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By Helga Zepp-LaRouche. In Europe as in the United States, the “experts” are reaching for new bailouts, new schemes to save the bankrupt system. All attempt to prop up the banks and hedge funds, at the expense of the population, and none of them will work.

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2007 WAS ALREADY A YEAR OF WORLD CRISIS:

How Russia Was Surprised

by Lyndon H. LaRouche, Jr.

December 27, 2008

The following report is focused upon the indicated situation in U.S.A.-Russia relations; but, the subject, nonetheless, is that immediate fate of humanity as a whole, whose favorable outcome will depend significantly on Russia's participation in its urgently needed, but corrected view of the present global situation. If the world is to avoid a presently threatened dive into a prolonged, planet-wide, "new dark age" of all humanity, four leading nations the U.S.A., Russia, China, and India—must act soon, in concert, to bring into being a new, global system of virtually all nations into a system of anti-imperialist cooperation among sovereign nation-states. Russia's playing its part in this four-power initiative, is of crucial importance for the nations as a whole. In this report, the emphasis upon Russia, is made accordingly.

Foreword

Adam Smith & Karl Marx

Since late into 2007 and early 2008, it appeared, more and more, that, despite my widely circulated, internationally, and solidly validated July 25, 2007 forecast of the immediate onset of a global financial-monetary breakdown crisis, a significant part of Russia's present leadership had, so far, apparently, lacked a competent grasp of what has been, in fact, the accelerating, general breakdown-crisis of the present world monetary-financial system. This has been a crisis which not

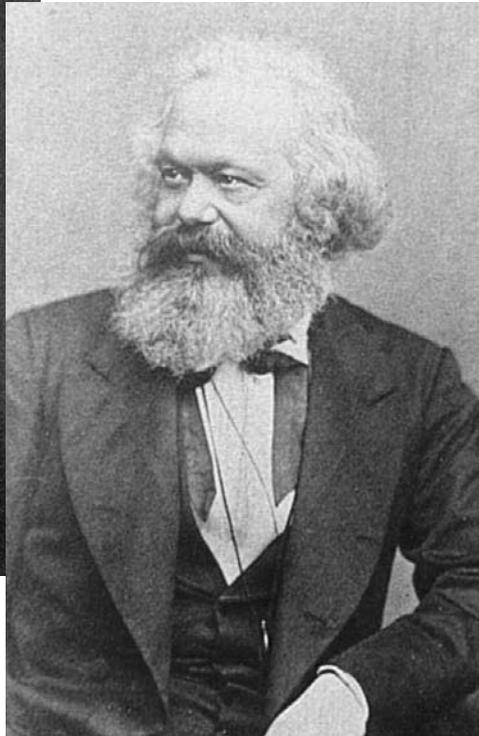
only had broken out three days after my own, July 25, 2007 international web-cast forecast of this historical development, *but*, this has been the most characteristic feature of the world's leading economic development, that on a world-wide scale, during the entire period since July 28, 2007. The apparent delusion on the part of some elements in Russia's leading circles, was shown in the form of certain groundless assurances that Russia's income from proceeds of sales of energy and other raw materials sales to foreign nations, would insulate Russia from the waves of global financial crisis already hitting the U.S.A. and others.

Despite the fraudulent attempts by certain foolish leaders of the U.S.A. and other nations, to describe the presently global financial panic as the onset of a mere "crisis of sub-prime mortgages," what actually occurred at the close of July 2007, was that the inherently hyper-inflationary, "geometrical" self-expansion of the nominal quadrillions of U.S.A. dollars-equivalent of those purely fictitious financial assets called "financial derivatives," had reached a point at which the ratio of self-inflation of purely nominal, speculative financial derivatives, which were being counted as the financial claims of the world's monetary-financial, derivatives-based system, had reached a level of rate of self-expansion at which a breakdown-crisis of the entire world's presently existing financial-monetary system had become inevitable. The sheer lunacy of the "bail-out" actions by the U.S. President and deranged leaders of the U.S. Congress, since that time, is now driving the ratio of outstanding claims to real assets toward a hyper-infla-



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His praise for the “swindling hoaxter Adam Smith” reflected Marx’s failure to develop a scientific quality of competence in the field of political economy; hence, Marxism never worked.



of triumphalist, and often lying leaders of the U.S. Congress, instead of permitting the adopting of my proposed July 2007 reforms, which would have saved civilization, had chosen to resort to accelerate the rate of hyperinflation of financial claims, while looting the physical asset-basis of the real economies.

Obviously, nothing less than the sudden, sweeping termination of the present system, is what is required. The current attempts, world-wide, to “bail out” the system, could have been attempted only by pathetic fools, or monstrous criminals.

Unfortunately, Russia’s government, rather than heeding my globally

tionary vanishing point.

The nearest approximation of an earlier precedent for a similar form of international break-down crisis, is to be found in Europe’s Fourteenth-Century, genocidal collapse into a great new dark age, during which the population of Europe had collapsed by approximately one-third.

In such a situation as this present crisis, the choices are, either to terminate the entire present, world-wide system through reorganization in general bankruptcy, or, by failing to do that, bring on a prolonged, planet-wide “new dark age” among all peoples and their nations. That change in the world-wide system is your only choice. Reject that change, and your nation, and your family are doomed, absolutely without optional choices. Do not even talk about “reforms;” either you kill the present world system, and replace it with a new system, top-down, as if in a single largely world-wide breath, or you personally, and your nation, are finished as of now. The count-down is now.

Already, the controllers of the world financial market, as merely typified by a greedily stupid U.S. Bush Administration and present crop of a small kernel

circulated warning, allowed itself to be misled into pretending that it would not be hit massively by what were, in fact, the inevitable spill-over of this crisis into Russia’s own economy. That spill-over has now struck Russia, hard. Freedom may include the freedom to make mistakes, as Russia has done in this matter recently. Unfortunately, that is also the freedom to suffer the consequences of those mistakes, including, in the extreme case, the freedom to commit national suicide.

In part, the failure of Russia’s leadership, so far, to correct its own mistaken disregard of my fully confirmed forecast, has become an increasingly visible source of a disorientation, perhaps supplied, in part, by certain ostensibly British assets known to me as being from outside Russia itself. This “assisted disorientation” is what has been recently suffered by some leading parts of Russia’s institutions. This error in Russia’s estimation of the current world situation, is not only an embarrassment and threat to the interests of Russia itself; a certain stubborn refusal to face this reality in some notable Russia circles, is an added source of danger, not only to Russia, but to the entire planet.

So, over the course of 2007-2008, the economic

policy of Russia's leadership appeared to be floundering, with some sharp zig-zags, as these two years wore on. Under conditions in which the avoidance of a planet-wide new dark age, comparable to, but worse than that of the mid-Fourteenth-Century "New Dark Age" of Europe is imperative, Russia's recently floundering economic policies and perspectives, are as much a menace, chain-reaction-style, to worsening the situation of the world as a whole, as to Russia itself.

Russia's apparent refusal to recognize, in time, that its recent role has turned out to have been blind faith in a vastly overpriced market for its raw materials in energy supplies, misled Russian leaders into the view that its temporary margin of profit from exports was permanent. This illusion contributed to luring Russia into its present crisis. The solid evidence in the matter, is that Russia was misled into acting as if it did not need to put the priority on investing in vigorous expansion of its industrial and related output.

Similar misjudgments by most nations other than Russia, have become the Achilles' heel of what had become the already crisis-stricken world economy as a whole, including, of course, what nearly eight years of a virtually clinically insane President George W. Bush, Jr. Administration had done, in wrecking not only the U.S.A., itself, but other nations duped into compliance with insane policies similar to those designed by London, but adopted by the Bush Administration.

The question, "What happens next to the market-price of those raw materials?" is worse than merely a diversion from the facts of the matter. The issue on which attentions must be focused, is the identity of those mechanisms which were employed to mislead Russia's government into a wholly unjustified confidence in what appeared, temporarily, to be its advantageous economic situation. However, let the blame for that lie where it should; the crucial issue for Russia's and other relevant decision-makers from around the world, now, is that continued absence of an urgently needed competence, a lack, of competent decisions, which is to be recognized from the way Russia had permitted bad advisors to mislead it into a misguided strategic economic estimation for as long as that has gone on recently.

Now, the really serious question which must be posed, and answered, is: What therefore, is my advice to the incoming U.S. Administration of U.S. President Barack Obama on a U.S. policy toward Russia? How should President-elect Obama shape his policy toward

Russia at a time that Russia is floundering in ways which its government was clearly unable to foresee, and, still, so far, seems to fail to comprehend? How must our U.S.A.'s necessary partner, Russia, be rescued from this situation?

What, for example, must U.S. President-elect Obama be told?

I. The Legacy of Karl Marx

President-elect Obama must be assured, that, despite those U.S. right-wing associations which changed their names and street addresses, when what had been the shamelessly pro-Hitler fascist associations of the pre-December 7, 1941 time, had (expediently, and only temporarily) changed their political street-clothes, but not their underwear, they are no longer in control of U.S. national policy-shaping.

In the meantime, today, Russia is no longer communist. Nonetheless, to treat the subject of Russia's economic policy, still today, it remains essential to take not only the subject of Karl Marx as an economist into account, in the fashion I do that here; but, it is also necessary to consider the continuing effects of some of the still widely extant mythology on both the subject of Marx as a figure of the greater part of a century and half of recent modern history, and, also, both his direct, and indirect influence on thinking, even today, on the subject of the political-economy of the world at large. Now, speaking practically, Marxism is dead, but, the wolves of Wall Street and London are not; but, since historians and others must, still, from time to time, pay courtesy visits to Marx's political grave, the question sometimes posed to those visitors by the presently menacing world crisis-situation, is, will that grave also be, soon, their own?

All the while, Karl Marx's doctrines on economy were never actually scientific in and of themselves. They were a subordinate element within an international system of post-February 1763, imperialist, Anglo-Dutch Liberalism in the Paolo Sarpi tradition, an element which included the two principal varieties of British imperialist varieties of leading dogma respecting economy, the so-called "capitalist" version on the one side of British ideology, and the "socialist" version of the same British ideology on the other side. All sets of players were obliged to deal and take cards at the same table of a globally reigning modern Liberalism. Excepting the American System of political-economy,



Presidential Press & Information Office

The Russian government foolishly believed that it would escape the worst of the current global economic depression, which it mistakenly believed was centered in the U.S.A. Reality has now confronted Russia's leaders with the ugly truth. Shown: Then-President Vladimir Putin visits a oil drilling tower near Surgut.

excepting the President Franklin Roosevelt interval most notably, all leading features of the 1890-2008 world economy have been an assembling of the two, competing, types of players at the same Anglo-Dutch Liberal table. Those among you today who are wiser than most, might wish to identify it as Satan's table.

We all played according to the rules prevailing during that time. I also played at that table, personally, although being, nonetheless, a follower, in matters of economic policy-objectives, of Benjamin Franklin, Alexander Hamilton, Henry C. Carey, President Abraham Lincoln, and President Franklin Roosevelt. I played at that table, and presented forecasts in that light, not because I believed in the prevailing doctrine of practice, but, because that was the only table at which the world game of economy was actually being played by virtually all of the world's leading players, at the time.

Nonetheless, during the relevant decades of the post-World War II interval, I forecast the behavior of governments, and more, on the basis of knowing not only the physical reality of that situation, but, also knowing (sometimes better than they did themselves) the rules by which the leading players were acting, whether they were fully conscious of those rules of the game at that time, or not. Over the 1956-2008 interval, each of my forecasts have been proven to have been of the best quality from any leading source at that time. Now, that game is over, probably forever; the game,

and, also its rules, have now been changed, forever.

So, while that dirty old game had been in the process of coming to its present end, the recent approximate decade of a collapse of the former Soviet Union and its Russia sequel, up to the election of Russia's President Vladimir Putin, had come and passed. A new quality of developments in Russia has emerged to push the subject of Karl Marx (but, hopefully, not the much-needed Academy of Sciences) to the side-lines; Russia's government has found itself menaced, most immediately, by its own adoption of the misguided presumption that Russia would escape the great part of that economic depression which seemed to them, mistakenly, to radiate from the members of the trans-Atlantic economy. Reality has now soon confronted Russia's leaders with the ugly truth, that it was not the U.S.A.'s economy which was doomed, but the world system on

which Russia also depended absolutely.

Thus, now, Russia's economy itself is menaced by the effects of its own misguided over-confidence in the mis-advised, sometimes mystical presumption that there were factors, apart from the mystical powers of some ancient wind-god, which would enable Russia to avoid anything worse than a passing experience of discomforts caused by the terrible crisis seen to be, chiefly, hitting the U.S. economy and related trans-Atlantic communities.

The 'Seven Years War' Factor

The formal blunder in that over-confidence which was expressed by leading Russian circles, was the Russian government's radical mis-judgment of my warning of a new global economic breakdown-crisis of the present world monetary system, a crisis against which I had warned in what I have already referenced here, as my three-hour, July 25, 2007 international webcast. This webcast delivered a warning which has been consistently validated by relevant evidence, that it had been an already ongoing set of developments, which was to have erupted three days following my July 25, 2007 forecast. Whereas, I had forewarned, that the expected immediate crisis in the real-estate mortgage-market would be a systemic mode of a general breakdown of the quadrillions-dollar mass of speculative financial-derivatives dominating the world economy as a whole,



The essential difference between Germany's 1923 Weimar hyperinflation (left: paper currency being transported from the bank in August 1923) and today's global breakdown crisis, is that Weimar was orchestrated by the London-directed Versailles Treaty powers, while today's was produced by the foolish complicity, over more than 40 years, of all of the leading nations of the world. Below: a closed lead mine near St. Louis,



EIRNS/Steve Carr

the wishful believers and outright idiots of the world, wished to delude themselves with the consoling thought that this might be considered as merely “a sub-prime mortgage-crisis.” Since then, everything which has developed in international financial and related markets, has actually proceeded, contrary to that silly “sub-prime crisis” fairy tale, and in accord with both my estimated form and time-table of the process of collapse of the global system as a whole.

The best comparison to be made, against a background within the bounds of modern European history since the general, medieval breakdown-crisis of economy during Europe's Fourteenth Century, is to compare and contrast this presently onrushing, global breakdown-crisis with that of 1923 Weimar Germany. The two cases, that of 1923, and since July 28, 2007, have obvious similarities, but there are even more crucial differences.

The essential difference between the presently onrushing, global breakdown-crisis and that of 1923 Weimar Germany, is that Germany's 1923 crisis was tailor-made by, and managed by the Versailles Treaty powers, from the top, chiefly by that British monarchy which had been, in fact, the sole original author of World War I, on down. This Weimar inflation was imposed by London and its allies, to such an effect that Germany was a captive of this externally managed form of the geopolitically motivated, induced crisis within the virtual gladiatorial arena contained, essentially, within Germany's national borders. Now, today, a dif-

ferent, but somewhat similar form of world-wide breakdown-crisis has occurred, but one beyond all national borders. Consequently, the evolution of sundry aspects of the ongoing crisis, is alternating between deflationary trends in markets for consumable goods, on the one side, and continuing hyper-inflationary trends in the quadrillions-dollar-plus financial-derivative bubble, on the other.

Essentially, the bubble is neither inflationary nor deflationary, but, rather, both, simultaneously. It is a global breakdown-crisis of the present world-wide system as a whole, including all parts of the world, including all of Russia and China. The world is hovering, in fact, on the crumbling brink of a new, planetary dark age of all humanity. This crisis is not an artificially managed one, not essentially inside a single national economy, as Weimar Germany's 1923 hyper-inflation had been. This is a systemic crisis produced by the foolish complicity, over more than forty years, 1968-2008, especially the recent thirty-five years, of all of the leading nations of the world. There are available remedies for this crisis,

which could be adopted, even at this presently advanced stage of the global breakdown in progress, but the existence of any remedy requires a drastic change in the world's economic system, a change from any monetary system, including Marxist varieties, to a fixed-exchange-rate credit-system based on precisely that model which U.S. President Franklin Roosevelt had actually specified during the 1944 Bretton Woods monetary conference. Any Keynesian type of reform now, under present crisis conditions, for example, would be a disease worse than the existing illness. All compromises with Keynesianism, such as that adopted internationally under the influence of the U.S. Truman Administration, are now categorically disallowed, as being futile efforts to revive a world which had ceased to exist.

Marx's Role

To grasp the reality of the present world situation, it is indispensable that we put to one side most of the customary academic and comparable presumptions respecting Marx's role in history. Some of these assumptions were practically reasonable, but disputed ones, at relevant past times. Other popular assumptions were never true, although widely believed. Now, a change in all the rules of the global game has come about. Now, the present, new world conditions, are in the process of acting against anyone foolish enough to continue to play by anyone's formerly assumed set of global economic rules.

To appreciate the included factors which have led the world into its present disaster, it is necessary to say, that, despite Karl Marx's emotionally charged outburst of praise for the swindling hoaxster Adam Smith, we must concede that Marx was not as dumb in matters of a science of economy as he often made himself appear to be. Nonetheless, Marx never represented anything resembling an actually scientific quality of competence in the field of political-economy; Marxism never actually worked, and never could have worked; it often happened to be the case, that the anti-Marxists were dumber than the Marxists.

Looking to that past state of affairs, we should say that, although some professedly Marxian economists have shown scientific capabilities, the credit to them belongs, as in the case of Rosa Luxemburg, to their preferring to look at the subjects of Marx's categories from the standpoint of ancient through modern European history and modern science, rather than, as ideologues, to the writings by Karl Marx.¹ The notion that there was some "science" behind Marx's views on economy, was never justified; Marx as an economist was, essentially, simply, as he himself insisted, a student of that British East India Company's Haileybury School, which expressed the axi-

1. The case of Rosa Luxemburg's exposure, as in her *The Accumulation of Capital*, of the sheer silliness of the dogma of both V.I. Lenin and the leading German social-democrats, is an excellent illustration of the point. Compare her book's thesis with the confirmation presented decades later, by U.S. State Department historian Herbert Feis.

Marx on Smith, Free Trade

Here is an example of what LaRouche describes as Marx's "emotionally charged outburst[s] of praise for the hoaxster Adam Smith." It is from an 1847 speech prepared for a conference on "Free Trade" in Brussels (reported by Friedrich Engels). The full text of Engels' article is at www.marxists.org/archive/marx/works/1847/09/30.htm.

These laws, which A. Smith, Say, and Ricardo have developed, the laws under which wealth is produced and distributed—these laws grow more true, more exact, then cease to be mere abstractions, in the same measure in which Free Trade is carried out. . . . If you wish to read in the book of the future, open

Smith, Say, Ricardo. There you will find described, as clearly as possible, the condition which awaits the working man under the reign of perfect Free Trade. . . . Either you must disavow the whole of political economy as it exists at present, or you must allow that under the freedom of trade the whole severity of the laws of political economy will be applied to the working classes. Is that to say that we are against Free Trade? No, we are for Free Trade, because by Free Trade all economical laws, with their most astounding contradictions, will act upon a larger scale, upon a greater extent of territory, upon the territory of the whole earth; and because from the uniting of all these contradictions into a single group, where they stand face to face, will result the struggle which will itself eventuate in the emancipation of the proletarians.

omatic presumptions of the likes of Adam Smith, Jeremy Bentham, Thomas Malthus, and David Ricardo. Nonetheless, under the circumstances of the aftermath of London's orchestration of the so-called Revolution of 1848, the movement which had been organized to become the outgrowth of the work of Lord Shelburne's Foreign Office's creature Jeremy Bentham, and which had been organized by Bentham's protégé and his successor Lord Palmerston, this arrangement had remained an historic factor in shaping the leading policies of a globally extended European history of that time, a general situation which persisted until past the 1989-1991 collapse of the Soviet Union.



Portrait by Franz von Lenbach

Germany's Chancellor Otto von Bismarck was ousted, on the urging of Britain's Prince of Wales Edward Albert, who saw Bismarck, correctly, as the major impediment to the Prince's determination to organize a new "Seven Years War," between Germany and Russia, on the Eurasian continent. Shown (left): Bismarck, in his ceremonial uniform; Edward VII, in his coronation robes.



The Bismarck Thesis

It had been foreseen, and later reported, by then former German Chancellor Otto von Bismarck, that Britain's plan for what became the 1890-1914 plan for the outbreak of World War I, would actually begin with the ouster, by the British, of Bismarck.² Bismarck's ouster had been followed, thus, by the assassination of France's President Sadi Carnot (as also the subsequent, strategically crucial assassination of U.S. President William McKinley), and would be a re-enactment of that same imperial policy of Lord Shelburne's British

2. During the last years of Prince Otto von Bismarck's service as Chancellor, a crucial conflict developed between Britain's Prince of Wales, Edward Albert, the chief architect what was to become the 1895 outbreak of the 1895-1945 series of Japan wars against China, the 1905 Russo-Japan War, and, after his death in May 1910, his principal legacy, World War I. The efforts to push a war between Germany and Russia from Edward Albert's London (through a Balkan war) increased. Bismarck established a secret agreement with Russia's Nicholas II to prevent Germany from being drawn into a Balkans war against Russia. For this reason, Bismarck was dumped, and the rest followed.

East India Company which had established that private Anglo-Dutch Liberal Company, at Paris, in February 1763, as a so-called "British Empire." This was an empire which was crafted, in fact, by Lord Shelburne, to be in the intended, pantheonic likeness of that of the Roman Emperor Julian the Apostate.

It was never an empire of the British people. Britain as such is merely a kingdom, not an empire. The empire, like that of ancient Rome, Byzantium, or the medieval Venetian financier oligarchy, is the empire of a "slime-mold like" form of global financier oligarchy, the polyglot empire of a cabal of financier-oligarchical, family-financier interests. The intention of the present Anglo-Dutch Liberal form of empire, crafted under leadership of Paolo Sarpi, was always to create a malthusian-like system of what is called "globalization" today—a new, blob-like, global empire in the image of the Biblical "Tower of Babel."

Given the general ignorance of history prevalent among the world's so-called leading academic historians of today, the following, interpolated description of the strategic setting of 1890-2008 world history, is in-

dispensable for anyone who could wish to be considered a competent strategist for the circumstances now faced by the world at large.

With the death of Lord Palmerston, and the ensuing affair of the Paris Commune, Karl Marx was dumped by the British Foreign Office, by Mazzini, and by the notable German and other socialists of that time as well. Nothing done by Marx himself had much of anything to do with the later prompting of his fame's later revival. Then, later, in the tradition of the practices of the Roman Empire's Julian the Apostate, the name of Karl Marx was restored, posthumously, to the pagan religious pantheon representing the polyglot—or, "poly-clot"—known as the British Empire.

The post-1890 circumstance under which the forces associated with Prince of Wales Edward Albert's scheme for imperial warfare, orchestrated what became a so-called "World War I," had been the circumstances which London recognized as the effect of the victory of President Abraham Lincoln's United States over those schemes intended to destroy the U.S.A., schemes which had been originally launched by the newly created British Foreign Office of 1782, and developed, first, on behalf of Lord Shelburne under the direction of the Secret Committee of Shelburne's creature Jeremy Bentham, and, then, Bentham's trainee and successor Lord Palmerston.³

3. Bentham's Foreign Office predecessor of MI-6 not only ran Philippe Egalité's siege of the Bastille as an operation against the patriotic circles of the Marquis de Lafayette, but the Jacobin Terror, and, through the Martinist freemasonic cult, the creation of the Napoleon Bonaparte whose wars within continental Europe were, in fact, a revival of the Anglo-Dutch strategy for inducing that self-ruin of continental Europe, which was expressed earlier as the Seven Years War. The creation of World Wars I and II, like London's bringing to power of fascist tyrants Benito Mussolini and Adolf Hitler, were similarly, orchestrated by the British monarchy, as, in each case, a copy of that Seven Years War model which brought the British East India Company to a state of imperial power at the February 1763 Peace of Paris. It was also that same Peace of Paris which caused the continuing break between U.S. patriots and the British Empire, up through the present instant. The crime against civilization which Britain's Margaret Thatcher committed, with complicity of France's François Mitterrand and the U.S.A.'s President George H.W. Bush, in 1990, and beyond, was, similarly, an extension of the Anglo-Dutch Liberal's strategic principle of the Seven Years War. As Simon Bolivar warned, from Colombia, the anti-U.S.A. Bolivarian revolution had been entirely the product of the workings of the head of the "Secret Committee" of the British Foreign Office, Jeremy Bentham. What became the 1848 upsurges in Europe ("Young Europe"), and the organization of the future Confederate States of America ("Young America"), under Palmerston, were each continuation of the methods of Bentham by Palmerston, Mazzini, et al.

President Abraham Lincoln's defeat of the British Foreign Office efforts, under, successively, Bentham and Palmerston, to break up the United States, resulted not only in the immediate British-directed assassination of President Lincoln at that time, but the launching of an entirely new kind of British effort to bring about the destruction of the U.S.A. What the British empire saw as the new danger which the U.S.A. represented to the Anglo-Dutch imperial forces, was a threat typified by such "geopolitical" developments as the U.S. transcontinental railway system, that as an expression of the emergence of the U.S.A. as had been intended under then Secretary of State John Quincy Adams, intended to be a transcontinental republic defined between Canadian and Mexican borders and the Atlantic and Pacific Oceans. The Meiji Restoration in Japan was a direct expression of this, as were the reforms of the late 1870s, led by Chancellor Bismarck in Germany, similar developments associated with the work of Mendeleyev in Russia, and post-Napoleon III France.

In that setting, with the discrediting and death of Palmerston, Karl Marx seemed, for a time, almost to vanish from the scene.

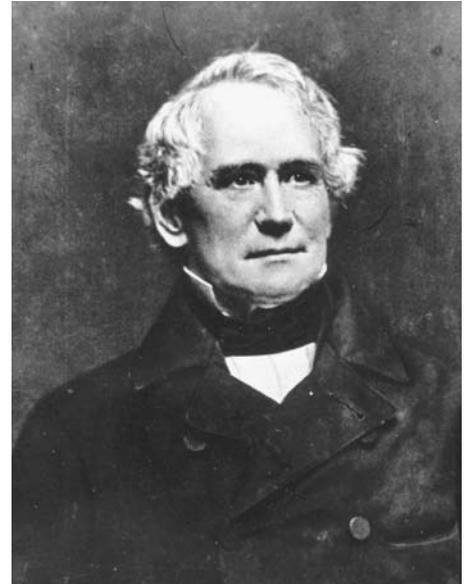
However, in such matters, be forewarned, that it can be said, that if, tomorrow morning, some half-witted ideologue invents a new religion, or, the same thing, causes the revival of an old one from decades or more of obscurity, as Paolo Sarpi quickened a dead, medieval, William of Ockham, the predictable academic response would probably be a new version of British-style political-economy, and, then, should a large number of persons then profess themselves its true believers, an enormous effort would doubtlessly be expended in producing a new school of published commentary on the subject of that belief and its social implications for both psychiatry, academic social theory, sexual behavior, and political campaigns generally. Indeed, most of the specialties for which higher academic degrees have been awarded in recent decades, have been of approximately that quality of origin, and dubious competence.

Just so, as I have noted above, after the death of Palmerston and the affair of the Paris Commune, Karl Marx had been essentially dumped by Lord Palmerston's successors, as also by Marx's own sometime sponsor, and later Fabian Society notable, Frederick

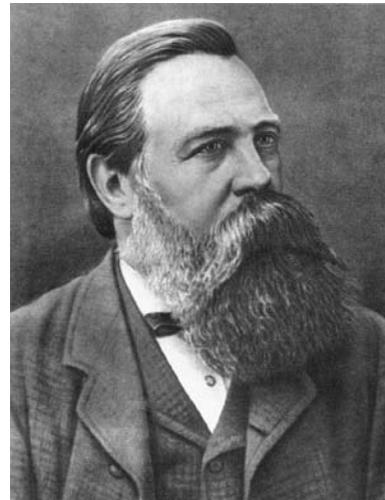
Engels.⁴ However, some years later, years after the death of a Karl Marx who had faded into virtual irrelevance over much of the 1880s, Britain's Frederick Engels acted to revive the name and influence of Karl Marx, this time under the sponsorship of what became the rabidly pro-imperialist, and pro-fascist British Fabian Society, of which Engels had emerged as a leading figure during the early 1890s.⁵

The Revival of a Dead Karl Marx

What had happened to bring about this change in British revival of the theme of Karl Marx, was chiefly the ouster of Germany's Chancellor Bismarck, on the urging of a Prince of Wales ("Uncle") Edward Albert, a Prince who saw Bismarck, correctly, as the major impediment to the Prince of Wales' determination to organize a new "Seven Years War," as between Germany and Russia, on the Eurasian continent. Have no toleration for the usual classroom and related press babble on the subject of the leading national and international conflicts of the 1890-2008 interval to date, neither on the subject of the wars and leading assassinations of the 1890-1945 interval, nor the build-up toward a new imitation of the new



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Although Marx had shown some interest in work of the world's leading economists of that time, Friedrich List (above, left) and Henry C. Carey (above, right), Britain's Frederick Engels (left) intervened to wave Marx off from such studies.

4. The British Fabian Society brought in the ageing Engels to lure Alexander Helphand ("Parvus") into life-long service to both the British weapons trade and British counterintelligence operations like that run, with aid of the Polish Communist Karl Radek, in shuttling V.I. Lenin, by train, into the immediate proximity of the revolutionary situation in Russia, where Lenin's revolutionary intentions for Russia happened to rescue the British from Germany's options in L.D. Trotsky's ("neither peace nor war") Brest-Litovsk negotiations. "Parvus" was also the author of the British intelligence services' strategic doctrine, practiced still today, named "permanent war, permanent revolution," which he passed on to his one-time protégé L.D. Trotsky.

5. In his last years, Engels appeared as a leading figure in the recruiting of Odessa's British gun-runner Alexander Helphand (a.k.a. "Parvus") to a lasting position in the British intelligence services, in the "Young Turk" operation, and, especially in the strategic decisive effects, for the outcome of World War I, in the shaping, by British intelligence and its German social-democratic assets within Germany's political institutions, of V.I. Lenin's role in the famous Brest-Litovsk negotiations between the Germany military high command and Soviet official L.D. Trotsky.

"Seven Years War" paradigm of 1945-2008.

The truth of the matter of Europe-centered world history since the 1763 Peace of Paris, is most readily located in the symptomatic fact, that Karl Marx was in fact, an asset of Jeremy Bentham's Foreign Office protégé, the Lord Palmerston who, in fact, owned the very much confused Karl Marx as an asset of both the Young America and Young Europe associations.⁶ Lord Palmerston's wholly owned agent Giuseppe Mazzini, the

6. This was despite the warning which Heinrich Heine delivered, against the Young Europe operation, to Karl Marx. Heine was, among other qualifications, a leading intelligence figure of his lifetime, as his *The Romantic School* attests, and, through family connections to the Paris-based Rothschilds, a privileged insider to the discussions within those family circles.

head of the Palmerston-directed Young Europe, was the Palmerston agent who, with the British Museum's David Urquhart, typified those persons who directly controlled Karl Marx during the entire period of Marx's stay in London up to, and past the point of Palmerston's death.

For example, although, on certain notable occasions, both prior to Marx's sojourn in London, and later, he had shown some interest in work of the world's leading economists of that time, Friedrich List and Henry C. Carey, Britain's Frederick Engels intervened quickly, on both occasions, to wave Marx off from such studies. I have never found any serious attention to the work of competent economists by Marx; all his "heroes" in this field were representatives of products of the Venetian school descended from modern Liberalism's founder Paolo Sarpi, such as the followers of Giovanni Botero,⁷ the Cartesian Abbe Antonio Conti, William Petty, and Giammaria Ortes, in addition to representatives of the Haileybury School headed by Adam Smith, and Jeremy Bentham.

The significance of the revived promotion of Marx's name is located in the process, directed from London, by Prince of Wales Edward Albert, for clearing the way for "A New Seven Years War" on the European continent, through a series of measures. These measures included, notably, the ouster of Germany's Chancellor Bismarck, the assassination of France's President Sadi Carnot, the Dreyfus case, the British launching of Japan into a 1895-1945 series of wars against China, the related. 1905 Russo-Japan war, and, most crucial of all, the London-steered assassination of U.S. President William McKinley.

That McKinley assassination had the crucial function of shifting control of the foreign policy of the U.S. Presidency from the U.S. traditional orientation of friendship toward both Bismarck's Germany and Russia, by putting the U.S. Presidency in the hands of a dutiful nephew of a treasonous British intelligence asset and Confederate spy, Theodore Roosevelt, and, a bit later, a fervent champion of the treasonous Ku Klux Klan, London's asset Woodrow Wilson. It was only with the election of President Franklin Roosevelt, that the U.S. Presidency fell again into the steady hands of a

7. *Della ragion di stato* (1588), a significant predecessor of Venetians such as the founder of modern malthusianism, the Giammaria Ortes whose English translation of his own *Riflessioni sulla popolazione* was heavily plagiarized by the Haileybury School's Thomas Malthus for the latter's *On Population*.

true U.S. patriot, just as the death of Franklin Roosevelt had put the Presidency back into the hands of what I quickly came to regard as a virtual traitor, a Wall Street tool and pro-British imperialist, Churchill accomplice, Harry S Truman.

Such are the practices of ebb and resurgence of religions and kindred social theories under the reigns of empires

The exact-same set of geopolitical issues and games are the substance of the conflict expressed by the worldwide crisis of the present instance. However, as I show below, the old game is now ending. Economics as a subject by that name which has been taught in earlier centuries, has now come to its end of the line. Economics as being, now, essentially an expression of a properly defined physical science, must now replace what had been the earlier habits of government and other economic practice until now. The new form will retain the essential features of what the U.S. Federal Constitution had prescribed, minus the corruption typified by the Anglo-Dutch Liberal practices of usury.

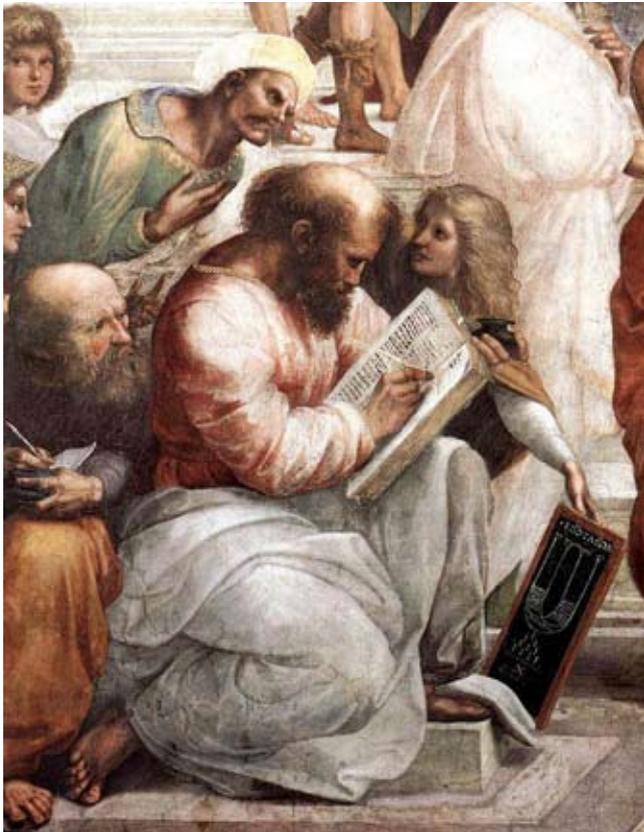
The time has come to bury Julian the Apostate, permanently. It is time to empty that rubbish bin of their minds which the credulous of our times have come to mis-name "history."

