

# EIR

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'Spacewar': Welcome to the 'Post-Human' Era  
Time for U.S. To Build Next-Generation Nuclear Plants  
Has Dick Cheney Gone a Bridge Too Far?

**LaRouche: The *System*  
Has Already Collapsed**



# WORLDWIDE LAROCHE YOUTH MOVEMENT



*"The mobilization and development of the 18-30 age group, as a force of leadership to inspire the rest of the population to move to necessary actions and decisions, is the future of humanity. {Nothing else will work.} Everything else will fail, without that factor." - Lyndon LaRouche*

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# EIR

## From the Assistant Managing Editor

The month of August opened with a thunderous clamor: On Aug. 1, the Minneapolis I-35W bridge over the Mississippi River, collapsed at rush-hour, sending scores of cars and hundreds of people plummeting into the water below. A stunned nation watched as officials came forward to reveal that the bridge had previously been declared “structurally deficient,” a condition that applies to over half a million bridges in the United States today. The Cheney White House has already made clear their response will be identical to what it was following Katrina: Not my problem (*National*).

Americans should not be surprised by this latest tragedy: Lyndon LaRouche has been warning, at least since Aug. 15, 1971, that the paradigm-shift from FDR’s wartime “arsenal of democracy,” to the post-industrial garbage dump our economy has become, would lead to exactly this end.

The big question is: Why have the American people, and their elected representatives not responded to the catastrophe now unfolding?

The answer lies in the fact that the line between fantasy and reality has become increasingly blurred: It’s not only the nation’s infrastructure that has been destroyed. Look at the now imploding housing and credit markets: People have chosen to believe in fantasy; the reality is that nearly 2 million people are about to lose their homes because they can’t pay the mortgages! (See Helga Zepp-LaRouche’s analysis in the *Feature*, and our package in *Economics*). Look at your children as they stare into their computer screens: A gang of satanic mindbenders have seduced them into playing deadly “games,” aimed at producing soulless killers in a “post-human” society (see the package on Artificial Intelligence by a LaRouche Youth Movement team, in *National*).

Look at the anti-science claptrap that has shut down our nuclear power industry, and the insane computer modelling on which the “global warming” hoax is based—all have the same objective: to destroy the United States.

Is there a solution? LaRouche provides it in the Foreword to his 2008 Democratic Party Platform on “This Global Tragedy!” which leads our *Feature* this week. The rest is up to you!

“For ’tis your thoughts that now must deck our kings....”





## Cover This Week

*Interstate 35W at Minneapolis on Aug. 1, when the bridge across the Mississippi collapsed.*



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This foreword by Lyndon LaRouche to his proposed platform for the 2008 election campaign, warns that the world monetary system is “currently in the process of disintegrating,” which none of the putative Presidential candidates even admits is happening, let alone offer a solution for the crisis. The solution: LaRouche calls for a return to the anti-monetarist, American System of political-economy, a return to those principles which informed President Franklin Roosevelt’s recovery from the 1930s world depression. Without that solution, “the worst outcome imaginable were about to happen to the world at large.”

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Mr. Hildebrandt is the Project Director for the Idaho National Laboratory, which has been designated by the U.S. Department of Energy as the project integrator for the Next-Generation Nuclear Plant. It will be built there.

## Editorial

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DEMOCRATIC PARTY PLATFORM 2008—LPAC SPEAKS!

## This Global Tragedy!

by Lyndon H. LaRouche, Jr.

July 30, 2007

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*The following document is presented as an urgently needed draft of what must be crafted to serve as the Platform for the coming U.S. General Election. It has been prompted by the fact that none among the putative leading pre-Presidential candidates have shown, so far, any recognition of the kind of reality which will face the voters in the coming November 2008 General Election, and no sense of the issues which will have become decisive at the point of the January 2009 inauguration. It were said fairly, that all of the putative candidates, thus far, are treating the future as a continuation of assumed conditions which are currently ceasing to exist, therefore showing little sense of what must be faced, or of what must be done, if our republic is to have a future during even the relatively short term ahead.*

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### Foreword: How This Crisis Happened

As I spoke in my Webcast, now less than a week ago, the present global financial crisis has now erupted: "...at a time when the world monetary system is actually, now, currently in the process of disintegrating."

As the relevant Germany press describes the situation, the crisis at the IKB arm of the Germany's Kreditanstalt für Wiederaufbau, involved the use of IKB to attempt to sustain the overstretched and trembling Germany banking system. Apparently, the effort at a clean stop-gap action failed at some point in the chain of arrangements. Such a development within the Germany banking system blows away the efforts of the U.S.A.'s Henry Paulson and others to maintain the illusion that the U.S.A. side of the current global financial panic is only a marginal moment of crisis within the limited domain of a subprime mortgage-based-securities market.

The fact of the matter is, at the one end, the respective mortgage-based securities markets, and, at the opposite end, the world-wide, British Cayman-Islands-centered operations of the "hedge funds." These are the "book-ends" of a global systemic financial crisis whose most notably complicating feature is the role of the Japan "carry trade." The inability of the banks, at the one end, to play their assigned part in passing margins of money *now not being supplied* to the current rash of hedge-fund takeovers, means a general breakdown of the system as a whole.

Therefore, to understand the current phase of this global financial crisis, we must not let our attention be distracted by chatter which seeks to draw attention from the crucial significance of the failure of the current world system at its "book end"-like extremes. Such are the "horseshoe nails" whose failure ripples, chain-reaction-style, to the loss of the rider and kingdom alike.

A combination of developments, heralded by events such as the catastrophe in some Bear Stearns accounts, a political eruption in Japan's parliamentary elections, and the crucial developments reported by Germany's Industriekreditbank (IKB) on Monday, July 30, 2007, has been combined, thus, with related developments, to signal entry into a terminal phase of developments now breaking out, chain-reaction-like, in the trans-Atlantic and other leading financial markets. What stubborn refusal to face essential facts has caused to be the long on-coming, virtually inevitable great, global financial crash of 2007, or slightly later, has now arrived.

That crash could be prevented, as I have explained repeatedly during recent years, but not under the conditions defined by an effort to maintain the present world system.

As a result of that stubborn clinging by current political authorities to misguided policies, especially the now-failed monetary, economic policies, and warfare policies of the re-



**IKB**  
Deutsche Industriebank

*The near collapse of the German Industriebank (IKB) in late July sent shock waves throughout the financial establishment. Jochen Sanio (shown here), head of the German banking regulatory agency BAFIN, declared that it was the “worst banking crisis in Germany since 1931.” Such developments signal, LaRouche writes, entry into a terminal phase of the crash of global financial system.*



cent three decades, the world’s present monetary-financial system has thus begun its death-agony. A new system could survive; the presently existing one could not. What dreamers and false prophets said could never happen, has now happened. Whereas the world’s *physical economy* could be rescued from the presently inevitable bankruptcy of the failed present monetary system, yet *the presently dominant world monetary-financial system, is now as doomed as the legendary Dodo.*

That system was already threatened with a future crisis in the shifts in policies adopted under President Harry Truman, during the immediate period following the end of what is generally referred to as “World War II.” However, it was only two decades later, with the U.S. entry into a long war in Indo-China, that the dangers became clear. Today, without a return to the anti-monetarist, American System of political-economy, a return to those principles which informed President Franklin Roosevelt’s recovery from the 1930s world depression, the worst outcome imaginable were about to happen to the world at large.

### **Is the Economy Itself Now Doomed?**

Therefore, it were necessary to preface the outline of the proposals for the needed sweeping form of current reform, by a review of some of the most significant history of the problems which have been accumulated since the death of that great President, Franklin Roosevelt, who authored our great recovery from the earlier follies of the 1920s under Presidents Coolidge and Hoover, and also under Andrew Mellon.

The first, March 4, 1933 inauguration of President Franklin Roosevelt, led our United States of America from the despair of 1929-1932, into which it had been misled by the Coolidge and Hoover administrations, into our triumph as a nation, a triumph which had not only made possible the defeat

of the Adolf Hitler dictatorship, but built the U.S.A. into the concentration of the greatest physical-economic power which the world had ever known. But, then, with the death of that President, on April 12, 1945, under the administration of President Harry S Truman, our U.S.A. changed its sense of long-term direction, to become what has proven to be, now, a Classical tragedy of that named type associated with those of ancient Aeschylus, and of modern Shakespeare and Schiller.

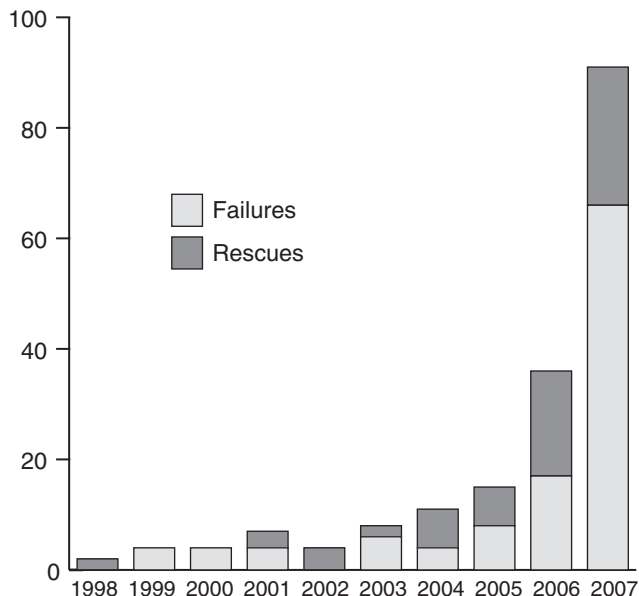
In terms of physical-economic facts alone, for all our short-term troubles, we did remain, on balance, a powerful, growing economy until the time of the November 22, 1963 assassination of President John F. Kennedy. It might appear to be the case, that our economy’s plunge to its present state of ruin was begun with the prolonged U.S. 1964-1972 war in Indo-China; but that war, alone, does not account for the fact that, even after that war had ended, we made the most ruinous changes in direction of policy-shaping. The pattern of these revolutionary changes which were made under Presidents Nixon, Ford, and Carter, has been the core of the causes which have sent our economy down, down, down, plummeting into that presently catastrophic state of physical-economic decadence from which the majority among our citizens is suffering today.

Until the effects of the U.S. War in Indo-China, the economic-cultural outlook of our republic continued to be, approximately, a continuation of that experienced under President Roosevelt’s leadership, as expressed in both his recovery program and his mobilization for the defeat of Hitler. The adult generations which had experienced the Depression, the recovery, and that war, had that experience embedded as if in their bones. I can say, today, as eyewitness, mine was the adult generation which, in the large, rallied to President Dwight Eisenhower and to the vocal renewal of the Franklin Roosevelt legacy by President John F. Kennedy.

