Example 2 Economics

London unleashes the Four Horsemen of the Apocalypse . . . again

Feature

by Dennis Small

"And I looked, and behold a pale horse; and his name that sat on him was Death, and Hell followed after."

-Book of Revelation 6:8

In the late 14th and 15th centuries, through a process which only later became known as the Golden Renaissance, mankind pulled itself back from the brink of the abyss of near species extinction. Through interrelated breakthroughs in

science, art, statecraft, and theology, and through the establishment of the institution of the sovereign nation-state, a tidal wave

of optimism and growth was unleashed, which laid the groundwork for centuries of progress to come.

From what did the Renaissance save mankind?

In the four decades between 1340 and 1380, nearly 50% of the population of Europe had died off, principally as a result of the Black Death, the bubonic plague, which swept the continent. Beyond the deaths per se, society and its institutions crumbled, and pessimism and obscurantism spread. The Four Horsemen of the Apocalypse—War, Pestilence, Famine, and Death—reigned supreme, until the Renaissance succeeded in banishing them.

In those 40 years, the human species came as close to selfannihilation—as a result of its own stupidity, its own stupid policies—as it ever has . . . until today.

But now, in the 1990s, especially in the last two years, the Four Horsemen have once again been set loose. This was done *intentionally* by the ruling financial oligarchy — which is best described as the British-American-Commonwealth (BAC) grouping — working through institutions such as International Monetary Fund (IMF). They have set in motion a process of

physical economic disintegration which, if not checked, will produce similar—or worse—consequences as the 14th-century Black Death. These oligarchs have summoned forth a New Dark Age of War, Pestilence, Famine, and Death; and they have done so with full knowledge and forethought of the crime they are committing.

The economic devastation we are seeing today, and which we document in detail in the pages below, is the result of

> specific policy decisions taken by the BAC crowd in the 1989-91 period of the disintegration of the Warsaw Pact. As Lyndon

LaRouche elaborated in a recent memorandum, that policy shift is best identified by referring to the 1989 statement by British Minister of Transportation Nicholas Ridley, who characterized the prospect of a reunified Germany as a new "Fourth Reich" that had to be stopped at all costs (see box).

The BAC objective was to effectuate a global policy shift, a critical element of which is the ongoing destruction of entire populations, economies, and nation-states at the hands of the IMF and related financial institutions. This is the same policy otherwise memorialized by British agent of influence Sir Henry Kissinger, in NSSM 200, a policy document he authored in 1974 as Nixon's National Security Adviser. That document matter-of-factly describes population growth in Third World nations (India, Mexico, Indonesia, and others) as a threat to the national security of the United States, and proposes: "In population control as well as food production . . . it is important in style as well as substance to avoid the appearance of coercion. . . . [But] mandatory programs may be needed and we should be considering these possibilities now."

Shades of Parson Malthus (see box).

4 Economics Feature EIR April 16, 1999

Genocide

Review the world map (**Figure 1**). Over the course of the 1990s, large chunks of our planet have been turned into a living Hell:

- Russia's annual natural population growth (i.e., excluding immigration) has turned sharply negative, by nearly 1 million inhabitants per year, as a result of the economic "reform" policies shoved down the country's throat since 1991 by the IMF and Harvard punk economists like Jeffrey Sachs. Once-conquered diseases are spreading exponentially, while 70-80% of the country's advanced industrial capacities have been vaporized.
 - Sub-Saharan Africa has seen upwards of 30 million

human beings murdered this decade — through a combination of wars, disease, and starvation. It is here that the full horror of the AIDS pandemic has exploded: Numbers of countries have HIV infection rates of 25% or more; and, in country after country, average life expectancies have been shortened by 10-15 years over the course of the 1990s. Africa is truly a dying continent.