II. The Physical Science Of Economy

It were appropriate that I devote the present and immediately following pages of this present chapter to discussion of a series of topics, topics which are, in and of themselves, in the nature of necessary stage-settings for the drama within which a Classical form of a great, current, real-life tragedy is to be presented. Be patient with me as these necessary preliminaries are set into their places as essential stage-settings. We shall come to the hard kernel of this and the following chapters' drama in due course.

Therefore, on background:

The principal root-source of the great damage done to European economies, including both Soviet and post-Soviet Russia, is the damage caused chiefly by today's British philosophical (e.g., Anglo-Dutch-Saudi-Liberal) imperialist influences. This type of damage has been what we must point to as a widespread cause of deeply underlying issues, which is expressed by the systemic differences between what are to be recog-



There have been chiefly two, conflicting developments in modern European civilization: On the one side, the Renaissance, with its founding of a modern physical science and Classical art rooted in the restored remnants of the school of the ancient Pythagoreans and Plato. On the opposing side, the descent of Europe into new forms of recurring barbarism. Above: a detail of Raphael's "The School of Athens," showing Pythagoras teaching (1510).

nized, on the one side, as degraded trends in European social and economic systems, and, on the opposing side, a tradition which had established its initial foothold within what later became the United States of America, in the Pilgrim and Massachusetts Bay settlements typified by the Winthrops and Mathers in New England.

To situate those differences historically, we must set the stage for showing the relatively beneficial influences on all modern European civilization of that great mid-Fifteenth-Century European Renaissance which was centered on the great ecumenical Council of Florence. These benefits are typified by the initiatives of Filippo Brunelleschi and Nicholas of Cusa in re-launching all of the principal foundations of a competent form of modern physical science. However, we must also

take into account, the contrary, malicious effects of the Venetian financier oligarchy's role in orchestrating the Fall of Constantinople, and the manifold degeneration introduced by the religious warfare which dominated all of Europe from the time of the 1492 expulsion of the Jews from Spain, until the 1648 Peace of Westphalia.

There have been chiefly two, conflicting developments in modern European civilization as a whole. On the one side, the Renaissance with its founding of a modern physical science and Classical art rooted in the restored remnants of the school of the ancient Pythagoreans and Plato. On the opposing side, the descent of Europe into new forms of recurring barbarism. On that latter side, there was religious warfare, and the pernicious influence expressed by the outpouring of Anglo-Dutch Liberal imperialism out of the bowels of Paolo Sarpi. It has been the rise of the latter, Anglo-Dutch Liberalism mode in Sophistry traced to Sarpi and his descendants the "Eighteenth-Century materialists," which came to be typified, also, by the case of the influence of Karl Marx, in Marx's role as a disciple of British East India Company's imperial, empiricist dogma.⁸

This conflict, so outlined, established the importance of the Americas, especially what became the United States, as the place whence the best products of Europe could find a refuge from that specific kind of corruption by Liberalism, the Liberalism which has been centered, since that time, in that same Anglo-Dutch Liberal system which has plunged Europe into continental wars and related evils, as since that so-called "Seven Years War" through which the British East India Company first established its imperial power, at the Peace of Paris of February 1763.

To understand this competently, we must focus, as in this present report, on a little-understood concept of physical science, *dynamics*, as expressed by the ancient Greek term *dynamis*, or the modern *dynamics* of Leibniz, Bernhard Riemann, Max Planck, Albert Einstein, and Academician V.I. Vernadsky.

That much said on background, we now have the following key elements of the case which will be developed in the course of this present chapter.

8. It must be emphasized that the reputation of Seventeenth and Eighteenth centuries' empiricists, or Karl Marx, as "materialists," is a complete sham; as Leibniz's treatment of Rene Descartes shows clearly, the empiricists, including Marx himself, treated mere mathematics as a substitute for physical realities.

The Ancient Root of Evil

To comprehend the present plunging, since July 2007, of the entire planet, into what is becoming a prolonged new dark age, we must first see these modern horrors as a reflection of a still more ancient evil, a form of evil against which we should have been warned by study of the Homeric *Iliad* and the self-destruction of Greece's civilization by the act of Sophistry expressed as the Peloponnesian War. We must locate the nature of that ancient evil as it has been portrayed, still today, by any insightful reading of the extant fragment *Prometheus Bound* of Aeschylus' *Prometheus* trilogy. It was a specific quality of evil, the echo of the ancient root of today's "Neo-Malthusianism" expressed in Aeschylus' account of the Olympian Zeus' banning of physical-scientific discovery from society's practice, which has been the ancient root of the great economic-breakdown crisis now hitting the planet as a whole, including Russia, today. Unless that presently rampant, systemic form of oligarchical "Neo-Malthusianism" now associated with the role of "the 68ers," is uprooted, the world has reached a point in decadence, now, at which a rapid collapse of the human population from about six-and-half-billions now, to less than two billions within about two generations, or less, were virtually inevitable.

What we must consider, in addition to the fact of the obvious neo-malthusian evil of the World Wildlife Fund of both Britain's Prince Philip and the late, notably Waffen-SS veteran, Prince Bernhard, is that this form of savagely anti-science, Anglo-Dutch Liberal imperialism, called by such names as "environmentalism" and the lunatic "stop global warming" hoax of today, is the principal source of the evils which humanity is suffering, including systemic British imperial genocide against Africa, today.

In the case of Russia itself, the legacy of Russia's (and the Ukraine's) Academy of Sciences, is one of the great banners of humanity around which honest peoples of nations must unite to beat back the flood of mass-murderous "malthusianism" which is the essence of the genocidal collapse of global civilization already set fully into motion today.

The simplest competent expression of the precise distinction between the British system of political-economy, including that of Lord Palmerston's one-time dupe, Karl Marx, on the British side, and that of American System of Alexander Hamilton, on the opposing side, is the opposition of the *rigorous physical science*

of Gottfried Leibniz to what was the specifically, *merely mathematical* sophistry of Rene Descartes. The distinction of the two, is precisely that made by Leibniz himself during the 1690s and beyond. The general principles of Leibniz's *physical dynamics* were made systematic in Bernhard Riemann's 1854 habilitation dissertation, and by Albert Einstein's statements on the matters of the systemically congruent discoveries of Johannes Kepler and Riemann.

A Relevant Illustration

For a simple illustration of the presently continuing, global conflict between those two opposing systems in modern European civilization, I point to a relevant piece from a book written, thirty years ago, by my collaborator, the late Allen Salisbury. Salisbury's 1978 *The Civil War and the American System* included the following relevant paragraph, a paragraph which serves now to point to the difference between the British imperial system adopted by Karl Marx, for his economic teachings, and the opposing, anti-British-imperialist policy on which the Declaration of Independence and Federal Constitution of what is still, in principle, that British Empire's greatest enemy, the republic of the United States of America, was founded:⁹

The Founding Fathers were guided by a labor theory of value, a theory commonly attributed to Karl Marx, but developed years earlier by Alexander Hamilton, particularly in his 1791 *Report on the Subject of Manufactures to the Congress*. Advances in society are not the outcome of some biological or genetic variation (in the same way that some people glorify the continued adaptability of the ordinary house-roach to changing environmental circumstances). All great advances of humanity have been due to the intervention of humanists who have understood,

9. Allen Salisbury, *The Civil War and the American System: America's Battle with Britain*, 1860-1876 (New York: Campaigner Publications, 1978) pp. 4-6. Cf. U.S. Treasury Secretary Alexander Hamilton, "Report on Public Credit" (1790); *Report on A National Bank* (1790); and, *Report on the Subject of Manufactures* (1791). Compare G.W. Leibniz: *Dynamica: On Power and the Laws of Corporeal Nature* (1691) [rough-draft translation by the LaRouche Youth Movement], included in the listing here because of the work's historical significance for the science of the matter at hand]; and both *Critical Thoughts on the General Part of the Principles* of Descartes (1692) and *Specimen Dynamicum* (1695), *Gottfried Wilhelm Leibniz Philosophical Papers and Letters* (Dordrecht: Kluwer Academic Publishers, 2nd ed. 1998).



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Portrait by Daniel Huntington (1865)

Benjamin Franklin (left) and the Founders adopted Leibniz's dynamic view of human creativity, as expressed in the Declaration's "pursuit of happiness"; while Alexander Hamilton developed a concept of the "labor theory of value," decades earlier than that attributed to Marx.

along with Plato and his neoplatonic successors, that man has the creative qualities to deliberately master the laws of nature and effect his own evolution.

In brief, the American System of political-economy, which was developed on the basis of the discovery of a science of modern physical economy by the same Gottfried Leibniz who founded the modern calculus during the middle of the 1670s, over the interval, remains, in principle, the only principled basis for an escape from the presently onrushing, global physical-economic breakdown-crisis presently under way. The distinction of the American System of political-economy, which was adopted by the patriots of the U.S.A. as the needed antidote to the British imperial system of the circles of the British East India Company's Lord Shelburne, remains today, the only competent source of remedy for what would be, otherwise, a general, generations-long, vastly genocidal breakdown-crisis of the planet as a whole.

The deepest root of the systemic distinction of the entire world's two, presently mutually opposing, English-speaking systems of political-economy, lies in the significance of the term dynamics, as re-introduced to modern science, during the 1690s, by Gottfried Leibniz.

This Leibnizian, dynamic view of human creativity was, thus, embedded as a reflection in the U.S. 1776 Declaration of Independence's "the pursuit of happiness," a term adopted, by Benjamin Franklin et al., from Gottfried Leibniz's second rebuttal of a de-praved John Locke's *Essays on Human Understanding*, a concept expressed as the entirety of the Preamble of the U.S. Federal Constitution. Thus, the words of the American song of freedom associated with Benjamin Franklin are in the books, but few today still remember that music of human creativity, by which that song must be sung.

The root of the great, continuing conflict between the American System and the British Empire—the Anglo-Dutch-Saudi-Liberal empire of today, lies in the fact that all ontologically actual creativity is intentionally excluded from that explicitly Ockhamite, empiricist philosophy of Paolo Sarpi to which Karl Marx adhered. The exclusion of creativity by those Eighteenth and Nineteenth centuries' empiricists to which Marx avowedly adhered, were such followers of Rene Descartes as Abbe Antonio Conti, Abraham de Moivre, Jean le Rond D'Alembert, Leonhard Euler, Joseph Lagrange, Pierre-Simon Laplace, and Augustin Cauchy, who made that vow the axiomatic basis of their rejection of the existence of the ontological infinitesimal of Leibniz,¹⁰ on which all valid modern physical science has depended.

Since that specific quality of creativity, which the empiricists (i.e., "Liberals") professed to ban from human practice, is natural to all normal human beings, but not lower forms of life, sometimes a bit of what is definable, ontologically, as creativity sneaks in upon

10. Contrary to the hoaxster Leonhard Euler, for example, the Leibniz infinitesimal is not a Cartesian mathematical quantity of space, but, like the uniquely original discovery of a law of universal gravitation by Kepler (in Kepler's *The Harmonies of the World*), the location of an ontologically existent, efficient principle of action.

even an empiricist, but not if he, or she either realizes what he is doing, or suspects he, or she might be caught in the act of doing it. All competent science, and all systemic progress in the productive powers of labor, is expressed by that specific creativity which those empiricist followers of Sarpi intentionally ejected from the systemic features of their practice.

The obvious scientific error underlying the failure of the economic policies of the Soviet Union, and the tendency expressed by the kindred error of some leading circles in Russia today, lies essentially, in a prevailing ignorance of a most essential principle of physical science, ignorance of the meaning of the term “dynamics” as the term identifies the characteristic distinction of the science of the ancient Pythagoreans, Plato, the great Eratosthenes, and all valid directions in modern physical science since the work of such as Filippo Brunelleschi, Nicholas of Cusa, Leonardo da Vinci, their follower Johannes Kepler, Pierre de Fermat, Leibniz, Jean Bernouilli, Abraham Kästner, Carl F. Gauss, Bernhard Riemann, Max Planck, Albert Einstein, and V.I. Vernadsky’s discovery of the Biosphere and Noösphere.

This same systemic abhorrence of actual creativity which is formally, explicitly axiomatic for the followers of Euclid, Paolo Sarpi, Descartes, Laplace, and Rudolf Clausius, is characteristic of what are termed “reductionist” mathematical systems employed as a pretended substitute for actually physical systems. The same corruption of Euclid, Descartes, et al., permeates every nook and cranny of British Liberalism generally, and the elaborated dogma of both Adam Smith’s and Karl Marx’s writings on philosophy and economy, explicitly.

Stated in the simplest valid terms, the essential argument on this subject-matter and its implications, as employed here, follows that of Gottfried Leibniz’s exposure of the intrinsically systemic incompetence of the work of Rene Descartes bearing upon the extension of neo-Euclidean mathematics to physical science.

However, notably, although the introduction of what became the Riemannian conception of *dynamics* is explicitly dated from Leibniz’s work of the 1690s, and his and Jean Bernouilli’s development of the notion of a principle of universal physical least action, the revival of the ancient concept of *dynamis* as the modern concept of *dynamics*, had been actually realized in Johannes Kepler’s uniquely original formulation of the principle

of universal, solar gravitation in his *The Harmonies of the World*. So, similarly, implicitly, the notion of dynamics had been already revived by Kepler’s predecessor Nicholas of Cusa, in Cusa’s *De Docta Ignorantia*. Albert Einstein’s affirmation of the uniquely original discovery of universal gravitation, by Kepler, this time from the vantage-point of Twentieth-Century physics’ reflections on the work of Bernhard Riemann, is the best choice of reference for identifying the subject of dynamics today.

Rescue Science from the 68ers!

Unfortunately, most of the fact of this decadence is not commonly recognized in the increasingly decadent intellectual life of most universities today. One of the most significant contributing factors in spreading the current tide of scientific sterility, has been that collapse of academic support for physical scientific practice which is rightly associated with today’s continuing influence of the so-called “68ers.” Unless the trend into decadence were reversed, science were fairly described as dying out today.

Throughout Europe and the Americas, we have lost much of the density of scientific and related competence which the literate adult populations of many nations had still possessed in 1968. The essential basic economic infrastructure of society has largely collapsed; strange, obscenely neo-malthusian, anti-science cults have not only replaced the former influence of science, but have stolen its name.

Typically, today, whereas, increase of productivity per capita and per square kilometer, depends, in point of fact, upon relative increase of energy-flux density, the “soft energy” fanatics are to be recognized as being essentially a new degeneration of parts of current culture into the depravity of the Luddite-like “machine breakers” of early Nineteenth Century England. Whereas, the improvement of land-area, per square kilometer, requires increase of the conversion of sunlight to chlorophyll, we are being impelled to degrade the use of the solar radiation impinging upon the surface layers of our planet, to degrade all forms of use of power from reliance on increase of energy-flux density, toward lower energy-flux density, a trend which means a globally deadly degradation of the Biosphere, and increased rates of human depopulation and degradation of standards of human life.

The cheapest way to reduce the human population, is not to use expensive methods for killing them, but to

brainwash them, perhaps to induce them to kill themselves, or one another, as so many of the 68ers and younger dupes have been brainwashed by a neo-Malthusian cult: induce the greater part of the population to destroy itself, simply by driving people insane, as wretches such as Britain's Prince Philip and his lackey, the U.S.A.'s former Vice-President Al Gore are doing, by promoting the malthusianism of Giammaria Ortes, and the dupes of Ortes' and his plagiarist, the Haileybury School's Thomas Malthus, or of the World Wildlife Fund of Britain's Duke of Edinburgh, will do it to themselves.

India and China, for Example

China, like Russia, is now being struck hard by the inevitable consequences of the wrecking of the U.S. economy, on which the economies of China and Russia now both depend, by the influence of the global, post-1968, anti-nuclear-power hoax called the neo-malthusian movement. India is also being struck, but, since it is relatively less immediately dependent on its ration of exports, the downward effects come on more slowly, so far. At the same time, the collapse of the European and U.S. economies, caused chiefly by exporting production to cheap-labor mass-markets, signifies, that under present world-wide policy-trends associated with "globalization," western and central Europe, and North America, will no longer be able to provide the global climate of physical-economic growth required to maintain the existence of the present economies of Asia, and of Russia.

Who will buy raw materials from Russia, when what had been the principal customers no longer exist to earn the income needed to buy those raw materials?

The deeper point, which should be recognized as being illustrated by such examples, is that there never was a positive correlation between price and value. This lesson from current experience, warns us that the presently nearing death of all competent practice of economics has been brought to its presently advanced stage, by the way in which the subject was usually



Like the victim of a clever hunter's trap, China, and other developing nations are caught in a produce-for-export-market trap, which, in this case is the Anglo-American program of "globalization" of the division of labor in production. Shown: a Chinese factory.

taught (and believed!) under the spreading influence of the Anglo-Dutch Liberal empire, since, notably, February 1763, to the present day.

True wealth can be measured functionally, only in the terms which are coherent with the example of teaching of a science of physical economy from the standpoint of anti-Cartesian dynamics, as: in terms of the increase of the potential relative population-density, per capita, and per square kilometer, not monetary terms as such. The greatest single source of actual increase of the productive powers of labor, is properly defined according to that standard. On the other hand, money is not a measure of economic value, but is, simply, when competently used, a medium of exchange and investment in physically efficient improvements, as improvements can be measured economically, in effect, as increase of potential relative population-density per capita and per square kilometer. It is the physical consumption of physical-scientific progress, and related physical investments, which are the only means by which the increase of the potential relative population-density can be defended against the otherwise inevitable effects of regional, continental, or even planet-wide collapse in the stan-

dard of living and population of, ultimately, the planet as a whole.

On this account, money (price) itself must cease to be regarded as being, in itself, an efficient standard of economic value; it must be regarded as fit to be despised, but despised only in terms which are congruent, in the regulation of an aggregate effect of monetary circulation, as being obliged to conform to the notion of an increase of physical value, per capita and per square kilometer, for the economy as a whole.

Like the victim of a clever hunter's trap, China, and other so-called developing nations have been caught in a comparable produce-for-export-market trap, a trap created by the hunter, which, in this case is the Anglo-American program of "globalization" of the division of labor in production. The transfer of production from Europe and North America, to the labor of such nations as those of Asia, Africa, and South America, has not increased the productivity of the planet as a whole, but has produced precisely the opposite effect. This is the effect produced by a downgrading of production from a relatively higher, to a lower standard of net productivity of the economy as a whole.

Look closely at the "market" which buys the goods whose manufacture has been largely transferred from Europe, North America, Japan, and Korea, to Asia and South America generally. The export market for modern manufactured goods exported from China to Europe and North America was export into a collapsing market, to nations whose production of wealth was collapsing, and collapsing more rapidly than their artificially inflated monetary requirements for consumption. The gap thus generated, was filled up with the economic rubbish of a runaway rate of increase of monetary aggregates, as through financial derivatives, not production of wealth. That margin of increase of nominal monetary assets has been increased at accelerating rates, rates of increase which have generated the post-July 2007 phases of the currently ongoing, general breakdown-crisis of the planetary system as a whole.

So, the global bubble has popped today.

Mathematics Versus Physics

All competent conceptions in economics are physical, not mathematical.

As I have already emphasized, at an earlier point in this present chapter, the systemic incompetence of Descartes in science, is rooted in his efforts, as an im-

PLICIT follower of Paolo Sarpi, to derive physical values from a radically reductionist mathematics (geometry) which was itself derived from the Aristotelean model associated with Euclid's *a priori* presumptions. Those were assumptions which did not exist in the work on which earlier, successful Greek geometry had been premised, which is to say, the *Sphaerics* of the Pythagoreans and Plato. Euclid's *a priori* presumptions were an offshoot of Sophism which chanced to exert a persistent influence from a period after the deaths of the great Eratosthenes and of Archimedes, until the rebirth of active forms of science within Europe's Fifteenth-Century Renaissance. Thus, it is a matter of crucial importance for the rescue of the world's economy now, that it be not only recognized that most Eighteenth-Century teaching of science was dominated politically, increasingly, by the pro-Cartesian Sarpian cultural heritage associated with that century's rise of the British Empire.

The intrinsic incompetence of all British economics dogma, is associated with Paolo Sarpi's revival of that same medieval irrationalism of William of Ockham which came to be typified, later, in Adam Smith's 1759 *Theory of the Moral Sentiments*. This is typified more plainly by the more outrageously moral degenerate, Lord Shelburne's favorite lackey and head of Shelburne's "Secret Committee," the utterly depraved Jeremy Bentham. The same Bentham operated that Committee as the British imperial intelligence service out of that British Foreign Office created by Shelburne's influence in 1782.

Both that Smith and Bentham are expressed outgrowths of the doctrine of the same Descartes otherwise known for such among his ideological followers as Abbe Antonio Conti, and the rabidly anti-Leibniz hoaxsters de Moivre, D'Alembert, Euler, and Lagrange, Immanuel Kant, Laplace, and Augustin Cauchy. In essentials, those rogues were all Cartesians, whose best efforts were devoted to suppressing physical science in favor of a neo-Cartesian mode of axiomatic substitution of Euclidean-based mathematics for physical science.

This depravity of the Cartesian argument echoes the work of *Euclid's Elements*. The useful content which appears in shadow-form in *Euclid's Elements* is material copied from the earlier sources typified by the *Sphaerics* of such as the Pythagoreans and Plato. The crucial and evil amendment to the earlier geometry by the Sophist authors of Euclid's *Elements* lay essentially

in the role of the so-called *a-priori* presumptions.¹¹

The crucial connection to be considered here as bearing on the subject of a science of physical economy, is best referenced, as I have done on earlier occasions, by close consideration of the pairing of the opening two paragraphs and the single concluding sentence of Bernhard Riemann's 1854 habilitation dissertation. To lay the basis for a competent practice of economics for today, it is required to examine the implications of those crucial, indicated features of Riemann's habilitation dissertation, in light of both the comprehension of both Riemann and Kepler by Albert Einstein, and the view of the universe required by the discoveries of the Biosphere and Noösphere by Academician V.I. Vernadsky.¹² Taken all together, these matters fall within the province of the concept of dynamics which is generally absent from all presently customary teaching of economics.

Without that leap which I have prescribed here, there is no presently visible escape of this planet as a whole from a long plunge into a very dark age. If civilization is to exist as civilization during the next two or more generations, profound changes away from habituated beliefs about national and world economy must be immediately introduced. That said, the stage is set for me to proceed with the essential matters of this next chapter.

III. A Dynamic Economic Model

Now, we come to the heart of that matter which I have assigned to this present chapter of the report.

In the immediate aftermath of the success, so to speak, of my 1956 forecast of the actual February 1957 outbreak of what I had described as "the approximately February-March arrival of the deepest recession of the

11. It is useful here to note, as I have indicated in earlier published locations, that from the end of the first day I had entered a secondary class in plane geometry, I rejected such teachings as intrinsically fraudulent. This was clear to me, already at that time, from my study of supporting structures of the type we would associate with the Paris Eiffel Tower. Real geometry is physical geometry, which pertains, typically, to the ratio of mass to physical effect of power to support. Plane geometry does not exist in competent science; for competent science, only physical geometry exists.

12. Although Vernadsky himself adopted the term "noösphere" from the coining of that term by Teilhard de Chardin, the conception, as used by Vernadsky, has no epistemological coherence with Piltown co-hoaxster Teilhard's meanderings.

post-war United States," I used the experience of that successful forecast to apply the same approach which was rooted in my earlier adoption of Riemann's 1854 habilitation dissertation, which had guided me in that short-term forecast, in meeting the greater challenge of longer-term forecasting, meaning forecasts spanning a lapse of time of a decade or longer. It was that longer-term forecast, using a method of approach for which I then adopted the trade-style "dynamic economic model," (*Dynecmo*) at the beginning of the 1960s.

Since early 1953, what had been my design for such intellectual enterprises, had been the outcome of my adoption of a concept expressed as the standpoint defined by two points in Bernhard Riemann's 1854 habilitation dissertation: the beginning, the first two paragraphs throwing Euclidean and similar systems to the pigs of folly, and the dissertation's closing single sentence, a sentence which I now paraphrase, as: *Having said that much up to this point, we must now abandon the domain of mathematics, for physics.*¹³

That signifies, that we must recognize that the effort to confine the notion of "physical" reality to sense-perceptions as such, prompts some credulous persons to believe the nonsense, that the image of the world as our senses present it, is "self-evident." Such a folly might tempt us to accept the absurdity of the notion that sense-experience is self-evidently the *only* real world. Hence, the intrinsic absurdity of the *a-priori* assumptions, known as "sense certainty," built into the credulous Cartesian or comparable reader's faith in *Euclid's Elements*. Students should recognize that the greatest physical-scientific achievement of Johannes Kepler, his uniquely original discovery of the general Solar-Systemic principle of universal gravitation, occurred as his recognition that the principle governing the organization of the Solar System's orbits was neither sight nor hearing, but that efficient principle which was independent of either of these two habits of sense-perception, the ability of the creative powers of the human mind itself to see behind

13. That adoption of the argument of Bernhard Riemann's 1854 habilitation dissertation for this purpose, was a by-product of my reaction to a January 1948 reading of a reviewers' (Paris) pre-print edition of Professor Norbert Wiener's *Cybernetics*. The part of that book which I reacted very strongly against was Wiener's argument for the notion of "information theory." I reacted to it both as an offshoot of the Cartesian ideology against which I had combated since my first, adolescent encounter with Euclidean geometry, but also with my relevant experience with the function of physical principles in qualitative progress in manufacturing.

the mere shadows apparent to sense-perception.

So, for example, we have the coincidental expression of genius uniting Kepler's mentor, the Nicholas of Cusa of *De Docta Ignorantia*, to Cusa's followers Leonardo da Vinci, and Kepler, and, then, after them, Riemann, Einstein, and Vernadsky. It is the creative powers unique to the human mind, among all living creatures, which are the source of valid human knowledge, such as valid scientific knowledge, rather than the simple-minded folly of believing either in sense-certainty, or, similarly, projecting the quality of sense-certainty upon mere instruments used to measure astrophysical or microphysical phenomena.

So, the method which must be employed for the investigation which Riemannian dynamics suggested to me, required little more, as preliminary tactics, than knowledge properly at the disposal of any competent industrial engineering study, as such evidence might be applied to a national physical economy. The initial development of this approach required little more than the application of the most elementary aspect of Gottfried Leibniz's discovery of the role of the ontologically infinitesimal: the application of the notion of the ontologically infinitesimal, as an expression of a discoverable universal principle, to the treatment of the role of technological progress, and, similarly, to the contrary role of depreciation and depletion: an approach employed to provide a systemically non-linear mapping of the processes of positive evolution, or physical devolution of economies considered in the large.¹⁴

These considerations which I have just emphasized here, point us in the direction of the efficient, proper meaning of the term "universal physical principle." This viewpoint supplies us the only competent approach to understanding those principles of physical economy upon which the continued existence of a civilized form of human life on this planet now depends absolutely. In brief, *it is the discovery and deployment of those so-defined discovered principles, which pro-*

14. The principal issue of contention between me and the "ivory tower" school of Tjalling Koopmans, Kenneth Arrow, et al., during the course of the 1950s was their systemically nonsensical emphasis on the notion of a-prioristic "linear programming," an issue on which I shared a qualified degree of agreement with Harvard's Wassily Leontief. Anything which might be considered consistent with Bertrand Russell and his followers of the school of Cambridge Systems Analysis, must be treated as inherently fraudulent, and, in effect, ultimately catastrophic for the nation which chooses to believe in such gobledogook in its formulation of national policies, as in the Soviet Union at certain crucial times, then, and later.

vides us with efficient knowledge of those available changes in the characteristics of human economic and comparable cultural behavior, knowledgeable practice on which a present avoidance of the crashing of the human species into a prolonged dark and vastly depopulated dark age of human virtual bestiality, now depends.

The challenge this presents to us, is: "How can we distinguish between what are merely changes in choices of behavior, and those special kinds of changes, which we should term universal physical principles, upon which the human population depends, if it is to avoid an entropic collapse of the preconditions for human life, that at present levels of existence, upon this planet generally?"

This challenge not only takes us outside the limits of sense-perception, into the domain of those universal physical principles which are not seen by the senses, but which have the power to change, and to control the increase of what Academician V.I. Vernadsky defined as the Noosphere, relative to the Biosphere: that done in a manner suggesting a similar case for the power of life as such to increase the existence and development of the Biosphere, relative to the abiotic residues of our planet and to the Solar System as a whole.

In the case of the system of Paolo Sarpi, et al., for example, actual universal physical principles, as I have just illustrated that notion, do not exist in that method, the so-called method of empiricism. Instead, mathematical formulas governing sense-perceptual types of experience, are wrongly presumed to take the place of what has been the historically very long span of the role of competent European physical science, such as that of the Pythagoreans and Plato, or Cusa, Kepler, Fermat, Leibniz, et al. For the Sarpian and their like, only kinematic actions among objects within Euclidean-Cartesian space (or, weird pagan religious powers of witchcraft) are accepted. Only mathematical descriptions, rather than proof of what are actually universal principles are accepted by empiricism. Hence the miserable record of performance of conventional, statistical modes of attempts at long-range forecasting. Prudent "hunches" by serious thinkers do much better than statistical forecasts; but, the science which I have employed has done the best of all.

The issue posed by the contrasts which I have just identified, becomes: How do we know, actually, of the existence of powers which are efficient in respect to their effects on the sensible domain, but are not, as

Kepler's discovery of universal gravitation illustrates the point, themselves directly sensible objects, even though their power over sensible objects is a demonstrable form of efficient existence?

So, the discovery of universal gravitation, uniquely, by Kepler in his *The Harmonies*, has thus become, in fact, the origin of all competent modern physical science. This discovery presented with unique originality there, led Kepler himself to pose two great, further, systemic challenges to those "mathematicians" who might come after him.

The first of these two, the challenge solved essentially, uniquely, by Leibniz, was the discovery of the ontologically infinitesimal of the calculus, a discovery which was principally a fruit of Kepler's discoveries in astrophysics. Thus, the sequence of principled discoveries of, first Kepler's discovery of the principle of Solar-System gravitation, second, Fermat's discovery of least action, and Leibniz's uniquely original discovery of the principle of the calculus, define a rigorously ordered sequence of the crucial leading discoveries of modern physical science. The successor, in each case, required the prior discovery of the predecessor.

The second of these challenges was the related notion of elliptical functions, a mission accomplished in a preliminary way among Carl F. Gauss and his relevant contemporaries, and which, surpassed only through the further work of Lejeune Dirichlet and Bernhard Riemann, led into the further conclusions reached through the work of exposing the frauds of, most notably, such two great adversaries of truthful work in science, as the foolish mechanist Ernst Mach and the even more degenerate school of Bertrand Russell.

Bertrand Russell and such Russell dupes as the devotees of the Cambridge school of systems analysis are the sources from which the very worst concoctions in so-called "mathematical economics," such as those of Norbert Wiener and John von Neumann, were introduced to post-World War II practice. It could be fairly said of the work of the latter, that they, with their silliness in our time, have probably sunk more ships during my lifetime, than could be attributed to the folly of Helen of Troy in hers.

Now, Kepler In Retrospect

This account, here, is now moving near to the great principle of economy toward which I have pointed, persistently, in this report thus far. That is, once more, the principle of *dynamics*, as defined for modern physical

science and economics in particular, first, from the retrospective view by Albert Einstein, of Kepler's uniquely original discovery of gravitation, as showing us a Riemannian universe; and, second, the implications of the same evidence as expressed in the definition of the Biosphere and Noösphere by Academician Vernadsky. This combined view of matters, as by Einstein and Vernadsky respectively, also has not merely a general, but also a very specific significance, and an enormous practical importance for every and all nation's policy-making under the specific present conditions of a modern economic science which must be practiced under the conditions of the currently onrushing, global economic-breakdown crisis.

Now, turn our attention briefly to the matter of the great lie taught with fanaticism in most science departments of universities around the world, still today: the silly lie which asserts that Isaac Newton discovered a law of gravitation. The fact is, that that teaching is a lie, as has been proven, over and over again, without ever incurring a reasonable attempt at refutation by any among our notable liberals. The first of the two questions that ought to be asked of any relevant university department head, is, "Why do you retain those fools who do that among your faculty?" The second question is: "What is the practical effect which the official lie in support of the Newton myth has on the currently prospective fate of virtually doomed nations?" The answer to both questions is summed up in a single word, "Dynamics."

What, then, does this mean, for the practice of a competent approach to an applied, physical science of political-economy?

Look at this question from, first, Einstein's standpoint, and, then, that of Vernadsky.

What Kepler Taught Einstein

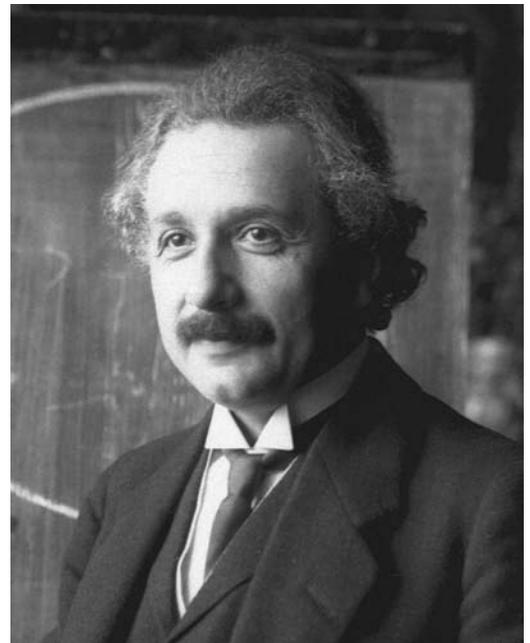
Albert Einstein, looking at Kepler's uniquely original discovery of universal gravitation through the assistance of Bernhard Riemann's work, threw aside the childish folly of anything resembling a Euclidean geometry—threw aside the childish babble of both "at infinity," and the Cartesian "infinitesimals" of de Moivre, D'Alembert, Euler, Lagrange, Laplace, Cauchy, et al. *The Leibniz infinitesimal is not the expression of a limiting smallness within space, but the universal physical effect of that which confines physical space-time even in the smallest detail.*

Once gravitation is defined in terms of an harmonics



arttoday.com

Einstein (right), looking at Kepler's original discovery of universal gravitation through the assistance of Riemann's work, threw aside the childish folly of anything resembling a Euclidean geometry. For Einstein, universal physical space-time is finite but unbounded.