The assassination of President Kennedy, and the launch-

**FIGURE 1**  
**Failures and Rescues of Mortgage-Related Companies**

(Number of Companies)



Source: MortgageDaily.com.

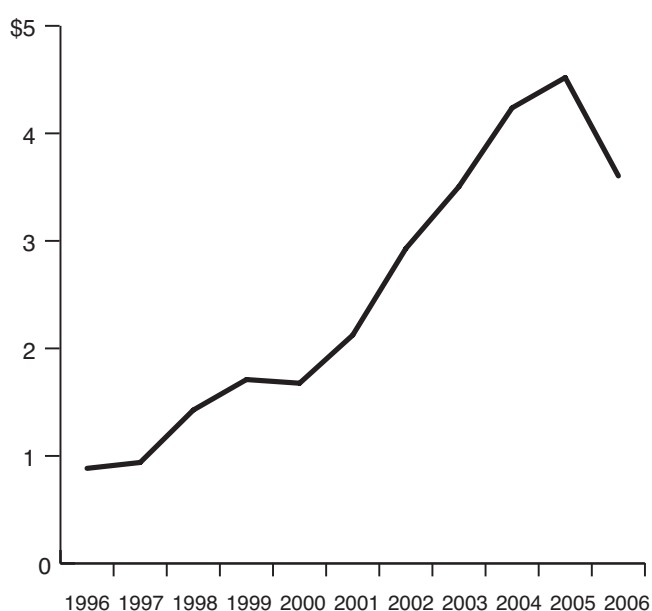
ing and continuation of the Indo-China war, created the social chemistry under which the already simmering radical changes in the leading cultural outlook of the nation were induced. These were changes of the type which President Dwight Eisenhower had already named a “military-industrial complex,” changes which were already in progress virtually from the moment President Franklin Roosevelt had died. The turn against our science-driven farming and industrial traditions, was typified by the Carter Administration’s adoption of the programmatic outlook of the Trilateral Commission, a wrecking of the very foundations of our internal economy which found its political support chiefly in the “white-collar” sentiments among the young adults of the so-called “Baby-Boomer” generation.

Thus, the combined, corrosive moral and economic effects of a long war of 1964-1972, the lunacy of the wrecking of the Bretton Woods agreements, and the “post-industrial” insurgency of 1968-1981, wrecked the house which Franklin Roosevelt had built, and plunged the political processes of the nation into a kind of Sophistry which should have reminded historians, ominously, of the social forces responsible for the self-destruction of Athens in the Peloponnesian War.

So, to summarize: It was the commitment to the Liberal monetary and economic, and social reforms of the 1969-1981 interval, which has become the policy-matrix which has destroyed our republic during the decades then and since. The changes which have ruined us, began as a kind of moral corruption, under the Administration of President Harry Truman;

**FIGURE 2**  
**Flow of Mortgage Funds Drying Up—Net Annual Borrowing for Home Mortgages**

(\$ Trillions)



Source: Federal Reserve Flow of Funds.

but, what now dooms us, unless we change now, are the radical changes in policy introduced as a set during the 1969-1981 interval. This has wrecked us. That cultural-paradigm shift, has been the principal immediate cause for the state of ruin which continues to grip our republic today. It is those policy-changes which we must now reverse, and that suddenly and to immediate and pervasive effect, if our republic is to survive the already onrushing global breakdown-crisis of the presently existing world system.

This, in summary, is our present national tragedy.

Therefore, to save our republic from a presently immediate threat, from the continued economic and related threats to our constitutional system, we must return our attention to the point at which the relevant moral corruption of our policy-shaping processes was germinated, not only from the moment of President Kennedy’s assassination, but back to the time of President Franklin Roosevelt’s death.

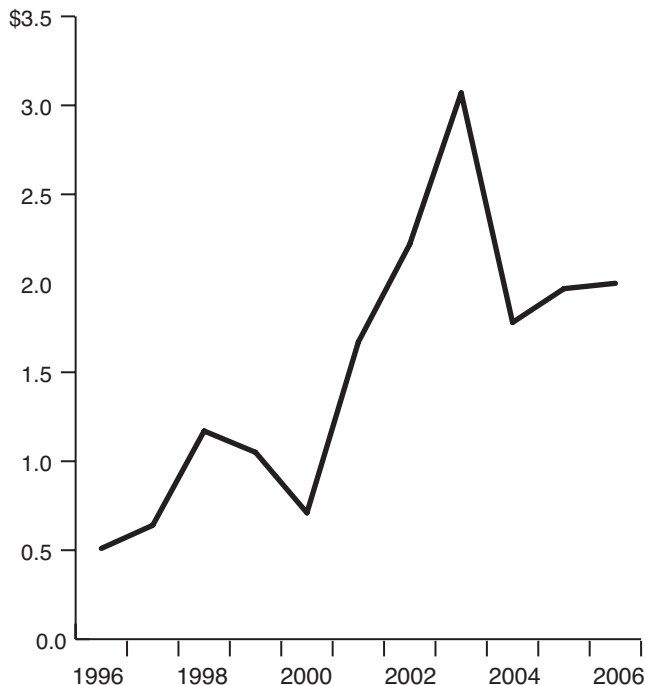
To understand the causes for the ruined state of our economy today, we must look more deeply into the long-term implications of the original turn against the Franklin Roosevelt legacy, the turn which President Truman’s accession began. The significance of Truman’s accession became clearer, as Truman’s popularity plunged during his second term. The nation wisely turned to Dwight Eisenhower to rescue the nation from Truman’s folly. (I was there at that moment, and understood it rightly, already at that blessed time.) Despite the well-deserved popularity of President Eisenhower, and of



FIGURE 3

## Pace of Mortgage-Related Securities Issuance Slows

(\$ Trillions per Annum)



Source: Securities Industry and Financial Markets Association (SIFMA).

President John F. Kennedy, the presently ruined condition of the U.S.A. economy is a fruit of a long wave, a decades-spanning change in overall direction, toward increasing power of what President Eisenhower would identify as a “military-industrial complex,” a change which had actually begun, already, in the immediate aftermath of Truman’s entry into the Presidency.

So, despite the relative, average increase in per-capita physical prosperity during the 1945-1963 interval, the radical changes, away from the global and national policy-matrices of President Franklin Roosevelt, were already the characteristic *direction of long-ranging change* in the economy during the entire span of the long-ranging trends in policy over the entire interval from April 12, 1945 to the present date.

This concept is crucial, in the sense that, without this notion of our 1945-2007 history, as a time of an unfolding, post-Franklin Roosevelt, Classical tragedy, our republic would now fail in a way which would not only doom our nation, but carry the world as a whole down in the same general fate. The greatest threat to world civilization today, is not the present problems of the U.S.A. under nominal President George W. Bush, Jr., but our republic’s failure to make the sudden turnabout to the kind of leading role on which the welfare of the planet as a whole now depends for decades yet to come.

## The Force of Tragedy

The Classical European paradigm for the kind of failure of statecraft which has been experienced by the U.S.A., so often, during the period since the death of President Franklin Roosevelt, is the collapse of Pericles’ Athens into what became the ruinous Peloponnesian War. What I have just described, above, as the change from the creative optimism of President Franklin Roosevelt’s revival of our Constitutional tradition, is that long reign of Sophistry, like that of self-doomed ancient Athens, which grabbed control of our destiny under President Truman and beyond.

What the U.S.A. has done to itself since the death of Franklin Roosevelt, but also, more noticeably, since the assassination of President John F. Kennedy, is a full-blown tragedy in the strictest understanding of the principles of the Classical drama of Aeschylus, Shakespeare, and Friedrich Schiller. The meaning of “tragedy” is not limited to a case of a death or suffering which could have been avoided; in its strict, Classical meaning, it treats the case in which the victim, which may be an individual or an entire society, destroys himself, or itself, as a result of a generally accepted belief, or, the same thing, a habituated tradition. In that strict use of the term, “tragedy,” the recent behavior, or, lack of appropriate behavior by the campaign-money-conscious U.S. Congress, has been truly tragic in the full meaning of the term.

In applying that conception to the specific case of our presently crisis-stricken U.S.A., we must refer to the role of what both ancient Classical Greek and modern Classical-scientific culture recognize by the strict use of the term “dynamics,” as a term of scientific method.

This use of “dynamics” by me, here, means, that contrary to the dogmas of the academic and kindred ideologues of Romanticism, there are sometimes prophets in history, but there are no effective heroes among the typical, incumbent leaders of a culture which has entered a truly tragic phase of its existence. I speak of that tragedy into which the U.S.A. entered upon the death of Franklin Roosevelt. In all Classical tragedies, such as those portrayed by Aeschylus, Shakespeare, and Friedrich Schiller, it is the current form of culture of the society as a whole which has failed, a systemic failure of a culture, which grips all incumbent leaders of the society’s characteristic institutions, and also the great majority of the population in general. I know this very well; I was there, and I recognized that fact immediately, at that time.

In a truly tragic period of a culture’s history, such as that inaugurated in ancient Athens under Pericles, or that which has dominated the U.S.A.’s and world history as a whole since the death of Franklin Roosevelt, it is also the popular opinion shared among a great majority of the population, but especially the great majority among its leading social and political classes, which brings the doom of that society, upon itself.

Often, as it was for the U.S.A. under President Truman, as in the early stages of the show of riches under Athens’ Pericles, there is a period of initial prosperity and sense of triumph,

which snares the leaders of the society into that same kind of surge of misguided overconfidence which led into the fated doom of Athens in the Peloponnesian War, or which led the foolhardy U.S.A. into its suicidal plunge into the 1964-1972 Indo-China war and the present cauldron of Southwest Asia.

This has been the characteristic pattern leading toward the ultimate failure of the U.S.A. under all Presidents from Harry S Truman through the worst so far, Dick Cheney's puppet-President, George W. Bush, today. We have enjoyed a few relatively good Presidents during this tragic span, but they were chosen to lead a society which has continued to show, more and more, the characteristics of a living tragedy, despite their personal wishes to the contrary.

To halt a tragedy, reforms are never sufficient; since such tragedies are the fruit of mass-delusions, from the higher social ranks of society, on down, it is indispensable that we change the entire system's relevant set of prevailing axiomatic assumptions: such as that belief in "free trade" which has been a crucial factor in the mass behavior impelling popular opinion into the self-destruction of the U.S. economy which we have experienced during the recent three-and-a-half decades.