• *Indonesia*, the fourth largest nation in the world in terms of population, was assaulted by the IMF in 1997-98, and as a result faces chaos today. Poverty, which had been reduced to only 11% of the total population in 1996, has now zoomed back up and is expected to hit 67% this year. Thirty years of progress have been wiped out in just one

LaRouche on the BAC's 'Fourth Reich' campaign

The following is excerpted from a memorandum by Lyndon LaRouche to EIR staff dated April 8, 1999, concerning who is responsible for the catastrophe in former Yugoslavia:

The policy of the G-7 (its IMF and military policies) is best described by using the 1989 utterance by Nicholas Ridley of a "Fourth Reich" policy of Britain's government, as a handy approximation of a characteristic feature underlying G-7 monetary, economic, financial, and strategic policies of practice since that time. To characterize the G-7 itself for this purpose, we must stop the childish nonsense of speaking of U.S.A. policies; we must emphasize the fundamental difference between the vital interest of the U.S. and its population, on the one side, and the diametrically opposing interest represented by the BAC, on the other. The BAC is to be defined functionally, for this purpose, as the British monarchy's revised form of the British Commonwealth, as incorporating the Wall-Street-centered elements of BAC within the U.S.A., as an integral part of the revised Commonwealth as a whole. The policy of the British monarchy's present Commonwealth institution, is to complete the assimilation of the U.S.A. BAC elements are an important feature of a new British world empire, an empire without sovereign nation-states, with "new NATO" serving as the presently intended form of the new "Roman Legions" to police that world empire.

The historical-strategic significance of the "Fourth Reich" policy of Thatcher, Mitterrand, Milosevic, and Israel, is that it marks the strategic phase-shift set into motion by the process of collapse of the Warsaw Pact alliance. The elimination of any visible prospective alternative to world-rule by Britain's BAC/Commonwealth empire then depended on preventing a reunited Germany from follow-

ing the pathway of its natural self-interest, to rebuild continental Europe, and also continental Eurasia, as the foundation of a new global arrangement which would bring the era of the British Empire and its relics to an end.

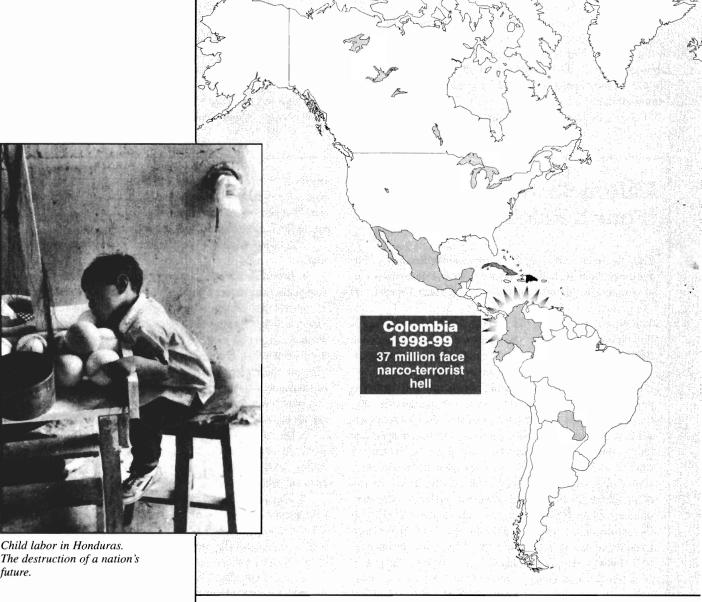
The object of the "Fourth Reich" policy was, and remains:

- 1. Mobilize Europe to destroy the sovereignty of Germany, and also destroy any future viability for Germany's economy: This included a) The Maastricht policies, b) "Desert Storm," c) the 1991 launching of what I had forewarned against, in 1988, as a new Balkan war, d) the 1990-1993 efforts, beginning with the launching of what became "Desert Storm," to eradicate the European Labor Party [associates of LaRouche—ed.] throughout Europe, an effort which was used, in Italy, as the precedent for destroying all of the leading political parties of Italy.
- 2. Dismember the Soviet Union and loot its component parts into oblivion through a so-called "liberal reform" policy. Dismember and destroy China through aid of effects of "liberal reforms."
- 3. Use a policy of "free trade" and "globalization" to effect the self-destruction of the physical economy and other relics of national sovereignties of all existing nation-states, including the treasonous self-destruction of the U.S.A. itself by these means.
- 4. Use increasing BAC control over the leading political parties and internal policy-structures of the U.S.A. to create world-imperial military rule by a triumvirate composed of a morally and intellectually castrated U.S.A., the British monarchy's Commonwealth, and perennial roguestate Israel.