Ferdinand Schmutzer

derived from the Pythagorean view of Sphaerics expressed by the work of Plato, and this evidence viewed successively by the discoverer Kepler, and, that, later, through the discoveries of Dirichlet and Riemann, Einstein recognized that any truly universal physical principle bounds the physical space-time whose existence it expresses. However, since the stellar universe at large is anti-entropic, not entropic, the process of universal development in the universe is not within fixed bounds; rather, for Einstein, that universal physical space-time is *finite but unbounded* within the meaning of those conditions.

When we, then, repeat this in a properly corrected way, to take into account the specifically unique universalities of the physical space-time of living (the Biosphere), and then, next, also cognitive processes, as Vernadsky did (the Noösphere), we have thus gained access to a general notion of the true meaning to be assigned to the term “universal physical principle.” That is to say, that any true universal physical principle defines a correspondingly finite physical space-time, in the sense that Einstein defined the universe. This implicitly defines the proper sense of meaning of the Leibniz infinitesimal, as being efficiently, ontologically containing, rather than as, elementarily, confined in nature.¹⁵ This is, of course,

15. In theology, this echoes the denunciation of Aristotle by Philo of Alexandria, the friend of the Christian Apostle Peter. The Aristoteleans, as of Philo's time, had insisted, that if the Creator of the universe were perfect himself, Creation would be perfect, and, therefore, the Creator could not alter that Creation once the Creator had completed making it.

the difference between a merely mathematical outlook, such as that of a Euclid or Descartes, and a Plato, Eratosthenes, Nicholas of Cusa, Kepler, Fermat, Leibniz, or Riemann.

These just-stated considerations implicitly define the true principle of dynamics, the principle on which any competent approach to the shaping of economic policy depends. Hence, my early 1960s conception of “dynamic economic models, the conceptual design on which all among my uniquely successful economic forecasts have depended.

Why should anyone experienced in the achievements of modern science have viewed these matters differently? Why such persistent depravity, as the case of Isaac Newton's fraudulently alleged discovery of gravitation illustrates the point?

That much said here, thus far. What, then, is the fundamental change in the principle of design of physical-economic policy which must now supersede heretofore commonplace ideas about economy, if civilization is

This interpretation of Aristotle's views was predicated upon the assumption of a theological form of a supposed universal law of entropy. It should not be considered astonishing, therefore, that this imposition of a “law of universal entropy” upon God Himself, should express the Aristotelean's devotion to the existence of a still higher, neo-Malthusian authority than God, such as the Olympian Zeus depicted by Aeschylus in *Prometheus Bound* (or perhaps Britain's Prince Philip, Prince Charles, or their common lackey, former U.S. Vice-President Al Gore). So much for the theological merit of the opinions of Clausius, Grassmann, Kelvin, and the World Wildlife Fund.

not to continue its presently accelerating plunge of the entire planet into a prolonged new dark age? What is the proper, relevant meaning of the term *dynamics*?

A Practical Illustration

In modern economy, for example, the general form of scientific-technological progress in the manifest productive powers of individual labor *does not* occur chiefly at the so-called “local point of production.” There are, chiefly, two immediate factors underlying any immediate trend of increase of the productive powers of labor as measurable in physical terms, per capita, and per square kilometer. One is embodied in the combined skill and motivation of the physically productive individual. The other is chiefly a reflection of improved basic economic infrastructure of the categories related directly to physical production and relative physical productivity of the individual operative.

For example, the individual production operative in automobile manufacturing, is at the relatively low end of productivity, whereas the greatest concentration of relative physical productivity lies “up-stream” in the machine-tool design sector, or, further upstream, in the development of science as such.

At the same time, the most significant factor of variability in relative productivity of production operatives, is located in the basic economic infrastructure of production, rather than “at the point of production” as such. For example, if we decrease the mean number of hours of commuting in the community in which production or related activity is occurring, we increase the productivity of the population of that entire area even without improvements at the point of production itself. Or, if we increase the effective “energy-density” of power sources per capita and per square kilometer, that alone facilitates increases in the productive power ex-



NASA

The development of basic economic infrastructure in water-management, modern mass transportation, and rapid increase of nuclear-power generation and distribution, would produce beneficial effects, per capita and per square kilometer, which would appear to be spectacular when compared with post-1945 history of that continent. Shown: Aswan High Dam in Egypt, built in the 1960s, in a NASA satellite photo.

pressed at the point of production throughout that area.

In other words, it is neither the development of infrastructure, nor the improvement of labor at the point of production, which defines the improvement; it is the way in which the development of the two interacts. This demonstrates that once we accept the advantage of being human, rather than a dope-addict, or such functional equivalents of that as a rhesus monkey, it is the development of the creative powers expressed in practice by the individual in society, which is determining; but, the greater part of this factor, lies in science, in related developments in Classical forms of culture, and in the increase of the ratio of directly physical-production-related basic economic infrastructure which is crucial.

In other words: throw away the babble about the “productive powers of labor.” It is the science-driven increase of the productive powers of labor, either as skilled direct production, or, more significantly, as increasing density of energy-flux-density and of capital intensity of means of production, which is crucial. It is

the science-related degree of skill of labor, and the ratio of production-essential capital intensity of basic economic infrastructure, which is decisive.

For example, take the case of India today. Approximately 60-63% of the labor force is marginal in skills. This factor can be improved only slowly, as measured in terms of successive generations. However, the wide application of properly charged nuclear power facilities, including the thorium cycle, would produce a rather immediate increase of the productive powers, and life expectancies of the members of India's population, despite a slow improvement in the development of the personal and family productivity of the population as such.

For example, in the case of that great, continuing, Hitler-like crime against humanity, the Anglo-Dutch-Saudi Liberal occupation of Africa and regions of the so-called Middle East section of Near-Asia, the development of basic economic infrastructure in water-management, modern mass transportation, and rapid increase of nuclear-power generation and distribution, would produce benefit effects, per capita and per square kilometer, which would appear spectacular when compared with the post-1945 history of that continent.

What Should We Mean by 'Power'?

What I have emphasized here thus far, has pertained to correlatives of what convention identifies as physical science. We dare not overlook the ruinous effects of the degeneration of popular culture of both North America and Europe during, most emphatically, the cultural degeneration unleashed with the impact of the post-1945 rise of the pattern in post-Franklin Roosevelt trans-Atlantic culture as this was influenced strongly by what was known in Europe as the Congress for Cultural Freedom, or, the trans-Atlantic phenomenon of the rock-drug counterculture.

Physical-scientific creativity is a crucial aspect of the fostering of human productivity per capita and per square kilometer, but the difference between man and beast is as significant for music and poetry, as for physical science as such. The quality of social relations, and, consequently, of progress of productivity of the labor force, is determined as much by the advantage of a truly Classical over populist cultures as it is by physical-scientific discovery.

The spread of the neo-malthusian cult of opposition to development of nuclear power as a primary source of

power for society, is a manifestation of a moral and intellectual degeneration in nations and their populations, as is the promotion of programs of so-called "legalization" of drug-addictions. The indicated modes of cultural degeneracy, and their increase during the recent forty odd years, have been as significant a factor in bringing about the general break-down crisis being experienced world-wide today, as the suppression of the physical productive powers of labor of the populations of North America and Europe.

These considerations reflect the principle of dynamics on which my attention has been focused since 1953.

President Franklin Roosevelt's intended global economic and cultural recovery during an expected post-war period, was consistent with a Riemannian approach to the perspective of an endless improvement in the human condition of both nations and of territories which should have become sovereign nations. The notion of a regulated system of prices, regulated to conform to these physical objectives of human development was valid then, before the Presidency of Harry S Truman, and is desperately needed as policies and perspectives for the world at large today.

If we do not return to that American System as the founders of the U.S.A., and the Presidents Abraham Lincoln and Franklin Roosevelt typified that outlook, a planetary new dark age is now inevitable for all humanity. The leading obstacle to such a needed recovery is what is called "the British Empire." Without the mobilization of a consort of great power to defeat that empire's influence, a dark age for this planet is now inevitable. That consort of great power need not be defined in great detail; a general commitment to the potential of a global, fixed-exchange-rate credit-system, replacing the hopelessly rotted-out, present monetary system, would be sufficient for the moment.

In the relatively short term, the cause of good health is best served by the obvious means of fighting deadly disease.

However, that said, the most immediate mission is to reverse the so-called post-1968 downshift in nuclear-powered increase of physical productivity, without which the presently ongoing, global breakdown-crisis of the entire world's civilization would not have erupted, in July-August 2007, as it has done.

This time, bring on the Renaissance now, before the present onrushing new dark age takes over the planet as a whole.

Why the Academicians Have Usually Failed in Economics

by Lyndon H. LaRouche, Jr.

December 19, 2008

There is rising consternation stirring within the international press, in leading circles of governments from the U.S.A., in western and central Europe, in Russia, in China, and from around the world generally. Reluctantly, it now dawns upon these circles, that virtually nothing which is essentially crucial has occurred in those patterns in the world's economy generally, which I had not forecast in my international webcast of July 25th, 2007.

Among the powers of evil which still appear to control some of the governing powers in the world, there is now a creeping sense that if it were possible they might destroy the prophet, but, then, be destroyed, themselves, by the prophecy.

What I had forecast, on July 25, 2007, was a general breakdown-crisis, which I had warned, was to unfold by about the close of that July. Three days after that webcast, the actual breakdown of the world's present monetary system began exactly as I had warned it would. Since then, the tocsin of a spreading, global tragedy of the nations of this planet, were heard here, then there, and then beyond, louder and louder, with a growing resonance, a resonance taking the planet as whole into its grip.

From that moment on, the ongoing, global, general, physical breakdown-crisis of the entire world's present

monetary-financial system, has never ceased to worsen. It grows uglier and uglier, wider, deeper and deeper, and, for those who had deemed themselves the reigning powers of our planet, seemingly more hopeless, than what it had been a bare moment before.

There has been nothing like this, as I had repeatedly forewarned, since the U.S.A.'s 2000 Presidential primary campaign. There has been nothing comparable to this in the history of European civilization since the outbreak of medieval Europe's mid-Fourteenth-Century collapse of the House of Bardi into a Europe-wide "new dark age." It comes on as a planetary tragedy. As I had repeatedly forewarned since that time, what has been oncoming, is a general breakdown-crisis of the presently doomed financial-monetary system of every part of this planet as a whole.

One senses an approaching moment, like that silence heard by those either in the life-boats, or swimming in the chilling Atlantic ocean waters, in that moment when the *S.S. Titanic* had vanished under the waves.

So, since July 25, 2007, almost as soon as leading circles in any nation's government, in the Americas, Europe, Asia, and elsewhere, attempted to deny the possibility of a condition against which I had warned, exactly that kind of sign of an oncoming general, planetary breakdown-crisis had erupted. Essentially, not only have events around the world proceeded accord-



Si sabrà mas el discipulo?

Francisco Goya, *Los Caprichos*, "Might not the pupil know more?" (1799)

ing to the pattern which I detailed in that webcast, but each such development had erupted seemingly moments after fresh, emphatic denials, by leading governments in the world, and others, denials that such a development as I had forecast had been possible.

So, now, in the oncoming, January 20 inauguration of a new U.S. Presidency, the crisis accelerates, building up like a rising, terrible storm. Yet, for a moment, there is an awful stillness, while this legendary *Titanic* is sinking into the deep, where it would lie under all the waters of the world.

Yet, ironically, at the same time, still today, even after the clear accumulation of proof of the accuracy of

my July 25, 2007 warning, leading opinion often responds with a curious kind of effort at stubborn denial. In a moment when the virtual *Titanic* of today is already sinking. Yet, as absurd as it is for them to say, leading press and governmental circles attempt, again, to deny what is happening, by reassuring one another, that I am not a certified product of the economics department of virtually any university.

I can proudly confirm their view that I refuse to associate myself with anything as provably silly as that which passes for academic qualifications in economics among the usual academics of today. Meanwhile, they, each time, hearing their own voices on this subject, appear to be much more frightened, this time, by hearing the reverberations of their own attempted denials, than when they had uttered them a moment or so before.

Suddenly, in these moments, the threats to me from my would-be critics, appear as less ominous than tragically silly. This is a coming moment in my world, not a triumphant moment, but a moment like that experienced by a Noah floating on a vast, silent sea. So, the ominous, oncoming global tragedy, has now overtaken the world—for those who are willing to hear, and act accordingly.

I am no wizard. There is no uncanny miracle involved in my repeated, uniquely exceptional record of successes as a long-range forecaster. There is only science. As I had already emphasized back during the last four months of 1971, what had been taught as economics in most of the known universities, even then, was simply the result of the increasing rates of incompetence in what has been usually taught as economics at

leading universities, since Harry S Truman was inaugurated as President.

Look back to the time and place at which the presently unfolding tragedy actually began.

My Experience

The tragedy began in that moment that the right-wing Wall Street choice for Vice-President, Harry S Truman, would seize the opportunity of President Franklin Roosevelt's death, to sabotage Roosevelt's Hamiltonian, post-war intentions. What Truman would introduce, instead of Secretary Hamilton's American System of political economy, is the intrinsic incompe-

tence of sometime pro-Nazi economist John Maynard Keynes.¹ The widely practiced methods of statistical forecasting today, are the worst existing on this account up to the present date. Otherwise, generally, the incompetence of my academic rivals' failure as forecasters, lies presently in the way in which they define the subject itself. They have employed a method of forecasting which might be compared to the zeal of a passenger searching to upgrade his stateroom assignment on a sinking ship.²

This downward trend in quality of thinking about economies, a downwardness against which I have warned, as a forecaster, over the interval of two generations past, has been the principal source of the failure of the leading academic economists, and also leaders of corporate finance more or less world-wide, today. This has been a trend to be seen more clearly, more ominously, since the ousters of the last great post-World War II leaders of Europe's post-war resurrection, such as President Charles de Gaulle and Chancellor Konrad Adenauer.

This subject of widespread academic incompetence in the teaching of economics has been a recurring issue of my memorable, 1971 and later debates with spokesmen for leading academic economists. It came up yet once more, in a press conference which I held at Stras-

1. Keynes' affinities for Nazi economics were identified by him in his German-language, 1937 edition of his *General Theory*. The same issue was a crucial feature of my exposing the pro-fascist character of Keynes' doctrine in my celebrated, 1971 Queens College debate with Professor Abba Lerner. Keynes' competence has lain essentially in the accuracy of Keynes' demonstration of the British origins of Nazi economics dogma, as under Adolf Hitler then, or the President George W. Bush, Jr. whose grandfather, Prescott Bush, had funded Adolf Hitler's rise to the German Chancellorship. There is no coincidence between the constitutional principles of the U.S. Federal Constitution and the intrinsically imperialist monetary doctrine expressed by Keynes. There have been competent economists who admired Keynes, but this has been only to the degree that they have failed to take into account the inherently supranational implications of Keynes' system.

2. This is not new. My role as a forecaster of developments in the economy as a whole, began in 1956, in my foreseeing a February 1957 outbreak of the most severe U.S. recession of the post-war period. At the beginning of September 1971, I challenged all of the academic economists to respond to my charge that the failure of all of them to foresee the break-up of the Bretton Woods system, which had just occurred under U.S. President Nixon, showed the leading academic economists to have been a pack of "quackacademics." Finally, those academics chose a champion, Keynesian spokesman, Professor Abba Lerner, who proved his incompetence in his debate against me. Most forecasting encountered from among academics since that time has been no better from a scientific standpoint than Lerner's.

bourg this past Wednesday, (Dec. 17, 2008) In a press report on that subject, by *Corriere della Sera* during the same and the following day, notably, *Corriere* wrote: "LaRouche goes back to the XVIII century and to the [first] Secretary of the Treasury, Alexander Hamilton," as, in fact, did U.S. President Franklin D. Roosevelt. *Corriere* was correct on precisely this point.

Looking back toward the fateful inauguration of President Harry Truman, we must recognize that the U.S. government's fiscal year 1967-1968, is notable as the point in the history of the post-President Franklin Roosevelt U.S. economy, at which the U.S. economy reached a net down-turn in physical, as distinct from merely monetary output per capita and per square kilometer, a downturn which has not merely persisted, but accelerated, from that time to the present day. An earlier, but less severe decline had been characteristic of the post-Franklin Roosevelt U.S.A., a decline *in rate of growth* caused by the policies under Presidents Harry S Truman and Dwight Eisenhower, as reflected in what I had forecast, in Summer-Autumn 1956, as an oncoming deep recession to hit approximately February 1957.

Later, there had been a partial, even promising resurgence of the economy under President John F. Kennedy, a resurgence which ended with the assassination of that President, and the consequent, fraudulent decision to send the U.S.A. to a war in the region of Indo-China. However, although the long, useless, wasting warfare in Indo-China, did contribute significantly to the ruin of the U.S. economy, it was not the actual cause of that collapse of the U.S. economy which has continued up to the present point of a global, general, chain-reaction mode of physical breakdown-crisis which brings the world as a whole to the brink of a threatened, prolonged, planet-wide "new dark age" now.

During most of my adult lifetime's experience since what is called World War II, there has been a dwindling, now tiny fraction of professed economists who have been competent; but, in each such latter case, the competence was gained despite, not because of the teaching of that subject for which graduates in economics from leading universities of the post-Franklin Roosevelt decades had been awarded their professional titles.

This crisis is not a U.S. failure, but a global one, despite those exceptional, known, or little known figures who have been of relevance for understanding the unfolding character of our presently looming global tragedy. For example, the incompetence which the Soviet and other Marxists have shared with their academic and

political rivals in Europe and the Americas, is a direct outcome of the influence on scientific thinking of the foolish followers of the Seventeenth Century's Rene Descartes, and the Eighteenth Century's radical reduc-

tionists David Hume, Abraham de Moivre, Jean le Rond D'Alembert, and Leonhard Euler, et al. This was the characteristic incompetence of such followers of the British East India Company's Haileybury school as the

Economists, Bankers Wail: 'Why Weren't We Warned?'

A chronological sampling of the wails of despair—and denial—emanating from those who should have been listening to LaRouche, but preferred their own delusions.

Dec. 29, 2008, economist Robert J. Samuelson, "Humbled by Our Ignorance," *Washington Post*: "The great lesson of the past year is how little we understand and can control the economy. . . . Go back to the onset of the crisis in mid-2007. Who then thought that the federal government would rescue Citigroup or the insurance giant AIG; or that the Federal Reserve, striving to prevent a financial collapse, would pump out more than \$1 trillion in new credit; or that Congress would allocate \$700 billion to the Treasury for the same purpose; or that General Motors would flirt with bankruptcy? In 2008, much conventional wisdom crashed."

Dec. 27, 2008, Nobel Prize winner Paul Krugman to CBS's "Face the Nation": "You know, if we were as ignorant as we were in the 1930s, I think we would be facing a second Great Depression."

Dec. 16, 2008, Mario Draghi, governor of the Bank of Italy and chairman of the Financial Stability Forum, speech in Hong Kong: "One striking aspect of the crisis is precisely how its unfolding has continued to catch both policymakers and private sector players by surprise. It started with defaults in a marginal segment of the financial services industry, then quickly spread to virtually all assets. From being a U.S.-only event, it has become global. . . . None of these steps had been anticipated in a timely way by the relevant actors."

Nov. 18, 2008: "Paulson, Bernanke Defend \$700 Billion Bailout," *Associated Press*: Treasury Secretary Henry Paulson said that the U.S. has

"turned a corner" in averting a financial collapse.

Nov. 13, 2008, Paulson, *National Public Radio*: "I believe the banking system has been stabilized. No one is asking themselves anymore, is there some major institution that might fail and that we would not be able to do anything about it?"

Oct. 23, 2008, former Federal Reserve chairman Alan Greenspan, *Congressional testimony*: "Those of us who have looked to the self-interest of lending institutions to protect shareholder's equity—myself especially—are in a state of shocked disbelief." Referring to his free-market ideology: "I have found a flaw. I don't know how significant or permanent it is, but I have been very distressed by that fact." Rep. Henry Waxman (D-Calif.) asked, "In other words, you found that your view of the world, your ideology, was not right, it was not working?" "Absolutely, precisely," Greenspan replied. "You know, that's precisely the reason I was shocked, because I have been going for 40 years or more with very considerable evidence that it was working exceptionally well."

Sept. 14, 2008, Donald Luskin, *Washington Post*: "Anyone who says we're in a recession, or heading into one—especially the worst one since the Great Depression—is making up his own private definition of 'recession.'"

July 20, 2008, "Paulson 'Very Optimistic' on Freddie, Fannie Rescue," *Bloomberg*: Paulson said the banking system is "sound" and regulators are being "vigilant."

Aug. 20, 2007, Paulson, *testimony to House Financial Services Committee*: "U.S. economic fundamentals are healthy: unemployment is low, wages are rising, and core inflation is contained. Although the recent reappraisal of risk, coupled with weakness in the housing sector, may well result in a penalty, the fundamentals point to continued U.S. economic growth."

Aug. 1, 2007, "Paulson Sees Subprime Woes Contained," *Reuters*: "Paulson said the repricing of credit risk was hitting financial markets, but U.S. subprime mortgage fallout remained largely contained due to the strongest global economy in decades. . . ."

plagiarist of A.R.J. Turgot, Adam Smith, as of Smith's avowed follower Karl Marx, or as the standpoint of Immanuel Kant who dared not publish his famous *Critiques* until the great Moses Mendelssohn was, from Kant's standpoint, safely dead.³

The world did not fail us. The examples of competent heroes, variously prominent or little recognized, are evidence of the contrary, willful sources of our presently looming threat of a planetary tragedy.

Economics As Science

What might have been taught as a competent approach to the subject of economy, would be essentially a branch of physical science, specifically the viewpoint of physical science from the vantage-point of the discoveries of Gottfried Leibniz and Bernhard Riemann, or, a refined view of that work of Leibniz and Riemann provided by considering the discovery of the concepts of Biosphere and Noösphere by Academician V.I. Vernadsky.

To wit: There is nothing mysterious in this bit of irony. The only science of economy which has existed in any part of modern European civilization, is that which was introduced by Gottfried Leibniz, which was an explicitly anti-Cartesian science of the dynamics of *physical economy* (rather than monetarist varieties of economy). Thus, simply said, the incompetence prevailing among most of the nations' so-called "economics experts" today, is a product of that on which they, and misguided governments, have premised their stated academic claims to competence in this field.

Despite the numerous, important, and even great achievements within the work of physical science generally, these individual achievements have become, more and more, notable exceptions to the more general trend launched by the replacement of such leaders of France's Ecole Polytechnique as Gaspard Monge and Lazare Carnot, by the British-appointed charlatans Laplace and Cauchy. Despite the circles of Alexander von Humboldt, Carl F. Gauss, Lejeune Dirichlet, Bernhard Riemann, Max Planck, and Albert Einstein, the Twentieth Century's science emerged as dominated, as a current trend, by a succession of hoaxsters typified by, first, the mechanistic nonsense of Ernst Mach and, soon after that, the psychotic numerology of the evil Bertrand

3. Leading 18th-Century scientist and mentor of young Gotthold Lessing. Lessing and his friend Moses Mendelssohn had been the central figures in the launching of the middle to late Eighteenth-Century cultural renaissance in Europe, until the French Revolution's Reign of Terror.

Russell and such among his typical dupes as Professor Norbert Wiener, John von Neumann, and the Russellite Cambridge school of systems analysis.⁴

The marker of this long trend in corruption of the teaching of Anglophile "science" has been that cult of the practitioner of black magic, Isaac Newton (who, probably, to his credit, actually discovered nothing), but who has been credited with the discovery of the mathematical expression for gravitation which was known, on published record, and in massive detail, by Johannes Kepler from whom Newton's boosters pilfered that mathematical formulation.

Competent instruction in economics will reappear in universities and kindred institutions, only if, or when what passes currently for competence in such institutions, today, has been suitably replaced.

I explain the nature of the widespread incompetence of the economic departments of universities and kindred institutions. My emphasis is upon economics; but, it can not be competently overlooked, especially after considering the wreckage of the world's economy now, that competent economics is a branch of physical science, not the childish witchcraft of mere monetary and related statistics.

Let us therefore resolve to learn this lesson before it comes too late to rescue the planet from the present lurch at the brink of a planetary new dark age.

I. Prince Philip: Man or Beast?

The current trend in substitutes for competent economic models, is typified by the Nazi-like, pro-genocidal policies of Britain's Prince Philip's and the late Prince Bernhard's World Wildlife Fund (WWF), policies which are a lawful outcome of the views which they share with Prince Philip's lackey, the silly, but nasty former U.S. Vice-President, Al Gore.

Notably, prior to his marriage to a Dutch princess, Bernhard had been a member of the Nazi Waffen-SS, from which he had resigned, with a salutary "Heil

4. The positivists Ernst Mach and Bertrand Russell represent successive states of intellectual and moral decadence in the direction set by such expressions of de-constructionism as Russell's essentially fraudulent *Principia Mathematica*, his sponsorship of Cambridge systems analysis, and such among his offshoots as the debased Professor Norbert Wiener and the even more radical John von Neumann. The practice of digital recording in subjects of Classical musical composition is typical of the reductionism of both Mach and Russell.



National Archives

President Harry Truman and Mrs. Truman (on left) with Prince Bernhard and Queen Juliana of the Netherlands, 1952.

Bernhard was a youthful member of the Nazi Waffen-SS; his letter of resignation was signed with the flourish, "Heil Hitler!" The letter is on file in the U.S. National Archives.



Hitler!“on the day of that wedding. Prince Philip, for his part in the world-wildlife duo of Princes Philip and Bernhard, has speckled the literary record with references to related affinities in his own family background. No matter how much some of this pair’s professed admirers attempt disclaimers of their pro-Nazi connections, the essential fact remains, that the population policies of the World Wildlife Fund are an echo of the beliefs and practices which the pair share, axiomatically, as the tradition of their predecessor, Adolf Hitler.

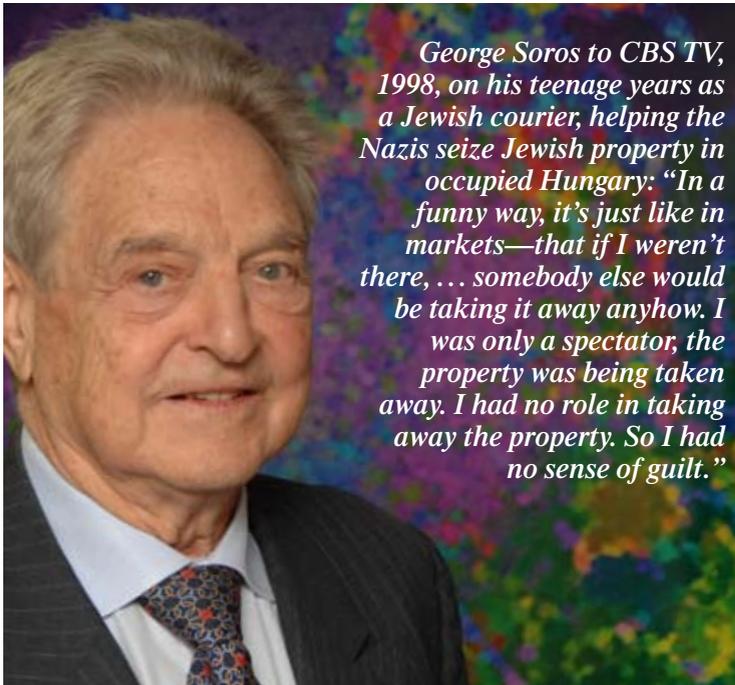
Thus, similarly, when we look back with opened eyes to the relevant U.S. anglophiles of the 1920s and 1930s, we can not ignore the systemic implications, then, and for today, of the record of the history of homicidal race and population dogmas of the family of the same Averell Harriman whose firm, Brown Brothers Harriman, played a crucial role, together with the Bank of England’s Montagu Norman, in putting Adolf Hitler into power in Germany.⁵

5. The truth is not told adequately until we take into account the role of certain nominally Jewish banking houses which openly backed Hitler up to a certain stage of the evolution of the Hitler regime itself. When we consider the Nazis’ overt anti-semitic practices up to the point of *Kristallnacht*, this fact beggars most powers of comprehension, until we take into account a related matter of the personal history of British agent

To get inside the morally deranged mind of a Prince Philip or his virtual spotted clown, the former U.S. Vice-President Al “Bozo” Gore, today, we must come to grips with the essential point of principle underlying these connections: that Soros, Prince Philip, and Al Gore, as judged by pattern of the effects of their practice, regard ordinary people not as actually human, but as cattle who might be drugged by the likes of George Soros, slaughtered, or simply starved to death, on the whim of the feudal ownership over a mass of people treated as a virtual form of human cattle. Since these modern oligarchs deny the efficiently principled distinction between man and beast, despite being men themselves, they behave toward mankind as predatory beasts do, and proclaim their behavior properly ethical because they have “the bully pulpit” from which to say so.

Unfortunately for mankind, the evil which a Prince Philip, Prince Charles, Prince Bernhard, or Gore typify, is not unusual in history. Look beyond the case of the

George Soros. The point to be emphasized the most, is not the isolated fact of Soros’ role as a teen-age errand-boy for the Nazi processing of Jews into death camps, but the fact that this moral defect in his personal history has emerged as his qualification for selection for the role in moral degeneracy which he expresses with his financial and drug-trafficking policies in service of the British Crown today.



George Soros to CBS TV, 1998, on his teenage years as a Jewish courier, helping the Nazis seize Jewish property in occupied Hungary: “In a funny way, it’s just like in markets—that if I weren’t there, . . . somebody else would be taking it away anyhow. I was only a spectator, the property was being taken away. I had no role in taking away the property. So I had no sense of guilt.”

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Roman Empire’s treatment of gladiators or targeted ethnic groups. Take the case of the Pantheonic depravity of that Julian the Apostate whom Lord Shelburne selected as his model for the role of the British Empire. This is a model which has been kept up to date in British practices against Africa’s Sudan, Zimbabwe, Congo, and so forth. Look back to the 1790s, to the cases of the British Empire’s, and the New England followers of the British East India Company’s Judge Lowell, in the matter of opium policy, from that time to the role of the depraved British imperial asset and dope-pusher George Soros today. Take the case of the British agents who served as leaders of the Confederate States of America, or the British use of the Nineteenth-Century Spanish monarchy to run the African slave-trade in the interest, and under the protection of the British monarchy.

These issues, thus posed summarily, are more often seen as moral issues, rather than scientific ones. It follows that the idea of a sovereign freedom of choice in defining governmental power, prompts the credulous to degrade the discussion of the apparent moral issue to the sophistry of a “legitimate” debate over ethics among differing cultures, rather than an absolute matter of difference between what are properly seen, scientifically, as universal scientific standards, rather than a merely “differences in tastes among the chosen cultures of a pluralist world.”

Vernadsky & Leibniz’s Dynamics

A certain question is thus posed by my immediately preceding remarks: *is there a strictly scientific standard of truthfulness to be applied to these cases?* Examine that question from the vantage-point to which I shall return repeatedly in this report, that of Academician V.I. Vernadsky’s distinction of the *dynamics* of the animal ecology of the *Biosphere*, from those of the *Noösphere*. The immediate suggestion is, that we might begin that examination by contrasting the animal ecological potentials of the higher apes generally with those of human populations generally.

Therefore, let us follow the trail of implications posed as a challenge to us, by what had been the experience of the emergence of modern European civilization from a Fourteenth-Century “new dark age.” This had been a Renaissance pivoted on the great ecumenical Council of Florence and the related launching of all competent modern science from the work of Cardinal Nich-

olas of Cusa’s *De Docta Ignorantia*. Examine the consequences of Cusa’s own part in this work, as traced through the discovery of universal gravitation by a follower of Cusa, Johannes Kepler, that in a process leading to, and through the defining of the *Biosphere* and *Noösphere* by Academician V. I. Vernadsky.

Conduct this exploration from the pivotal standpoint of Gottfried Leibniz’s revival of the principles of the ancient Classical *dynamis* of the Pythagoreans and Plato in their expression as modern *dynamics*. The essential difference between the two ancient and modern, but, otherwise, equivalent notions, lies in the actual revival of the concept of *dynamis* in works founding modern science by Nicholas of Cusa, starting from his *De Docta Ignorantia*, but with the difference, as expressed by Leibniz’s work from the 1690s onward, which was based on Kepler’s uniquely original discovery of the universal principle of gravitation, as in Kepler’s *The Harmonies of the World*. The significance of Kepler’s uniquely original discovery of universal gravitation, as Albert Einstein emphasized this connection, is the first experimental demonstration of the self-enclosure of the universe by a discovered universal physical principle, Leibniz’s revival of the Classical Greek notion of *dynamis* as modern *dynamics*.

The principal obstacle to recognizing the importance of Cusa’s, Kepler’s, Leibniz’s, Riemann’s, and

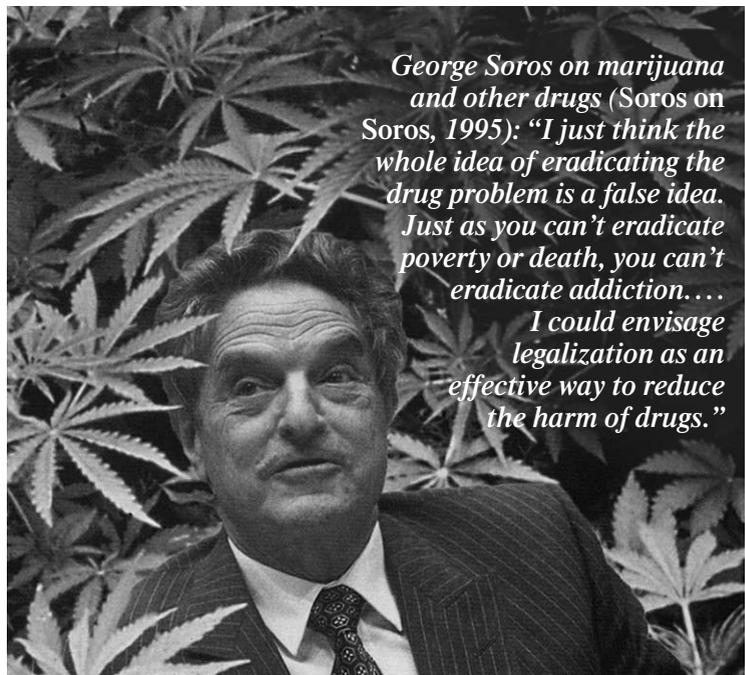
Einstein's work on this account, has been the utterly fraudulent efforts by the followers of both the Aristoteleans and Paolo Sarpi's empiricists, to deny the existence of such a discovery as that by Kepler.

This poses the question. Since a detailed account of the relevant process of discovery of universal gravitation, by Johannes Kepler, is fully on record, why did the lackeys of Paolo Sarpi, such as Galileo, take such a hearty risk as they did, in their efforts to falsify one of the greatest, and most clearly elaborated cases of a discovery of a universal physical principle? What existential interest could have driven the followers of Sarpi to take the risk inhering in the fraud of attributing the discovery of gravitation to a silly wretch like Isaac Newton? Why do men and women who are otherwise credible scientists today, still defend the fraud of attributing the discovery of gravitation to silly, "black magic" specialist Isaac Newton?