Every known culture of mankind in history so far, whether a happy or wretched one, presents us with a people who, at large, are engulfed within an intricate mass of axiomatic-like assumptions. Some simplistic opinion would describe such a population as "programmed." Others would refer to sets of beliefs which either are, or pretend to be universal physical principles, as the so-called "laws of our universe." Against this reality, the virtual idiot is the man who insists that his judgment is not affected by such cultural-environmental "fences" around the range within which his mental processes are permitted to wander. We sometimes speak, for example, of "accident prone-ness," or of an individual controlled, like an enraged dog on a leash, by his, or her most gripping obsessions.

Although these matters are sometimes discussed, the individual's awareness of that kind of pathetic relationship usually vanishes during the span of the proverbial heat of the moment of decision. What are the powers which control your reactive decision in "the proverbial heat of the moment"? How can a population whose majority has supported mass-insanity in its top ranks, such as the U.S.A. of recent decades, be induced to cease being as foolish as its majority has shown itself to be during recent decades?

*Such is the force of tragedy.* It is that matter which justly fascinates the reflective sort of cultured persons when the subject of their attention is ancient Classical Greek tragedy, or Shakespeare's English history collection as a single work, or the more advanced insight into the principle of tragedy which is met in the work of a Friedrich Schiller, as Schiller proceeded from the implications of relevant predecessors such as those.

*What is too often overlooked about the crafting and performance of Classical tragedy and its like, is, that the subject of the drama is not on the perceived stage, but, as Schiller em-*

*phasized, the reaction of the mind of the fellow in the balcony of the theater to the way in which the action on stage is brought to life, as if within a memory, within that member of the audience.* As Friedrich Schiller emphasized: the object of the drama is to induce a person who has entered the theater, to leave that theater, thus, a better citizen than he, or she had entered.

In a certain degree, on that just stated point by Schiller, therefore, the historian and intelligent ordinary citizen, alike, profit greatly from a good presentation of the prescribed opening of a well-staged performance of Shakespeare's *Henry V*, of the monologue by Chorus.\* So, on all occasions of Classical drama since the ancient Classical Greek stage, the actors on stage, and related trappings, must dissolve into the reality of the scene and cast which those mere appearances on stage call forth as in the guise of the mental images seen and heard, on a higher plane than that mere stage, by the mind of the member of the audience. The drama must evoke the appearance of the vision, sound, and action to which the staged performance refers. The actors and the scenery must not distract the attention of the member of the audience from the historically relevant sights and sounds of the drama itself, rather than the mere images on the stage as such.

The transformation which such a Classical drama's performance, or the real-life stage must evoke has the same characteristics of action as an original discovery of a universal physical principle, or a creative insight of the qualified performer into a work of art. The essential thing in such necessary transformations of the axiomatic premises of thinking, politically or otherwise, is a shift in focus of attention from local actions, to the matter of a choice of principle expressed by the process as a whole.

The truly Classical art of politics, is to see ourselves as an actor in that drama of the society as a whole, on that stage. It were prudent to think of European culture's now global history over a span since about 700 B.C. In that way, by understanding the critical changes and their outcomes in this history, the needed essential ideas come into view.

That is the approach which we must now summon among ourselves, that we might accomplish the needed transformation from the form of human cattle recognized as persons who are merely voters, to those who think and act as true citizens of a republic like our own.

—Leesburg, Virginia  
August 1, 2007  
*To be continued.*

#### \*END NOTE

##### Chorus:

O for a Muse of fire, that would ascend  
The brightest heaven of invention,  
A kingdom for a stage, princes to act  
And monarchs to behold the swelling scene!  
Then should the warlike Harry, like himself,  
Assume the port of Mars; and at his heels,  
Leash'd in like hounds, should famine, sword and fire

Crouch for employment. But pardon, and gentles all,  
 The flat unraised spirits that have dared  
 On this unworthy scaffold to bring forth  
 So great an object: can this cockpit hold  
 The vasty fields of France? or may we cram  
 Within this wooden O the very casques  
 That did affright the air at Agincourt?  
 O, pardon! since a crooked figure may  
 Attest in little place a million;  
 And let us, ciphers to this great accompt,  
 On your imaginary forces work.  
 Suppose within the girdle of these walls  
 Are now confined two mighty monarchies,  
 Whose high upreared and abutting fronts

The perilous narrow ocean parts asunder:  
 Piece out our imperfections with your thoughts;  
 Into a thousand parts divide on man,  
 And make imaginary puissance;  
 Think when we talk of horses, that you see them  
 Printing their proud hoofs i' the receiving earth;  
 For 'tis your thoughts that now must deck our kings,  
 Carry them here and there; jumping o'er times,  
 Turning the accomplishment of many years  
 Into an hour-glass: for the which supply,  
 Admit me Chorus to this history;  
 Who prologue-like your humble patience pray,  
 Gently to hear, kindly to judge, our play.

—*Henry V*, Act 1, Prologue

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## Greed Turns to Angst

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# The Global House of Cards Is Collapsing

by Helga Zepp-LaRouche

The core meltdown of the world financial system, which has been in preparation for a long time, has now occurred, with the collapse of the subprime mortgage market in the United States. Beginning with two hedge funds belonging to Bear Stearns, a series of such funds have gone to ground due to speculative failures, and the turbulence has finally spilled over into the international markets and implicated financial institutions in Germany, France, Great Britain, and Australia. And that is only the beginning.

While most of the press internationally is in full cover-up mode, the near collapse of the German “industrial credit bank” IKB has shocked some in Germany into recognizing the situation (see accompanying article). Jochen Sanio, head of the German banking regulatory agency BAFIN, admitted that this amounted to the “worst banking crisis in Germany since 1931.” According to the *Süddeutsche Zeitung*, the “whole German banking system” was in danger, which was obviously the reason for a temporary rescue of the IKB by the German government and the Kreditanstalt für Wiederaufbau (Reconstruction Finance Agency), at the tune of 8.1 billion euro (over \$11 billion).

But this is only the tip of the iceberg; more U.S. mortgage banks, such as American Home Mortgage, are in serious distress. One reason for that lies in the practice of so-called “adjustable mortgages,” whereby the buyers can acquire real estate they cannot afford, and in which, for a certain period of

time, rather low interest rates on the mortgages fall due, but then, after a prescribed period, at most two years, are automatically raised. When the higher rate goes into effect, the payments rise in the range of hundreds of dollars per month. The adjustable mortgage market went into full swing in the Spring of 2005, thus, an avalanche of increases in the rates has occurred precisely at the present time.

All in all, increases in the interest rates on adjustable rate mortgages affect 12% of all mortgages in the United States, raising mortgage payments by a trillion dollars. In October alone, mortgages will be jacked up by over \$50 billion, and eventually all categories of mortgages will be threatened. According to Moody's Economy.com, between 1995 and 2005, about 3.2 million homeowners bought houses on the basis of subprime mortgages or similar credit-terms, and thus, it is expected that about 2 million of these homes will be lost in the next months. The flood of housing foreclosures has led to a dramatic collapse in real estate prices; because of the exposed position of the financial institutions, it will become considerably harder to get new mortgages, and the effect on the real economy, including jobs in the construction sector, will be catastrophic.

## End of the Yen Carry Trade

Much more dramatic than this situation, is the fact that the collapse has been accelerated by another process with very much more far-reaching consequences, namely the drying-up of the Japanese yen carry trade. With it, dried up the paradise of cheap liquidity, which for years permitted investors to borrow advantageously in yen at a zero interest rate, in order to invest in higher-interest-rate sectors around the world. The flood of liquidity from this source amounted to \$500 billion, which has been as good as cut off. In the face of rising interest rates, now speculators who have contracted cheap yen credit, and were met with losses in the American mortgage market and in the hedge funds, have sought desperately to turn their investments into cash in order to pay back their yen loans, which has led to an up-valuation of the yen. Again, this increases the losses of the speculators. The reverse leverage,

leading to the collapse of the speculative pyramid, is in full swing.

Banks and financial institutions are suffering from a kind of withdrawal shock. Because, while the takeover mania by the hedge funds and private equity funds has recently reached dimensions never known before—worldwide, the hedge funds in the first half of 2007 have taken over companies worth \$2.3 trillion—they are sitting on a debt mountain of \$1.5 trillion, of which a portion, in light of the always growing reach of the capital markets, threatens to become bad debt. The credit institutions, in a panic, are trying to get these debts off their books by year's end, because they could otherwise not undertake any new financial operations. For the market of mergers and takeovers, the honeymoon is definitely over.

Analysts from Crédit Suisse are warning that the banks are having great difficulties in selling new bonds—if they can't do this, the credit lines to the hedge funds and other market participants must be cut off, which must lead again to a cascade of liquidations.

We are now experiencing how the greatest liquidity bubble in the history of the financial markets is beginning to burst. Lyndon LaRouche incisively recognized the beginning of this development when he identified Nixon's intervention on Aug. 15, 1971, namely the loosening of the fixed-exchange-rate system, the separation of the dollar from the gold reserve standard, and the creation of the Eurdollar market, and with it, of private credit creation, as the beginning of a process which would lead to a new depression.

Alan Greenspan, who can take dubious credit for his part in this development, going down in history as "Mr. Bubble," is responsible for the recent explosion of the casino economy. After the Crash of 1987, which showed parallels with "Black Friday" of 1929, he had the glorious idea of inventing "creative financial instruments." To that category belonged, among other things, credit derivatives. By 1998, the volume of credit derivatives amounted to \$180 billion. When, in September of 1998, the LTCM hedge fund, in the context of the Russian state bankruptcy and the GKO crisis, threatened to go bankrupt, the G-8 nations decided to set a huge liquidity-pumping machine into motion. In 2006, the volume of the "wonder-weapons" of financial transactions, the so-called collateralized debt obligations (CDOs), reached a fabulous \$3 trillion.

Through these "structural products," the bankers package credit risks of totally different kinds of debtors into bundles, divide them into different classes of risk, and sell them to investors. The defenders of this practice argue that the hedge funds thereby play a positive role, because they spread the risk onto many shoulders. This theory has only one devastating flaw: As long as all asset prices are rising, everything functions wonderfully—because there is also no risk; but at the moment a reverse-leverage collapse sets in, the linkage between the different market segments through the hedge funds drags the whole system into collapse.

## A Drying Up of Liquidity

A further problem arises from the fact that, through the instrument of the credit derivatives, a house of cards has been built up. The difference between creditors and debtors is wiped out, the debtor appears at the next moment as a creditor to another debtor, who again gives out credits from his side, and so on. This is, at the same time, the mechanism for the wondrous multiplication of money. Because when the market participant receives such a loan, this loan becomes the reserve capital for loaning a new credit to someone else. And thus, a further spiral goes into effect. Greater credit issuance provides more room for greater securitization; the creation of more liquidity again allows for greater credit issuance.