The "Fourth Reich" doctrine, typically expressed in those forms, is the determinant of the formulation of British-directed shaping of military and IMF policies. It is the standard set by such "Fourth Reich" doctrine which determines the step-by-step changes expressed by the evolution of both nominal and actually applied IMF policy in particular.

EIR April 16, 1999 Economics Feature 5

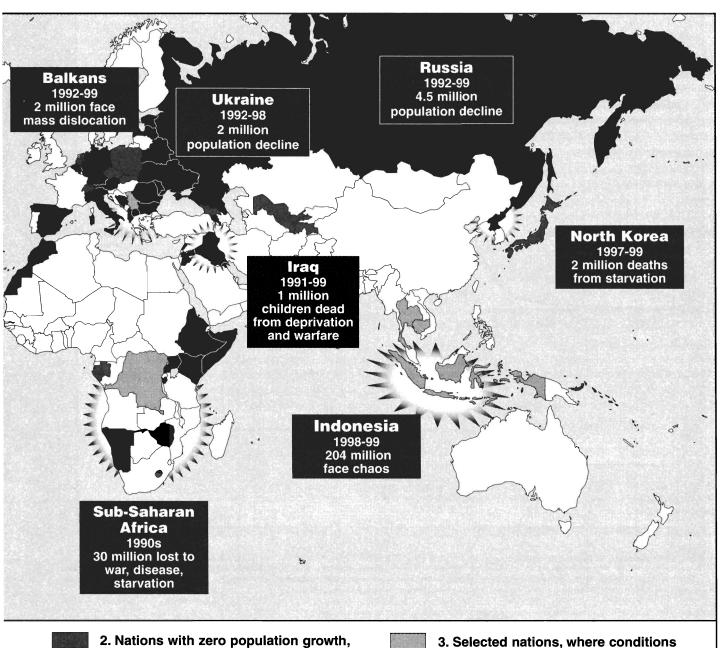
FIGURE 1 Depopulation and atrocities worldwide, 1990s



Child labor in Honduras.
The destruction of a nation's
future.

Africa	Europe		Mideast/Asia	Ibero-America
Burundi	Albania	Italy	Iraq	Dominican Repubic
Ethiopia	Armenia	Latvia	Jordan	Trinidad and Tobago
Kenya	Austria	Lithuania	Kuwait	
Morocco	Belgium	Macedonia	Lebanon	
Namibia	Bosnia-Hercegovina	Spain		
Somalia	Bulgaria	Romania	North Korea	
Uganda	Estonia	Russia		
Zimbabwe	Germany	Ukraine		

6 Economics **EIR** April 16, 1999





Africa Gabon Lesotho

Slovakia

1998

Europe	Asia	Ibero-America
Czech Republic	Japan	Cuba
Georgia	Tajikistan	
Netherlands	Uzbekistan	
Poland	Melanesia	

New Caledonia

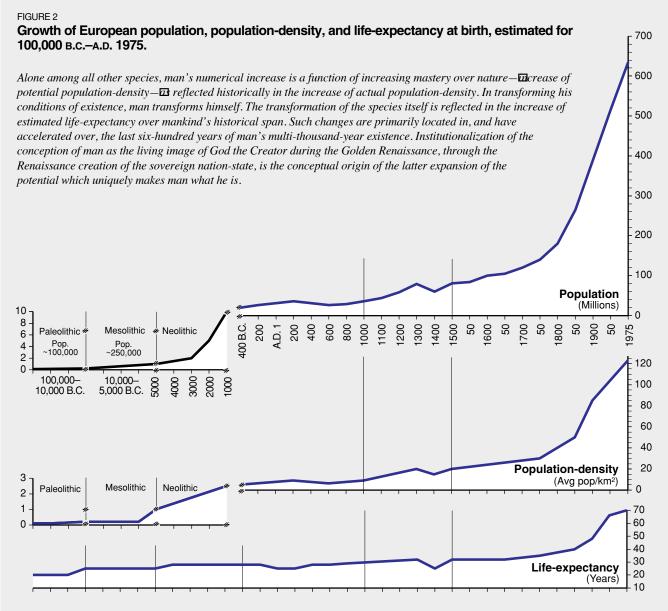


build for depopulation

Africa	Europe	Asia	Ibero-America
Rep. of Congo	Yugoslavia	Indonesia	Colombia
		Thailand	Ecuador
		Cambodia	Mexico
			Paraguay

Source: UNFPA, 1998 vs. 1997 reports, and U.S. Census Bureau, 1998 vs. 1997 reports, as compared by Paul Gallagher, "Shocking U.N. Report Shows African Holocaust; Implosion of Population Growth Rate Continues through 1998,"21st Century Science & Technology, Winter 1998-99, pp. 19-22.