Once the clearly, original, proven proof of principle in Kepler's work is acknowledged, the essential nature of the fraud perpetrated against modern science by the Newtonians and their positivist followers, becomes clear. Since no truly rational proof against Kepler's discovery is possible, all empiricism and its positivist or Aristotelean corollaries have resorted to what have been simply outright lies, to supply the basis for their general arguments. Why did they take that risk, for which I, for one, am quite eager to hold them to account? If one understands Paolo Sarpi and his legacy, the answer to this question is elementary.

II. Liberalism: the Case of Paolo Sarpi

Given such contributions to modern science as Filippo Brunelleschi's discovery of that principle of the catenary which he employed for crafting the cupola of Florence's *Santa Maria del Fiori*, the principled establishment of modern physical science was the accomplishment of a series of works by Cardinal Nicholas of Cusa beginning his *De Docta Ignorantia*. Cusa, who inspired Christopher Columbus' voyage to discover lands and people on the other side of the Atlantic, encountered strong, continuing, Venetian financier resistance to the launching of both physical science and the



George Soros on marijuana and other drugs (Soros on Soros, 1995): "I just think the whole idea of eradicating the drug problem is a false idea. Just as you can't eradicate poverty or death, you can't eradicate addiction. . . . I could envisage legalization as an effective way to reduce the harm of drugs."

Soros photo EIRNS/Stuart Lewis; design Alan Yue

modern sovereign form of nation-state, a resistance focused in the role of the Habsburg oligarchy's grab of imperial power in both Austro-Hungary and the Spanish monarchy. The religious warfare launched in the form of the Spanish Inquisition, opened up successive waves of religious warfare, launched by that Inquisition, which continued through Europe and beyond, until the 1648 Peace of Westphalia. This continuing warfare reached a critical turning-point in a combination of developments during the span of the reign of England's Henry VIII through the conclusion of the religious Council of Trent.

The significance of this turning point, is best defined by examining the crucial roles of two Venetian gentlemen: first, Francesco Zorzi (a.k.a. Giorgi), and, later, Paolo Sarpi. Those who remain ignorant of that crucial role of these two gentlemen, in all modern history to date, deny themselves any effective comprehension of the most characteristic features of all modern world history up through the experience of the global crisis of the present day.

Zorzi has two principal claims to continuing fame. On the one account, he launched an attack on Nicholas of Cusa's *De Docta Ignorantia* which has continued to serve as the model attack on the fundamental principles of modern science to the present day. On the second account, Zorzi, ranking as virtually the chief of the Venetian intelligence service at that time, also appeared in



Royal Academy of San Fernando, Madrid

Francisco Goya, "The Procession," c. 1816. Flagellants during the Spanish Inquisition. The Inquisition launched waves of warfare throughout Europe, stopped only in 1648 with the Peace of Westphalia.

England in the adopted, fateful role as marriage-counsellor to King Henry VIII. Zorzi, working with such Venetian-controlled scoundrels as Plantagenet heir Cardinal Pole and Thomas Cromwell, orchestrated the onset of the series of Henry VIII's bloody divorces which caused the breaking of what had been the relatively peaceful relations of the Spanish, French, and English monarchies. Thus, Zorzi, through his conversion of Henry VIII, defined the continuing direction of the protracted warfare of northern, Atlantic-based, Protestant, forces, against the Mediterranean-based, nominally Catholic, European peoples. This was a period of warfare which continued until it was ended by that 1648 Peace of Westphalia which was orchestrated by the Cardinal Mazarin who had been deployed into France, as an intended successor to Richelieu, by his own sponsor, the Pope.

In the meantime, following the Council of Trent, a new Venetian master-mind, Paolo Sarpi, emerged to rally a leading section of Venetian financier interests into the northern Protestant Europe which had been united by Francesco Zorzi's manipulation of England's Henry VIII. Hence, Sarpi played a key role in pre-orchestrating a successor, the so-called Thirty Years War, to that phase of the continuing religious warfare which had been organized around the marriages of England's Henry VIII. The Sarpi who virtually pre-orchestrated that Thirty Years War, was actually continuing the strategic mission of Francesco Zorzi, but under

slightly altered pre-conditions. So, sometimes in history, as from 1492 until 1648, the more things change, the more they remain the same.

But, then, suddenly, a long-reaching new phase of history emerges, a new phase reaching out as if to encompass the planet as a whole.

For an adequate appreciation of what had been the 1492-1648 religious warfare considered as a whole, we must look ahead from those developments of the Sixteenth and Seventeenth centuries' tradition of Zorzi and Sarpi, to the contrasting shift of power to the British monarchy of Britain's George I, but, more emphatically, to the February 1763 emergence of a private, Anglo-Dutch Liberal financier's empire, the British empire, which established a long period of history, to the present day, one launched under the leading direction of the British East India Company's Lord Shelburne. Between the folly of France's Louis XIV and the launching of the so-called Seven Years War, a new long wave in world history had begun.

Dupes of contrary opinions aside, the only actually existing world empire today, is still what is known, nominally, as the British empire, an empire ruled by financial speculators gathered around international financier interests, including speculative U.S. Wall Street interests. This is an empire centered in London, based presently on those Anglo-Dutch and Saudi oligarchies which have come to dominate the world at large since the assassination of U.S. President John F. Kennedy

and, more obviously, the set of international financial and social crises of 1968-1973 leading into the imperial role of what became the central axis of international terrorism today, the Anglo-Dutch-Saudi petroleum “spot market” and its traditionally Anglo-Dutch Liberal drug-trafficking of Britain’s leading world drug trafficker of today, the consummately evil drug-pusher, George Soros.

Why Paolo Sarpi?

I see no essential difference between the intentions of Francesco Zorzi and his most notable successor Paolo Sarpi. The intention of the two was broadly the same. It was the issues of the Council of Trent which prompted the appearance of an essentially merely apparent, circumstantial difference in intention between the two. To grasp this aspect of the matter, one must turn attention to the impact of Niccolò Machiavelli’s founding of what became modern military strategy.

Two great documents authored by Nicholas of Cusa, his *Concordancia Catholica* (the ecumenical concept of the modern sovereign form of nation-state) and his later founding of modern science, *De Docta Ignorantia*, had led into such relatively durable outcomes as the establishment of the French monarchy under Louis XI, and the great English reform inspired by Louis XI’s reforms, under England’s Henry VII. The combined effect of the work of Brunelleschi, Cusa, and such among their followers as Luca Pacioli, Leonardo da Vinci, and Raphael Sanzio, had set into motion a great revolution in science, economy, and Classical artistic composition, a set of achievements whose outcomes had been greatly enhanced in the political, social, and economic reforms expressed in Louis XI’s France and England under Henry VII. Machiavelli, who had been a secondary leading figure in the republic of Florence associated with the influence of Leonardo da Vinci, emerged, under “house arrest,” as the prophetic historian who, in fact, launched modern military science. It was the implications of Machiavelli’s founding of modern military science, which define what provoked the Venetian faction of Paolo Sarpi to react with its break with Aristotle. It was on this break, that modern, imperial, Anglo-Dutch Liberalism has been founded, by Sarpi and his followers, up through the present moment.⁶

6. Foolish so-called historians, locate the roots of empires in nations; all empires since the turn called the Peloponnesian War, have been defined by a supranational, rather than a national principle, as Lord Shel-

The unifying principle among the oligarchical opposition to Cusa and to the great ecumenical Council of Florence, had been the oligarchical principle centered in the controlling role of Venice-centered international financier interests. The Council of Florence, which had been influenced by Nicholas of Cusa’s conception of an ecumenical community among modern sovereign nation-states, was an anathema to the oligarchical factions in general, and to that Venetian usurers’ interest which had not only dominated feudal Europe with the decline of Byzantine power, but whose practice of usury had plunged all of Europe into the mid-Fourteenth-Century “new dark age” which had reduced the population of Europe by about one-third.

The Fifteenth-Century Renaissance’s increase of the productive powers of labor, which had been set into motion by the work of such as Brunelleschi (A.D. 1377-1446), Cusa (A.D. 1401-1464), et al., and Louis XI’s reforms, had transformed the characteristics of the urban populations, moving society in a systemically Promethean direction of scientific and technological progress. The included effect of this was a change in the conditions of warfare and economy within Europe.

This change in social relations in Europe, created a new kind of difficulty for the pro-feudal traditions in their attempts to revive the use of medieval forms of warfare waged against the new sentiments among the people generally, especially in the emerging developments in and around the cities. The revolutionary economic reforms in Louis XI’s France and Henry VII’s England, are typical. The depraved Spanish Habsburgs never recovered from the ruin they inflicted upon themselves, and the relative power of the Austrian Habsburgs proved unable to breach the Eighteenth-Century defenses of a France which had been developed as a heritage of Mazarin and his protégé Jean-Baptiste Colbert.⁷ The uniquely original discovery of the principle of Solar-systemic gravitation, by Johannes Kepler, was a persisting, central feature of this continued revolution

burne adopted the model of Julian the Apostate, to define what he defined as the British Empire. Thus, the British Empire is not an empire of the United Kingdom, but is an Anglo-Dutch-Saudi Liberal imperialism, like that of Julian the Apostate, as today.

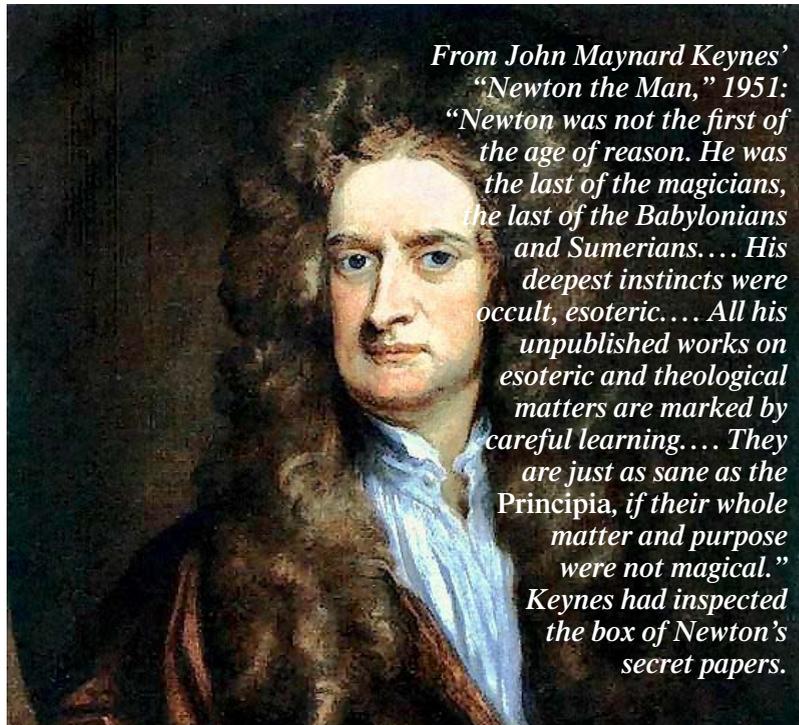
7. For example, the defenses at locations such as Belfort and Neuf Breisach. The terrible difficulty which the Prussian forces under Helmuth von Moltke faced in Belfort during the Franco-Prussian War, is indicative. The essentially intact fortifications which were still visible at Neuf Breisach when I last visited there nearly a decade ago, are impressive, in principle, and help to make the relevant point.

in science and economy. Macchiavelli had defined the nature of this challenge to modern European strategic practice.

It was against this new political-economic strategic factor of progressively changing scientific and related progress, that Paolo Sarpi, a true heir of Francesco Zorzi, mobilized his revolutionary doctrine of Liberalism. It was the action by Sarpi's faction, to allow some innovation, but deny the existence of any actual principle of the universe, which was the motive, launched by agents of Sarpi's faction such as Galileo, against acknowledging the well-documented discovery of gravitation by Kepler. Hence, the political birth of the myth of Isaac "science for dummies" Newton.

If we are to grasp the underlying, axiomatic presumptions on which the creation of the Anglo-Dutch-Saudi financier empire of today has been built, we must grasp the lesson taught by Aeschylus' Prometheus Bound, and read that against the background of the *Iliad*. To build and maintain an empire, it is essential to stupefy the great mass of the subject populations in a certain way. The essential thing is to degrade the mass of the population by what pass for certain religious, or anti-religious beliefs, as in the pantheonic model of the Byzantine Julian the Apostate, on which the actual British empire has been premised, from its outset under Lord Shelburne, Jeremy Bentham, et al. The anti-nuclear-energy ideology of the relevant, virtually mentally deranged unfortunates of today, is typical of the way in which weird, pagan superstitions have been used to lead the nation of a once-great people into bestializing themselves. The essential principle of all empires has been the aim to suppress scientific and comparable development of the human mind in the manner which Aeschylus exposed in his *Prometheus Bound*.

Thus, from such a reading of *Prometheus Bound*, we must recognize the way in which that form of moral degeneracy which became post-Charlemagne feudalism, had led itself into the Fourteenth Century's ruinous "New Dark Age." This new degeneracy had been revived against the influence of the great ecumenical Council of Florence, as revived under Venice's direction of the conquest of Constantinople, in an effort to ruin the revolutionary accomplishment associated with the role of Nicholas of Cusa, this as expressed by Cusa's



From John Maynard Keynes' "Newton the Man," 1951:

"Newton was not the first of the age of reason. He was the last of the magicians, the last of the Babylonians and Sumerians.... His deepest instincts were occult, esoteric.... All his unpublished works on esoteric and theological matters are marked by careful learning.... They are just as sane as the Principia, if their whole matter and purpose were not magical."

Keynes had inspected the box of Newton's secret papers.

role in the continuing, great ecumenical Council of Florence. This was an echo of a long wave in the history of European civilization, one dated since the aftermath of the Peloponnesian war, a very long wave of struggle between the oligarchical principle of the cult of Delphi, and the contrary, humanist impulses associated with the legacy of the Pythagoreans and Plato.

Thus, the European oligarchy typified by the case of the alleged whisperings of the evil gods and demi-gods of the Homeric *Iliad* and the subsequent Classical Greek tragedies of the pro-Satanic, Apollo-Dionysian cult-traditions, has been situated in a kind of see-saw conflict between European culture's oligarchical and humanist traditions. In these conflicts, the oligarchy has always come to understand that its most deadly adversary is those creative powers of individual human reason which are expressed in the practiced discoveries of universal principles of physical-scientific and Classical-artistic progress. These are the principles which define mankind, as in *Genesis* 1, as unique among living species, as an implicitly sacred species distinct from all forms of animal life.

The tradition of oligarchism has always been the forceful suppression of the creative powers of discovery of higher principles, discovery which is expressed typically in such forms as fundamental scientific prog-

ress. This suppression of the creative powers of the members of society, is usually expressed in the mode of the popularized cultural backwardness of what might be misnamed “human nature,” against the contrary, allegedly “aggressive” impulses of human scientific or Classical artistic creativity. *The foe which Satan fears the most, is the Promethean soul which sets the human individual apart from, and above that bestiality which fools call “human nature.”*

Thus, the Fourteenth Century “New Dark Age,” was brought on by the predatory practice of usury by that Venetian interest behind the Lombard bankers of that time, which, like the pro-Satanic usurers of the financial-derivatives swindles of today, have always been the typical expressions of the witting, man-eats-man-kind, adversaries of the most essential interests and characteristics of our human species, that within us, which sets us, categorically, apart from the beasts.

Culture & Human Immortality

However, this reality of human, as distinct from animal nature, becomes difficult for some people to grasp, as long as they cling to the delusion that the meaning of human life begins with the individual’s birth, and ends with that individual’s death. The truth of the matter lies in evidence bearing upon that uniqueness of human progress, as distinct from all other living creatures, progress through a process embodied, as if in principle, in a meaningful succession of generations, from distant ancestor to distant generations to come. *The distinction of mankind from beast lies, essentially, in those creative powers of the human mind which are not manifest in any form of animal life, creative powers typified by Johannes Kepler’s uniquely original discovery of the principle of a universe self-encompassed by a universal principle of gravitation, and other, discoverable principles of that ontological significance.*

For the moment, in this present chapter, it is sufficient to emphasize that crucial point, that our ability to replicate the experience of progress as defined in terms of valid discoveries of new universal principles, expresses a quality of human immortality which does not exist among beasts.

There is nothing essentially novel in my outlook on this point, if, and when matters are considered from the standpoint of the history of ancient through modern astronomy and science generally.

The issues of physical-scientific principle posed here are to be located as on two levels:

First, more immediately, the view of the physical domain of our experience from the standpoint of the products of experimental physics as such, as our subject of investigation.

Second, the reverse view of the distinctively human powers; this time, we are focused on discovering the nature of the creative powers of the mind of the human individual in society, themselves, that from the standpoint of discovering the provable principles of discovery of the human mind, as such, as these powers have been presented to us, as a subject themselves, as by the evidence of the practical achievements of experimental physics.

The first challenge is that which is more readily understood by the development of the mind for scientific work generally. The second, more profound, most important challenge, is the unique significance of the individual human mind’s creative potential, as this becomes discoverable knowledge, through which the work of that mind is illuminated by attention to the creative powers of the human mind which are made known to us only through considering not only the human mind’s role in the act of discovery of such principles, but the discovery of such principles as itself dependent upon what appears to us as the spiritual vantage-point—continuing development accomplished across successive generations—of the sovereign individual human mind’s power for successive discovery, a continuing process across generations, of higher outcomes in the generation of such physical principles.

III. Kepler’s Principle, and Mine

There are two crucial comments which have been supplied by me, which must be now stated again, and also emphasized, if we are to grasp the deeper implications of that which Albert Einstein recognized, and expressed in his retrospective view of Kepler’s discovery.

In that view, Einstein emphasized that all competent modern physical science must be located in the implications, from the standpoint of Bernhard Riemann’s method, of Kepler’s uniquely original discovery of the principle of universal gravitation. These implications are, *first*, his comment that the physical space-time implicitly defined by Kepler’s discovery, is implicitly



NASA

The abiotic world, the Biosphere, and the Noösphere, at one glance. A camera on board a spacecraft (the product of man's creative mentation) captures the beautiful image of the biotic Earth and its Moon. Kepler's discovery provides insight into the categorical distinction among the three domains, as developed later by V.I. Vernadsky.

Riemannian, and, *second*, the comment, that this view of Kepler's discovery of that principle of universal gravitation specific to the organization of the Solar System as a whole, is that, which, when considered from the vantage-point of Riemann's discoveries, defines the universe as, in first approximation, a self-bounded unit, without any external limits but those contained within, and expressed by the universe's own, intrinsically anti-entropic, universal physical space-time.

The intersection of these heretofore almost unknown implications, is the indispensable foundation for any thorough identification of that feature of human behavior which is uniquely human, the principle of the Noösphere as such, and thus locates the essential principle of any competently scientific view of economy.

I develop the needed elaboration of that argument in the following successive steps.

To begin: the crucial feature of Kepler's own uniquely original discovery of the Solar system's universal principle of gravitation, was Kepler's locating the experience of that principle's existence, outside the perception of sight or sound as such. That is to say,

that Kepler departed from the popular, but foolish assumption, that reality is located in the kind of sense-certainty attributable to the a-priori presumptions of a Euclid or Aristotle. In place of sense-certainty, Kepler treated the human senses as, in practice, comparable to the inherently imperfect scientific instruments crafted for the purpose of adducing the significance of a phenomenon located experimentally beyond an astronomical or a microscopic, or sub-microscopic scale.

Restate that just-stated crucial point as follows.

Treat the human sense-perceptions as presenting us with virtual shadows, shadows cast upon the sense-perceptual medium, by an action which, itself, is not actually seen directly. As I have stated this in earlier locations, this means, that we should take the case of Helen Keller, who was blind and deaf, but, who developed a powerful social insight into the world, that of the humanity which she could neither see or hear. What the senses provide the human mind, is merely shadows; the mind must, then, craft, and test, experimentally, an image of the

actual process which casts those shadows which we know as sense-perceptions. *So, in the case of Kepler's discovery of the composition of the Solar orbits, the image of sight, and the image of harmonically ordered hearing, were both contrasted and combined, by Kepler, to enable the experienced, but unseen, unheard mind, to adduce the physical reality of the "unseen" evidence as that which had cast the sense-perceptual shadows.*

To sum up this point thus far: What Kepler's discovery of gravitation proved, is that what our senses induce us to perceive, are not the substance of reality, but the shadows which reality casts in the form of sense-perceptions. *What unsensed, Leibnizian, "ontologically infinitesimal" object, then, generated those shadows known as such perceptions? That is the crucial ontological question, on which all competent modern science depends.* Albert Einstein, using Bernhard Riemann's discovery as a pivotal point of reference, makes those matters clear, as follows.

This view of Kepler's work by Einstein, holds up, as we trace the pathway of discoveries from Cusa's *De*

Docta Ignorantia, through those of Kepler, Fermat, Leibniz, and the Nineteenth-Century treatments of the subject of elliptical functions, and through the added, crucial, original discoveries by Riemann.

The most significant type of such effects of reading of the sense-perceptual shadows, is the experimental proof of principle of the efficient existence of a concept, which, while proven as a matter of experimental principle, actually exists for the human mind, but, whose existence is merely reflected in the shadows cast as sense-perceptions. These experimentally proven, merely adumbrated existences of principles, are expressed as the attributable, ontologically, rather than sensory, existences of those *Leibnizian* infinitesimals which correspond to the presence of efficiently universal physical principles.

These existences whose presence is reflected as such kinds of shadows, such as the infinitesimal of Kepler's elliptical function for gravitation in the planetary orbit, as in his *The New Astronomy*, are not *mathematically*, but only *ontologically* infinitesimal; they are not a quantity of space, but the location of an ontologically infinitesimal moment of a *universal principle of action in space-time*, an infinitesimal *place* which corresponds to the immediate shadow cast by a universal principle of action expressed in its efficient existence as what is apparently the infinitesimally small.⁸

The relevant experiment is presented in the LaRouche Youth Movement's (LYM) web-site account of the

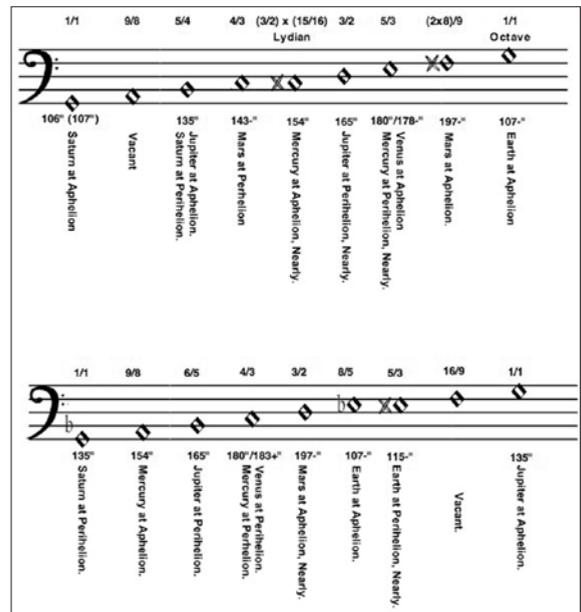


wlym.com/~animations

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

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

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



8. The present-day doctrines of philosophical reductionism circulated in the name of physical science, were introduced as a suggestion by de Moivre to D'Alembert, that these apparent discontinuities ("singularities") must be regarded as imaginary. Their follower, Leonhard Euler, codified that suggestion in a famous, but intrinsically incompetent attack on Leibniz, which prepared the pathway for the frauds by Laplace and Cauchy.

unique choice of successful method through which Kepler defined what is reflected as his general formulation for the harmonic ordering of the composition of the Solar planetary system, as the discovery-process is elaborated in his *The Harmonies of the World*.

However, the first giant step in that direction, is that which Kepler took in his *The New Astronomy*. Once he had recognized the elliptical character of the Earth's orbit, and also the significance of that elliptical form of physical function, that from the standpoint of equal-sectors/equal times, Kepler had already, thus, discovered the kernel of the concept of *an ontologically, rather than mathematically infinitesimal*, as characteristic of the elliptical orbit.⁹

This proved crucial when Kepler turned to the composition of the Solar System as such, as in *The Harmonies*. So, he proceeded, pedagogically, from an early emphasis on the Pythagorean-Platonic concept of a lawful progress in the universe, to an harmonic principle of action underlying the Platonic form of effect among the determined relationships as stated, in first approximation, in an ironical juxtaposition of sight and harmonically ordered sound. Thus, we have Einstein considering the matter of the Kepler-Riemann relationship from the standpoint which Einstein shared with Max Planck, in common with their case against the positivist reductionists who appeared in the wake of the moral depravities of the quantum "mechanics" of the followers of Ernst Mach and Bertrand Russell.

It is the role of harmonics in that experimental configuration, which prompts the banshee-howls of protest from reductionists such as the empiricists generally, or the positivists such as the Machians and dupes of Bertrand Russell. Like the fundamentalist parson who wrote in his Bible, "Text unclear, shout like Hell!," the physicist who is a dupe of empiricism or its like, does not argue rationally, but, as I have frequently observed this directly, simply screams like a banshee, when the discussion turns to subjects comparable to Kepler's actual discovery of universal gravitation.

However, my principal subject here is not the apparent physics of Kepler; I reference Kepler's discovery, to indicate the relevant insight this contributes to recognition of the essential nature of the creative powers inherent in the distinction of the human individual from the beasts: the categorical distinction of Noösphere from Biosphere. The urgent problem which I am considering in this report, is not the human being looking at a physical subject-

9. The references to Nicholas of Cusa in Kepler's reports, often have crucial evidentiary significance, as in the case of this element in Kepler's *The New Astronomy*. The first modern source for what Kepler argued on the character of the planetary orbit as such was Cusa's discovery that Archimedes had erred in proposing that the generation of the circular pathway could be attributed to construction by quadrature.

matter, but, instead, seeing into the nature of that within that nature of the human individual which enables that individual to muster the processes through which such discoveries of physical principle are actually made.

In the case of Kepler's discovery of the general principle of Solar gravitation, it is the harmonic "wave function," as opposed to particle function, which, when expressed in the quality of an ontological, rather than a merely mathematical infinitesimal, expresses the distinction between perception and knowledge. We do not sense such infinitesimals as being known as particles; we know them as the efficient causes which cast those shadows which universal physical principles express in respect to the truly universal principles by which the experienced universe is ruled. Here lies the essential distinction between mechanics, as by the followers of Ernst Mach or Bertrand Russell, and physical scientific principles. Here, there is no science without morality, and no morality without this view of the mission of science.

The nature and importance of this distinction is made clear through comparison of such experiences from the domain of physical science to those of truly Classical artistic composition. In my own experience, this became clear to me from my reflections on the concluding paragraph of Percy B. Shelley's *In Defence of Poetry*, a reflection which I was aided in clarifying, by looking at Shelley's work (for example) from the vantage-point of applying Shelley's argument there to the domain of the type of empirical materials presented to me in 1947, in the second edition of William Empson's *Seven Types of Ambiguity*. The implicit content of Shelley's work, as the point is summarized in his *In Defence of Poetry*, is implicitly way beyond Empson, but the application of Shelley's argument to the domain of irony as presented by Empson, aids us in grasping, as in Shelley's argument, the principle of humanity which subsumes the creative side of both scientific discovery and man's mastery of the social processes of human progress effected through the aid of what we know as the fundamentals of physical-scientific progress. Scientific truth, is, in this way, that which guides us to fulfilling the moral purpose of mankind's existence in service of his Creator.

At this juncture, all valid Classical artistic composition leaps upon the stage of the mind. Shelley's principle of Classical artistic composition, as summarized in the concluding paragraph of his *In Defence of Poetry*, points to the key to all expressed forms of great Classical artistic composition on stage, whether poetry, drama, or music, or simply human creativity in general.

This brings us, in Academician Vernadsky's terms, to the principled nature of the fundamental distinction between man and beast, between Biosphere and Noösphere.

The Meaning of 'Physical Principle'

At this point in the account, let us now proceed directly to the crucial issue here. The "spiritual" implications of the systemic form of existential distinction of mankind from all lower forms of life. The nagging question still to be more fully clarified here, is, is mankind a form of animal life, or rather an entirely different quality of existence which is delivered as "packaged" in the apparent form of a higher type of animal life? Is there, in other words, an absolute, physical-scientific distinction of all animal species from the characteristic of the human species? If so, how do we demonstrate that distinction categorically, as presented for our consideration by such relevant figures as Academician Vernadsky?

The essential, experimental form of categorical distinction of the animal kingdom (which Vernadsky locates in the *Biosphere*) and humanity (which Vernadsky locates in the *Noösphere*) is to be made from the vantage-point of the dynamics appropriate to the subject-matter of animal ecology. I signify *dynamics* as defined, repeatedly, against Descartes, by Leibniz during the 1690s, and as elaborated further from the standpoint of Leibniz's follower on this account, Bernhard Riemann.

Now, before proceeding further in that direction, let us pause to make clear what I am saying, by means of putting emphasis on what I am not saying.

Lying Galileo & Silly Descartes

In the method of the follower of Sarpi and Galileo, Rene Descartes, there are no principles, but only either mathematical formulas, or something like that, as this is illustrated in essential respects by Leibniz's exposure of the fraud of Descartes' neo-Euclidean method. These Cartesian, or comparable formulations are characteristically Sarpian; they are mathematical, or mathematical-like substitutes for identifying what is purported to be an actual physical, or comparable to physical principle. They represent, at their least worst, the shadow which might have been cast as a shadow on the screen of the ontologically imaginary mathematical domain. There is no physics in the work of Descartes, but, as for whatever passed for Isaac Newton, only mathematics. Implicitly, all Cartesian and related method, locates action within a form of space which, as such, is, axiom-

atically, in itself, *a priori*, perfectly empty, Euclidean space-time.

In competent physical science, the Cartesian, or similar method, mere mathematics, is swept aside by physical considerations, as by Cusa and Leibniz. The real universe is presented to us, experimentally, as a set of overlapping/interacting, physical phase-spaces, each defined experimentally as action expressed among a set of principles. Each such phase-space is defined, ontologically, as a certain combination of not geometries as such, but physical geometries, as Leibniz makes that argument in his 1690s papers on the subject of *dynamics*, and as his collaboration with Jean Bernouilli defines the notion of a universal *physical* principle of least action. Thus, each such subject-matter is defined by its characteristic, distinctive boundaries, rather than by merely pair-wise, or kindred, mathematical interactions. These functional boundaries are the expression, in a science of physical economy, of the relevant physical principles.

That much said, now compare the dynamical characteristics of the Biosphere (non-human ecology) with those of the Noösphere (human ecology). Look at the result from the vantage-point of Vernadsky.

The phase-space presently known to us as being represented by the Earth as a whole, is composed of three principal dynamics: a.) The abiotic domain; b.) The Biosphere; c.) The Noösphere. Consider the relevant changes in the total relative mass of each. That is, putting to one side, for the moment, the addition or lessening of the total mass of planet Earth, positive evolution involves a transfer of mass from the abiotic domain, to the Biosphere, and, comparably, transfer of mass from the Biosphere to the Noösphere. This is complicated by the fact, that the only way in which the Biosphere of the planet is increased, is through the action of a principle, life, absent in the abiotic domain, in converting abiotic material to material which is either living, or has the inhering quality of being a product of a living process. Similarly, the increase of the mass of the Noösphere occurs through a mode of action not otherwise found in merely living material, but only through the transformation of the quality of the substance of the Biosphere, which transforms living material into human cognitive being and its products.

This is complicated by the fact that the increase of the Noösphere requires a broader foundation in the development of the Biosphere. This proceeds in a direction, such that the entirety of the mass of the planet,

even, ultimately, the Solar system, is *ostensibly* being assimilated into the Noösphere, through the development of the Noösphere itself, to a higher degree of development per unit of (anti-entropic) measurement.

Against that broadly defined background, now focus on the distinction between the Biosphere and Noösphere.

Animal Ecology

In any competent approximation of an animal ecology, it is the dynamic interaction among the subsumed living processes of which that ecology as a whole is composed, which defines the relative, ecological, potential magnitude of the populations. Thus, compare the ecology of pre-British Australia, which was significantly marsupial-based, with the superior ecology of mammalia. The way in which the rabbit-population spread itself when introduced into Australia, illustrates this point. Australia had been largely cut off from the development of mammal populations, and was, thus, largely a domain of a pre-mammalian evolution, which poorly rivaled the dynamic range of the mammalian species as a whole.

The more significant point, is the relevant distinction between the human species and all other living species. It is not the individual species within a habitat which is crucial; but, rather, what is crucial is the dynamics of the set of those species composing the habitat as a whole. What becomes interesting, therefore, is the effect of the addition to, or subtraction of a species or variety of species from the common habitat.

Thus, the emergence of the human species and its progressive development, redefines the ecology of the animal species, greatly increasing the population, and biological development of some, and extinguishing others. Moreover, while mankind can not generate life from the abiotic domain, as if *de novo*, mankind does derive new forms of living species from living biotic material.

Take, for example, simians and mankind. What is, speaking in terms of Leibnizian or Riemannian dynamics, the crucial difference? Essentially, mankind willfully increases its own species' potential relative population-density through qualitative innovations in its environment, but, also, most emphatically, in the potential relative population-density of its human species.

Consequently, animal ecologies, as Julian Huxley would have argued, are, in effect, fixed genetically in their relative dynamical potential. The human species

changes that relative dynamical potentia *qualitatively*, unless that quality of relative change is suppressed, as by methods corresponding to those presented by Aeschylus' *Prometheus Bound*, or, virtually the same thing, the genocidal methods of "environmentalism," as prescribed by the World Wildlife Fund of Britain's Prince Philip and former U.S. Vice-President Al Gore.

This distinction of the human individual, and human

There is a line of distinction between man and beast which is comparable to the line of distinction which distinguishes living from non-living processes. Where the physical distinction lies, as that distinction might be expressed in terms of physical experiment, we do not yet know. We must suspect, on grounds of sufficient reason, that the biologically defined human individual is, in some way, tuned into a principle which accounts for the living person's performance of a human noetic function.

species, from beasts, is fundamental, in the sense that there has been no reported discovery of principle which accounts for this qualitative superiority of the human species (as a category of species) in merely biological terms. In other words, there is a line of distinction between man and beast which is comparable to the line of distinction which distinguishes living from non-living processes. Where the *physical* distinction lies, as that distinction might be expressed in terms of physical experiment, we do not yet know. We must suspect, on grounds of sufficient reason, that the biologically defined human individual is, in some way, tuned into a principle which accounts for the living person's performance of a human noetic function. We know, that when we consider mankind and its known history as a whole, and take the relevant historical process into account, that such a qualitative distinction exists in some way. We know much bearing on the facts of this distinction,

but, for the moment, it is decent respect for the integrity of the riddle itself which rules.