As they say, as long as the speculative bubble can inflate further, as long as the credit issuance increases, everything is fine (at least in the monetary realm, but not in the real economy, which has been sacrificed in this process). But if, as now, in the event of poor quality mortgage markets, there comes a break, and, as a result of the drying up of the liquidity pump which follows from the end of the yen carry trade, there occurs a reverse-leverage process in this pyramid, then the illusion bursts, and the system crashes. What we experience today, is the psychologically highly interesting process of how limitless greed, in the nature of physical lust, turns, almost overnight, into limitless angst. If no one believes any more that the emperor has new clothes, everyone sees that he is naked.

At the moment that the subprime mortgages, which were bundled into interest-bearing securities such as CDOs, fell in value, the banks and other financial institutions could no longer loan or borrow on the basis of these CDOs, as reserve capital or collateral. As a result, the global wave of liquidity dried up. A further aspect of the sell-off began when the banks had difficulties in financing the takeover of Chrysler through the private equity firm Cerberus (the locust fund which significantly bears the name of the hound of Hell).

Then where do we stand? Are those right, who say that there need only be a "straightening out" of the markets, and a little bloodletting, and then let the central bankers and established powers again take control?

It is interesting that an unorthodox newsletter in France, *La Chronique Agora*, asked July 31, under the headline, "Stockmarket Crash: Can You Still Escape?" The writer answered: "I don't think so. This time the crisis is too deep and the worry well installed.... This time the alert on the credit markets is of unprecedented magnitude. Long minimized, its gravity is becoming more obvious each day.... The ongoing phenomenon marks the end of an epoch: that of the illusion of unending world liquidity."

The next weeks will leave no doubt that Lyndon LaRouche is right, and all his critics will be discredited. There is nothing to expect from the Bush Administration, as long as Vice President Dick Cheney remains in office. Therefore, everything depends upon whether the world heeds what former Mexican President José López Portillo recommended in 1998: "Listen to the wise words of Lyndon LaRouche."



# Financial Bubble Bursts in Germany

by Rainer Apel

For at least three weeks in June, Germany's leading news dailies ran semi-alarming reports on the the U.S. mortgage bubble crisis, repeating the soporific nostrum, "It may happen here, but the experts say it will not happen."

Then, on July 30, it did happen: Hints that Industriekreditbank (IKB) had severe problems on the U.S. subprime mortgage market, sent the stocks of the bank down like a stone in the first minutes of trading on the Frankfurt stock exchange. By 10 a.m., trading of IKB stocks, which had lost 15.7% in value, was halted. News made the rounds that IKB was exposed on a good part of the 12.7 billion euros (\$17.3 billion) of highly leveraged loans organized through its Delaware-based operation, Rhineland Funding. When trading of IKB stocks resumed, the bank lost another 8% in Frankfurt in the early afternoon.

But a full default was prevented, at least for the moment, when Kreditanstalt made public that it had, in close consultation with the German financial market watchdog agency BAFIN, provided an emergency credit-line for IKB in the range of 8.1 billion euros. Not a minor sum, and not a minor crisis, apparently.

A particular aspect that is said to have prompted the instant intervention of the Kreditanstalt, is that IKB handles 33% of all Kreditanstalt loans to German *Mittelstand* (small and medium-sized) firms, and that IKB provides 14% of all loans in Germany to that crucial sector of productive industry, nearly as much as all the biggest private banks put together. And in the category of bigger *Mittelstand* firms, IKB provides 30% of all loans.

## IKB and the Bubble

IKB's prominent position tells a story about how the bubble came to Germany. During the 1980s, but increasingly during the 1990s, the big private banks walked out of industrial financing, especially of *Mittelstand* loans, so that around the beginning of the millennium, the smaller industrial firms, notably the highly productive machine-building ones, were provided with loans primarily from the savings and loans banks, Kreditanstalt, and IKB. Kreditanstalt functions as a substitute for a national bank, by arranging longer-term credit-lines at low interest, which are transferred to IKB for project-oriented loans to *Mittelstand* firms. Whereas Kreditanstalt and IKB (of which Kreditanstalt took over 38% in 2001) act on a national level, the savings and loans banks have similar credit policies on the regional level.

The problem today is, that the credit-crunching policies of the private banking sector have forced the public banks and semi-public banks (like IKB) to seek capital on the free market, because, with the exception of a few billion euros annually, the state has opted out of issuing loans for productive industry, under the budgeting strictures of the European Union. This has lured banks like IKB into the seemingly profitable mortgage markets of the United States, and for several years, the refinancing of loans and bonds through asset-backed commercial papers worked well. But now, the previously profitable situation has turned into a disaster, as also some of the big private banks, such as Deutsche Bank, were forced to recognize, when two hedge funds of Bear Stearns, with a high exposure on the standard and subprime mortgage market, went under a few weeks ago. Whereas Deutsche Bank is playing down the affair, analysts at Morgan Stanley speak of up to 500 million euros in losses at Bear Stearns for the Germans.

In reality, Deutsche Bank must be considered the first German casualty of the bubble, because it got hit earlier than IKB; but the latter is viewed as the first de facto casualty, because the sudden withdrawal of several leading creditors, including a yet-unnamed "big German private bank," drove IKB into a situation where it would have to come up with up to 1 billion euros in emergency credit guarantees—money which it simply did not have. The aforementioned Kreditanstalt intervention averted the disaster for the time being.

## Tip of the Iceberg

IKB is only a minuscule portion of the German exposure to the bubble's acute problems. Apparently in a concerted move on the European level, BAFIN, at the end of June, began interviewing 20 German banks and funds about their engagements on the volatile U.S. markets. The results of those interviews have not been made public, but insiders speak of a situation that is out of control. A market analyst based in Frankfurt told this author on June 30, that all banks that have offered a return above 7-8% to their shareholders, have gone to the subprime and other such markets, because there has been no other source of fresh capital in recent years. Revenues that high cannot be yielded by the classic banking operations, and the subprime operation is only a minor aspect of the whole system, because "who knows who owns what to whom, in the end," in a market that keeps bundling subprime and other liabilities in multi-leveraged constructs to rally fresh capital on the yen-carry-trade market in Tokyo.

That is how it has been done, at least until recently; but now, there are grave problems with the former Tokyo money-machine, the analyst said. The 12.7 billion euro exposure of IKB appears comparatively mild, as "much larger sums" are rumored in connection with some of the largest private sector banks, the analyst hinted. All the more reason to begin discussion about a New Bretton Woods financial reorganization!

# LaRouche Addresses Youth Cadre School: The Political Economy of Creativity

*Lyndon LaRouche addressed a cadre school of the Ibero-American LaRouche Youth Movement based in Argentina, with audiences also in Mexico City, in Bogotá, Colombia, and in Loudoun County, Virginia. Here are his opening remarks.*

Now, the remarks I'm going to make today, come under a general scientific topic: It's called "The Political Economy of Creativity." But in a special chapter in that ongoing account of this matter, today, the subject could be called "Bad Times," which has the ironical significance—if you could see this—of the Business section of the *New York Times*, today. And the *New York Times*, which belatedly acknowledges the fact that there was a major crisis in the financial markets this past week, blames it on China, and says, "five months after stock markets around the world were shaken by a 9% plunge in the value of the Chinese stocks, the markets again have come under severe pressure."

It has nothing to do with China. But they like to blame it on China.

The nature of the problem is this: Looking at the situation internationally, what we're looking at, is the process of the end-phase of disintegration of the present world financial-monetary system. The events of the past week on this account, internationally, were based on a breakdown of the aspect of the system which is called the hedge fund operations.

Now, the problem was this: The world is dominated by various kinds of peculiar types of financial enterprises. Hedge funds typify this. Hedge funds are a sort of gambling; it's sort of Monte Carlo or Las Vegas carried on as a substitute for economics.

Now, the basis of this system, is going to banks and other resources, which presumably are sources of financial money, financial assets, and agreeing to borrow the use of those financial assets, which are then used to *purchase* something, again, on options! So that when they buy up a company, by stealing it in a sense, by roughneck methods: They buy up a company, a large concern, they don't pay for it; they pay for it with a *promise* to pay for it. The promise to pay for it, depends upon the delivery of the money which had been promised by things like U.S. banks—major U.S. banks and other institutions. And the stock market, like the Wall Street stock market, plays a role in this. Now, the fact of the matter is, that the rate of growth of hedge funds and similar types of takeovers, in the world markets—notably in the United States, Europe, and so forth and so on—the rate of takeover is depending upon a

growth in the rate of takeover.

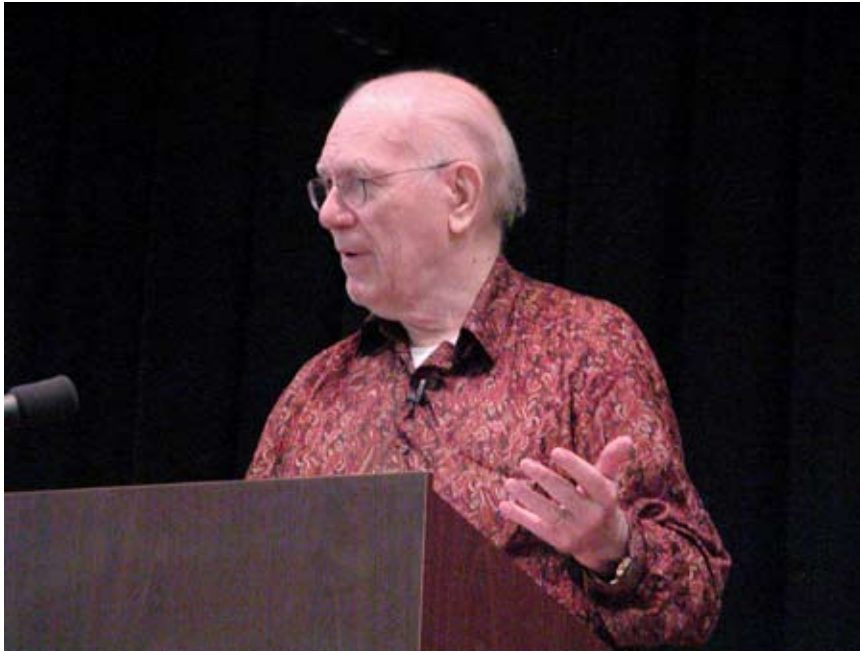
Now, the growth of takeovers has proceeded, while the actual growth of the physical economy has been collapsing. As everybody knows in South America, as well as in the United States: The real economy has been collapsing. The physical standard of living of the typical American in the lower 80% of family-income brackets, has been collapsing since 1977. There has never been an abatement in the general trend of collapse of the living standards and related conditions of the lower 80% of family-income brackets in the United States.