EIR April 16, 1999 Economics 7.



All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources: For population and population-density, Colin McEvedy and Richard Jones, Atlas of World Population History; for life-expectancy, various studies in historical demography.

Note breaks and changes in scales.

year of international financial warfare—a true IMF "success story."

• *Mexico* has been so battered by nearly two decades of "free market" economic policies, that it today produces one-third less consumer goods per capita—with food being the hardest hit—than it did back in 1981, when the IMF first seized control of that country's economy. Today, there is almost 50% real unemployment in Mexico, which has led to what the United Nations has characterized as "the world's largest economic migration phenomenon," from

Mexico to the United States.

• In *the Balkans*, the hot spot dominating world attention at this time, up to 2 million people face dislocation, with attendant starvation and disease, as a result of British geopolitical warfare.

One is forced to ask: Is each of these cases merely an individual tragedy, a local horror story, each due to its own particular cause? Or is there something more fundamental going on, something more sinister, that is the root cause behind each case?

8 Economics Feature EIR April 16, 1999

FIGURE 3

LaRouche's concept of Potential Relative Population Density in a breakdown crisis

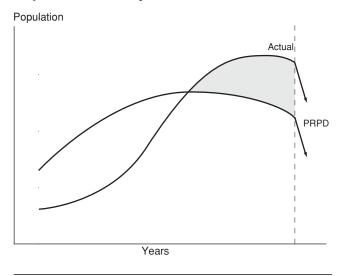
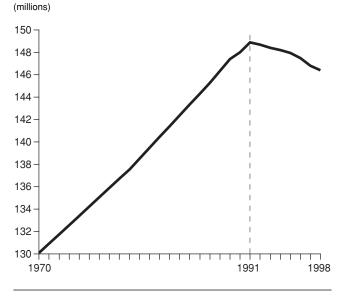


FIGURE 4
Russian Federation: total population



LaRouche's science of physical economy

The answer lies in a concept from physical economy developed by LaRouche: *potential relative population density*.

A successful society is one which produces the physical economic goods required to maintain its current population, and also to allow it to grow. Thus, in first approximation, an advancing economy is able to sustain a rising population per unit of land area. But one must also take into consideration the *relative* natural and other qualities of the land area under consideration, to measure true economic success. Similarly, one must also take account of the *potential* future population growth and development that may exist in a given economy, although it may not yet be expressed in an actual increase in population density per se. Thus, changes in *potential relative population density* (PRPD) are the best metric for measuring the relative success or failure of an economy over time.

For example, advances in science and technology tend to increase the PRPD—i.e., the economy will be able to maintain more people, with longer life expectancies, and at a higher standard of living, than in the earlier period. So, a healthy economy is characterized by a PRPD which is always greater than its actual, current population density—which in turn is also rising over time. Such a success story can be seen in the historic European population curve which was unleashed by the Golden Renaissance (see **Figure 2**).

But what happens when economic policies are badly flawed, and the PRPD dips below the actual, current population? That means that the economy does not have the potential to maintain even the population density which currently exists. In other words, sooner or later, unless such policies are reversed, that "excess" population will disappear—whether by War, Pestilence, Famine, or Death—including the mass dislocation and emigration of entire populations (see **Figure 3**).

This, of course, is precisely the state of the world today—not just of *parts* of the world, but of the world as a totality. It is true that some countries or regions have entered the advanced stage of actual demographic decline, such as Russia, Ukraine, and large chunks of Africa (see **Figure 4**). Others, like Indonesia or Mexico, are at slightly earlier stages of the same process, with sharply dropping consumption and health levels, which in turn will soon lead to outright demographic destruction. But "advanced sector" economies such as those of the United States or Germany, are also experiencing actual physical economic decline, and are mere shells of their former selves. They are in the same boat with the rest of the world: As the *Titanic* sinks, so will they.

The reason this is the case, the reason that there is a global drop in *potential relative population density* to levels well below those needed to sustain the world's current 6 billion population, is the collapse of the global physical economic process.