IV. The Human Principle of Physical Economy

The most important of the facts in this matter, is, that, whereas the individual animal has no development like that of science-driven human cultures, for example, the characteristic distinction of the human species known to us, is, that, we know that this quality of cultural distinction has a strong element of individual *immortality of effect* associated with it. That is to say, for example, that the action of generating an idea with the character of an efficient principle, may be prompted by an incompleting action of discovery performed by a person who has become deceased in the meantime. In the known history of European science and art, over a span longer than that since the death of Pythagoras, this sort of efficient, causal quality of connection is characteristic of the distinction of civilized man from beast.

Great discoverers of fundamental scientific principle, and kindred revolutions in modes of Classical artistic composition such as, (in music,) a J.S. Bach, a Joseph Haydn, a W.A. Mozart, a Beethoven, or a Leonardo da Vinci, Raphael Sanzio, or Rembrandt, or Shakespeare and Friedrich Schiller, create higher qualities of states of efficient forms of existence in those media, states which reproduce offspring among others, all in a pattern which corresponds to a concept of creation of higher orders of existence in the universe than had existed before. *When we reflect on this, we are shocked to re-read Genesis 1 from this point of reference.*

Otherwise, the progress of science is a succession of acts of discovery, a succession which is expressed across successive generations, and sometimes in great leaps across an intervening span of some numbers of generations. It is as if the mortal human individual's mortality as such, is a medium through which a multi-generational development of a human culture is sustained, through the transmission of physically efficient forms of ideas, that across successive generations: an expression of what is sometimes identified by theologians as a *simultaneity of eternity*. The fact of this unique irony of the role of individual human creativity, as expressed in the case of a mortal individual personality, within the potential continuity of a multi-generational social process, is a distinction of human social



Ludwig van Beethoven. Revolutionary developments in physical science and Classical artistic culture, LaRouche writes, "show that the transmission of discovered ideas corresponding to efficient forms of ideas of universal physical principle, is efficiently physical in its qualitative effects. On this account, the passion of the creative human intellect, is often more powerful, by far, than the human arm."

life which is not met in the animal kingdom.

Here, in fact, lies the challenge represented by the notion of the ontological uniqueness of the individual human soul, as distinct from the specificity exhibited by any lower category of life.

What can, and must be said on this account, is that we know that this seemingly miraculous difference between mankind and lower forms of life, is a physically efficient one. The role of the revolutionary developments in physical science, and similar qualities of effect in matters of Classical artistic culture, show that the transmission of discovered ideas corresponding to efficient forms of ideas of universal physical principle, is efficiently physical in its qualitative effects. On this account, the passion of the creative human intellect, is often more powerful, by far, than the human arm.

We are back at the riddle of Helen Keller. We have also touched the notion of individual human immortality in an essential way.

The Simultaneity of Eternity

The most crucial of the qualities of the individual human mind, is what is demonstrated to be a characteristic potential for foreseeing the future appearance of previously unknown states of mind with a certain degree of physical certainty, not only among individual persons, but entire cultures, even humanity as a whole. This talent has turned out to have been, socially, the most significant of my roles in life, but it is a quality whose existence was already understood by many among my predecessors, notably, and not accidentally, including the best theologians.

The discovery of an experimentally validated universal physical principle, such as that by Kepler, Fermat, Leibniz, Riemann, Planck, or Einstein, is but one very important type of example of this quality specifically inherent in the potential of the individual human mind.

Such are the only true prophets, as my own case brings the issue of prophecy down to Earth, in its practical political and related expressions.

Notably, this notion of a power of prophecy, is also precisely what is demonstrated in the case of every valid, true discovery of a universal physical principle.

The underlying notion which I am pointing out here, is located only in the concept of a universal anti-entropy, a rejection of the implicitly bestial misconception, of such clowns of empiricist and positivist effluvia of modern physical science as Descartes, de Moivre, D'Alembert, the ageing Euler,¹⁰ Savigny, Kant, Laplace, Cauchy, Clausius, Grassmann, Helmholtz, and the decadent, post-modernist followers of Ernst Mach and Bertrand Russell. The comprehension of what is actually a universal physical principle, is what defines the able scientist or competent modern secular prophet; it is the standard which separates the true prophets from the clowns.

There are two most notable among the many ways

10. Euler's going over, as in his Berlin period, into the camp of the Eighteenth-Century empiricists, is a fact; but, exactly how and why he departed the camp of Leibniz and Jean Bernouilli has not been made clear to me. Sometimes, in Euler's work, his old, relatively admirable cleverness appears again, as in his witty treatment of the knight's move in chess, but, at the same time, the worst also comes out. But, after all, chess itself, even as *Kriegsspiel*, was designed to have a built-in lack of a future.



Library of Congress

The riddle of Helen Keller, who could neither see nor hear, touches the notion of individual human mortality in an essential way. Here, she contemplates the vibrations of music that she is unable to hear.

in which bad modern science kills the immortality of the human soul. One of these nasty concoctions, is the pagan Apollo called Aristotle, or Aristotle's follower Euclid; the other, the pagan Dionysus, is typified by Paolo Sarpi's adopted pro-Satanic "saint" of all modern Anglo-Dutch Liberalism, the implicit "chaos theory" of Paolo Sarpi's William of Ockham.

As the recognition of what had been hitherto unknown celestial novae, should refresh our knowledge of the universe, the essential feature of the universe we inhabit, or simply human existence itself, is the previously unknown. These are occasions which happen, or seem to come upon us without our causing them, and, more important, those changes in our universe which are novel products of the action of the human will. It is those qualitative changes in the systemic features of our environment which are caused by the human will, which are of the greatest importance in shaping those actions which define mankind's making of its own history.

The most significant of these changes is insight into qualities of developments of those qualities which have not yet been experienced, the true and only "futures market" of man's practice of science. All valid fundamental discoveries of physical principle typify this category of forecasting.

There are two aspects of such forecasting which are of such qualities. The first, is the power to forecast the

effect of a recurrence of a form of action associated with some universal physical or comparable principle. The second, obviously, is the form of action which has not yet actually occurred, but which will probably occur, either inevitably, or if we fail to intervene to prevent it.

All of my own long-range economic forecasts projected since the first “test run” of relatively short-term 1956-1957 forecasting for the U.S. economy, typify this concept of forecasting. From the standpoint of the established practice of modern European scientific method, and also its ancient precedents, we divide the application of competent methods of forecasting between probably recurring conditions, and those of a type of which have never occurred, to the best of our knowledge, earlier. In the case of human behavior, the idea of forecasting is, inevitably, that associated with the discovery and validation of new qualities of forecasting, such as those associated with establishing knowledge of previously unknown states of nature. It is the latter type of inquiry which has been most significant for me in my work.

My forecasting of this type has been focused most intently on two closely related, but respectively distinct cases: a.) New (e.g.,) economic conditions of mankind, which can be forecast as a matter of study of precedents; b.) new conditions of mankind which have not existed earlier, but whose challenge must be addressed. As the case of the discovery of transuranic elements illustrates the point quite dramatically, an intelligent society never presumes that the diagnosis of dangerous developments could be responsibly limited to the range of precedents from acknowledged past experience, or possible types of conditions on which we might have speculated earlier. The sudden apparition of the entirely unexpected is always lurking, but in a relevant sort of panic-free, reasonable form, at the edges of the awareness of a truly creative intellect.

Take as an example of this, the qualified speculation on the implications of existing evidence pointing in the direction of matter-antimatter principles of action which would be of several orders of magnitude more powerful than expected for thermonuclear-fusion reactions.

The Spiritual Domain of Physical Science

There is a still further realm of concern for those of us who care to think further ahead.

As I have already indicated, in this present chapter, thus far, the very fact of our experience with forecasting in that realm of scientific action which opened for

Fermat, Leibniz, and Riemann, most notably, by Johannes Kepler’s *The Harmonies*, impels us to seek to free ourselves from the grip of the traditions of sense-certainty. As I have just emphasized in this present chapter, thus far, the fact, which can not be competently disputed, is that for the case of any true universal physical principle, when it is defined as Riemannian, as by the work of Planck, Einstein, and Vernadsky, that any true physical principle of our universe bounds the present by the efficient physical simultaneity of the future.

Therefore, when we employ terms such as “physical universe,” as experienced to present date, as I have referenced that here, we are confronted by efficient proof of the efficient causal effect of the future on the present. This evidence, which is conclusive in that way, obliges us to distance our minds from a-priori faith in a simply time-directed causality in the universe. The ability of the mind not merely to foresee future developments, but to use knowledge from that future to shape the present, is perhaps the most important of the notions of scientific thought to be brought more fully into play in the shaping of Twenty-First-Century scientific and political-economic thought.

This advice from me, here, also bears on our society’s spiritual conception of the nature of the human individual, and of that individual’s relationship to a consciously reigning divinity. From the vantage-point I have thus just identified, the Creator is not a victim of space-time, but a truly universal being, as important currents in Christian theology have advanced the concept of a *simultaneity of eternity*. In this view, it is the self-development of the universe which is the essential consideration, and of a willful, eternal Creator, as regarded by Philo of Alexandria, of and within that universe. We are, thus, as if standing still in the All of that ongoing process of creation, and are to allow a keen sense of what we call today “the future,” to bring us to a sense of the meaning of our mortal selves, in our commitment to service to that developmental process known, as to Raphael Sanzio’s mural, as the simultaneity of eternity.

It should occur to us, meanwhile, that physical science, and the science of physical economy, too, ought to submit themselves to the moral imperative which the notion of such a simultaneity of eternity implies. Let us thus lift mankind, finally, somewhat, at least, upward from the barbarism which rules still in our present times.

It is time for such a way of thinking about mankind.

Lesson of 2008: If You Want To Survive, Listen to LaRouche

by John Hoefle

Jan. 2, 2009—2008 was a momentous year, a year in which the global financial system exploded in a spectacularly public fashion, a year in which denial and delusion battled vainly against the relentless assault of reality. We entered the year with assurances that all was under control, and exited the year deep into an ever expanding, yet failing, bailout.

2008 was the year the so-called “experts” were exposed as charlatans, whose analyses and prognostications were repeatedly proven wrong. It was a year the “experts” assured us could not happen, and yet it did.

Going into 2008, Treasury Secretary Henry Paulson, Federal Reserve Chairman Ben Bernanke, and the Plunge Protection Team were viewed as the men who would put the economy back on track. By the end of the year, they were revealed to be hapless hacks, flip-flopping on tactics and bailing out nearly everything in sight.

It took the vaunted economists of the National Bureau of Economic Research a year to admit that the economy entered “recession” in December 2007, a point at which we were long past recession, well into depression, and actually into an economic and financial breakdown. They could not make their determination until they had accumulated sufficient statistics to show them what had already happened, and even then they blew it.

The issue here is not the denigration of the “experts,” though they richly deserve it, but the question of method. Why did they consistently get it wrong, and

why did Lyndon LaRouche get it right? LaRouche recognized in the Summer of 2007 that the financial system had already collapsed, and said so at the time.

LaRouche Called It

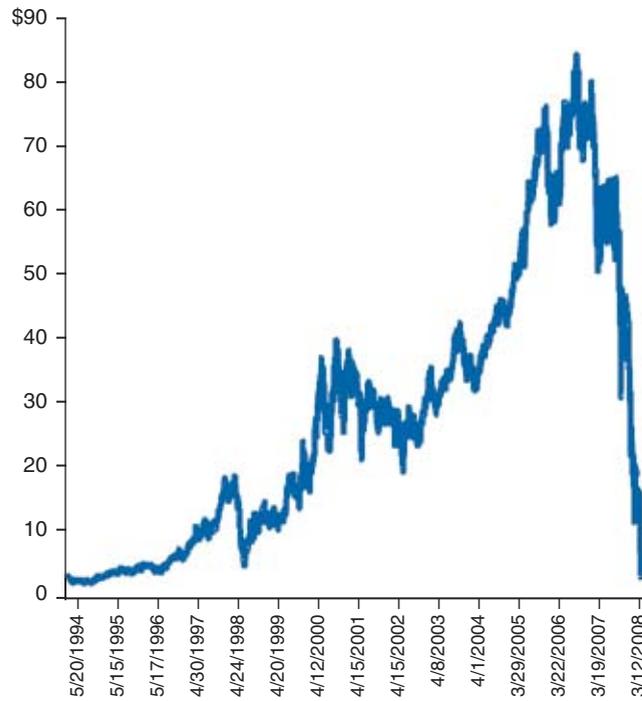
“The world monetary financial system is actually now currently in the process of disintegrating,” LaRouche warned in his July 25, 2007 webcast. “There’s nothing mysterious about this; I’ve talked about it for some time, it’s been in progress, it’s not abating. What’s listed as stock values and market values in the financial markets internationally is bunk! These are purely fictitious beliefs. There’s no truth to it; the fakery is enormous. There *is* no possibility of a non-collapse of the present financial system—none! It’s finished, *now!* The present financial system can not continue to exist *under any circumstances, under any Presidency, under any leadership, or any leadership of nations.* Only a fundamental and *sudden change* in the world monetary financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don’t know, but it will go on, and it will be *unstoppable!* And the longer it goes on before coming to an end, the worse things will get. And there is no one in the present institutions of government who is competent to deal with this. The Congress, the Senate, the House of Representatives are not currently competent to deal with this.”

That chain-reaction collapse is now well underway. Let us look, briefly, at some of the damage, as shown in a series of charts. Focus your attention not upon the

FIGURE 1

Lehman Brothers RIP, 1994-2008

(Stock Price)



Source: finance.yahoo.com.

specific data, but upon the general pattern of collapse. What you will see is an accelerating breakdown, across the board.

We start with a look at the stock price of Lehman Brothers, the investment bank (**Figure 1**). We see a sharp climb in stock value from 2003 into early 2007, and then the bottom falls out. The climb up the mountain is steep, but the plunge down the other side is far steeper. In less than a year, Lehman Brothers went from the seeming pinnacle of profitability to bankruptcy.

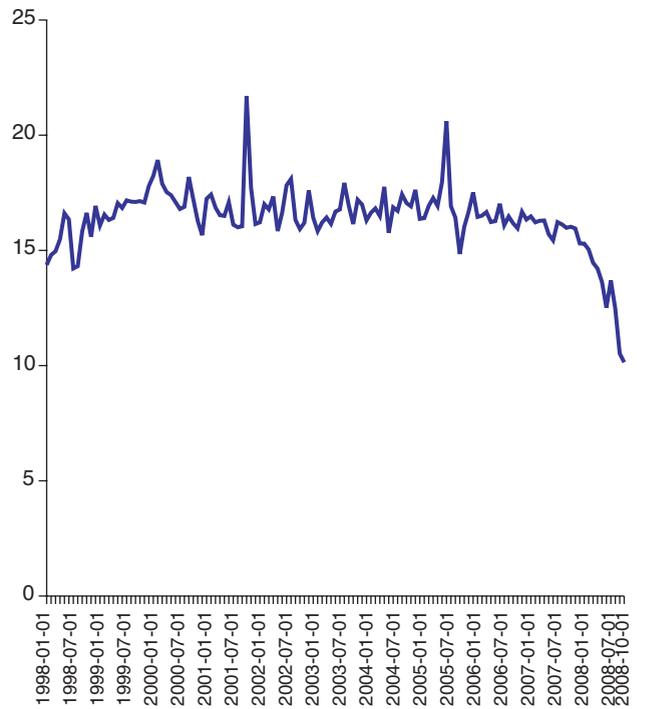
This same general curve can be seen in the stock prices of many of the nation's, and the world's, financial institutions, as well as the stock markets in general, in various types of financial instruments, and in some more physical-economic metrics. It is a reflection of the collapse of the system itself, a characteristic of a breakdown crisis.

American International Group (AIG) collapsed at the same time as Lehman, but unlike Lehman, AIG has been kept alive on Federal life support, in large part to try to minimize the collapse of the global credit derivatives market. AIG was a major seller of these insane

FIGURE 2

U.S. Auto and Light Truck Sales

(Millions of Units)



Source: Bureau of Economic Analysis.

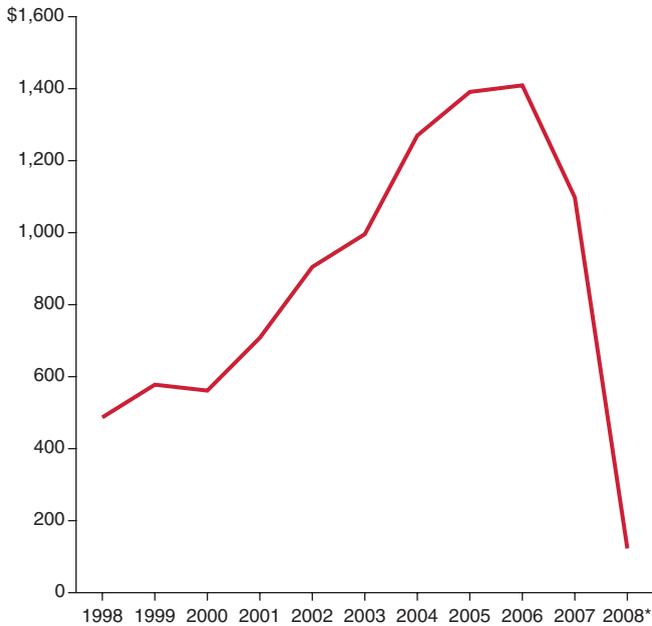
instruments, and a major insurer of Lehman Brothers paper. When Lehman failed, so did AIG. As with Lehman, the sharpest collapse occurred after LaRouche's July 25 warning.

Prior to mid-2007, the economy functioned mainly on debt, and the expansion of that debt was made possible by the so-called structured finance of the derivatives markets. Mortgages, credit-card loans, auto loans, and other types of debt were packaged into pools, and used to create and sell vast quantities of securities. These securities were nominally backed by the underlying mortgages, credit-card loans, and such, but in reality were backed by nothing but empty promises. The values of these securities plunged with astonishing speed, and the market for them collapsed, with devastating consequences for the economy.

Some of these consequences are readily apparent, as with the collapse in sales of automobiles (**Figure 2**), and the sharp plunge in mortgage lending (**Figure 3**). Others, such as the plunge in retail sales (**Figure 4**) and the sharp fall in the import and exports of goods (**Figure 5**), and in new orders for the manufacture of durable

FIGURE 3
U.S. Net Mortgage Lending, 1998-2008*

(\$ Billions)

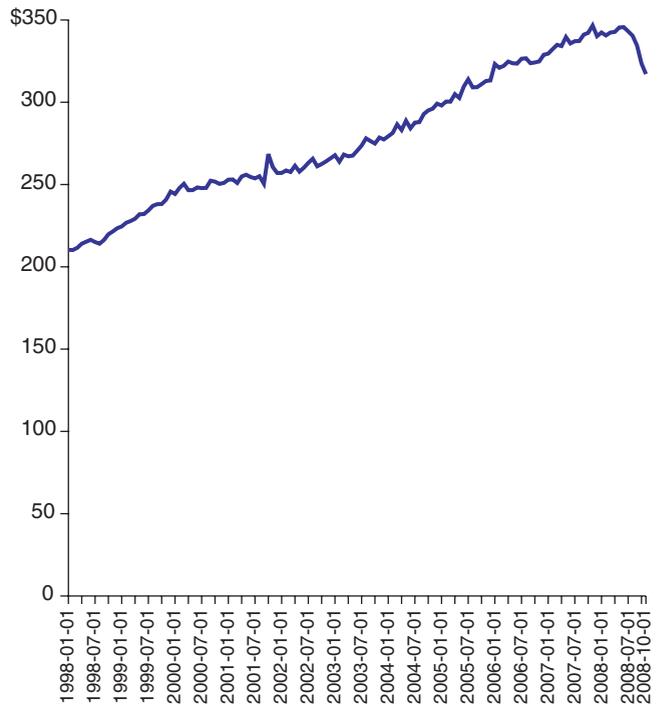


* Through Sept. 30, annualized.

Source: Federal Reserve.

FIGURE 4
U.S. Retail Sales

(Excluding Food Services, \$ Billions)



Source: U.S. Census Bureau.

goods are only now becoming visible to the public. The drops in the physical-goods numbers may not be as sharp as the drops in the financial numbers, but they are far more ominous, as it is the physical economy which keeps us all alive. A 100% fall in financial profits will hurt, but a 100% drop in physical output will kill us all.

The Bailout

LaRouche warned that there was no one in the present government who was competent to deal with the financial crisis; and the government moved quickly to prove him correct. Rather than admitting that the system had died and putting it through bankruptcy, Paulson, Bernanke, and their peers at finance ministries and central banks in Europe launched a foolish attempt to save the system through monetary easing, and then through bailouts.

In December 2007, the Fed announced the creation of a Term Auction Facility (TAF) to loan money to banks and thrifts, to help them get through the end of the year. The two TAF auctions in December offered \$40 billion in total, against requests for \$119 billion.

The Fed quickly announced that the bi-monthly auctions would continue as long as necessary, and that the amount lent would be increased to \$60 billion per month. At the same time, the Fed set up \$24 billion in currency swap lines with the European Central Bank (ECB) and the Swiss National Bank, to provide dollars to settle claims.

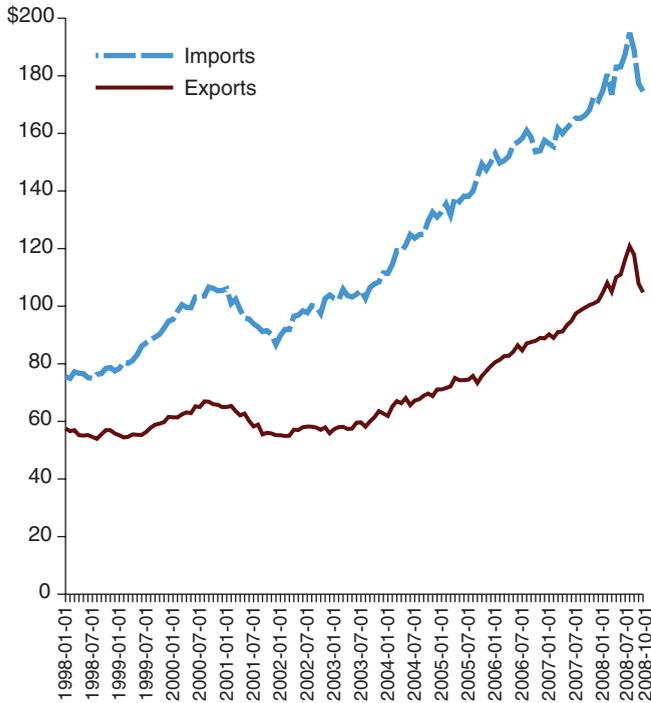
Both the TAF and the swap lines would increase dramatically during 2008, as the crisis deepened, and would be joined by a plethora of other bailout programs. In March, the month Bear Stearns collapsed, the TAF was increased to \$100 billion, and the swap lines were increased to \$36 billion. The Fed also began lending to the investment banks, creating two new facilities, the Term Securities Lending Facility (TSLF) and the Primary Dealer Credit Facility (PDCF). In May, the Fed expanded the TAF to \$150 billion, and expanded the swap lines to \$62 billion.

Despite these injections, the carnage continued. In July, the Fed authorized loans for Fannie Mae and Freddie Mac, both of which were hemorrhaging money. It was hoped that the credit line from the Fed would stabilize the mortgage giants, but that was not to be.

FIGURE 5

U.S. Goods: Imports and Exports

(\$ Billions)



Source: U.S. Department of Commerce.

In September, the end of the third quarter, the bottom fell out in a very public way. It began with an emergency meeting on Sunday, Sept. 7, and the promise by Treasury to grant a \$200 billion line of credit to Fannie Mae and Freddie Mac. Another emergency meeting took place the next Sunday, to deal with the implosion of Lehman Brothers. That second Sunday saw Lehman collapse, Merrill Lynch seek the relative safety of a merger into Bank of America, and the expansion of the TSLF and PDCF lending programs. Two days later, on Sept. 16, the Fed agreed to loan AIG \$85 billion. On the 18th, the Fed expanded its swap lines to \$247 billion, and on the 19th created a facility to bolster the asset-backed commercial paper market.

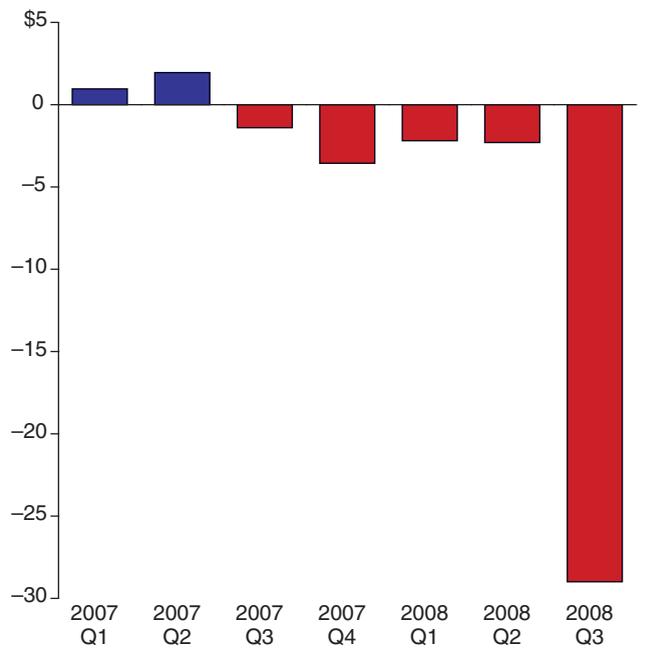
On Sept. 20, Paulson dropped a bombshell, demanding the immediate passage by Congress of a bill to fund \$700 billion in purchases of bad financial assets by the government. In meetings with Congress, Paulson warned that the financial system would collapse unless he were given the money immediately, with no strings attached.

Paulson's demand was an implicit admission that all previous bailout maneuvers had failed to stop the

FIGURE 6

Fannie Mae's Net Income, by Quarter

(\$ Billions)



Source: Company reports.

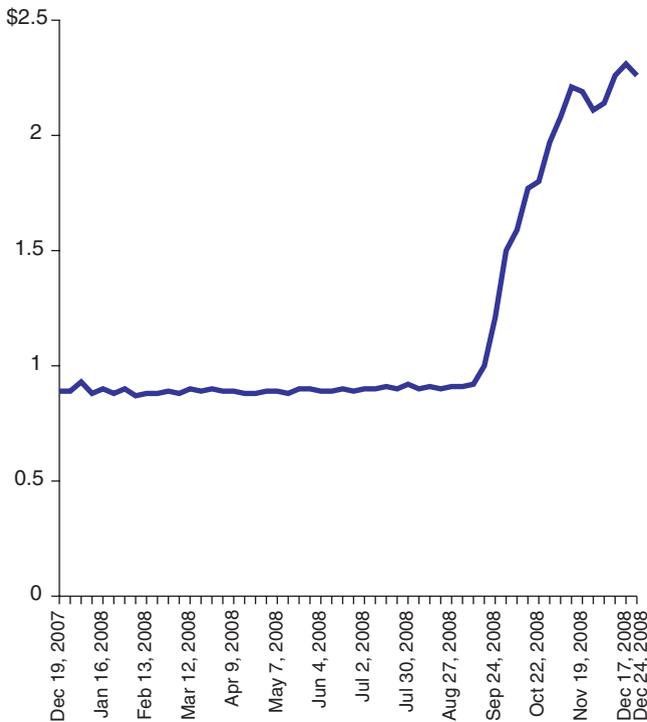
collapse. Now, he was demanding virtually unlimited powers to spend taxpayers' money in any way he saw fit, without any checks and balances. The public was outraged and demanded that this travesty be stopped, but a spineless Congress passed the bill anyway, under threats of political retaliation and even martial law.

Paulson's demand was also an implicit admission that LaRouche had been correct in his warnings. In testimony before the House Financial Services Committee on Sept. 24, Paulson said that a "chain reaction" was occurring, precisely the phrase LaRouche had used more than a year before.

By the time the Emergency Economic Stabilization Act of 2008 was signed into law by President Bush on Oct. 3, 14 months after LaRouche said the system was dead, Wall Street was gone: Lehman had failed, Merrill Lynch had lost its independence, and Goldman Sachs and Morgan Stanley had converted to bank holding companies; and the bankruptcy of the system had been publicly admitted. Fannie Mae reported huge losses for the third quarter (Figure 6), as did Freddie Mac. By year's end, both would be bankrupt, and in danger of being delisted from the New York Stock Exchange.

Despite having assured the public that his bailout

FIGURE 7
Hyperinflating Assets of the Federal Reserve
 (\$ Trillions)

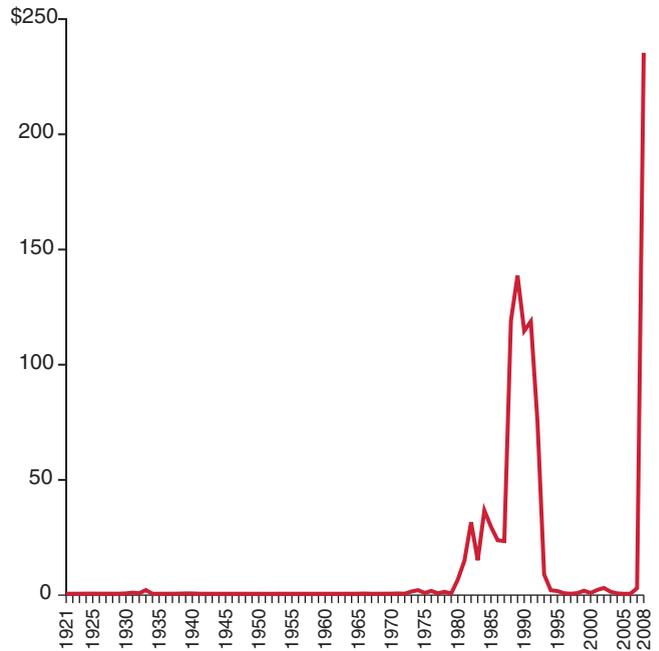


Source: Federal Reserve.

plan would work, within little more than a week of its passage, Paulson abandoned his plan to buy bad assets, and instead adopted the British scheme of injecting capital directly into the banks—a plan he had earlier specifically rejected. This scheme was the cornerstone of a larger British Empire plan to set up a global financial dictatorship, under which nations would bankrupt themselves bailing out the banks, and then be forced to submit to the diktats of global financial regulators.

During the fourth quarter, the situation got worse, as the liquidation of the global derivatives market accelerated. Speculators were hit with the triple whammy of plunging asset values, rising margin calls, and a lack of credit. Banks were lining up for Federal cash injections under the Treasury bailout program, and non-bank institutions began maneuvering to become bank holding companies—to get a place at the trough. Citigroup, under the weight of its own problems and a coordinated assault by the Brits, required a bailout beyond what it had already received; and General Motors, Ford, and Chrysler were also seeking bailouts.

FIGURE 8
U.S. Bank Failures at All-Time High
 (Deposits of Failed Banks, 1921-2008, \$ Billions)



Sources: U.S. Federal Reserve, FDIC.

By the end of the year, the Fed had pumped over \$3 trillion in cumulative loans through the TAF and the TSLF, and the bailouts had pushed the assets over the Federal Reserve to well over \$2 trillion (**Figure 7**), some 50 times its capital. Overall, through the various loan facilities, guarantees, and cash injections, the Fed and Treasury had spent or promised well over \$8 trillion of bailout money, and the costs are just beginning. What have we got to show for it? For one thing, bank failures. While the numbers of failures are thus far below the levels of the late 1980s/early 1990s, we set a new record for failures, in terms of the deposits of failed banks (**Figure 8**).

What Next?

As bad as 2008 was, 2009 will be far worse, as the effects of the death of the system continue to work their way through the economy, unless there is a bankruptcy reorganization of the global system. We can expect more bank failures and consolidations, and an expansion of the bailout. The lack of consumer spending will trigger sharp cutbacks and even bankruptcies among retailers in the post-Christmas season, which in turn will worsen the financial condition of our vastly over-

built shopping mall sector. Corporations will continue to downsize, corporate and personal bankruptcies will soar, and the wheels of our economy will continue to grind to a halt.

More than that, we can expect the financial markets to continue to deflate, and the hyperinflation of the monetary system to accelerate. We are headed for a hyperinflationary blowout of the dollar which will wipe out what is left of the global economy, finish the U.S. off as a nation, and plunge the world into a new Dark Age. Unless, of course, we abandon the failed Anglo-Dutch Liberal monetarist model, and return to the American System.

The Only Alternative

There is no saving the financial system, with its quadrillions of dollars of worthless financial claims, unpayable debts, and bankrupt institutions. That system is gone, but there is no reason for the nation and the world to go down with it. LaRouche, the man who saw this coming and tried his best to stop it, has given us the plans we need to stop the hemorrhaging, and begin a worldwide recovery.

The first step is the passage by Congress of the Homeowners and Bank Protection Act (HBPA), which would immediately put up firewalls to stop home foreclosures while the financial system is reorganized. No one should be thrown out into the street because of the actions of incompetent, and often criminal, financiers. Under the HBPA, the financial system will be put through an orderly bankruptcy, with all derivatives claims abolished, and the rest of the huge mass of financial claims frozen until we have a chance to sort the wheat from the chaff. Meanwhile, we use the credit-generating power of the Federal government to ensure that the schools and hospitals stay open, the water and sewer systems, electricity grids, transportation systems, the food distribution system, all continue to function. We will not allow people to drop through holes in the social safety net.

The second step is to launch a science-driven recovery, rebuilding the economy based upon new physical principles and a series of Great Projects. This includes an emergency program to build new, modern nuclear power plants to provide the electricity needed to power the expanded economy; new steel plants to forge the steel; new maglev trains as the basis for a modernized transportation system; and new technologies that will be developed as a consequence of this

science-driver approach. As with the space program, the productivity increases which flow from such a program would easily cover the costs within a reasonable time-frame.

The Great Projects would include such necessities as the North American Water and Power Alliance (NAWAPA), which would bring water south from Canada and Alaska into the western U.S., and even into Mexico, via the PHLINO project. By bringing water to the arid West, we could build new, modern cities. The Great Projects would also include international projects, such as a global high-speed rail link across the Bering Strait, connecting the Americas with Asia, Africa, and Europe by rail for the first time. This global rail project would include LaRouche's proposal for a Eurasian Land-Bridge development corridor along the old Silk Road, to help bring the less developed parts of Asia into this new Renaissance.

To fund all of these projects, would require a return to the Constitution, and Hamiltonian credit generation. Under the U.S. Constitution, only the Congress has the authority to issue money—no more Federal Reserve and fractional reserve banking. And that money would be earmarked for productive purposes. Once authorized, the credit would be dispensed through the Executive branch and a National Bank, through the private—but reorganized and highly regulated—banking system. This would provide the combination of regulated credit and entrepreneurial creativity—a real form of public-private partnership instead of the medieval fraud pushed by the likes of Felix Rohatyn—needed to get the economy moving in the right direction.

The final step, is to make this an international operation, both to form an alliance strong enough to withstand the inevitable assault from the British Empire, and to provide the political framework for truly global development. That means, for starters, an alliance among the U.S., Russia, China, and India, with others welcome to join in. This project must be an alliance of sovereign nations, if it is to succeed. We must all work together to raise the standards of living around the world, if we are to have peace and prosperity.