Prosperity, insofar as it's perceived, has been shared only among the upper 20% of family-income brackets, and that has been shrinking—that is, the standard of living of the upper 20% of family-income brackets has been overall shrinking in the lower brackets. The wealth has been concentrated in the upper 3% of family-income brackets, and that's pretty much an international trend. You see the same thing in Asia, where the poor are more desperately poor in many cases than they ever were before, including in nations which have an aspect of prosperity in a certain limited part of their total economy.

Now, so therefore, you have a collapsing world economy, in terms of physical measurements—standard of living; one of the biggest speculations, particularly during the 1990s, which is a complete fraud: There has been *no improvement in the economy*, no gain in the economy, in the United States or Europe, since the beginning of the 1990s. It's been collapsing all the way along. But there has been the aspect of prosperity, in terms of financial accounts, as opposed to *physical*, real accounts. The physical standard of living has been collapsing, but the financial obligations have been increasing, and some of the financial incomes—certain portions—have been nominally increasing, but also under conditions of high rates, and accelerating rates, of financial inflation. So therefore, a dollar is worth much less, each year, in the United States. And the rate of depreciation of the dollar, as the dollar, in terms of physical purchasing power, has increased; that is, the rate of inflation has increased.

## Ground Zero

So, now you come to a point where the whole world market depends upon speculation, in these kinds of takeovers, takeovers which involve a shrinking and collapse of the economy! Takeovers, like the housing bubble here, in Loudoun County. Loudoun County is Ground Zero for the collapse of



EIRNS/Stuart Lewis

*"The solution is always going outside the attributable motive of the existing society," LaRouche declared, "outside the consensus, outside what everybody thinks. There is nobody with the solution, within the consensus. It's only outside the consensus, that a solution exists."*

the world financial-monetary system. Loudoun County has no usefulness. It once did have usefulness, about 20-odd years ago. But somebody decided to have prosperity; and prosperity consisted of housing. No industry, virtually no farming, no production. The costs of maintaining the county, per capita, per square kilometer, increased. The amount of housing increased. But there was no income generated within the county. That is, no real income, just the financial wages people were getting.

Now, this thing has inflated. We're talking about \$700,000 to \$1 million for a virtual shack, that in former times you'd be ashamed of being caught dead with. And what this has become, is, from West Virginia to Washington, D.C., along this track in Northern Virginia—and the same thing is happening in Maryland, with less acute manifestations—what you have is a gigantic bedroom. And people are commuting morning and evening each way, an hour and a half to two hours, from West Virginia, to get to the Washington vicinity where they work. And what they pass through to get there, is a gigantic, permanent traffic jam. We're going to have more areas covered by highways, than we're going to have housing pretty soon, at this rate. In order to accommodate this vast commuter traffic, you increase the number of lanes in the highway; you increase the number of superhighways. To pay for this, you have high taxes, in the form of tolls, at toll booths, and things of that sort, which are escalating.

So you have people moving up to two hours a day, each way, in many cases, from this area, to work in the Washington

area, where they're employed usually at useless things, like financial services, and selling real estate and things like that—part of the parasite factor. So you build up a tremendous expense to maintain living conditions for a population moving into these areas such as Loudoun County. But no income is actually generated in Loudoun County. Income is brought into Loudoun County in the form of income of people who work elsewhere. And you have some retail stores' sales income and so forth, which is a part of this process.

So, you have this whole area moving. You're building up the transportation system for commuting, at great cost, to get into the Washington area where the salaries or pay to work emanates from that area. Now, what happens, when a \$700,000 shack, which is a fairly common little, cheap house out here nowadays: When the people in the shack are no longer able to maintain the income necessary to pay for the mortgage on that shack, you begin to get, in Loudoun County—you get this throughout London, you get

this on the continent of Europe, you get this in Spain and so forth—you get suddenly, worldwide, the rate of growth of real estate speculation for this kind of insanity, of which this area is only typical; you have an ascent in that rate of growth, and it reaches the point that the actual world income, in net effect, physically, is collapsing! Especially in Europe and the Americas, the net income per capita has been collapsing, as industry is shut down, as agriculture is shut down, and as you begin to import food and products from other parts of the world where the labor is cheaper.

And that doesn't mean that we can't compete with China or India. That means that people in China and India have to starve in large numbers in order to make some of them look prosperous. There's 70-80% of the population of Asia, in so-called growth areas, where cheap labor is providing the stuff consumed in Europe and the Americas. And yet, 70-80% of the population is worse off than it was before. And the only way that these countries are able to supply these cheap goods to the United States, Europe, and so forth, is by starving their people.

And we are starving here: We don't *have* industries. We are not growing our own food! We don't have food security in the United States. We don't have power security in the United States. We don't have drinkable water security in the United States! It's all this crazy fiction.

Now, in the meantime, the amount of money counted for this, the amount of money being printed in various ways, fictitious ways, is increasing. And this is a world phenomenon. The amount of product, as measured in physical terms per





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*Grain silos, outside Purcellville, in Loudoun County, Virginia., 1985, when the county's economy was based on agriculture, and before the entire area outside Washington, D.C. was turned into a gigantic bedroom, where people are commuting four to five hours a day to their jobs and back home.*

capita and per square kilometer, in the Americas and in Europe, is collapsing, through this outsourcing operation. And money is being printed in various ways, including completely fictitious money, by electronic means, in order to keep this thing going. So now, you've got to a point where the growth in net effect, represented by this expansion of this type, is growing more rapidly than anything else. In fact, the real economy is shrinking.

The way this works is by multiplying the debt, by various fictitious methods of inflation, of printing money electronically in the form of speculation. So you have this mass of investment, which, to survive, has to grab and suck the blood of economies. And the economy which is getting sucked in that way, is actually collapsing.

## A Bush League Economy

Now, the key thing here, the most notable thing, has been the collapse of the mortgage-based securities system: What happened is, the real estate speculation and the housing, as in this area, was done as a fraud. It was done for the purpose of building up assets in the form of mortgages against people, by putting up houses, and moving them into cheap jobs in an area like this. The housing increased. The price of the housing increased. It looked like a rising market. The homeowner said, "Ah! My house is worth more on the market today than when I bought it." And therefore, the system goes on. And this housing bubble is part of the process of generating the nominal capital which goes into buying up corporations internationally, which then are eaten up and shut down, the way the automobile industry was eaten up and shut down in the United States in the year 2005-2006.

So, we're destroying—for example, we destroyed the

state of Michigan; we destroyed the state of Ohio; we partly destroyed the state of Indiana. It's owned by this swindle, which the Congress condoned; the Democratic Party condoned. So, now the world economy is collapsing: It's being shrunk by the very methods by which the nominal financial assets have been increased.

The banks no longer really have assets to supply the credit to the speculators to buy up corporations around the world. And the point was reached in the recent time, where what happened was this: In the last wave of speculation internationally, we went into a wave of takeovers—takeovers of the corporations around the world. The takeovers were accomplished without actually *paying* for the takeover, but by delivering a promise to pay, and using that to grab a corporation that they were going to loot. *But they never paid the money.* They only promised to pay it.

Their promise to pay, depended on the other end on a promise to deliver that money to the speculator, from places like the banks around here, the major banks. And *the banks didn't have the money.*

So now, you've had a chain-reaction collapse starting, of the whole system.

Now, if you look at the figures, as I look at the figures, the *total* figures on this, what you're looking at is the *end and disintegration of the present world monetary-financial system.* And it's happening now. It's not happening because of a drop of 9% of the income for China. It's dropping because of Bush factors: We have a Bush league economy, that can not be sustained.

Now, behind this is something else: How were we *so stupid*, in the United States and Europe, and other countries, in order to do this? And this has been going on since 1968, since 1971. And it was the Baby-Boomers that did it! How'd they do it? Look at the 68er philosophy. What were the 68ers in Europe? What was their philosophy? What was the philosophy of the 68ers in the United States? Look at it. The majority of them, the hegemonic section of the 68er phenomenon, was environmentalist. They were anti-industry, anti-farmer, anti-production, anti-science. They became, by 1970, the environmentalist movement, which has destroyed the world economy. They became people like that possum-bred guy, Al Gore. And therefore, the Baby-Boomers said, "Shut down nuclear power! Shut down agriculture! Shut down industry! Shut down production! And give up those ways of making money which involve science and technology." "Get rid of the farmers. Prevent mass production of food, destroy the farm system. Destroy industry. Destroy modern kinds of power."

So, we've had a physical decline of the economy, which



has been engineered, by the Baby-Boomers. The thing was done by the Baby-Boomers, or 68ers, in the 1970s. It was done under Nixon; it was done under Carter. It was continued under Ronald Reagan. It was accelerated under Bush I. It was accelerated under Clinton. It was really accelerated to a destructive degree under Bush II. And all this time, this process has been going on.

So, you have two factors: You have the factor of an insane system, as contrasted with what the world economy was before 1968. An insane system—but you also have a *mentality* which has been driving this system to its present extreme. That mentality is represented chiefly by people in positions of power, who are between the ages of 50 and 65 years: the Baby-Boomer generation.

Now, the phenomenon is, not everybody between the ages of 50 and 65 is clinically insane. But the culture to which they submit is insane. Take the case of the U.S. Congress. Many people in the Congress, are, as individuals, quite sane. They're intelligent, they're creative, they represent a higher standard of culture, generally, than the average part of the population. And they are, in large degree, truly qualified as representatives of the people. But they're also insane. They're insane, why? Because they don't make decisions on the basis of reason, of independent reason: They don't exercise judgment. They say, "I have to go along. We have to go along." They are insane by virtue of participation in a consensus. A consensus, which is a Baby-Boomer consensus, which is anti-technology and is anti-science. It's anti-reason, in point of fact.

And the typification is Gore. Gore is not the cause of the problem, Gore is the typification of the problem. Being part possum, you can't blame him entirely for this thing. But Gore says, "Carbon! Carbon!" What does that mean? You're going to shut down human life. It's the worst form of environmentalism ever conceived. It's worse than the Luddites. It's clinically insane: A society which allows Al Gore to lead it, is a society which is doomed to its own early extinction. And the fact that this thing is tolerated; that this guy is not put in the loony bin immediately, and the people who support him aren't put into mental health-care, immediately, indicates the society is on the road to its own self-destruction.

Unless it changes.

## Creativity vs. Cybernetics

Now, this is where we come back to creativity: I've had a long affair with creativity. It started back when I was a teenager, and I rejected Euclidean geometry; I rejected it then, and I've rejected it ever since, because it's insane. It does not correspond to reason. And people who believe in Euclidean geometry, who accept this swill, are mentally damaged. And this has been characteristic of much science: The influence of Euclid, or belief in Euclid, or similar things in society, is responsible for much mass insanity, and much of the lunacy that happens in society today.