To understand how this has unfolded over the past 30-odd years, we must turn to another physical-economic concept of LaRouche's, his well-known "Typical Collapse Function" or "Triple Curve" (**Figure 5**). In a recent memorandum, LaRouche elaborated on the meaning of this function:

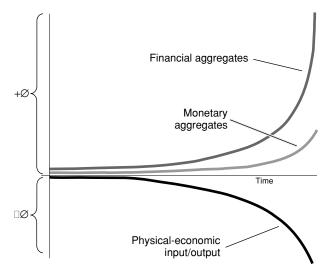
"The Triple Curve represents a hypergeometrical function. The representation is made as the triple-connectedness of a manifold in which

"a) growth of monetary aggregates is leveraged by means of 'primitive accumulation' through looting of the real-world

EIR April 16, 1999 Economics Feature 9

FIGURE 5

A typical collapse function



physical-economic functions (i.e., potential relative population-density), and

"b) in which growth of financial aggregates is based upon out-of-the-real-world leveraging of nominal gains in price of titles to share in a global 'John-Law'-style financial bubble. The function as a whole (the relationship among the three curves), is determined by

"c) the need to increase the rate of primitive accumulation, to sustain the growth of monetary aggregates needed to sustain the financial bubble, by

"d) the need to increase the rate of financial leveraging of monetary aggregates, needed to prevent an accelerated point of irrevocable collapse-meltdown of the financial bubble, and

"e) the resulting acceleration of that very rate of collapse of the physical-economic aggregates which defines the absolute point of chain-reaction at which the implosion of both the financial and monetary bubbles is unstoppable by any means except formal bankrupting of, and general nullification of, the greatest portion of outstanding financial claims.

"In short, these curves are not three independent variables, but principled functional features of a true hypergeometric function, a true multiply-connected manifold of the Kepler-Leibniz-Gauss-Riemann type. This is something no simple-minded university graduate of education in generally accepted classroom versions of the calculus is capable of comprehending."

With this in mind, now look at the "Typical Collapse Function" we present below for the specific cases of Russia (p. 13) and Mexico (p. 29), two of the most prominent victims of IMF conditionalities. In each case, it is inescapable that the onset of the sharpest rates of collapse can be traced to the implementation of IMF policies.

Why IMF conditionalities kill

Why has the IMF proven such a useful tool of the BAC oligarchy?

Some people believe that IMF policies are bad, but that they are the result of "mistakes," and that the bureaucrats involved don't want to admit their "failures." This is not true. The IMF produces devastation and depopulation *intentionally*; theirs is not a track record of *failures*, but of *successes*—they are systematically succeeding in implementing the BAC cabal's policy of depopulation and destruction of the sovereign nation-state.

Others have reached the conclusion that the IMF's main objective is to get debtor nations to pay their foreign debts. This is only half true. Debt repayment is only a secondary IMF objective, as can be seen in the fact that they frequently

Parson Malthus's call for genocide

In unleashing the Four Horsemen of the Apocalypse, the British-American-Commonwealth oligarchical cabal is reverting to London's tried and tested policy of induced genocide. Recall the shockingly frank proposal of Parson Thomas Malthus (1766-1834), an employee of the colonial British East India Company, in his 1798 Essay on the Principle of Population:

All the children born, beyond what would be required to keep up the population to this level, must necessarily perish, unless room be made for them by the deaths of grown persons....

Therefore, we should facilitate, instead of foolishly and vainly endeavouring to impede the operations of nature, in producing this mortality; and if we dread the too frequent visitation of the horrid form of famine, we should sedulously encourage the other forms of destruction which we compel nature to use. Instead of recommending cleanliness to the poor, we should encourage contrary habits. In our towns we should make the streets narrower, crowd more people into the houses, and court the return of the plague. In the country we should build our villages near stagnant pools, and particularly encourage settlements in all marshy and unwholesome situations. But above all, we should reprobate specific remedies for ravaging diseases, and those benevolent, but much mistaken men, who have thought they were doing a service to mankind by projecting schemes for the total extirpation of particular disorders.