With this approach, based upon American System principles, we can transform the world. Let us hope that the Obama Administration will find the wisdom to take this path. What we are doing now is failing miserably, so what have we got to lose?

johnhoeftle@larouchepub.com

Is the Whole World Financial System One Big Madoff Swindle?

by Helga Zepp-LaRouche

Mrs. LaRouche is the chairwoman of the Civil Rights Solidarity Movement (BüSo) in Germany. Her article has been translated from German.

It is truly astounding how brazen the financial oligarchy and its political friends have been in treating the world financial system as if it were their private vending machine, while “experts,” who only recently were still “completely surprised” by the crisis, are now forecasting corporate and personal bankruptcies, mass unemployment, and world food shortages. In view of this, the BüSo is demanding the immediate formation of a parliamentary commission, on the model of the Pecora Commission in the 1930s in the United States, whose task it shall be to investigate the swindles that have triggered the greatest financial crisis in world history. (See <http://larouchepac.com/news/2008/12/31/lpactv-straighten-your-pecora.html>.)

The scandal around Wall Street financier Bernie Madoff—who is accused of having swindled his clients out of \$50 billion (!), and who, incredibly, has only been put under house arrest, with \$10 million of his “personal” funds as bail—is merely the tip of the iceberg.

Madoff, the former head of the NASDAQ, replayed the old, tried-and-true Ponzi scheme, whereby old investors are paid off with money put in by new investors, until the chain finally breaks. When billionaire swindlers receive such velvet-glove treatment, and governments everywhere are routinely handing out tax revenues in unlimited amounts in order to compensate for banks’ and speculators’ losses, can the working (or, currently not working) part of the population do anything but lose all confidence in these governments?

Three months late, right at the year’s end, the online version of *Tagesschau* revealed in its annual

review that for three weeks this past Autumn, Germany was teetering on the edge of a financial worst-case scenario, and that, “if it had gone on for only a couple more days, the ATM machines would have stopped dispensing cash.” The truth is that not only Germany, but the entire world financial system, is hopelessly bankrupt. And even though, ever since the outbreak of the crisis in 2007, Western governments and central banks, according to Italy’s former Finance Minister Domenico Siniscalco, frittered away around Eur3 trillion in 2008 alone, in one rescue package after another—all of it taxpayers’ money, mind you—the crisis in the financial sector continues to worsen, and the real economy continues to collapse worldwide. Three trillion: That’s twice the value of all the privatizations that occurred over the past 30 years—just to give an idea of the proportions we’re dealing with here.

A Toxic Waste Dump

Back in mid-December, at the government’s so-called conjunctural summit, Deutsche Bank chairman Josef Ackermann proposed the creation of a “Bad Bank,” because German banks continue to be burdened with hundreds of billions in worthless securities. If such a repository corporation were to take over the toxic investments, he argued, a wave of bank write-offs (i.e., insolvencies—HZL) could be averted. Blowing on the same horn, the German Banking Association demanded that the federal Special Market Stabilization Fund (SoFFin) finally buy up “critical securities,” which are like “ticking time-bombs.”

The brazenness of these calls to disburse taxpayers’ money on such a vast scale, is, in itself, truly monstrous. But now it turns out that Ackermann had already proposed this at a previous meeting in the German Chancellory back in 2003, in the presence of

then Chancellor Gerhard Schröder, Finance Minister Hans Eichel, Economics Minister Wolfgang Clement, along with Hans Reich, then head of the Kreditanstalt für Wiederaufbau (KfW, or Reconstruction Finance Corp.), top bankers, and representatives from the insurance sector. News of that meeting leaked out to the media, and on Feb. 24, 2003, *Handelsblatt* ran an article titled “‘Bad Bank’ Raises Concern,” citing one banker saying that the revelation of this meeting and its proposal had “done a disservice to Germany’s finance industry. This is massively damaging to its reputation.” The *Frankfurter Allgemeine Sonntagszeitung* reported that the immediate intent was “to bundle together the credit risks borne by Dresdner Bank, Commerzbank, and Hypo-Vereinbank.” The article further states that about Eur7 billion was under discussion.

As this article, and the uproar around its publication, made clear, all participants were well aware of the risks involved in their casino speculation, and that they had something to hide. It also proves that the whole “surprise” over the financial crisis has been at least partially feigned, and that the “amazement” over the machinations of the bad special purpose entities (SPEs) which were thought to be above all suspicion, was either a medically rare case of collective Alzheimer’s disease, or else a flat-out lie. In any case, the same article reported that already, since 2000, the KfW had been working on transferring risks by shunting them into SPEs, to the tune of Eur28.7 million.

Gaming the Markets

The article said further on, “According to *Handelsblatt*’s information, at the Chancellory session, in which KfW head Hans W. Reich also participated, the discussion included how the securitization of bank credits via the KfW could be quickly expanded. By means of securitization, credits issued to large investors can be sold, while at the same time unburdening the banks’ balances. In the future, more banks are supposed to take advantage of these KfW securitizations in greater volume.”

The federal government put into effect a diverse array of credit policy innovations, including forming True Sale International, whose explicit purpose was to game the profitable securitization market on an international level. In 2004, Germany’s “Red-Green” (Social Democratic-Green Party) government revised

the banking law so that for the first time, the sale of credit to non-banks—e.g., hedge funds—was permitted. This provided Germany with international competitive standing.

This was preceded by the repeal in the United States of the Glass-Steagall Act in 2000, under President Clinton and his Treasury Secretary Robert Rubin. In September 1998, in connection with the impending Long Term Credit Management (LTCM) bankruptcy, Clinton had spoken about the need for a new financial architecture, and thereby brought down upon himself the wrath of the entire financial oligarchy; from then on, he was dogged by a calculated campaign of defamation. The Glass-Steagall Act, introduced in 1933 by Franklin D. Roosevelt in connection with his New Deal, had erected a firewall between the activities of investment banks and of commercial banks, which latter were not permitted to engage in speculation.

It is interesting that none other than the *Daily Telegraph*, one of the City of London’s main mouthpieces, published an article on Dec. 29, 2008 by Liam Halligan, arguing that all of the rescue packages and bank nationalizations have not helped things one bit, and that only by mercilessly exposing the true magnitude of the toxic waste, writing it off the books, and legal proceedings against those who committed these crimes, could the problem be solved. And then, as the most important measure, the Glass-Steagall Act would have to be reinstated internationally. Evidently some circles in the City are panicked indeed.

Meanwhile, the miraculous proliferation of money for the financial oligarchy and the speculators, at taxpayers’ expense, is proceeding to even giddier heights. Whatever had already been made out of bad mortgage credit, thanks to paid-off rating agencies, transforming it into “packages,” certificates, derivatives, and highly profitable “securities,” has been endlessly restructured and rebundled, and then re-sold under new names. What if everything goes bad for banks in Europe? No problem, that’s why we have the European Central Bank (ECB), which will tenderly relieve the banks of their toxic waste.

Along these lines, on Dec. 26 the *Frankfurter Allgemeine Zeitung* wrote an article titled “Securitization Business Running at Full Throttle,” reporting that in 2008, the volume of securitization would reach a good Eur500 billion, and that Germany’s True Sale International would achieve a volume of risk transfers in

the range of tens of billions. The banks' intent has been to take the burden off their balance sheets, thereby reducing their own equity capital requirements. But what was new about the year just ending, was the securitizations which were explicitly aimed at creating guarantors for refinancing deals with the ECB. It works this way: A bank first sells credits to an SPE that has been formed for just this purpose; and the SPE in turn creates securities nominally backed by these credits, breaks them into tranches, with graduated yields, and—at least in theory—graduated risks of loss. Since there is no longer any market for these securities, the bank then buys back these tranches from the SPE, and uses the topmost, highest-rated tranche as collateral to borrow money from the ECB. The ECB accepts this paper as collateral because of its high credit rating, even though it knows the rating is a fiction.

But even that isn't a big problem, because after all, what are the rating agencies for? Thus, for example, Italy's second-largest bank, Intesa Sanpaolo, issued mortgage-backed securities, first Eur5.7 billion worth, and then another Eur13 billion worth, which were given an AAA rating by one agency, and as a result were used as collateral for "fresh" money from the ECB. And just in case your mind begins to spin at these figures, so that you don't lose your sense of proportion: Eur13 billion is equal to the annual debt-service which Greece must pay for its national debt of 92% of GDP—a situation which is not unconnected to the riots that have been going on there in recent weeks.

The European Central Bank is not, according to its own statutes, a "lender of last resort"—a function which Europe's central banks had performed prior to the adoption of the Maastricht Treaty. But if one examines the ECB's practices over the past few months, one gets the impression that the ECB now conceives of itself as the "garbage-pail of last resort." The ECB is currently functioning like an artificial snow-making machine for a gigantic snowball system, in which the "players" are the beneficiaries, while the people, laboring under the collapse of the real economy and imminent hyperinflation, are the losers. Is there any qualitative difference between this, and Madoff's scams?

The most terrifying aspect of all this, is the extent to which those responsible have demonstrably lost all sense of reality, and have demonstrated downright clinical incompetence, acting with the most extreme irresponsibility. So, for example, shortly before

Lehman Brothers went bankrupt, the always good-natured Herr Ackermann asserted that the worst was already over. And Italy's former Prime Minister Romano Prodi's nose is already considerably longer than his country's north-to-south highway, when he claims that no one foresaw that the world economy would undergo such a rapid and comprehensive collapse, and furthermore, that protectionist measures would lead into depression.

Need for a Dramatic Change

The signs are overwhelming that we are in the midst of the collapse of the entire world financial and economic system; yet despite this, governments continue to act as if everything can be cobbled back together with the aid of the usual "toolbox," out of which each country grabs the most appropriate tool. Are orders in key industries down by 30%? Is world trade collapsing, and is there a crisis in confidence worldwide? No problem! We'll just take out our old tools and manage the situation.

Could this, perhaps, have something to do with the fact that Germans feel that they've been tricked out of the fruits of the peaceful Revolution of 1989 and of German reunification, because in the wake of the geopolitical manipulation of the Maastricht Treaty, their loss of sovereignty over their currency, and of the deutschemark itself, and the forced acceptance of the euro and the transfer of their national capital to Brussels, they've come to feel that they can't fight it, and that they might as well adjust to the existing power equation?

Whatever all these reasons add up to, we need a parliamentary investigative commission along the lines of the Pecora Commission (see article, p. 66), to look into how this disastrous financial collapse could have come about, and to investigate the guilty parties; and we need to implement clear principles of physical economy, so that such aberrations never occur again. And in order that this can occur as quickly as possible, the BüSo must be represented in the federal parliament. And so, the best thing that citizens can do for their own future, is to help us in this effort.

And if the United States, under a new administration, joins with Russia, China, and India in putting a New Bretton Woods credit system onto the agenda, then Germany, together with Europe's other nations, must become part of this new financial and economic order, in the tradition of Roosevelt.

The Auto Bailout Explained

The way my source explained it, it makes perfect sense. If you're insane.

Despite the busy holiday season, my source was able to squeeze in an end-of-year meeting. We met at a distant suburban bar instead of his usual strip-club haunts because, he said, "I don't want any of my clients to see me with you."

"Did ya see what we did with the auto bailout?" he asked, after ordering a double Scotch. "Slick, if I do say so myself."

Well, I said, GM and Chrysler are going to get some money to keep them going for a while. That helps, but it doesn't solve their problems.

"Geez, are you a babe in the woods," he replied. "It solves all kinds of problems."

But the companies are still bankrupt, and still can't sell enough cars to survive. So what did you solve, besides buying them a little time?

"Who cares about the auto companies?—that's *their* problem," he snorted. "We solved *our* problem, which is to keep them from failing until after the Inauguration. Whatever goes wrong after that is on the new guy."

That's pretty cynical, I said. You're leaving a big problem for the new Administration to solve, and making things worse. Won't this just hurt the country?

"What are you, a Boy Scout?" he replied. "Sure we're dumping this on the new guy. This is politics! We leave them a mess they can't handle, and when it blows up in their face, we clean up in the next election."

Okay, I can see how that helps you, at least in a narrow sense, but doesn't it hurt the country? I asked.

"You're hopeless," he replied.

"These liberals don't understand that money makes the system run, and that means protecting the rich. If these liberals stay in office, they'll piss the money away buying the votes of poor people and the unions—ruin it all. We don't have time for this safety-net nonsense, we have to save capitalism!"

But isn't that what *you're* doing with the bailout, I retorted. Isn't this socialism for the bankers?

His face starting to redden, he ordered another drink while he fought to control himself.

"Why can't you just take what I give you and run with it?" he blurted out. "That's what Fox does. Why do you LaRouchies have to be so damn picky? We feed you stuff and you put it out! That's the way the system is supposed to work."

That sounds like Aldous Huxley to me, I replied. You tailor what you tell people, so that they'll think what you want them to think. It's brainwashing.

"Yeah, well it works for Fox, and they're a lot bigger than you," he snarled. "Who's this Huxley, anyway? He work with Rove?"

Never mind, I sighed. Let's get back to the auto bailout.

"That's more like it," he said. "It's a thing of beauty. First, we lend the car companies big bucks, so they can cover their bonds and other debts. This helps them, and it helps the financial system, which is the real goal. You'd be surprised at the amount of speculative crap piled on top of this car debt."

Okay, I understand that much, I said. It's part of the bank bailout. But

people still have to be able to buy their cars, and that means car loans. Without that, the auto companies are still dead.

"Lemme finish," he said. "Didn't you see where GMAC is becoming a bank holding company? That means Uncle Sam is gonna give GMAC the money to make car loans."

I saw that, I said. But isn't GMAC essentially bankrupt? Looks to me like the Fed is creating a bank which is bankrupt from its inception.

"Not if it's on the Federal tit," he said. "GMAC will get the money, since it's part of the auto bailout, and the auto bailout is part of the bank bailout."

Seeing that I was about to speak, he held up his hand. "Don't interrupt. I'm way ahead of you. You're gonna say that this won't work, because after GMAC loans that money out, they'll have to stop, and we'll be right back where we started. We already thought of that—we're not idiots, you know. That's where this new Fed program comes in, the TALE, or the TILF, or whatever they call it."

That's the program that's going to loan speculators money to buy asset-backed securities, I replied.

"Yep," he said. "GMAC is gonna turn those new car loans into securities, and the Fed is gonna pay people to buy them. Hedge funds, pension funds, just about anybody can get in on this one. It's a sweet deal."

So the government is going to give the auto companies billions of dollars, then give GMAC billions to make loans, and then give hedge funds billions to buy the paper. Wouldn't it be cheaper for the government to just buy cars for people?

"Can't do that," he snarled. "That would be socialism!"

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Sachs Qualifies for Nobel Prize: He's Reached That Level of Incompetence!

by Nancy Spannaus

Common Wealth: Economics for a Crowded Planet

by Jeffrey D. Sachs

New York: Penguin, 2008

386 pages, hardcover, \$27.95

It takes a certain level of gross incompetence, usually with a heavy dose of promotion of genocide thrown in, to qualify an economist for a Nobel Prize. Earth Institute head Jeffrey Sachs, despite his attempts to reinvent himself as a bleeding-heart liberal for the extremely poor, has a resumé which has already put him into the running—most notably, his role in pushing through genocidal shock therapy in Russia and Poland in the 1990s, and in turning Bolivia into a cocaine economy in the 1980s. With his latest book, however, Sachs demonstrates his level of theoretical incompetence, which should make the case conclusive.

Start with this apparently serious proposal from the “Global Problem Solving” conclusion of Sachs’ book:

“With the recent publication by *Forbes* magazine of the ranking of the world’s richest people, a new prospect comes into focus. According to *Forbes*, there are now around 950 billionaires in the world, with an estimated combined wealth of \$3.5 trillion. . . . Even after all the yachts, mansions, and luxury living that money can buy have been funded many times over, these billionaires will still have nearly \$3.5 trillion to



Economist Jeffrey Sachs at The Earth Institute: Is he incompetent, or evil, or both? His new book, taken straight from what he's peddling at the UN, gives you pause.

change the world. Suppose they pooled their wealth. . . . By standard and conservative principles of foundation management, a \$3.5 trillion endowment would have a 5 percent payout of around \$175 billion, an amount sufficient to extend basic health care to all the poorest of the world; end massive pandemics of AIDS, TB, and malaria; jump-start an African Green Revolution; end the digital divide; and address the crying need for safe drinking water for one billion people.”

This guy is nuts!

Money Is Not Economics!

Hasn't Sachs noticed that the world financial system, billionaires included, is going through a meltdown? That meltdown has, conservatively, already liquidated trillions in paper assets, and is now ravaging the physical economy of the planet, by leading to shutdowns of productive activity globally. Not only are Sachs' billionaires disappearing, but so are the physical goods and services required to provide the basis for the extremely poor, and everybody else, to get out of destitution. The destitution is spreading, even under conditions of an increase of “money,” most of which was pure debt.

Sachs' belief in “money” is a fundamental flaw throughout his analysis, not just in this quixotic proposal. He is constantly measuring progress, and calling for redistribution, in pure (meaningless) monetary terms. For example, his idea of measuring economic activity is to “multiply the average income per person

by the number of people”! He understands *nothing* about what makes economies work.

Second, why should wealthy individuals, working through private philanthropies, be given the power to dictate conditions to governments and populations? This is essentially a feudal idea, especially at a time where rampant monetarism has made many privateers much richer than many governments, mostly on the basis of speculation and other nefarious activities. But Sachs wants to eliminate sovereign governments, in favor of NGOs—which means a *de facto* dictatorship by private capital.

Third, take a look at the beliefs and character of those individuals to whom Sachs is appealing to “save” the poor, and you’ll find a pack of some of the biggest scoundrels ever known. George Soros, the unrepentant Nazi collaborator, is the most obvious case; but there are many more, emphatically including the Rockefeller Foundation, which Sachs considers the greatest non-governmental organization of the 20th Century. While Rockefeller Foundation-funded scientists did play a seminal role in the Green Revolution which greatly improved agricultural productivity in the 1970s, this foundation has been a prime mover behind the sustained, and, unfortunately, quite successful, drive for a new, Malthusian, anti-population ethic throughout the world.

The Logic of Genocide

Throughout much of this book, Sachs talks a humanitarian game: attacking pure free-market ideology and unilateralism; pushing for aiding the poor with AIDS drugs and other ameliorative measures; and calling for the revival of “global cooperation.” But his assumptions give the story away. They amount to the promotion of Malthusian genocide. Incompetence is no excuse.

Sachs sees humanity threatened by four crises, the first two of which come straight out of the Malthusian agenda. Number one is the assertion that human beings are putting too much pressure on the Earth’s ecosystems, and thus causing potentially devastating global warming. In fact, the anthropogenic explanation for global warming (if the phenomenon even exists) is scientific bunk, and simply functions as an excuse for a murderous cutback in scientific and technological progress. Man is not an imposition on the Earth, but its rightful proprietor, with access to the scientific knowledge to expand his dominion over it, and en-

hance its condition for future generations.

Reducing man’s impact on the environment, as Sachs and his cheerleader Al Gore propose, is a sure-fire recipe for devolution of the planet, as well as mankind.

Sachs’s crisis number two makes explicit the Malthusian implications of number one: He says the world’s population is rising too fast, especially in the poorer parts of the planet. Since he wants to show himself to be a liberal, Sachs sticks to the line that cutting population growth, so that the overall population “stabilizes” at 8 billion or less, must be voluntary. But the economic conditions that his approach to the world economy will create, will mean that the escalating death rate will be anything but by choice.

The idea of potential relative population density, determined by man’s ability to improve his knowledge and mastery over the universe, seems never to have crossed Sachs’ mind. Thus he considers Africa—which is devastatingly underpopulated—to be overpopulated, because its people have been deliberately denied the technology and infrastructure required to support a growing population. On the Malthus dictum that exponential population growth must outstrip resources, Sachs demurs.

Sachs also lies that rapidly growing populations lead to war, because they result in what he calls a “bulge” in the population of young men, who then, he asserts in typical Samuel Huntington “clash of civilizations” logic, become fodder for extremist movements that will destroy the peace.

It’s all poppycock. If Sachs understood the growth of the United States, especially in the 19th Century, for example, with its high fertility rate, he could see that there is nothing lawful about the negative connection he draws between the rate of population growth, and economic progress. The difference today is that the rapidly growing nations are being denied the ability to develop their technologies and populations, by the global financial interests whose philanthropy Sachs is so anxious to solicit.

Is Jeffrey Sachs just stupid, or is he evil? Is he both? It’s not worth the debate. What’s required to deal with the real crises of devastating poverty, which are about to get much more horrific, is to restore a world credit system based on nation-states dedicated to providing for the general welfare of all mankind. LaRouche has put that proposal on the table—and any other agenda is a diversion.

Gaza Attack: A Preemptive Strike Against Peace

by Jeffrey Steinberg

Jan. 2—In January 2008, this author circulated a memo, warning that Israeli factions had begun to plan for a bombardment of the Hamas government in Gaza, and that the attack would likely occur before the end of the year. The memo read, in part:

“I received a report on Jan. 15, 2008, from an Israeli source with close ties to Olmert inner circles. I pass it along, with interest in any thoughts or feedback.

“Following the Bush visit to Israel, the Israeli security cabinet met and approved, in principle, major military strikes into Gaza to uproot Hamas. A number of factors will determine whether or not this actually happens.

“First, the Winograd Commission, investigating the July 2006 Lebanon war, issues its final report and recommendations on Jan. 30. The Commission has already said it will not call for Olmert’s resignation, but a harsh finding, pointing to his failures, above all others, could precipitate a government crisis. . . .

“[Defense Minister Ehud] Barak would prefer that the [Ehud] Olmert government remain in power through November. He is pushing the Gaza incursions, and more. The plan would be for Israeli forces to move in to Gaza in force, but also be alert for action from Hezbollah. In that case, the IDF [Israeli Defense Force] has prepared for a new Lebanon war, this time extending into Syria. Barak needs a big military success, to take back the Prime Minister post. Bibi [Likud bloc leader Benjamin Netanyahu], for his own reasons, would

prefer to see the Olmert government fall in the immediate wake of the Winograd findings, because right now, he is polling well ahead of every other candidate to be the next Prime Minister. Then he could have the war option on his watch.

“The Gaza plan also considers the possibility of Iran taking some kind of action in support of Hamas, which would serve as a possible ‘Plan C’ trigger for combined Israeli-American military actions against Iran; actions that have been otherwise stalled due to strong Pentagon and CIA opposition. This was reflected in the National Intelligence Estimate [concluding that Iran had halted its nuclear weapons program in 2003], and more recent efforts by Admirals Mullen and Fallon to get some kind of rules of engagement agreement with Iran, to assure that no new incidents in the Strait of Hormuz lead to a direct confrontation ‘by accident.’

“While Bush was promoting a ‘final two-state solution’ in his talks in Israel and Palestine, it may be the case that the one-year timetable involves these planned Israeli strikes against Gaza. So in Bush’s jaded logic, shared by some in Israel, the path to peace is along the road of war. . . .”

The events of the past week conform precisely to this January 2008 report from a qualified Israeli source, and speak volumes about the fraud of the Israeli government claims that the ongoing IDF assault on Gaza is in retaliation for the end of the ceasefire, or recent rocket attacks into Israel, or any other “event-driven”

explanations for the brutal Israeli bombardment of the Gaza Strip.

LaRouche: The Only ‘Threat’ Is Peace

On Dec. 30, 2008, Lyndon LaRouche issued a blunt assessment of the Israeli action, characterizing it as a strike against the “threat” of peace. LaRouche denounced the Israeli military action as an “act of supreme insanity” that could lead to the destruction of Israel altogether. “The idea that Israel can defeat the Palestinians by the kind of military brutality that we have seen over the past 72 hours is the height of insanity,” LaRouche declared. “It is the same insanity that led Israel to attack Lebanon in July 2006, but this time, having seen the consequences of that Lebanon fiasco, it is far more insane.”

LaRouche thoroughly rejected the widely circulated Israeli argument that Israel faces an existential threat from Iran, and that the attack on Gaza is aimed at destroying Iran’s Hamas assets, which pose a threat of asymmetric war against the population of Israel. “The only ‘threat’ to Israel is an outbreak of peace. There is no credible threat of war against Israel.”

LaRouche addressed the deeper issue that has locked the entire Southwest Asian region in tragedy for the past hundred years: “The disease afflicting those Israeli leaders who sanctioned this military action is the Sykes-Picot mentality. They have become so accustomed to playing the role of pawns in the British imperial divide-and-conquer games in the region, that they have lost the ability to think in terms of their own self-interests.

“With the incoming Obama Administration in Washington, after eight years of Bush-Cheney madness, we have a genuine opportunity to achieve a peace agreement between Israel and Syria—right away. It could be accomplished on the first afternoon that President Obama is in office. And a Syria-Israel peace deal would immediately be followed by an agreement involving Lebanon. This would dramatically change the dynamic in the entire region, and would set the only conditions for a truly just and viable two-state solution between Israel and the Palestinians.

“Such an eruption of peace,” LaRouche continued, “would pose an existential threat to those in the region who remain locked in the Sykes-Picot logic.”

The Sykes-Picot Treaty of 1916, between Britain and France, divided the territory of the former Ottoman Empire between the two colonial powers, and set in motion a perpetual conflict along religious, ethnic, and

tribal lines. Both the major Zionist movements, particularly the Jabotinskyite “Revisionists,” and the Muslim Brotherhood, were creations of the Sykes-Picot arrangements.

While focussing the bulk of his harsh words on the Israelis for the murderous assault into Gaza, LaRouche also noted that some of the Hamas leadership, who are leading figures within the Muslim Brotherhood, are prone to the same self-destructive insanity, that only feeds into the climate of perpetual conflict. “Perhaps this explains why at least a faction of Hamas leaders apparently rejected efforts by the Egyptian government and others to maintain the ceasefire with Israel, until after the Bush-Cheney Administration had left office.”

“Isn’t it time to bring an end to this madness? We have a unique opportunity, right now, to reach an historic peace agreement between Israel and Syria and Lebanon,” LaRouche concluded. “Such an agreement would rapidly lead to a just solution to the Palestine crisis, and that would bring an end to the tyranny of Sykes-Picot, that has crippled this region for the past century. The fact that certain people in Israel, and leading circles in London feel gravely threatened by such an eruption of peace, cannot be an excuse for inaction.”

LaRouche also emphasized that the events in Gaza cannot be separated from other Anglo-Saudi provocations around the globe, all directed at creating a mess for the incoming Obama Administration. The Nov. 26-29 attacks in Mumbai, India; the destabilization of the African continent, from Sudan, to Somalia, to Zimbabwe; and the intensifying narco-insurgency on the U.S. southern border with Mexico, LaRouche asserted, are all part of a single effort, emanating from London, to sink the Obama Administration before the new executive team assumes office. LaRouche explained:

“The Anglo-Dutch faction, facing an existential collapse of its entire post-Bretton Woods financial system, is hell-bent on the total destruction of the nation-state system, and the imposition of a post-Westphalia global financiers dictatorship. They had their way in Washington for the last eight years of Bush-Cheney, and they have nearly succeeded in destroying the United States. They are not happy with what they have seen so far of the incoming Obama team, and they will stop at nothing to complete the destruction of the United States.

“That,” LaRouche concluded, “is the only context for fully understanding the events in Gaza that are playing out today.”

Beware of British Pitfall in Sudan

by Lawrence K. Freeman

It has become clear that efforts are underway to entice the new Obama Presidency into a strategically mistaken military posture against the President of Sudan, Gen. Omar Bashir, which will have devastating consequences, not only for the people of Sudan, but for the entire Horn of Africa, and beyond. This is not emanating from the outgoing Cheney/Bush Administration; rather, it is part of a global strategic deployment by the highest levels of the British Empire on behalf the Anglo-Dutch financial syndicate, intent on destabilizing the United States from Day One of President Obama's term of office.

For those who doubt the British determination to derail the new Obama Administration from applying its full concentration to reversing the worst financial-economic disintegration in modern history, by luring it into a strategic folly, in response to the fraudulent claim of genocide by President Bashir, Nicholas Kristof's Dec. 27 column in the "liberal" *New York Times* let it all hang out.

Kristof wrote that Bush Administration officials leaked to him plans to attack Sudan, in the hope that Obama will show more "political will" than has President Bush. Amb. Richard Williamson, Bush's special envoy to Sudan, in a memo to the President, expressed his frustration with Bush's lack of commitment to attack the Bashir government. This memo, written last Fall, found its way into Kristof's column.

Williamson outlined his plan of attack against Sudan, which Kristof claims "will soon be on the president's [Obama's] desk." It advocates three types of action:

- jam all communications, telephone lines, cell phones, and Internet service, in Sudan's capital of Khartoum;
- establish a naval blockade to prevent oil and other commodities being shipped through the Port of Sudan;
- destroy Sudan's helicopter gunships on the ground, in a nighttime attack; wipe out its military aircraft on the ground.

Genocide: Propaganda vs. Reality

The green light for the attacks would be the expected indictment of Bashir, for crimes against humanity and genocide, by the three-judge panel of the misnamed International Criminal Court (ICC), which is expected to hand down its ruling in late January or early February. The indictment was drawn up by Luis Moreno-Ocampo, who is multiply-linked to Nazi towel boy and global drug promoter George Soros's networks, which specialize in instigating regime change around the world.

Williamson told a Washington audience on Dec. 8, that once the ICC issued its indictment, there would be a meltdown in Sudan, describing what in reality will be far worse—the opening of "Gates of Hell" in Africa. Bashir signed the Comprehensive Peace Agreement (CPA), which ended decades of war between Sudan's North and South in 2005, and which provides for a series of benchmarks leading to a nationwide referendum in 2011. The Sudan People's Liberation Movement, which signed the peace agreement with Bashir, opposes the ICC indictment, because it would all but guarantee a return to war, which would spill over into other African countries.

The indictment hangs on a several-year-long propaganda campaign accusing Bashir of genocide against the people of Darfur. There is not now, nor has there ever been, any evidence of these allegations. The only government to make such a charge is the U.S., in 2004, by then Secretary of State Colin Powell. No official from any United Nations agency has supported the charge of genocide, nor has any other government, parliament, or multi-national body in the world.

In 2003, rebel forces attacked government installations in Darfur, killing hundreds of ill-equipped police and other law-enforcement personnel. This had a disastrous impact on the security of the region, and on critically needed people such as educators and medical personnel, in a region already stricken by drought. The government counter-deployment resulted in widespread killing. Military deployments by insurgents and counter-deployments by government forces in Africa, are ugly, very ugly, but that does not amount to genocide.

There is, however, genocide in Africa: In the Democratic Republic of Congo, over the last decade, 6 million Congolese have been killed, not by war, but by deliberate withholding of food, water, and medicine by the proponents of the IMF free-trade system.

Afghan Opium and Terror in South Asia

by Ramtanu Maitra

Dec. 29—Following the Mumbai massacre (Nov. 26-29, 2008), many “important” personnel moved through the Indian Subcontinent, ostensibly with the intent of unearthing the ghastly plot that killed at least 200 people and made a mockery of India’s security. During the visits of these “important” personnel, and subsequently, only one person mentioned the thousands of tons of opium (8,200 tons in 2007, and reportedly, 421 tons of heroin) produced year after year in Afghanistan, as a major cause of the growing terrorism in the region. In reality, the huge amount of opium is allowed to be produced not only to finance terrorists and illegal gun manufacturers, but also to infuse cash into the bankrupt world financial system, through the offshore banks.

That voice of reality was heard from Moscow when, in an interview with the Russian government daily *Ros-siskaya Gazeta*, Russia’s federal anti-narcotics service director Viktor Ivanov said: “The gathered inputs testify that regional drug baron Dawood Ibrahim had provided his logistics network for preparing and carrying out the Mumbai terror attacks.” Ivanov said the Mumbai attacks were a “burning example” of how the illegal drug-trafficking network was used for carrying out terrorism.

“The super profits of the narco-mafia through Afghan heroin trafficking have become a powerful source of financing organized crime and terrorist networks, destabilizing the political systems, including in Central Asia and Caucasus,” Ivanov said at the fifth India-Russia meeting of the joint working group on combatting international terrorism, in mid-December. The Indian delegation was led by Vivek Katju, Special Secretary in the Ministry of External Affairs; the Russian delegation was led by Anatoly Safonov, Special Representative of the President.

The Drug-Led Corruption

While Dawood Ibrahim’s involvement has been tossed about in the media, what Ivanov said never got through to the investigators. Or, is it that the drug angle



was deliberately ignored, in order to abort the investigation by resorting to blame games, with the purpose of ending up nowhere?

The Dawood angle was also pointed out in the *Asia Times* by Raja Murthy on Dec. 9, when he said it is likely that, despite all the noises that are made in New Delhi, India really does not want Dawood back. His argument goes: “The catch is that India’s most infamous mafia boss has stories that powerbrokers on both sides of the border might not want the world to hear. Therein lays a reason why Ibrahim apparently continues to live lavishly—alternating between Karachi and Dubai in the United Arab Emirates, according to various reports including from the Pakistan media.”

Be that as it may, it is nonetheless true that there is hardly anyone with “power and authority” in Mumbai—and that includes Shiv Sena supremo Raj Thackrey and mainstream politician and former chief minister Vilasrao Deshmukh, among many other political luminaries,

law-and-order bigwigs, and almost the entire group of tax-evading Mumbai movie moguls—who is not on the take from this drug-pushing, murderous creature, now under the wings and threats of the Pakistani Inter-Services Security (ISI), British MI6, and the CIA.

But, then again, like the terrorist groups Lashkar-e-Taiba, Jaish-e-Muhammad, Hizbul Mujahideen, Harakatul Mujahideen, et al., creatures like Dawood would remain active as long as drugs are grown aplenty to serve the interests of the powers-that-be, and to fill the coffers of bankrupt banks. That is how Dope, Inc. survives and flourishes. The deaths of common citizens are “collateral damage” that the powers-that-be ignore, by diverting attention in such ways as blaming others and creating war-like situations.

This is exactly what has been promoted through a pantomime orchestrated by New Delhi and Islamabad. Instead of addressing the devastating role of thousands of tons of opium, produced annually in Afghanistan and distributed all over, fostering terrorists in Pakistan and bringing misery to India, New Delhi and Islamabad chose to flex their muscles, providing the terrorists and jihadists alike, with a rare opportunity to portray themselves as “patriots.” Would bringing troops to the India-Pakistan border eliminate terrorism? Did it ever achieve this objective? Would anybody with an iota of sense believe that? Then, why do it? Why create a situation in which some mischief-makers could create an incident leading to armed confrontations and the deaths of many, while solving nothing? Why? Why?

The Coverup

The answer to that question is basically the unwillingness of political leaders to protect their citizens, and instead, to kowtow to the powers-that-be. The 8,200 tons of opium, when a large chunk of it is converted into heroin, generates a lot of cash. It could be as high as a couple of hundred billion dollars when cut, re-cut, and sold to addicts in Russia, England, and elsewhere in Europe. It brings in about \$100 million for the Taliban and other brands of terrorists, or jihadis, or Hindu Tamil Tigers, or Shiv Sena—you name it. That amount, generated annually, is enough to arm and train hosts of terrorists stretching from Chechnya, to Urumqi, to Mumbai. When one group of terrorists is exposed, it is converted to another brand. It is also a boon for the powers-that-be, that opium money is acceptable to all “devoutly religious” terrorists, be they Islamists, Hindu fanatics, or Sikh Khalistanis. That money has no color.