I never believed in that; I was opposed to it. And in my op-



WHO/P. Virot

*"There's 70-80% of the population of Asia, in so-called growth areas, where cheap labor is providing the stuff consumed in Europe and the Americas," LaRouche said. "And yet, 70 to 80% of the population is worse off than it was before. And the only way that these countries are able to supply these cheap goods to the United States, Europe, and so forth, is by starving their people." Here, beggars in New Delhi, 2002.*

position, I became interested in creativity. Especially after I returned from military service, and became occupied with the question of the definition of life, as opposed to a mechanistic definition of life. And then, when I ran into, in January of 1948, a pre-publication edition of Norbert Wiener's book on cybernetics, I realized I was looking at the face of the enemy right in that book, or in the doctrine included in that book: that everything could be explained in terms of mechanistic, mathematical formulations. Then, I found a guy who was even more insane than Norbert Wiener, John von Neumann, who is really insane; who said he could eliminate the human species by inventing machines that could now become "creative," through cybernetics, that you could replace human beings. You had, for example, people in California, in the famous industry out there, in Silicon Valley: These people are constantly fascinated with the idea of replacing the human mind with a machine. And that's around the world.

Now, this thinking comes from the denial of creativity, and it comes from precisely the most ancient evil we've known in European civilization: That most ancient evil is the Olympian Zeus, who said that Prometheus had to be tortured—for what? For allowing human beings to know what creativity is, in this case, to know the use of fire. This is the oligarchical tradition. This is the tradition which we know in European civilization as the history of imperialism. This is what was done to destroy Greece, by the Sophist movement. This is what led into the Peloponnesian War which was part of the destruction of Greece, Greek culture. This is the Roman



EIRNS/Stuart Lewis

*The majority of the 68ers was environmentalist. "They were anti-industry, anti-farmer, anti-production, anti-science. They became, by 1970, the environmentalist movement, which has destroyed the world economy. They became people like that possum-bred guy, Al Gore" (shown here, at George Washington University, May 2007).*

Empire; this is the Byzantine Empire; this is the system of chivalry under Venetian banker control. This is the Anglo-Dutch Liberal system, as designed by the doctrines of Paolo Sarpi, which is the British System.

The argument is, that we can not allow human beings, as individuals, to be treated as human beings. They must do as they're told. A few masters, who are the oligarchs, will tell them what to think and what to do. The work they get will be assigned to them by oligarchs. They will not be creative. They will not discover the secret of fire—i.e., nuclear power. And nuclear power was destroyed largely in the United States by the Baby-Boomer influence on this issue: to destroy creativity, to produce a kind of man in the image of the Dionysian cult! Which is what you see with the Baby-Boomers, the 68ers: It's a Dionysian cult, in that tradition.

So, the problem we have, is that the culture is so saturated with this kind of ideology, and this history, and its effect, particularly since the postwar period, since the 68ers emerged, that it's very difficult for people to see a way, an actual way, of enabling civilization to survive, in a now presently onrushing, general disintegration of the world monetary-financial economic system. The average person, the average person of influence, leading politicians, leading figures of all types in society who are the pacesetters of policy-making, are all intrinsically incompetent in facing this issue.

Now, this is not exactly an unusual situation in human history, in modern European history in particular, and ancient European history. It has always been a very tiny minority of

the population, which has had a practical understanding, as well as a theoretical understanding, of creativity. A very tiny portion, like you. Hmm? Like you. Who actually works at mastering creativity. As opposed to being the ordinary animal, which is what most people are condemned to being. Because they think like cows: They bring us "Bad Times."

They teach us to have a "consensus"! Why should you support global warming? 'Cause that's the Consensus! We all agree!

"What about the scientists?"

Forget them! The Consensus says, no.

So, it always has been, in *every* case, especially the cases we've studied historically from Europe beginning with Classical Greece, with the Pythagoreans and Plato, that this understanding of creativity, has always been adopted *only* by a very small minority of the total population. And the rest of the population has gone along with it for a time. But the rest of the population, being stupefied into this bestiality, lacking the habits of creativity which distinguish a man from a beast, will be panicked into destroying the leaders and destroying the institutions which saved society and enabled it to go up.

Which has happened here. Roosevelt was an example of creativity, an organized creativity, who saved this planet from Hitler. Without him, he would not have been stopped. Hitler would not have been stopped. And the minute he was dead, Truman and company moved the society backward again, to the non-creative form of society, from the creative form. And that's how we got into this mess.

So therefore, the question and the issue here, is, we're still in this situation. We do not have an intelligent population. We don't. We don't have populations who have a conscious understanding of the difference between them and an animal. They don't know what creativity is. And the only way that you can get the kind of leadership you need in society, even of a tiny minority, who will lead the majority of the population to its own safety, is to develop a group of people who actually understand what creativity is.

## The Science of Art

Now, we have had, here in the United States, and to some degree also in Europe, similarly, an experiment of sorts, which has not achieved its acme yet, but it has demonstrated a principle. And the principle is, to attack the enemies of creativity in their most significant expression: Those who think that physical science and mathematics are off on this side, and that Classical art is something completely different, off on that side. And the characteristic unification of this, is to recognize that the problem of this dichotomy, of physical science from human knowledge, is the science of art, is rooted in the idea, as I've emphasized in a recent writing, that, on one side, science is associated with *a priori* conceptions of the organ of sight. We're a *sight-organized* society; Euclidean geometry is sight-organized society: straight lines of vision.

On the other hand, the other side of the same phenome-

non, is sound, hearing. And it's only to the extent that you recognize that sight is one way of looking at something, as instrumentation, and sound is a different way of looking at the same phenomenon, as instrumentation. And sight and sound are not independent authorities! They're fallacious! Like every instrument. It's only by the human mind's ability, to take the paradox, especially the paradox of sight and sound. Sound can focus on an object. Hmm? You can know an object by its sound. You can know an object by sight. But neither is true. And in human beings, the way this is reflected, is in the Classical, especially the *bel canto*, approach to music, to the singing voice.

Therefore, if you combine your experience of the *bel canto* conception of the universe, which the singing voice, properly trained, as Bach's method provides the method to do that, and you say, "Here is the universe," as Kepler said, "Here's the universe. Here's the Solar System"; it has harmonic characteristics which correspond to the faculty of sound, of hearing. On the other hand, the universe also has the characteristics of vision. But, as Kepler demonstrated in the generalization of a law of gravity, neither is true. You have to combine the two, to get a different faculty than either sight or hearing; you have to combine the two, to find a faculty of *the mind*.

We do the same thing in physical science, when we work competently. What do we do? We create instruments, particularly when we're trying to explore the microscopic world: We create instruments that sight can not find, instruments that sound can not reach, and we treat these instruments, or synthetic instruments, if you want to call them that, [as a sense organ], with which we explore the microphysical domain; instruments which we use to understand the universe at large, when sight will not tell us what's going on out there. Like a phenomenon, like the case of the Crab Nebula: You can get many views of the Crab Nebula: Which one is true? There are many different views, depending on the instrumentation you use. Well, obviously, they're all true. But they're all false. Because it's the irony, the contradictions, the paradoxes among them, which point you in the direction of the truth.

Discovery in science is what? It's always creating new instrumentation, or new use of instrumentation, to reach beyond the bounds of simply direct naked sight and sound. And smell, as well. (We use that smell; we use it for detecting certain politicians.)



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*Franklin Roosevelt, said LaRouche, "was an example of creativity, an organized creativity, who saved this planet from Hitler." And the minute Roosevelt was dead, "Truman and company moved the society backward again, to the non-creative form of society, from the creative form. And that's how we got into this mess." Here, FDR inspects airplane production during World War II.*

But you need these instruments, and you create an ironical juxtaposition, of instrumentation of what you're observing. Now the human mind *must* take these paradoxes and bring them together, and create a sense organ, a synthetic sense organ of the mind—not of the senses, but of the mind. And we use the way we use sight and vision, in paradoxical relationship for ordinary observation, to do this.

Now, what happens then, is you discover there are principles, which you can neither see, nor hear. When you found a principle, you found something you can neither see, nor hear. Because sight is fallacious. Vision is fallacious. It's paradoxical. Sound, simply said, is fallacious.

Now, you need a discernment which is neither, but which reconciles both, as Kepler did with his organization of the Solar System. And this is the mind. Now, this object, therefore, that you see is the truth, as opposed to the object of sight or hearing—the truth! Which lies beyond the mere sense faculties. The truth is—what's its dimensionality? It has a dimensionality of all the kinds of instrumentation by which you de-





*The enemies of creativity “think that physical science and mathematics are off on this side, and that Classical art is something completely different, off on that side,” LaRouche stated. “And the characteristic unification of this, is to recognize that the problem of this dichotomy, of physical science from human knowledge, is the science of art.” This sketch by Leonardo da Vinci (ca. 1513) exemplifies the harmonic relationship between science and art.*

termine the object. At the same time, it *has* no dimensionality, because it’s a rate of change in the universe. It’s a rate of *boundless change*, in and of itself. *It’s an infinitesimal.*

## The Infinitesimal in Music

Now, in discovery, if you have the experience of a scientific discovery, or if you have the experience of how you transform a performance of a composition into its composer’s intention, as opposed to simply singing the notes, this object also is an infinitesimal. How does it occur? It occurs in music, for example, in a very slight modification of the way you do a transition. It’s very slight. But if it’s done effectively, it’s very powerful.

Some of you have been working with the *Ave Verum Corpus*, in which you have a couple of points with these successive Lydians. Except in the final phase, you get this very sharp transformation of the meaning of the entire composition—if you do it properly. It’s an infinitesimal. How do you put it on the score? You don’t put it on the score! You keep working at it, until you’ve done it. And when you hear it, you recognize it! At first you don’t know what it is. You’re just taken by surprise. You have the sense that the composition is completed. What happened? Something happened. What happened? Just a moment before—what happened? What was that? What was that whisper that moved through the room? That is the meaning of the entire composition.

So therefore, these two kinds of things, this kind of experience, *is* the experience of creativity. And the person who un-

derstands what creativity is, is always searching for that experience.

Why are you searching? You’re searching, because you know with certainty, that what you think you know from simple sense-perception is not the truth. You’re trying to find the truth, and just like some of our people working on the question of motive, in the case of Gauss’s work on the orbit of Ceres in the Solar System—you’re looking for that “thing,” that experience, which makes the difference. You’re looking for, what is it? The *motive*. The idiot will say, “Well, in the orbit, I’ve got the mathematical calculation of the orbit. I’ve got the geometric construction of the orbit. Here’s the way it looks, here’s the solution.” Bunk!

What you have is the *shadow* of the solution. But what’s the solution?