10 Economics Feature EIR April 16, 1999

will acquiesce to (and occasionally even promote) a *negotiated* debt moratorium by one of their victim states. The emphasis is on *negotiated*: The IMF emphatically does not want nations to refuse to pay usurious foreign obligations in order to use those resources to develop their own national economies; but they are willing to go along with a temporary suspension of payments, *if* the country in question also applies the IMF's other conditionalities.

Those other conditionalities are the crux of the matter, as they are all deliberately geared to wrecking the physical economy of the victim nation (the lower curve in LaRouche's "Typical Collapse Function"). To wit:

- Devaluation. Forced devaluations are always accompanied by demands that the nation not permit this to lead to an "inflationary spiral." What that means, in plain English, is that the devaluation will artificially increase the cost of the foreign debt, and of all imported items; but local costs of production, most especially wages, are to be forcefully held down. The net effect, is that real wealth is transferred out of local consumption, and into exports, in order to obtain foreign exchange with which to pay the foreign debt.
- Reduction of the government budget deficit. Countries are instructed that they must raise more tax revenue; eliminate government subsidies for food and other necessities; privatize and otherwise dismantle state sector industries, especially those in the area of heavy industry or advanced technology; and stop investing in infrastructure projects needed for national development. The only line in the government budget which is allowed to skyrocket is interest payments on the public debt. Needless to say, these measures all damage the physical-economic output of the country.
- Free trade. This is the oldest trick in the British colonial book: National industry is destroyed by a flood of cheap, foreign imports, leaving the country with no productive apparatus of its own.
- High interest rates. This is supposed to "stop inflation." The only thing it stops, is economic activity. With domestic interest rates driven up to 40, 50, and 60%, the national banking system is quickly drowned in a sea of non-performing debt. Any borrowing for productive activities is made prohibitively expensive.
- Globalized banking. Under the rhetoric of "the free flow of international capital," the weakened financial system in the victim nation is taken over by foreign banking interests, frequently linked to drug-money laundering. Once globalized, such a banking system will not bother lending to any local, productive enterprise.
- "End corruption." This refrain, which has recently been incorporated as an IMF conditionality, simply means that any and all political opposition to the IMF's destruction of national sovereignty must cease.

Read on. In the pages that follow, you will stare into the face of Hell that awaits every nation on this planet, should these oligarchical policies not be banished.

The systematic destruction of Russia

by Rachel Douglas

Since 1992, the annual rate of population loss in the Russian Federation has been "more than double the rate of loss during the period of Stalinist repression and mass famine in the first half of the 1930s," economist Sergei Glazyev reported in his 1997 book on the so-called reform process in Russia. The title of the account is Genocide, as Glazyev analyzed the results of the post-1991 economic policy implemented in Russia, using the standards of the 1948 United Nations Genocide Convention. Most relevant was Article II of the Convention, which defines as genocide "actions, committed with the intention of annihilating, completely or in part, some national, ethnic, racial, or religious group as such." Sections C and D of Article II specify among the instruments of this crime, "the premeditated creation for any group of people of such conditions of life, as are intended to cause the physical destruction of the group in whole or in part," and "measures, intended to prevent births within the group."

For millions of Russians, and for the core of the Russian intelligentsia, the collapse of 1992-99 has been experienced as a series of lethal or near-lethal shocks.

The 1994 report *Reforming Russia: Myths and Reality*, issued by the Institute for Social and Political Research (ISPI) of the Russian Academy of Sciences under the leadership of Academician Gennadi Osipov, covered the events of 1992 under the heading, "The Catastrophe Arrives."

That was the year when newly independent Russia's government, under Prime Minister Yegor Gaidar, attempted to administer "shock therapy" by decontrolling prices on Jan. 1, 1992. It was the year of 2,600% inflation, which wiped out people's savings. It was in August of that year that "voucher privatization" was announced, beginning the fire sale of Russian real economic assets.

It was also the first year of negative population growth in the Russian Federation, which lost a net 200,000 people in 1992. From 1993 through last year, the annual natural population growth—the ratio of births to deaths—became *drastically negative*. Russia experienced an excess of deaths over births in each of those six years, ranging between 600,000 and 890,000. Four and a half million more people died than were born, in 1992-98 Russia! (The total population of the Russian Federation declined at a somewhat slower rate [Figure 1], due to the net immigration of several million Russians and others to the Russian Federation from other former Soviet republics.)

EIR April 16, 1999 Economics Features 11