It is also known that the global financial system, which is the quintessential Anglo-Dutch Liberal system designed in the 18th Century to loot the colonies, and imposed on the war-ravaged world in 1944 after President Roosevelt’s death, is presently in its death throes. The City of London is bankrupt, Wall Street is bankrupt, and the only cash that “could” keep the collapsed financial system going is drug money. This drug money, at least a good part of it, is generated in this area, with the help of Dawood Ibrahim, who works overtime on behalf of the British and runs his operation through British-controlled Dubai. Drugs come into Dubai by means of Dawood’s “mules,” protected by the ISI-MI6; and in containers which carry equipment sent to Dubai for “repair” from Kandahar and elsewhere in southern Afghanistan. British troops control the southern Helmand province in Afghanistan, where 53% of Afghanistan’s gargantuan 8,200 tons of opium were produced in 2007.

The drugs are converted to cash in Dubai, where Dawood maintains a palatial mansion, similar to the one he maintains in Karachi. Dubai is a tax-free island-city, and a major offshore banking center. The most common reason for opening an offshore bank account nowadays is the flexibility that comes with such an account, and expatriates can particularly benefit from an offshore bank account, as it will likely allow them to manage their international financial commitments with ease.

With the development of the Dubai International Financial Centre (DIFC), which is the latest free-trade zone there, flexible and unrestricted offshore banking has become big business. Many of the world’s largest banks already have a significant presence in Dubai—Abbey National Offshore, HSBC Offshore, ABN Amro, ANZ Grindlays, Banque Paribas, Banque de Caire, Barclays, Dresdner, and Merrill Lynch all have offices there. And as drug production continues in Afghanistan, and bankruptcies galore take place worldwide, more banks will surely “find” Dubai.

Drugs and Offshore Banks

Besides Dubai, most of the offshore banks are located in former British colonies. Exceptions include Cyprus, Switzerland, Liechtenstein, Dominica, Cape Verde, and the Turkish Republic of North Cyprus. But the vast majority are situated in former British colonies, and all are involved in money laundering: Legitimizing cash, generated from drug-sales and other smuggled



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Dubai, an island-city in the United Arab Emirates, has become a drug-money-laundering and offshore banking center. Dawood Ibrahim maintains a mansion there.

goods, for the “respectable banks,” is the watchword of these offshore banks.

Arguably the most important of the Caribbean offshore financial centers is the Cayman Islands, a British Overseas Territory run by a royal governor appointed by Queen Elizabeth II. The Caymans are mainly a mail drop and regulation-free zone, a place where hot money is welcome and few questions are asked.

It is well known in law enforcement circles that the dope trade would quickly choke on its own cash were not a significant portion of the global financial system devoted to money laundering. The offshore centers in the Caribbean were set up to facilitate the Central American drug trade, and have expanded with it.

Overseeing the Caymans financial system are a number of imperial operatives. The royal governor, Stuart Duncan Jack, is a knighted Commander of the Royal Victorian Order. The Cayman Islands Monetary Authority is run by Timothy Ridley, who was made a Knight of the Order of the British Empire. Richard Rahn, a member in the Board of Directors of the Cayman Islands Monetary Authority, was an economic advisor in the 1980s to President George H.W. Bush; now he heads the European Center for Economic Growth and is a member of the oligarchical Mont Pelerin Society.

In other words, the drugs that Dawood’s mules carry are doing a yeoman’s service for the Anglo-Dutch global financial system, as well as for the terrorists who

are killing innocents all over the world. Why make waves about that, New Delhi ponders.

Moreover, Indians know better than most others that where there is opium, there are the British. In Helmand province, British troops rule the roost—or rather, take good care of the City of London’s valuable cash. In India, as Prof. Amitav Ghosh (author of *Sea of Poppies*) pointed out during his research work, the British Empire, in the late 18th Century, became so dependent on the opium trade, that almost 60% of its revenue was generated from opium sales. Ghosh says if there had been no opium, the British Empire would have died in a minute.

That tradition continues even today. Wherever there is opium,

Anglo-Dutch financiers and their American despot friends, like bees seeking honey, set up their houses. Pakistan’s powers-that-be are fully immersed in enjoyment of the drug money, at the expense of being about to lose the western part of Pakistan. But India is no less affected by it; things work differently there.

In India, when the British finally left, partitioning this country, there were about 550-odd princely states. Because of the nature of their set-up, these were completely under the grip of Whitehall and Buckingham Palace. These miserable feudal lords used to spend whatever fortune the British allowed them to have, in British hotels and brothels, vying at the same time for “rewards” from the British monarchy. This despicable class of feudalists in India was downright anti-national, and the worst of the British lackeys, to say the least.

In India, the first legislation to curb the cultivation and production of opium was through the Bengal Regulation Act 4 1797 which made cultivation, production, and trade in opium a monopoly of the East India Company in the territories controlled by it. Further, the Company tried to control the trade in opium in the princely states, by creating huge transit barriers: transit tax and customs duties for the opium exported through its territory and ports. Incidentally, all the seaports were held by the East India Company. The next regulations to control opium cultivation, production, and trade were the Opium Acts of 1858 and 1878.

Subsequently, the British created mechanisms for controlling production, processing, vending, and exporting of opium, making huge profits. They began with Patna opium (in Bihar and United Provinces); extended their control over Telengana opium in the princely state of Hyderabad, under the Nizam. But it was much later that they managed to control Malwa opium, produced in today's states of Madhya Pradesh and Rajasthan. Capital formation in western India was directly linked to the smuggling of opium to China with the help of Parsee, Marwari, and Gujarat entrepreneurs. The British also made large profits through taxes on local consumption, because they were the monopoly suppliers. While, for the British, the Dutch, and other colonial powers, opium was a major article of trade, the United States did not get involved in the opium trade, although a number of New England families, some of them later known as the "Boston Brahmins," transported opium to China. In the post-colonial period, the United States became heavily involved in the Central American cocaine traffic, and, during the 1980s, with Afghan opium.

The Princely State Connection

Unfortunately, the former princely states' connection to the drug inflow has not ended, particularly among the states bordering Pakistan, whence almost all Afghan opium comes into India. A number of former princely states, such as the House of Gwalior, continued to remain involved in illegal domestic opium trafficking. It is opium and heroin, entering from Pakistan, that comes through many of these former princely states, where the old drug-network still survives.

The March 2008 annual report of the International Narcotics Control Board noted increased trafficking and abuse of cannabis and heroin in South Asia. West African traffickers have targeted countries in South Asia, particularly India, for cocaine trafficking.

The report further said: "South American cocaine is trafficked to India in small quantities where it is exchanged for South-West Asian heroin bound for Europe and North America. India is increasingly being used as a major transit country and also as a destination country for drug trafficking. Cross-border smuggling is relatively easy because of the porous borders between Bangladesh, Bhutan, India and Nepal. Illicit cultivation and abuse of cannabis continue to be a problem in most of the countries in South Asia." It has also been noted that opium and heroin enter India through Punjab, where at

least four former princely states exist, as well as through Gujarat, Rajasthan, Jammu and Kashmir, and Mumbai, among other areas.

The Case of Three Terrorists

This brings us to the events of 1999, and the release of three top terrorists to the Taliban in Kandahar, in order to gain release of 188 hostages. Those three terrorists, Mushtaq Ahmed Zargar, Ahmed Omar Saeed Sheikh, and Maulana Masood Azhar, who were in Indian jails, were personally delivered by the Indian External Affairs Minister and scion of the former princely state of Jodhpur, Jaswant Singh. Jodhpur lies along the Afghan opium drug route into India.

This raises many questions. To begin with, all three were top-drawer terrorists. Mushtaq Ahmed Zargar has renewed the activity of al-Umar Mujahideen in Muzaffarabad, close to the Line of Control, in the disputed state of Jammu and Kashmir, and is recruiting and training youth to carry out terrorism in the Indian part of Kashmir.

Maulana Masood Azhar hit the headlines again following the Mumbai massacre, when New Delhi demanded that Islamabad hand him over as a "test of sincerity." Masood Azhar founded the terrorist group Jaish-e-Mohammed, and was identified by Indian investigators as the one who masterminded, along with the Pakistani ISI, the audacious attack on the Indian Parliament in December 2001. That assault left 14 people dead, including all five terrorists, who India says were also Pakistanis. The incident almost led to war between India and Pakistan.

Ahmed Omar Sheikh Saeed, a British subject, is perhaps the biggest fish in the kettle. He is an MI6 agent who was recruited to serve in Kosovo. Later, he was sent to the state of Jammu and Kashmir, where he kidnapped foreigners and was arrested. Following his release, Sheikh was named as an accomplice of one of the 9/11 terrorists, and later slit the throat of Daniel Pearl, an American journalist investigating the terrorist links. Although London vehemently denies that Sheikh is an MI6 agent, Sheikh's role in the Subcontinent makes it necessary for MI6 to deny his post-Kosovo affiliation to British intelligence.

This raises another question: Was Sheikh's release obtained through pressure from London, using a scion of a former princely state? Since so many people have since been killed by these released terrorists, it is worth getting the answer to that question.

International Intelligence

London Demands Zimbabwe Invasion, Regime Change

The *Times* of London claimed Jan. 2 that the situation in Zimbabwe is so bad, that the only solution is to have a multinational military force invade the country, to depose President Robert Mugabe. The *Times* is taking the lead in the campaign to blame the problems hitting the country on Mugabe, and not on the nine years of economic warfare which have wrecked the country which once had the highest cultural levels in Africa.

While the *Times* has to admit that the probability of such a development is remote, the purpose of this psychological warfare campaign is to create an environment which will keep the Obama Administration from joining leaders from southern Africa, to defend the sovereignty of Zimbabwe.

The *Times* attacks the African Union and former South African President Thabo Mbeki, as well as South Africa under its present leadership, for not going along with the plan to wreck Zimbabwe.

Meanwhile, opposition leader Morgan Tsvangirai's refusal to participate in the government, which he agreed to do during negotiations led by Mbeki, is now being used as the pretext for more economic warfare against Zimbabwe by leading members of the London-led Commonwealth, and the Bush Administration. Tsvangirai has remained in neighboring Botswana, at the behest of his Anglo-Dutch controllers.

Key Land-Bridge Tunnel Completed in Western China

A railway tunnel through Xinjiang's Tianshan Mountain Range in China was completed Dec. 28 after four years of efforts.

This 8.5 mile (13.6 km) tunnel, which links Jinghe, Yining, and Korgas, all in western Xinjiang Uyghur Autonomous Region, constitutes a vital part of a rail-

way that is designed to connect China and Central Asia, as part of a second land-bridge route. Rail-laying work in the completed tunnel will start in March.

China's first railway to Central Asia runs from Urumqi to Alataw Pass on the China-Kazakhstan border.

World Advances in Space As U.S. Awaits New Leader

The greatest "great project," that of exploring the universe, made significant strides in 2008, with China's first space-walk, India's first deep-space probe to the Moon, and the regaining of momentum in the Russian space program. But the broadest and most in-depth space program on the planet—that of the U.S.—is awaiting a new administration, an economic transformation, and a clear mandate.

India's highlight was the Chandrayan-1 launch to the Moon in October. The Chandrayaan-1 team received the International Lunar Exploration Working Group's International Cooperation Award in 2008 for having the most international payloads in any lunar mission—out of 20 countries. In 2008, India built its first satellite for a foreign customer, the European consortium Eutelsat. Beside its own missions in 2009, India will launch satellites for Singapore, Italy, Algeria, and The Netherlands.

Russia ended 2008 with the launch Dec. 25 of three Glonass navigation satellites, as Prime Minister Vladimir Putin and Roskosmos promised they would do before the end of 2008. The constellation can now cover all of Russia's territory. Russia carried out 27 launches this year, beating last year's record of 26. It has announced 39 launches for 2009, starting with the Jan. 29 launch of the Complex Orbital Near-Earth Solar Activity satellite (Coronas).

China ended 2008 with 11 space launches, a record. The last was the Dec. 23 launch of a new weather satellite. The most spectacular flight was the three-man Shenzhou VII mission in September, with China's first EVA, or space walk. One issue on the agenda for the new U.S. Ad-

ministration will be space cooperation with China, which has great technical potential and strategic importance, and went nowhere during the Bush years.

NASA has no clear direction yet from the incoming administration. A dust-up between the transition team and Administrator Mike Griffin, has cast doubt on whether Obama will keep Griffin on at the agency.

Soros Escalates Drug War On U.S. Southern Border

The world's leading drug-pusher, George Soros, and his British controllers have unleashed their drug cartel in a war against Mexico, thus opening another flank in the global war they are handing the incoming Obama Administration.

The bestiality of the drug cartels is terrifying Mexico. Its Defense Department issued a December estimate that a half-million Mexicans are involved in drug-trafficking in Mexico, and at least a third of them are former military officers. More than 5,300 people were killed in the country in cartel-related violence in 2008. The kidnapping in Saltillo, Coahuila in early December, of an American expert in negotiating the release of kidnap victims, has caused panic in executive circles, who view the kidnapping as a message that all "rules of the game" are being broken.

This same Dope, Inc. apparatus is totally operational *inside the U.S. as well.*

The 2009 National Drug Threat Assessment issued this month by the Department of Justice recognizes cocaine as the single greatest drug threat to the United States. Ninety percent of all cocaine entering the U.S. comes through Mexico. Mexican Drug Trafficking Organizations (DTOs) "represent the greatest organized crime threat to the U.S.," the report states.

What no one but Lyndon LaRouche and his collaborators have dared say, however, is that that this war is being run by Soros and his sponsors, the Dope, Inc. financiers who run the drug trade.

END THE BAILOUTS!

New 'Pecora Hearings' Now! GMAC 'Bank' Deal Is Blackmail

by Paul Gallagher

Jan. 2—Ever since the September 2008 wave of popular revulsion against a \$700 billion bailout of banks, Americans' anger has been building against what is now \$8 trillion—and rising—in bailout commitments to financial firms, while the economy plunges faster and faster from underneath the people. Worse than the bailouts themselves, are the pervasive evasions and lying by government agencies about the huge and scandalous losses and frauds which supposedly “leave the nation no choice but” these bailouts. Congress, with the heads of its major financial committees essentially taking orders from the Treasury and Wall Street, has not started a serious investigation yet.

That is about to change, and the turnaround needs to be immediate, to enable the incoming Obama team to attack the worst financial collapse in history at its root, and put a “firewall” between that collapse and the big job of trillions in new investments to rebuild the productive economy.

The equivalent of the 1932-34 “Pecora hearings,” which laid the House of Morgan's 1920s crimes bare before the American people, is necessary *this month*, to stop the bank bailouts so that real economic investment can begin.

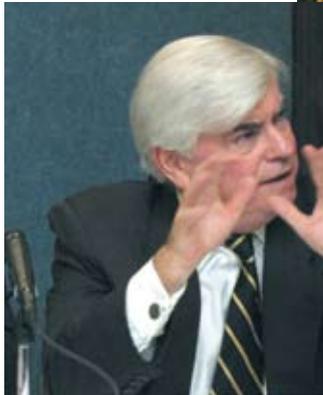
On Dec. 30, economist Lyndon LaRouche, outraged that the bankrupt derivatives pile called General Motors Acceptance Corp. (GMAC) LLC has been anointed a “bank” by the Federal Reserve, and instantly bailed out

by the Treasury, renewed his demand for “new Pecora hearings” by Congress in January, to investigate the swindles that have triggered the greatest financial breakdown crisis in history. LaRouche called for House Resolution 1452, “Establishing the Select Committee on Financial Bailouts,” of Reps. Marcy Kaptur (D-Ohio) and Scott Garrett (R-N.J.), to be taken up and passed immediately.

LaRouche PAC TV produced a nine-minute video on the crucial role that hearings like those headed by New York District Attorney Ferdinand Pecora played in launching President Franklin Roosevelt's “100 Days.” The video was posted at www.larouchepac.com on New Year's Day (see p. 68).

“This GMAC scandal shows the need for an immediate creation of a ‘Pecora Commission,’ right now,” LaRouche said. He denounced as blackmail, any idea that the GMAC bailout will “save a single auto sector job,” and therefore has to be tolerated by Congress. “What you run up against in this auto thing, is people say, ‘We need to save the jobs.’ But there is *no* intent to save any jobs. There is only the intent to bail out financial interests. GMAC shows that luridly. They're talking about a commitment of government bailout funds, that the Congress doesn't know anything about.”

The famous 1932-34 Senate Banking Committee hearings, in which New York City District Attorney Ferdinand Pecora was the chief investigator, probing the



EIRNS/Dan Sturman

Sen. Christopher Dodd's (above) Banking Committee hearings, from the Bear Stearns collapse onward, have been a whitewash of Wall Street, effectively guided by Treasury Secretary Hank Paulson (right) from Goldman Sachs.



EIRNS/Will Mederski

GMAC

The swindle of the “GMAC Bank” bailout echoes the 1931 blowup of Samuel Insull’s electric utility holding company empire. It’s not meant to stop the collapse of auto jobs, just the collapse of GMAC’s bad debt and derivatives.

GMAC LLC became a “bank” with \$161 billion in debt it can’t pay, all of it junk debt, failed mortgage assets, and failing car-loan assets, and losses of \$8 billion over the last seven consecutive quarters. The Federal Reserve declared GMAC a “bank” on Dec. 26, despite its repeated failure for two months to meet Fed criteria that were specially tailored and promulgated to enable it to become a bank! And one weekend later, on Dec. 29, the Treasury capitalized “GMAC bank” with \$6

swindles of the J.P. Morgan and Insull holding companies, helped make possible President Franklin Roosevelt’s bank reorganization and New Deal. It exposed the criminality of the speculation which caused the financial collapse of 1929-32; Samuel Insull, and J.P. Morgan’s Edward “Jock” Whitney, wound up in prison; and the American people knew what FDR was fighting.

billion—“The deal is concluded, and the GMAC bank already has the money,” was the Treasury announcement on Dec. 30. An anonymous Treasury source told the *Detroit News*—also quoted by Bloomberg News—“Congress will simply have to authorize the other \$350 billion.”

Stinking Blackmail

The scandal of the GMAC bailout stinks to high Heaven. The creation of this phony “bank holding company” was done through the manipulations of the big Cerberus Capital Partners’ Wall Street hedge fund—and also by manipulating GM itself, Chrysler Corp. (which Cerberus owns), Delphi Corp., and Lear Corp., major auto suppliers. It evokes Samuel Insull’s infamous 1920s, Morgan-financed holding company empire, which was the Pecora hearings’ first investigative target.

“That’s blackmail against Congress,” LaRouche noted, “and against their constituents who overwhelmingly oppose these bailouts. This happened before. The Pecora hearings investigated it and stopped it. It’s the same swindle. Pecora investigated Insull and Morgan. Today the GMAC/Cerberus swindle is just like that of Insull and Morgan. It’s the same corruption in government today, by the outgoing Bush Administration.”

Today’s Treasury is run by a moonlighting Goldman Sachs CEO, Hank Paulson. Having used up the \$350 billion first tranche of the so-called TARP bank-bailout funds authorized by Congress, the Treasury proceeded to capitalize the GMAC LLC “bank” with funds which Congress has not agreed to, and which most Congressmen oppose.

The biggest holders of the mass of GMAC debt have wound up, in this swindle, with *repayment priority over the Federal government’s preferred stock*, if and when “GMAC Bank” goes under.

Madoff Bundler Runs GMAC

The GMAC “bank” swindle overlaps the scandal of Bernard Madoff’s \$50 billion Ponzi scheme. The head of “GMAC Bank”—installed as CEO of GMAC by Cerberus Capital Partners 30 months ago—is a hedge fund operator, Ezra Merkin, who runs Ascot Partners. Merkin threw virtually all of his Ascot investors’

money—\$1.8 billion—into Madoff’s scheme, collecting 1.5% himself for the “service.” Ascot Partners is registered in the British Crown’s Cayman Islands, which should be the focus for any serious investigation of Madoff’s Ponzi scheme. How much in GMAC-based derivatives bets did Merkin throw into Madoff’s black hole? Word on “the Street” is that Merkin, “completely discredited,” will have to resign as head of “GMAC Bank.” Resign or stay, he should be a witness called by a Select Committee on the Bailouts.

But bad as the GMAC scandal is—making a “bank” insolvent at its creation, a bank whose CEO is a big Bernie Madoff enabler, purely to bail out the junk debt of that “bank”—LaRouche stressed that the investigation could start with derivatives bubbles, with Madoff’s Ponzi scheme, ratings agencies, Wall Street’s lying mortgage securitization wave, with the swindling of states and municipalities on their bonds, or with GMAC. What’s crucial is to expose “who bought whom, and when?” to set off the wild speculation and 50-to-1 “leveraging” of the cash flows of “globalization”; to leave it all unregulated, and devastate national economies. In short, how was history’s biggest and most destructive financial bubble created?

LaRouche spoke directly of local constituencies’ strong interest in “Pecora hearings.” “The swindling of states and municipalities around the country by these Wall Street banks—as in the case of Birmingham, Alabama, sent into bankruptcy by financial derivatives sold to them by JPMorgan Chase—is another powerful reason for a new ‘Pecora Commission’ today. So also is the Madoff scandal.

“Given the horrible condition that states and cities find themselves in,” LaRouche said, “I call on my friends in the state legislatures, the city councils, the mayors’ and governors’ offices, to contact your Congressional delegations and get them to act, now.”

LaRouche noted that his LaRouche Political Action Committee had mobilized widespread constituency pressure on Congress in support of his Homeowners and Bank Protection Act (HBPA) of 2007, which would have put up a “firewall” protecting the economy from the banks’ breakdown crisis. Congress was blocked at the brink of introduction of the HBPA, and panicked into futile bank bailouts instead. “Now the entire system is collapsed, the economy is facing ruin. We must mobilize those constituencies to get a Congressional ‘Pecora hearing’ going immediately. This is the way to break [Speaker Nancy] Pelosi’s grip on the Congress.”

Tell the Bankers: ‘Straighten Up Your Pecker, Face Reality’

LaRouche PAC TV’s video, “Straighten Up That Pecora!” dramatically shows how the 1932-34 “Pecora hearings” shackled the power of J.P. Morgan’s bank empire—“a formidable rival to the government itself,” as Ferdinand Pecora later wrote. Such a spotlight today can create the outrage needed for solutions to the economic collapse.

Stirred up by the new President Franklin Roosevelt’s inaugural words about “the money changers [who] have fled from their seats in the high temple of our civilization,” the American people learned the black truth about whom FDR was fighting to save the U.S. economy, in the hearings of the Senate Committee on Banking, Housing, and Urban Affairs. They became “the Pecora hearings” due to the incisive and relentless investigation and questioning of the leading bankers, by former New York District Attorney Ferdinand Pecora.

Without the revelations of the Pecora hearings—at their most dramatic before and after Inauguration Day 1933—FDR would not have been able to follow up his immediate banking reorganization, TVA, and public works legislation, keeping Congress in session to produce regulation: the Securities and Exchange Commission, the FDIC, and Glass-Steagall. Sen. Carter Glass, although fighting with Pecora over his brutal questioning of bankers, was pushed into crafting the crucial Glass-Steagall Banking Reform Act of 1933, which separated commercial and investment banking, and thus regulated bank “leveraging” of debts into “assets.” Its 1999 repeal facilitated the orgy of “leverage” which triggered today’s collapse; its reinstatement is urgent now.

A Republican, Pecora was appointed by a Republican Banking Committee in 1932, which then sat on his investigations, until FDR’s election and a Democratic sweep of Congress sounded the gun. By his inauguration, the President and the investigator were conferring regularly. Their plan was “pitiless publicity,” in FDR’s words, to reduce the power of London-Wall Street bankers who had cowed the U.S. and other governments. They effectively put Wall Street in the dock. It was FDR who suggested that the panel call J.P. Morgan, financier of the currency operations of the Bank of Eng-



Edison National Historic Site

Senator and banker Charles G. Dawes (right, seen here with President Calvin Coolidge, left) was told to straighten up and face the music—no more bailouts. Dawes had loaned out his bank to Samuel Insull's (above) Morgan-financed holding company bubble, then demanded bailouts when it collapsed.



Library of Congress

land, Mussolini's central bank, and Hjalmar Schacht's Reichsbank, to testify.

Pecora first went after the empire of electric-utility holding companies of Samuel Insull, initially financed by Morgan, which had used the utilities' cash flows to create mountains of unpayable debts and watered stocks before it collapsed. Like the auto industry speculations of Cerberus Capital Partners and other big hedge funds today, Insull's holding companies had also robbed the new electrical industries of *physical investment* and jobs, and helped keep most of the country unelectrified.

Pecora went after the practices of the commercial banks, establishing that some of the most powerful CEOs, like Charles Mitchell of National City and Albert Wiggen of Chase, had lied to their shareholders, manipulated stocks for their own benefit, and made exorbitant profits.

Then, beginning May 24, 1933, Pecora took on J.P. Morgan, Jr. himself. He exposed the banks Morgan

controlled, the companies he controlled, the Federal judges his empire bought and controlled, the elected officials of both parties it controlled—the control, for example, of Presidents Coolidge and Hoover by Morgan's man Treasury Secretary Andrew Mellon. Substituting today's Goldman Sachs, gives you many of the controllers in the Bush Treasury, government regulatory agencies, Federal Reserve, etc.

The case of banker and Sen. Charles G. Dawes, “rescuer” of Germany's unpayable World War I debt with the Dawes Plan bailout, epitomized the Pecora hearings. Dawes was a member of the Senate Banking Committee, which held the hearings. After his own bank, Central Republic Bank and Trust Co., had been bailed out in early 1932 with a \$90 million loan by Herbert Hoover's Reconstruction Finance Corp., Dawes pounded the table and made a show

during the hearings on Insull's empire. But by the end of February 1933, it seemed that Dawes' bank desperately needed *another* bailout. One reason: Dawes had used the bank's loans to Insull's holding companies as collateral for the Federal bailout loan! He had loaned Insull more than 15% of his bank's total assets, which would have been outright illegal, had Dawes not cleverly spread the loans around to various of Insull's creations.

So, as FDR was taking office in early March 1933, the table-pounding Senator Dawes became the desperate banker Dawes, phoning Roosevelt's Treasury Secretary-designate William Woodin several times a day, crying for the second bailout. Finally Woodin told an aide, “Tell him to straighten up his pecker and face reality. We're not giving him a loan.”

RE-CREATING THE REPUBLIC

How Lincoln Organized Victory for the Union

by H. Graham Lowry

We reprint this article in celebration of the 200th anniversary of Abraham Lincoln's birthday on Feb. 12, 1809. It originally appeared in EIR, Aug. 29, 2003.

Historian Graham Lowry, a longtime associate of Lyndon LaRouche, and author of How the Nation Was Won: America's Untold Story, Volume I, 1630-1754, died on July 28, 2003. During his last year, despite worsening illness, he gave several classes to regional offices of the LaRouche movement, on his ongoing research on Abraham Lincoln. He was particularly eager to impart to the burgeoning LaRouche Youth Movement, the real history of their nation—the history that they are not taught in schools, where they learn that the Founding Fathers were slaveholders, and Lincoln was a racist who only wanted to save the Union and didn't really care about abolishing slavery. The following article, which was edited by his wife, Pamela, draws from classes he gave in Arlington, Virginia; New York City; and Baltimore, Maryland, as well as from notes for an article he had intended to write.

The United States in 1860 was on the brink of total destruction. Abraham Lincoln knew it; a handful of other patriots knew it on one level or another; and the plotters seeking to overthrow the government were becoming bolder every day. What was the threat to the constitutional republic in 1860? Secession? The spread of slavery? Civil war? These dangers by then had been broadly recognized—even openly promoted by leading Southerners. But these were secondary aspects of a planned coup d'état to bring the constitutional republic of the

United States to an end. Abraham Lincoln dared to shoulder the unique responsibility for simultaneously defending the republic from its enemies and creating the conditions for a lasting peace. As he said in his Cooper Union address in 1860: “Neither let us be slandered from our duty by false accusations against us, nor frightened from it by menaces of destruction to the Government, nor of dungeons to ourselves. Let us have faith that right makes might, and in that faith let us, to the end, dare to do our duty as we understand it.” Who was this Lincoln, this ugly duckling who told rollicking frontier tales and wrote in the beautiful language of the English Renaissance?

The Mind of Abraham Lincoln

Now, what I am going to try to do, is to enable you to actually exist within the mind of Abraham Lincoln, for awhile, and, of course, if you keep working on it, you can keep doing it for a long time. Not merely is Lincoln one of the most significant examples of the leadership principle in the American historical tradition; but he is that, anywhere in world history. In a crisis such as this nation and the world face today, the advantage that you have, is that you can turn to a model of the leadership principle, in the sense that I'm going to demonstrate with Lincoln. And you will find that all kinds of, say, lieutenants; and rank and file, good citizens, and so forth, whose efforts on behalf of keeping something called “human,” something worthwhile about human life going forward, do it through their grandchildren, either literally or figuratively. We have the responsibil-



PRNewsFoto

When President Lincoln learned that the Union Army had taken possession of the Confederate capital, he exclaimed, "Thank God, that I have lived to see this!" Although the area was still dangerous, Lincoln insisted on visiting Richmond—not as a conqueror, but to heal the wounds of war and reunite the nation. Shown here is a model of the statue in Richmond, commemorating Lincoln's visit to the city in April 1865, with his son Tad. The statue was unveiled in April 2003.

ity now to ensure the future of those children two generations into the future. You don't wait around and see if they can work it out when they're 20 years old, because by that time there may not be a future.

And that's what makes you human: that you take the responsibility to extend the efforts that people made before you, and you start projecting them forward, and working to ensure them for another good span of time to come. And then, you find that these historical people are with you, not in some mumbo-jumbo sense, but in the sense that they will be resources that you can bring back into the war, that will live again through you, and that you'll be stronger because of them. And then people will recognize: "Wait a minute, there's something different about this person. This person represents something I can trust, and something that I will follow."

And that is what people did see in Lincoln; it took awhile for him to develop it, but when he did, it was unmistakable. It's why we defeated the British-inspired slave empire called the Confederacy, and kept it from destroying the only republic in the history of the world, a Constitutional Republic, that had as its principle, the

sacred creative potential of each individual citizen. I'm sure you've read something about the principle of the general welfare, the good of the whole society, and that the only purpose of government is to ensure that for the present and the future as well. If you have a government that starts saying, "Who can we go kill tomorrow? Let's find someplace where we don't like the way the people look, or the color of their skin, and then we'll bomb 'em! Torch 'em! Imprison 'em! Create dictatorships, create an empire." That's not the United States of America; that is not our mission in history.

And the people who've known what the mission was, have been the people who have come to the fore, when it was threatened. Lincoln had to do it. Franklin Delano Roosevelt had to do it, and Lyndon LaRouche has had to do it his whole life. And now, the enemies of the republic are at the end of their strength, and if we act in the right way now, they're going to lose. The question is, do we all go down with them, or do we save

something we would call a human future, in contrast to this barbaric dark age that will be the only thing to follow, without us?

The Wellsprings of Inspiration

So, I want to give you a sense of three things about Lincoln: the sources of his own inspiration, in this American Intellectual Tradition, as we call it; and his personal sense of mission; and then one of the best kept secrets, which is that he personally organized the Union Army to win the Civil War.

First, to find out about what inspired him, we must travel back to the year 1838. It was then that he made an address to the Young Men's Lyceum of Springfield, Illinois on the subject of "the perpetuation of our political institutions." Much had happened since those political institutions were founded in the wake of the American Revolution. Our inveterate enemy, the British Empire, hadn't waited long to try to reconquer the United States. In the course of the War of 1812 they burned the White House and the Capitol, hurled their Indian allies against the American frontiers, and tried to conquer New Or-

leans as a way of controlling the Mississippi and stopping any further westward settlement by Americans. Without the Americans setting up agriculture and industry in the western lands, the British would be free to expand the basis for a slave empire that would include the American South and Southwest, Mexico, and on down through Central America and beyond. This scheme would remain British policy through the Civil War, and furnished much of the motivating force behind the development of the Confederacy. It had also been a factor in the Nullification crisis in the early 1830s, when arch-slave-state South Carolina attempted to nullify the Constitution of the United States.

Despite early and very successful efforts, such as the Erie Canal, to develop American infrastructure, the Presidents after John Quincy Adams, such as Andrew Jackson and Martin van Buren, traitorously blocked internal improvements. In 1837, America suffered a manipulated financial panic, which led to a serious depression and, in some cities and towns, mob violence.

Lincoln was worried that the living memory of the American Revolution, which had sustained so many Americans, was almost gone, and that the new generation was unprepared to face the mounting threats. In his 1838 speech, he asked: “At what point shall we expect the approach of danger? By what means shall we fortify against it? Shall we expect some transatlantic military giant to step the ocean and crush us at a blow? Never! All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth (our own excepted) in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years. At what point then is the approach of danger to be expected? I answer, If it ever reach us it must spring up amongst us; it cannot come from abroad. If destruction be our lot we must ourselves be its author and finisher. As a nation of freemen we must live through all time, or die by suicide.”

The danger is, he says, that the Revolutionary War generation is almost gone, and the memories of that struggle “can’t be so universally known, and so vividly felt, as they were heretofore. At the close of that strug-



“Washington Crossing the Delaware,” by Emanuel Leutze. From boyhood, Lincoln was inspired by Washington, as he told citizens at Trenton, New Jersey in 1861. “I recollect thinking, boy even though I was, that there must have been something more than common that those men struggled for.”

gle, nearly every adult male had been a participator in some of its scenes. The consequence was that of those scenes—in the form of a husband, a father, a son, or a brother—a living history was to be found in every family. . . . But those histories are gone. They can be read no more, forever. They were a fortress of strength, but what invading foemen could not do, the silent artillery of time has done, the leveling of its walls—they’re gone.” The challenge he then puts forth to this audience is that they have to re-create, themselves, the props to sustain these institutions and these higher principles for which so many gave their lives. He says, “Let those materials be moulded into general intelligence, sound morality, and in particular, a reverence for the Constitution and laws. . . . Upon these let the proud fabric of freedom rest, as the rock of its basis; and as truly as has been said of the only greater institution, ‘the gates of hell shall not prevail against it.’”