*What moved it?!* The mathematical formula did not move that planetoid. It wasn’t the mathemati-

cal formula that moved it. It wasn’t the formula for the orbit of the Earth, that moved the Earth along its trajectory. It was that something *moved* it! What moved it was a principle, an *infinitesimal*. Which, because it’s constantly changing, is not subject to interpretation by quadrature. It’s like that.

And you see all the greatest minds in science; typical in modern science, Nicholas of Cusa was the first to raise this question explicitly in modern science. It’s already there in the Pythagoreans, in their work, especially in the example of the doubling of the cube, as by Archytas. Each of these cases is an infinitesimal: It’s an action, a powerful action, which envelops the entire universe as to its type, but which is so small in its incidence of action, that it’s infinitesimal. It’s infinite in its totality, but it’s infinitesimal in its immediate expression in any local situation.

And this same thing is true in great poetry, Classical poetry, in drama.

## The Case of Hamlet

Let’s take the case of *Hamlet*: Now, most people who think they’ve studied Shakespeare don’t know what the hell they’re talking about—especially the experts. They know *nothing* about that drama. There is no hero in Classical tragedy, *none*. There’s no hero. You can’t say, that, “if Hamlet had only done this, he might have survived,” or something that I looked up. Bunk! The point of tragedy—all the great tragedians, which defines them as Classical, in the sense of Classical



art—is they don't believe that a rotten society, a person working in a rotten society, *can, in terms of membership in that society, find a solution for the self-destruction of that society.* Can't.

The solution lies in creativity, in going *outside* that society, to break its rules. Within the rules that people obey, the consensus of the people in that society, there's not a decent character, in the main flow of the plot of *Hamlet*; or of Shakespeare's *Julius Caesar*. There is no "good guy" there, who's actually among the main actors. You have figures, who act as commentators, who help you to see what the problem is. But the characters on stage, as in *Wallenstein*, there is no solution! And there was no solution! Inside the framework—there was none! *The society was destroying itself!* The culture was destroying itself! The people who participated, were all destroying themselves. They *had* no solution, no capability. The solution lay outside. And after *Wallenstein* was dead, a long time after he was dead, then you had a solution, coming from the outside, in the intervention of the Cardinal [Mazarin], and in the development of what became, for a period of time, the great civilization of France, under Jean-Baptiste Colbert's leadership: The birth of modern science, in its organized form, came then.

The solution is always going *outside* the attributable motive of the existing society. Outside the consensus, outside what everybody thinks. There is nobody with the solution, within the consensus. It's only *outside* the consensus, that a solution exists. And no faction within the consensus has a solution.

That's the case now: Here, in the United States, and in the world as a whole. There *is* no solution for this! The United States is doomed! As long as the people who are presently running it are able to control the way the decisions are made! You see that acted every day in terms of the U.S. Congress: The U.S. Senate and the U.S. House of Representatives—these guys, just can't get out of bed! They're the Oblomovs of the American legislative process. They just can't get themselves out of bed, even to survive, hmm? Any Russian can explain that to you. They probably would *love* to explain it to you—get a certain *schadenfro*h out of this thing.

But it's going *outside* the rules of the game as they are accepted now. Because it is the rules of the game, it is the consensus, that causes a true national tragedy, a true cultural tragedy. And it's only those of us who *go outside* the limits of generally accepted belief.



Library of Congress

*The point of Classical tragedy, is that there are no heroes: "You can't say that, 'if Hamlet had only done this, he might have survived.'" The great tragedians, like William Shakespeare (pictured here), "don't believe that a person working in a rotten society, can, in terms of membership in that society, find a solution for the self-destruction of that society.*

See, that's the problem with the Baby-Boomer—first of all, the Baby-Boomer is conditioned, by what? The Baby-Boomer is generally, a white-collar population, or white-collar-oriented population, born between 1946 and 1958. And they were conditioned by a combination of factors; on the one side, the witchhunt, the terror, *fear*. There was a witchhunt going on. A dictatorship was in place. They were frightened. And the expression of that, as in Europe, was the Congress for Cultural Freedom. You don't have to be afraid—just slightly afraid. You have to go along. Have to go along! There is no truth! Go along! There is no truth, there's only a Consensus. Join the Consensus.

Mother said, to the husband: "Don't get our family into trouble. Shut your mouth, and do as you're told. Our family needs security. Shut your mouth, and do as you're told. Or, I'll divorce you, I'll denounce you!" Hmm? And the kiddies were told the same thing. "Huh? Huh! You create an embarrassment for us?! Huh-huh?

At school? You said that, huh? You let them know that we did that, huh?" And that's how they were trained. And they were trained that there is no truth. They're trained that there's only a consensus. And what the effect of that is, is to tell people, that "your mind doesn't mean anything. You may have your own opinion."

You see this in Baby Boomers. You find a typical Baby Boomer, in many cases, you find—well, you get 'em alone, away from their relatives and friends, and family, and then they'd be sane. Once they get back with their family, and friends, and circles, their social circles, they go nuts again! Why? Because they're controlled by the dynamics of a consensus. And to the extent that they're capable of thinking independently, you have to get them away from their friends and neighbors and whatnot. Get them out of their usual circumstances, and just ask them as an individual, what do they really think? "What's your judgment on this? Suppose these guys didn't exist; what would your judgment be?" And you will often get a certain significant percentage of the Baby Boomers, who will actually act under those circumstances, as intelligent people.

But once you get them together, as a consensus, they say, "You can't do that. You gotta learn to get along in this society. You gotta learn to go along! You gotta join in things. Look, you're new in this thing—we are experienced. This is the way things are supposed to work!" And that's how they destroy you.



EIRNS/Stuart Lewis

*"Because music, and particularly with the Bach [Jesu, meine Freude], and with the choral work, you actually are forced to look for creativity; and you know that the thing is somehow wrong unless you hit that point, where the magic comes up.... Where something happens, an infinitesimal. And you realize that what you've achieved—is that. It's an idea: You've communicated an idea, which you might call transcendental." Here, the LYM chorus in November 2006.*

That's how they tried to destroy the youth, by destroying—when they become independent: "C'mon! Don't you know you're not supposed to do *that*? Don't you know that if you want to get ahead in life, here's what you have to do, hah?"

"And your mother is very upset with you! Because you're not doing what you should do. You're not going to get any place, and you're a big disappointment to your mother, I can tell you!" [laughter] That's the Consensus, that's the way it works.

And it took the form of existentialism, which is the dominant ideology of the Baby Boomers. And you meet people in the Congress, and you realize that you're dealing with that. Now, if they're serious, and really want to discuss something with you, just, "C'mon..." But when they think somebody's looking, someone's going to hear what you're saying—"No-no. No-no, no-no, no-no!" Hmm? "No, no. NO!"

## Breaking Free of the Consensus

So the point is, younger generation people, who want to become leaders, and can become leaders in this way, is by breaking free of the consensus, and understanding reason. And to do that, you have to do two things, which is what I've been emphasizing with the educational program among us, in developing the program. Two things: Physical science, but *only* from that standpoint. Not from the standpoint of learning the rules, but of discovering the principles. And you have to do the same thing with music. Because music, and particularly with the Bach, and with the choral work, in this case, you actually are forced to look for creativity, and you know that the thing is somehow wrong unless you hit that point, where the magic comes up, as in the *Ave Verum Corpus* [of Mozart]. Where something happens, an infinitesimal. And you realize that what you've achieved—is that. It's an *idea*: You've com-

municated an idea, which you might call transcendental. And that's what the success is. You see a lot of people, performers in music—it's crap. Fine, it's crap. They play the right notes, not too many clinkers. They get by, they follow the school, they're accepted. They're fast enough. They're clear enough, they know the score.

But it stinks. Because there's no creativity. When you have a great composer, there's creativity. You've got to find it, what it is. That takes a lot of work.

Our friend Norbert Brainin, and the way they worked, the Amadeus Quartet—the way they worked, they worked over *years*! They kept coming back to the composition, to realize what they had failed to do earlier, and what they were now going to do. When they broke up, because of a death, they were in the middle of producing a new casting, an entire casting of the collection of Beethoven String Quartets. And it wasn't done, because there was a lot of opposition to that, to their doing it. But they realized what they *had* to do, which was quite different than what they had done, that you get in the recorded editions which are available to you, I suppose still today. They understood creativity! It's something they *worked* at: It was their morality, especially Norbert's morality—it was his morality.

For example, people who knew him, told us things about him; that, when he was a young man in London, that he was spending most of his time on intonation. He would concentrate, his life was consumed by concentrating on precise intonation. And when we were demonstrating that, among other things, the Classical musical literature of the 18th Century was entirely based on Bach, and was based on C-256, and was based on passing on the F#—we demonstrated it. He went down to a laboratory in Italy, where he took his violin, which was a million-dollar violin; and he took it and he performed on it, there, for this test, this physical test about the tuning.



EIRNS/Kathy Wolfe



Roberto Irsuti

*The Schiller Institute's campaign, initiated in the 1980s, to return to the Classical tuning of Bach (C=256), generated enthusiastic support from many of the world's top-rank musicians. Among them were Norbert Brainin, the lead violinist of the legendary Amadeus Quartet, and the great Italian baritone Piero Cappuccilli. Brainin (photo, left) is shown, in Cremona, Italy, examining the famous Greffuhle Stradivarius; Cappuccilli (photo, right), as he performs a Verdi aria at C=256, during a Schiller Institute conference in Milan, April 1988.*

And the question was, what is the instrument tuned to? What is the right pitch for the instrument, the way it's built, designed? And these instruments were designed for C-256, and based on a soprano passing on the F#.

This is the natural tuning of the human singing voice. The problem is, that when you get away from that, you lose your access to creativity, because you lose the intention which is there by the composer. And Helga had this event in Milan, with people like [Piero] Cappuccilli, who is probably one of the greatest singers of the past period, a baritone. He's a magnificent singer. And others. And every one of the leading greatest singers of that time, agreed!

But jerks, today, say, "No, you have to have an elevated pitch." And there's no way that you can really succeed, in creative music with an elevated pitch: *The universe is tuned!* Who are you to change the universe? What do you think you are, God?!

So, the focus on creativity, and the devotion to looking for the motivation that moves the universe, and should move human beings, is the key to getting society out of this mess.