Years later, on his way to his inauguration as President in 1861, Lincoln stopped to address the New Jersey Legislature at Trenton, a city which held special meaning for him. He told them that in “the earliest days of my being able to read, I got hold of a small book, such a one as few of the younger members have ever seen,

Weem's Life of Washington. I remember all the accounts there given of the battlefields and struggles for the liberties of the country, and none fixed themselves upon my imagination so deeply as the struggle here at Trenton, New Jersey. The crossing of the river; the contest with the Hessians; the great hardships endured at that time, all fixed themselves on my memory more than any single revolutionary event. . . . I recollect thinking then, boy even though I was, that there must have been something more than common that those men struggled for. I am exceedingly anxious that that thing which they struggled for; that something even more than National Independence; that something that held out a great promise to all the people of the world to all time to come: I am exceedingly anxious that this Union, the Constitution, and the liberties of the people shall be perpetuated in accordance with the original idea for which that struggle was made, and I shall be most happy indeed if I shall be an humble instrument in the hands of the Almighty, and of this, his almost chosen people, for perpetuating the object of that great struggle."

What Lincoln liked most about George Washington was that Washington would do the impossible. When it looked like the Continental Army was totally lost, had no chance at all, he said, "What don't they think we can do? We'll go do it." And that was how we attacked Trenton on Christmas Day, coming across the icy Delaware in shallow-draft boats, and surprising the whole drunken Hessian mercenary encampment. Then, Washington withdrew silently at night from right in front of a large British Army come to trap him, and captured Princeton. At the beginning of the campaign, the British held all of New Jersey, but after two such battles, they withdrew from the entire state into the "safety" of disease-infested New York City! Lincoln knew that Washington was someone to emulate and trust.

Lincoln's Sense of Mission

"I now leave, not knowing when, or whether ever, I may return, with a task before me greater than that which rested upon Washington," said Lincoln in his farewell address to his friends and neighbors in Springfield as he left for his inauguration. "Without the assistance of that Divine Being, who ever attended him, I cannot succeed. With that assistance I cannot fail. Trusting in Him, who can go with me, and remain with you, and be everywhere for good, let us confidently hope that all will yet be well."

Yet even as he boarded the train, American intelli-

gence agents were discovering a wide-ranging plot to assassinate him and take over the government. Since Lincoln's 1838 speech, an even more outrageous group of traitors had occupied the Presidential office, culminating in James Buchanan. Buchanan had been a very limp-wristed minister to the Court of St. James, and had fallen right in with the British plans for a slave empire by signing the Ostend Manifesto, which called for the occupation of Cuba and the extension of slavery. Once the slave-holding states saw that Lincoln had been elected, they started to secede, but President Buchanan made no attempt to keep them from seizing all the Federal property they could get their hands on, including arsenals, forts, Navy yards and ships, and Federal buildings of all descriptions. Not content with that, Buchanan's Cabinet members openly spoke of how to keep Lincoln from being inaugurated, while the official government newspaper, subsidized by the Administration, called for the "insulted" slave owners to secede!

Buchanan's message to Congress on Dec. 4, 1860 presented a government in willful paralysis. Secession, he said, was unconstitutional, but there was no power in Congress or the Executive to compel a state to remain in the Union. It was the duty of the President to enforce the laws, but in the existing situation in South Carolina it was utterly impossible for him to do so. "The fact is," Buchanan wrote, "that our Union rests upon public opinion, and can never be cemented by the blood of its citizens shed in civil war."

Even worse, Buchanan had just finished hosting an "unofficial" visit by the Prince of Wales, the future Edward VII, and his large party of lordly advisors. These British peers met with secessionist leaders as Edward made a triumphal tour of the South, and stayed not only for the American Presidential election, but tarried on and on, supposedly while their ship underwent repairs, in order to monitor the various plans for a coup d'état. Buchanan added insult to injury by taking the British nest of vipers to visit George Washington's tomb at Mount Vernon.

When Lincoln's inaugural train reached Philadelphia, he was told of the assassination plot against him in Baltimore, where European Mazzinians had combined with Secessionists to plan an attack as he rode through the city. Yet in his speech at Independence Hall the next day, Lincoln did not waver: "I have often inquired of myself, what great principle or idea it was that kept this confederacy [union of states—ed.] so long together. It was not the mere matter of the separation of the colo-

nies from the mother land; but something in that Declaration giving liberty, not alone to the people of this country, but hope to the world for all future time. It was that which gave promise that in due time the weights should be lifted from the shoulders of all men, and that all should have an equal chance. This is the sentiment embodied in that Declaration of Independence.

“Now, my friends, can this country be saved upon that basis? If it can, I will consider myself one of the happiest men in the world if I can help to save it. If it can’t be saved upon that principle, it will be truly awful. But, if this country cannot be saved without giving up that principle—I was about to say I would rather be assassinated on this spot than to surrender it.”

On the Declaration Of Independence

Lincoln’s speech in Springfield, Illinois, on June 26, 1856, addressed the intent of the Founding Fathers, in including in the Declaration of Independence the phrase, “all men are created equal”:

They meant to set up a standard maxim for free society, which should be familiar to all, and revered by all; constantly looked to, constantly labored for, and even though never perfectly attained, constantly approximated, and thereby constantly spreading and deepening its influence, and augmenting the happiness and value of life to all peoples of all colors everywhere. The assertion that “all men are created equal” was of no practical use in effecting our separation from Great Britain; and it was placed in the Declaration, not for that, but for future use. Its authors meant it to be—thank God, it is now proving itself—a stumbling block to those who in after times might seek to turn a free people back into the hateful paths of despotism. They knew the proneness of prosperity to breed tyrants, and they meant when such should re-appear in this fair land and commence their vocation, they should find left for them at least one hard nut to crack.

Now, this is someone you can look at and say, “I think this man means what he says. I think we’d better follow him, because nobody else has a clue about what we are going to do.”

The situation was indeed dire—almost the entire South was seceding in open declaration of war against the United States, armed to the teeth, bankrolled to the maximum that the coffers would bear, by Britain. If you ever get a chance to tour West Point, go to what they call Trophy Point, overlooking that wide expanse of the Hudson, and there you may see a row of gleaming cannons from the Civil War, and on every single one of them is stamped “Made in Birmingham” or “Made in Manchester.” They’re all British-made cannons, that were captured from the Confederates during Union victories.

Lincoln talked about his mission, and the mission of the nation, in his address to Congress on Dec. 1, 1862. He said, “Fellow citizens, we cannot escape history. We of this Congress and this Administration, will be remembered in spite of ourselves. No personal significance, or insignificance, can spare one or another of us. The fiery trial through which we pass, will light us down, in honor or dishonor, to the latest generation. We say we are for the Union. The world will not forget that we say this. We know how to save the Union. The world knows we do know how to save it. We—even we here—hold the power, and bear the responsibility.

“In giving freedom to the slave, we assure freedom to the free—honorable alike in what we give, and what we preserve. We shall nobly save, or meanly lose, the last best hope of earth. Other means may succeed; this could not fail. The way is plain, peaceful, generous, just—a way which, if followed, the world will forever applaud, and God must forever bless.”

Lincoln and the Army

Lincoln has some problems to solve in dealing with the American population. He has to establish an understanding in the people, that when you are fighting to preserve the union, you are fighting for yourself; you’re fighting so that you may have a future. Secondly, Lincoln has to somehow, personally, organize the Union Army. And he has to organize the people and the Army in such a way, that they are able to understand that he is the personal, living embodiment of everything that they cherish, or should cherish, and could come to cherish, about this country, about this human purpose. Now, as long as he is travelling through the country on his way to the inauguration, he is able to speak to thousands of

people about what they must do. At Indianapolis, he says that “to the salvation of this Union there needs but one single thing—the hearts of a people like yours. When the people rise in masses in behalf of the Union and the liberties of their country, truly may it be said, ‘The gates of hell shall not prevail against them.’”

“In all the trying positions in which I shall be placed—and doubtless I shall be placed in many trying ones—my reliance will be placed upon you and the people of the United States—and I wish

you to remember now and forever, that it is your business, and not mine; that if the union of these States, and the liberties of this people, shall be lost, it is but little to any one man of 52 years of age, but a great deal to the 30 millions of people who inhabit these United States, and to their posterity in all coming time. . . . I, as already intimated, am but an accidental instrument, temporary, and to serve but for a limited time, but I appeal to you again to constantly bear in mind that with you, and not with politicians, not with Presidents, not with office-seekers, but with you, is the question, ‘Shall the Union and shall the liberties of this country be preserved to the latest generation?’“

But once in Washington, and under war conditions, Lincoln rarely spoke to large audiences. But there was a way to organize the Army, and, through them, the civilians as well. How? Well, every Army unit that was not meant for the western theater of operations reported to Washington, D.C. to be trained. Lincoln made sure that he greeted every unit as it paraded by the White House, and sometimes he was able to speak at length with them. The White House itself was open to all, and many a soldier sat himself down in a chair or at a desk and wrote a letter home. Civilians, too, flocked to talk to the President, whether asking for a job or a pardon for a deserter. Often, Lincoln would delay talking to his Cabinet in order to speak to the citizens who flooded his office.

Sometimes, the President would become impatient

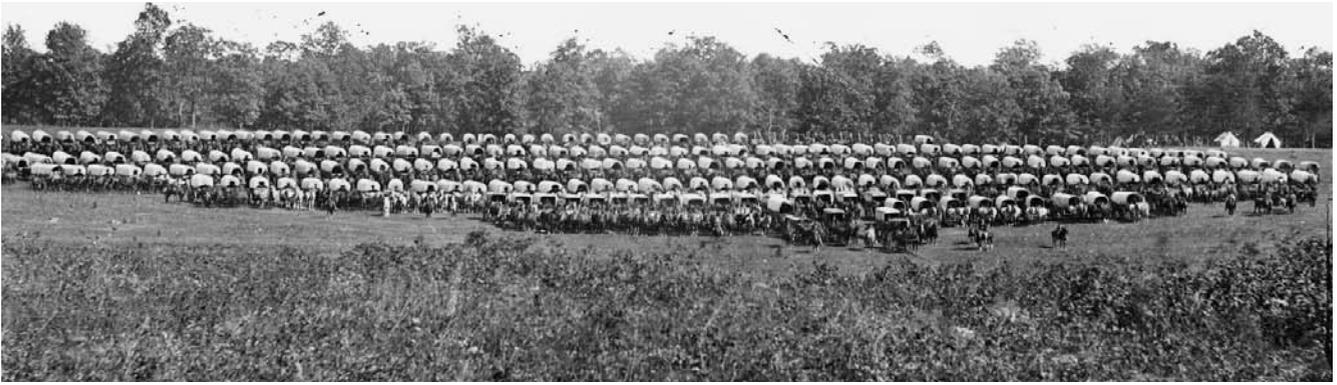


Library of Congress

Lincoln with his Army at Antietam on Oct. 3, 1862 (Gen. George B. McClellan is the young braggart facing off against him). The battle was one of the bloodiest of the war, in which General Lee’s advance into Maryland was thrown back, but McClellan allowed the Confederates to escape across the Potomac into Virginia, ignoring Lincoln’s explicit orders. The battered soldiers were heartened by the personal concern shown them by the President; they said he looked “serious and careworn,” and their hearts went out to him. For the first time, they began to refer to him as “Father Abraham.”

when a new unit was scheduled to arrive by boat up the Potomac, and he would commandeer a vessel to go and meet them before they would even land. By the end of June in 1861, Lincoln had already been seen by tens of thousands of arriving soldiers in the Union Army. Many of them were young—born in the 1840s—and had had precious little to value about their government leaders. The enlisted soldiers called themselves “the boys,” and their officers were “the men.” Lincoln did more than just talk about the Union cause: He promoted the hospitals and medical care they would need, visited them in their encampments, and came to see them after their battles. He also went out of his way to include [in the Army] as many elements of society as possible, including the foreign-born and men from the slave states. He also stretched or cut red tape in order to form an army as soon as possible; perhaps even to convince the Confederates to turn from their course. “We are in no condition to waste time on technicalities. The enthusiastic uprising of the people in our cause, is our great reliance; and we cannot safely give it any check, even though it overflows and runs in channels not laid down in any chart.”

After the terrible Union defeat at Bull Run on July 21, 1861, when the picnicking Congressmen who had come to watch the battle turned tail and fled back to Washington, Lincoln got in a carriage and went from camp to camp, making short speeches of gratitude and hope. A Wisconsin soldier, Robert Beecham, wrote



Library of Congress

In May 1864, some 4,300 supply wagons followed the Union Army as it moved south to The Wilderness battlefield in Virginia. Creating the massive infrastructure required to sustain the troops, who were fighting deep in enemy country, was one of the colossal achievements that made victory possible.

home that, “There was stamped on his face a fresh, vigorous, healthy and courageous look that inspired confidence. We certainly needed some encouragement. It was good to be impressed with the fact that the President on whose shoulders rested this mighty burden of war, with its vast train of results, either for weal or for woe to the people of a hemisphere, was not discouraged with the outlook.” Beecham dubbed Secretary Seward’s platitudinous speech as “Taffy,” but when Lincoln spoke, “he only said in a mild, gentle way, that he had confidence in the ability and patriotism of the American people and their volunteer army to meet and overcome every enemy of the republic.”

When Lincoln stopped speaking, the soldiers rushed his carriage, each one wanting to shake his hand. Beecham tried to reach him, but finally gave up. “I felt like shaking hands with Mr. Lincoln myself,” he wrote, “but on second thought it seemed best not to assist in wearing the poor man’s life out.”

The Commander-in-Chief Takes Norfolk

Gen. George McClellan, the commander of the Union forces at the beginning of the war, was an excellent drillmaster for the troops, but he seemed almost completely incapable of moving those troops in the direction of the enemy. He finally floated the Army of the Potomac down to the Peninsula of Virginia, but there he sat, immovable, while he demanded 100,000 more men, and then another 100,000. His dispatches to Lincoln complained constantly about the weather, the mud, the overpowering numbers of the Confederate Army, and his manpower weakness. At first, Lincoln tried humor. He said that McClellan was an admirable engineer, “but he seems to have a special talent for the sta-

tionary engine.” One day, someone called on Lincoln and stated that he had a family problem. His sick relative lived in Richmond, and he asked for a pass that would take him behind the enemy lines. Lincoln asked, “Are you going to really use the pass?” “Of course, Mr. President.” “Because I gave George McClellan 125,000 ‘passes’ to Richmond and he still hasn’t used them.” Finally, Lincoln sent General McClellan a note saying, “My dear McClellan, If you don’t want to use the Army, I should like to borrow it for awhile.”

At this time, Lincoln had no replacement for McClellan, so he didn’t want to fire him. One day in 1862, Senator Wade from Ohio came to the White House and demanded that Lincoln immediately fire General McClellan. Lincoln answered, “Senator, who would you put in McClellan’s place?” “Anybody,” snorted Wade. “Wade,” replied Lincoln, “anybody will do for you, but I must have somebody.” It was at this time that Lincoln started to borrow books on military theory from the Library of Congress. He also began an almost daily inspection of new weapons systems, and he was especially interested in the design and construction of the Union ironclad, the *Monitor*.

In May 1862, with McClellan still sitting on the Peninsula and making no move toward Richmond, Lincoln took Secretary of War Stanton and Secretary of the Treasury Chase with him down to Hampton Roads, Virginia. McClellan sent word that he was “too busy” to see his Commander-in-Chief, so Lincoln inspected the *Monitor* and decided to embark on a campaign of his own—to the delight of the soldiers and sailors. Although Fort Monroe had been successfully held for the Union by Gen. John Wool, and the Union Navy filled Hampton Roads with ships, the Confederates still held

the town and Navy yard of Norfolk.

Since the famous battle two months before between the *Monitor* and the Confederate ironclad *Merrimac*, the *Merrimac* had been lurking at Norfolk, threatening the Union ships. Lincoln proposed that the Navy ferry a contingent of Union troops over to Norfolk in order to capture the town. Naval officers protested, however, that the shallow water would not allow them to get within a mile of the shore.

Lincoln, who in his youth had twice helped steer a flatboat down the treacherous Mississippi from Illinois to New Orleans, carefully studied a map of Hampton Roads. He consulted with General Wool, a 78-year-old veteran of the War of 1812 who was still full of fight, and he approved the plan. So on the night of May 10, Lincoln and two Cabinet secretaries pulled away for Norfolk in a small boat to the spot that Lincoln had chosen. The water, indeed, was deep enough, and Lincoln jumped ashore and took a walk on enemy territory. Lincoln reported his findings, and General Wool's troops went ashore the next day only to find that the Confederates had gotten wind of Lincoln's maneuver and had abandoned the city! All they saw was the Mayor of Norfolk walking toward them holding out the keys to the city. Left without a base, the crew of the dreaded *Merrimac* blew her up and fled.

"So ended a brilliant week's campaign by the President," recorded Chase, "for I think it quite certain that if he had not gone down, Norfolk would still have been in the possession of the enemy, and the *Merrimac* as grim and defiant as ever." The headlines in the New York newspapers hailed "President Lincoln's First Military and Naval Operation—Its Great Success."

The episode was not a major victory, but it made a considerable impression on the men at Fort Monroe. A soldier wrote of seeing "Mr. Lincoln driving past to take possession of Norfolk." "It is extremely fortunate that the President came down as he did," wrote an officer of the *Monitor* that day; "he seems to have infused new life into everything." In what had been a scene of inactivity, he saw Lincoln "stirring up the dry bones."

Still unable to see the incredibly busy General McClellan, Private Lincoln boarded a steamer up the Chesapeake, standing on the deck with his hat off, bowing to the cheering sailors on the *Monitor* and the other Navy vessels that he passed.

Nine days later, Lincoln quietly signed the Homestead Act into law. Vetoed by President Buchanan in 1860, the law provided for the transfer of 160 acres of

unoccupied public land to each homesteader for a nominal fee if he and his family lived there and worked the land for five years. Even while the Civil War continued to rage, thousands of pioneers were flooding west across the Mississippi, fulfilling Lincoln's vision for the peace which was to come.

'We're Coming, Father Abraham'

General McClellan eventually moved the Army to Maryland, where one of the bloodiest battles of the war was fought at Antietam Creek, on Sept. 17, 1862. Confederate commander Gen. Robert E. Lee had moved his Army into Maryland, and McClellan had fortuitously captured his plans, but McClellan threw away his advantage by poor planning, and turned the battle into a bloodbath by insisting on sending wave after wave of Union troops over a narrow bridge, with Confederate cannons before them and Confederate sharpshooters above them. Lee and his men escaped across the Potomac, because McClellan ignored Lincoln's orders to pursue and cut off the Potomac crossings. If this had been done, Lee's Army could well have surrendered en masse. Lincoln was bitter about the unnecessary bloodshed, and he was furious when he received information about a court martial being conducted of a certain Maj. John Key. Asked why McClellan did not go after Lee and crush him, Key had replied, "That is not the game." Instead, he said, the intent in the Army was merely "that neither army shall get much advantage of the other; that both shall be kept in the field till they are exhausted, when we will make a compromise and save slavery."

Lincoln insisted on questioning the man himself, and the officer repeated the same viewpoint to the President. "If there was a 'game' ever among Union men, to have our Army not take an advantage of the enemy when it could," Lincoln said, then he was going "to break up that game." He determined to go once more to the Army in person. Lincoln counted those present for duty at over 88,000, even after the recent losses, but there they sat on the fields around McClellan's tent. That night he climbed a ridge with his friend Ozias Hatch, and asked Hatch what he saw. "The Army of the Potomac," he replied; but Lincoln retorted, "So it is called, but that is a mistake; it is only McClellan's bodyguard."

McClellan scheduled a review of the troops for Oct. 3. "Mr. Lincoln was manifestly touched," observed an officer in the 6th Wisconsin, "and he, himself, looked serious and careworn." Lincoln kept bowing low in response to the salutes from the ragged banners, but some

of the soldiers felt their hearts going out to him, instead. “How the smile from a care-worn and anxious face touched the hearts of those bronzed, rough-looking men,” wrote another. Almost every soldier who kept a diary or wrote a letter home after the review made some mention of his own sight of the President. One soldier of the newly dubbed Iron Brigade of Wisconsin said, “Altogether he is the man to suit the soldiers.” And now, for the first time, the soldiers begin to refer to Lincoln as “Father Abraham.”

When Lincoln arrived in Gettysburg the night before he delivered his immortal address, throngs of soldiers and citizens filled the streets singing, “We Are Coming, Father Abraham” until one in the morning. In 1864, General McClellan, now relieved of command, was to be the Democratic candidate for the Presidency against Lincoln. Lincoln was, as the soldiers had written, very “care-worn,” but he had to run again. Henry Wing was a young reporter for the *New York Tribune* who covered the war at the front, and whenever he returned to Washington, Lincoln wanted him to come see him and “tell me all you hear and see.” On one of these visits before the 1864 election, Lincoln said, “There’s many a night, Henry, that I plan to resign. I wouldn’t run again now if I didn’t know these other fellows couldn’t save the Union on their platforms, whatever they say. I can’t quit, Henry. I have to stay.”

In August of that election year, Lincoln addressed the 166th Ohio Infantry Regiment when it returned from the front. “It is not merely for today, but for all time to come that we should perpetuate for our children’s children this great and free government, which we have enjoyed all our lives. I beg you to remember this, not merely for my sake, but for yours. I happen temporarily to occupy this big White House. I am a living witness that any one of your children may look to come here as my father’s child has. It is in order that each of you may have, through this free government which we have enjoyed, an open field and a fair chance for your industry, enterprise and intelligence; that you may all have equal privileges in the race of life, with all its desirable human aspirations. It is for this the struggle should be maintained, that we may not lose our birthright—not only for one, but for two or three years. The nation is worth fighting for, to secure such an inestimable jewel.”

There was jubilation over Lincoln’s defeat of McClellan in the 1864 election. The Army had voted for Lincoln by an overwhelming margin of better than two to one. Now, among the soldiers, he was almost univer-

sally referred to as “Father Abraham.” But, there was also another note. The men saw in the President’s victory what a Pennsylvania artilleryman regarded as an assurance that “the sacrifices that the soldier has made, have not been in vain, and that the war will continue until the parties who brought our present National troubles upon us, will be compelled to submit to the law and the cause of our troubles removed forever.” And not for the first time, the soldiers compared Lincoln to another President. “Future history will place Mr. Lincoln’s name next to Washington,” a Pennsylvania volunteer said two weeks after the election. “The first the founder, the second the preserver of our country.”

Richmond, at Last

In late March 1865, Lincoln steamed down to Fort Monroe and then up the James River to his Army’s headquarters at City Point. He wanted to spend all of the final days of the war with the Army. Then news came that Lee had marched out of Richmond, and Union General Weitzel was marching in to take possession of the Confederate capital. “Thank God,” said Lincoln, fervently, “that I have lived to see this! It seems to me that I have been dreaming a horrid dream for four years, and now the nightmare is gone. I want to see Richmond.” Adm. David Porter, a supporter of General McClellan and not a warm friend of the President, wrote an account of Lincoln’s journey. Lincoln was warned that there might still be Confederate troops or sharpshooters in the area; there were fires still burning, and no one knew exactly what the situation in the city was. But he was adamant, and after the channel was cleared of torpedoes, a flotilla of boats set off up the James River. All were jockeying in order to be the first one into the city, but all were grounded one after the other. Admiral Porter took Lincoln and his young son Tad onto his barge and, with a small number of marines, they beat everyone to the city.

As Lincoln stepped onto land, holding the hand of his son, a small group of Negroes digging with spades recognized him from a picture which they had kept for four years. They fell on their knees before him, but Lincoln, embarrassed, said, “Don’t kneel to me. That is not right, You must kneel to God only, and thank him for the liberty you will hereafter enjoy. I am but God’s humble instrument; but you may rest assured that as long as I live no one shall put a shackle to your limbs and you shall have all the rights which God has given to every other free citizen of this Republic.” Porter said that as Lincoln said this, although he was not a handsome man,

and ungainly in his person, “yet in his enthusiasm he seemed the personification of manly beauty.” Porter realized they had to move on, and asked the patriarch of the group to withdraw and let them pass. The now ex-slaves joined hands in a circle and sang a hymn, and as they did so, the formerly deserted streets were now filled with ex-slaves, all joyously trying to get a glimpse of Lincoln.

Porter reported that the crowd could not be made to understand that they were detaining the President, for “they looked upon him as belonging to them, and that he had come to put the crowning act to the great work he had commenced. They would not feel that they were free in reality until they heard it from his own lips.” Lincoln spoke again: “My poor friends, you are free—free as air. You can cast off the name of slave and trample upon it; it will come to you no more. Liberty is your birthright. God gave it to you as he gave it to others, and it is a sin that you have been deprived of it for so many years. But you must try to deserve this priceless boon.” (This was the same thing he had told those young men in Springfield, 27 years before.) “Let the world see that you merit it, and are able to maintain it by your good works. Don’t let your joy carry you into excesses. Learn the laws and obey them; obey God’s commandments and thank him for giving you liberty, for to him you owe all things. There, now, let me pass on; I have but little time to spare. I want to see the capital, and must return at once to Washington to secure to you that liberty which you seem to prize so highly. . . .”

Winning the Political Fight Today

If you think of the way that Lincoln set out, you see that he defined the problem in the only way you can define it: We’re not trying to defeat the enemy because it’s evil. I have to do this because the posterity of all time to come depends on it. Everyone who has gotten



Lincoln entering Richmond, April 4, 1865. He was surrounded by huge, jubilant crowds of freed slaves. “My poor friends,” he told them, “you are free—free as air. You can cast off the name of slave and trample upon it; it will come to you no more.”

us this far—the Founding Fathers, the Nathaniel Greenes, the Robert Fultons, you name them, the Daniel Boones, the Benjamin Franklins, every one of them, if we do not win, we will effectively deny their existence; we take away their posterity. Whether you know it or not, you are already part of a mission to do the greatest good, perpetuate the greatest good that’s ever been done in the history of the human race. And if that statement is too big for you, then you do have to study more American history, and you’ll see that it’s true. That is an *iron-clad* truth. And the way you get at it is not to find out the whos and whats and the years, and the these and the those and the thems. You have to start to say, “Wait a minute, I can get inside the mind of this person; I can re-experience how they solved a problem.” What makes you human is the ability to re-create in your own mind, the greatest

creative output of the greatest minds in any period of history. What you find is happening, is that these people become so familiar to you that they are your friends! You’ve got ‘em. They’re there to rely on.

Then when you read something by Lincoln, you don’t just say, “Those are nice words. What a great idea. Nice poetry!” No, you start to look at his mind and say, “Look what this man pulled in, in terms of the significance of his life, and carried it to the limit of anything you could imagine.” But to him, that is what he was; that was who he was; normal; that was human. That was his mission; his mission was to become a true human being.

So Lincoln typifies, at the highest level, somebody who could get this through to other people; so that he created, or he improved, a lot of really wonderful people. There are a lot of other friends out there, waiting. You’ve got to bring them back into the war. And if we get them back into the war, the way Lincoln did—and we won the Civil War because Lincoln did that—then we will win this war too. There’s no other way to do it.

America Versus Britain: On Economics

There is nothing more crucial for policy-makers today to understand than the difference between American System economics, and the economics of the British Empire. Henry C. Carey, Abraham Lincoln's key economic advisor, put it most succinctly in his 1851 pamphlet, *The Harmony of Interests—Agricultural, Manufacturing & Commercial* (1851):

“Two systems are before the world; the one looks to increasing the proportion of persons and of capital engaged in trade and transportation, and therefore to diminishing the proportion engaged in producing commodities with which to trade, with *necessarily* diminished return to the labour of all; while the other looks to increasing the proportion engaged in the work of production, and diminishing that engaged in trade and transportation, with increased return to all, giving to the labourer good wages, and to the owner of capital goods profits. One looks to increasing the quantity of raw materials to be exported, and diminishing the inducements to the import of men, thus impoverishing both farmer and planter by throwing on them the burden of freight; while the other looks to increasing the import of men, and diminishing the export of raw materials, thereby enriching both planter and farmer by relieving them from the payment of freight. One looks to giving the *products* of millions of acres of land and of the labour of millions of men for the *services* of hundreds of thousands of distant men; the other to bringing the distant men to consume on the land the products of the land, exchanging day's labour for day's labour. One looks to compelling the farmers and planters of the Union to continue their contributions for the support of the fleets and the armies, the paupers, the nobles, and the sovereigns of Europe; the other to enabling

ourselves to apply the same means to the moral and intellectual improvement of the sovereigns of America. One looks to the continuance of that *bastard* freedom of trade which denies the principle of protection, yet doles it out as revenue duties; the other to extending the area of *legitimate* free trade by the establishment of perfect protection, followed by the annexation of individuals and communities, and ultimately by the abolition of custom-houses. One looks to exporting men to occupy desert tracts, the sovereignty of which is obtained by aid of diplomacy or war; importing men by millions for their occupation. One looks to the *centralization* of wealth and power in a great commercial city that shall rival the great cities of modern times, which have been and are being supported by aid of contributions which have exhausted every nation subjected to them; the other to *concentration*, by aid of which a market shall be made upon the land for the products of the land, and the farmer and planter be enriched. One looks to increasing the necessity for commerce; the other to increasing the power to maintain it. One looks to underworking the Hindoo, and sinking the rest of the world to his level; the other to raising the standard of man throughout the world to our level. One looks to pauperism, ignorance, depopulation, and barbarism; the other to increasing wealth, comfort, intelligence, combination of action, and civilization. One looks toward universal war; the other toward universal peace. One is the English system; the other we may be proud to call the American system, for it is the only one ever devised the tendency of which was that of *elevating* while *equalizing* the condition of man throughout the world.

“*Such* is the true *mission* of the people of these United States....”

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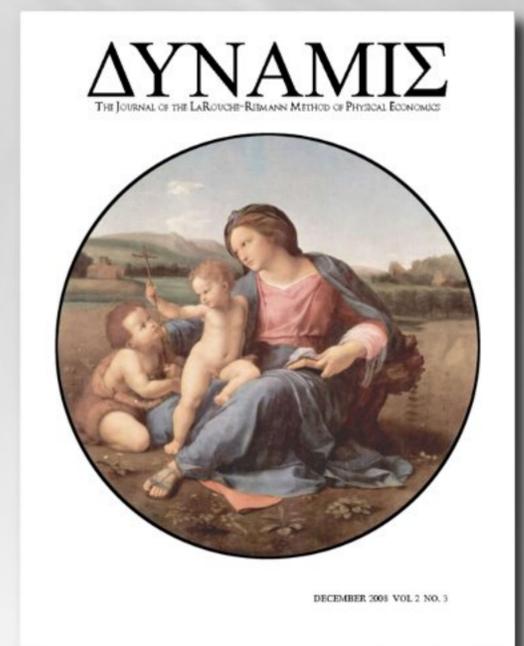
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- COSTA MESA TW Ch.35: Thu 5:30 pm
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- SAN FDO. VALLEY (NE) CC Ch.20: Wed 4 pm
- SAN FDO. VALLEY (West) TW Ch.34: Wed 5:30 pm
- SANTA MONICA TW Ch.77: Wed 3-3:30 pm
- WALNUT CREEK CO Ch.6: 2nd Tue 7 pm; AS Ch.31: Tue 7:30 pm
- VAN NUYS TW Ch.25: Sun 5:30 pm

COLORADO

- DENVER CC Ch.56 Sun 10 am

CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch.23: Sat 6 pm
- NEWTOWN CH Ch.21: Mon 12:30 pm; Fri 7 pm
- NORWICH CC Ch.14: Thu 8 pm
- SEYMOUR CC Ch.10: Tue 10 pm

DISTRICT OF COLUMBIA

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

FLORIDA

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

ILLINOIS

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

IOWA

- QUAD CITIES MC Ch.19: Thu 11 pm

KENTUCKY

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

LOUISIANA

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

MAINE

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

MARYLAND

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

MASSACHUSETTS

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

MICHIGAN

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

MINNESOTA

- ALBANY AMTC Ch.13: Tue & Thu: 7:30 pm
- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Tue 9 pm
- DULUTH CH Ch.20: Mon 9 pm; Wed 12 pm, Fri 1 pm

- MARSHALL Prairie Wave & CH Ch.35/8: Sat. 9 am
- MINNEAPOLIS TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm
- NEW ULM TW Ch. 14: Fri 5 pm
- PROCTOR MC Ch. 12: Tue 5 pm to 1 am
- ST. CLOUD CH Ch.12: Mon 5 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Wed 9:30 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

NEVADA

- BOULDER CITY CH Ch.2: 2x/day: am & pm
- WASHOE COUNTY CH Ch.16: Thu 9 pm

NEW HAMPSHIRE

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

NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- MERCER COUNTY CC Trenton Ch.26: 3rd & 4th Fri 6 pm
- WINDSOR Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.15: Thu 11:30 pm
- UNION CC Ch.26: Irregular

NEW MEXICO

- ALBUQUERQUE CC Ch.27: Tue 2 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.16: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm

NEW YORK

- ALBANY TW Ch.18: Wed 5 pm.
- BETHLEHEM TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN CV Ch.68: Mon 10 am
- BUFFALO TW Ch.35: Mon 10 am
- BUFFALO TW Ch.20: Wed & Fri 10:30-11 pm
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- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Mon/Thu 7 pm
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- MANHATTAN TW & RCN Ch.57/85 Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.34 & 35: Mon 10 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm
- ROCKLAND CV Ch.76: Tue 5 pm

- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am
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- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

NORTH CAROLINA

- HICKORY CH Ch.6: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

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- AMHERST TW Ch.95: 3X Daily
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OKLAHOMA

- NORMAN CX Ch.20: Wed 9 pm

OREGON

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

PENNSYLVANIA

- PITTSBURGH CC Ch.21: Thu 6 am

RHODE ISLAND

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

TEXAS

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

VERMONT

- BRATTLEBORO CC Ch.8: Mon 6 pm, Tue 4:30 pm, Wed 8 pm
- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 10 pm; Wed 3 am & 4 pm

VIRGINIA

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

WASHINGTON

- KING COUNTY CC Ch.29/77: Mon 11 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 pm

WISCONSIN

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

WYOMING

- GILLETTE BR Ch.31: Tue 7

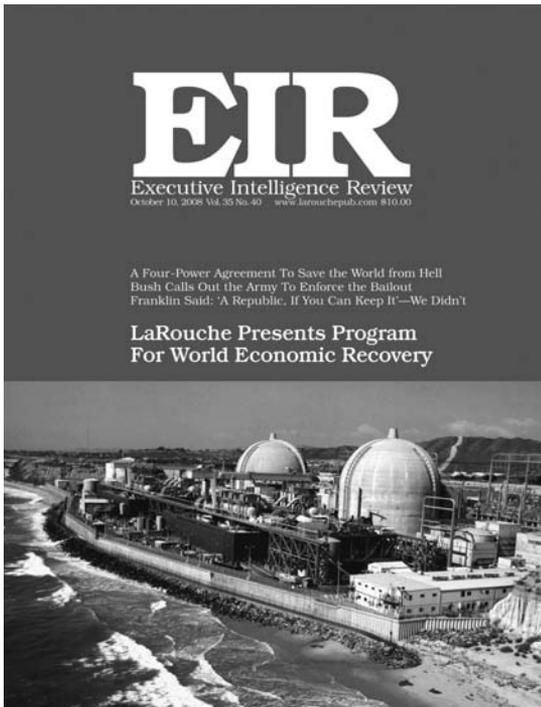
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