The other way it works, as it works with many of you in field experience: You're confronting a population which is completely disoriented. You're dealing, for example, as many of you deal with members of the U.S. Congress, or their staffs and people like that. And they really don't know what they're doing! You're trying to motivate them to become better than they are, to touch something in them, which for a moment brings out something in them, which is better than they are normally in the course of life. If you don't have it in yourself, you can't bring it out in them. If you're just trying to bring a smart argument, if you're not motivating them, but just trying to give

a smart argument, a flimsy proof, you're not going to accomplish anything. You won't get through to them. It's when you get through to that spark of creativity which resides in every human being, and you can reach that, and the joy that they get when they get a sense that they're really doing something creative, is what moves them. They just light up, you see them light up as if they'd been illuminated, or something. Not as an Illuminati, but illuminated nonetheless. And that's the point.

The problem here, is the *Times* lies. Bad Times. It lies by changing the subject. It says, "Well, China market, this, blah, blah, blah, blah." The system is finished! *Their* system is finished! The system they've supported, is finished. And they're trying to cling to defend the old system, rather than accept it, what has to be the new. They fail to see themselves as they are. They accept the consensus, rather than reason.

And what we need on this planet, in every country—we don't exclude older people—but what we're looking for, is younger people, preferably over 18, between 18 and 25, and somewhat older: Who still have the capacity to generate within themselves, the ability to evoke that spark of creativity within themselves! Which always takes the form of the infinitesimal. Because it's such young people, the same generation that usually is sent to war, when wars are fought, that are recruited and sent to war: It is that generation, that age-group, which must move society, in the main. You have a few older characters like me, who can make a contribution. *But!* It's that generation, 18 to 25, 18 to 35, that's the generation that goes to war, that's the generation that has the passion to change: And it's from that generation, that those who have developed the spark of creativity, and are devoted to it, who will move the rest of the population, to get its ass out of bed, and save itself.



# War on Iran Will Trigger ‘Hundred Years’ Conflict

by Michele Steinberg

On Aug. 3, after being informed of Secretary Robert Gates’ visit to Kuwait, and the news reports of a U.S. plan for withdrawal of American troops from Iraq, Lyndon LaRouche concurred that any mass U.S. exit from Iraq would best be carried out through Kuwait, but warned in the strongest possible terms, that Cheney’s plan for an August war with Iran *is still not off the table*.

Welcoming the discussion of the withdrawal plans, LaRouche noted that the United States has the ability to secure the withdrawal through the air-cover capabilities now in the region, and strongly endorsed the idea of a U.S. announcement of formal plans to withdraw all American forces—even if the time frame is 18-24 months.

“Everyone in the region would breathe a sigh of relief at such an announcement,” LaRouche said. “Nobody will want to see the conflict start up again, and I think that there is a good chance that such an announcement would see a cessation of the shooting to a large extent. Once the shooting stops, it will be very difficult to get it started again.”

But, the reality remains, warned LaRouche, that the Cheney factor is still a threat. The Vice President is pushing an attack on Iran, and the greatest concern is a “Gulf of Tonkin II” incident, particularly during the month of August, giving Cheney the pretext for the attack.

What is the Gulf of Tonkin scenario? In August 1964, the United States claimed that two American warships had been attacked by the North Vietnamese in the Gulf of Tonkin, provoking the U.S. Congress to pass the Southeast Asia Resolution (a.k.a. the Gulf of Tonkin Resolution), granting President Lyndon Johnson the authority to provide military assistance to any country in the region, threatened by communism. The Gulf of Tonkin attack never happened, but the war went on for ten more years.

## Cheney Tries To Buy a Sunni Bloc

The urgency of LaRouche’s warning about a “Gulf of Tonkin II” can only be understood by looking backwards, to Vice President Dick Cheney’s Nov. 25, 2006 visit to Saudi Arabia, arranged by former Ambassador to the United States, Prince Bandar bin-Sultan.

On Nov. 27, 2006, *EIR* released to policy-makers around the world, a memorandum entitled “Behind the Cheney Trip to Riyadh,” as part of LaRouche’s drive to stop Cheney’s Iran war plan. That memorandum, published in the Dec. 8, 2006 issue of *EIR*, stated:

“A well-placed and highly reliable source has provided the following account of Vice President Dick Cheney’s Nov. 25, 2006 visit to Saudi Arabia. The report coincides with other evidence of a scheme to induce the United States to self-destruct. While the source may have missed some elements of the picture emerging from the Cheney visit, the essential details appear to be accurate. As will be clear when you read below, all sane forces inside the United States and elsewhere must react to these latest Cheney actions in the most effective preemptive fashion.

“The source reported:

“1. The essential message delivered to Saudi Arabia’s King Abdullah by Vice President Cheney was that there is no basis for dialogue with Iran. The U.S. position in the region has been weakened, and therefore a new security architecture must be established, particularly in the Persian Gulf, to contain and counter Iran’s growing influence. Already, NATO has been in dialogue with Qatar and Kuwait, in pursuit of upgraded cooperation. Cheney proposed to establish a new regional balance of power, through a Sunni Arab alliance with Israel, to confront the Iranian threat. Cheney argued that to negotiate with Iran at this time would be tantamount to surrender. A new military organization will be built, involving the Gulf Coop-



eration Council (GCC) states, Egypt and Jordan. NATO and the United States will be closely involved, and Israel will be a *de facto* participant. These moves led by Cheney obviously aim to preempt adoption by the Bush Administration of any recommendations from the Baker-Hamilton Iraq Study Group, to initiate diplomatic talks with Iran.”

Only with this memorandum in mind, is it possible to understand last week’s frantic series of meetings by U.S. Secretary of State Condoleezza Rice and Defense Secretary Robert Gates, especially the July 31 meeting at Sharm El-Sheikh, where Rice and Gates met with the foreign ministers of Egypt, Jordan, and the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates). Ostensibly about Israeli-Palestinian peace, Palestinian President Abu Mazen was not even there—instead, he was in Moscow meeting with President Vladimir Putin. The Russian President made clear that he will also be meeting with Hamas.

The real purpose of the Sharm El-Sheikh meeting was to try to cement Cheney’s “Sunni bloc,” with Rice offering a huge payoff to the Arab leaders: a \$20 billion sale of high-technology weapons to Saudi Arabia and the other countries of the GCC, and the assurance that Israel will let it go through. The substance was *exactly* what *EIR* described in the November 2006 memorandum—an Arab military alliance, with Israel as the implicit silent partner—against Iran.

But, all is not going well. Intelligence sources have told *EIR* that the real size of the package is \$80 billion, and the systems are offensive in nature. And, despite the fact that Israeli Prime Minister Ehud Olmert publicly supports the arms deal, the plan has run into a buzzsaw of opposition in the Congress—not only from the Israeli Lobby, which has opposed previous Saudi weapons deals, but from mainstream Democrats like Rep. Charlie Rangel (D-N.Y.). Rangel raised the issue of Saudi Arabia’s lack of cooperation with the United States in fighting al-Qaeda terrorism, and the many unanswered questions surrounding the BAE Systems “Al-Yamahmah” deal, now under intense Justice Department scrutiny, due to charges of bribery of former Saudi ambassador and Cheney partner-in-crime, Prince Bandar.

And, the opposition among the uniformed U.S. military command against this war has never been greater. One high-level intelligence source explained: The worst—and most probable—outcome of this Sunni bloc against Iran would be a “Hundred Years’ War” of Sunni-Shi’a conflict. And, military strikes against Iran would not succeed in overthrowing the regime, but would likely keep them in power for at least the next full generation.

## The ‘Cheney Plan’ for Iran

The “Cheney Plan” for war on Iran is nothing more than the utopian madness laid out by Norman Podhoretz, the “paterfamilias,” since the 1970s, of the Leo Strauss-trained neo-conservatives, and the father-in-law of Elliott Abrams, the current National Security chief for the Middle East. Abrams is

Cheney’s chief agent for eliminating a Palestinian state, and was the architect of the plan to arm Fatah’s Mohammed Dahlan faction to assassinate leading Hamas elected officials. It was the “Abrams Plan” that led to the civil war in Gaza, and the breakup of the Palestinian National Unity Government.

As to Iran, Podhoretz described his plan of attack in the June 2007 issue of *Commentary* magazine, where he wrote, “In short, the plain and brutal truth is that if Iran is to be prevented from developing a nuclear arsenal, there is no alternative to the actual use of military force—any more than there was an alternative to force, if Hitler was to be stopped in 1938.

“Since a ground invasion of Iran must be ruled out for many different reasons, the job would have to be done . . . by a campaign of air strikes. . . . And because such a campaign is beyond the capabilities of Israel, and the will, let alone the courage, of any of our other allies, it could be carried out only by the United States.” Podhoretz dismisses all warnings against the war with a quote from the increasingly irrelevant Sen. John McCain (R-Ariz.) that, “The only thing worse than bombing Iran is allowing Iran to get the bomb.” It is as crazy as Ahmed Chalabi’s “cakewalk” to victory in Iraq.

## The End of the Cheney/Bandar Game

After the July 31 Sharm El-Sheikh meeting, Rice and Gates went their separate ways, and Gates’ track was far more important. He made a brief visit to Kuwait on Aug. 1, to review plans for a U.S. troop withdrawal from Iraq. Kuwaiti officials, according to MSNBC news reports, said they could handle the withdrawal of all 160,000 American troops in a matter of months; although an unnamed American general said that withdrawal plans have already been developed, that would require as much as two years to remove all the American combat forces, and the 1 million tons of military equipment in the country.

Intelligence sources told *EIR* that Gates found a worsening situation in Iraq, with mounting evidence of a Saudi role in funding the insurgency that is killing U.S. troops. Gates’ observations of this Saudi role came only days after Ambassador Zalmay Khalilzad, the U.S. envoy to the UN, blew the lid off the Saudi terrorism scandal in an interview on CNN on July 29. Khalilzad told CNN that he was indeed referring to Saudi Arabia in his July 20 *New York Times* article, when he wrote that some friends of the United States in the region were “pursuing destabilizing policies” in Iraq. “There is no question that Saudi Arabia and a number of other countries are not doing all they can to help us in Iraq,” said Khalilzad.

There is no doubt that the Cheney-Bandar dirty deal is coming unglued under pressure of these revelations of Saudi terrorist ties, and the criminal investigation into Bandar’s corrupt dealings with BAE.

But the pathetic spectacle of Rice in Saudi Arabia, peddling Cheney’s arms deal, shows that the danger remains, and the “Sunni alliance” is still being pursued.

# Is Washington Setting the Stage For a Breakup of Pakistan?

by Ramtanu Maitra

In Washington, where the looming failures in Iraq and Afghanistan have created both fear and a state of absolute denial, there is more talk now than ever before of striking Pakistan's Federally Administered Tribal Agencies (FATA), bordering the dangerous southeastern Afghanistan, in order to "stabilize" Afghanistan and reduce the terrorist threat to America. Demands to strike Pakistan are being made not only by the "blessed-by-unreality" Bush Administration spokesmen, but also by those who masquerade as anti-war-thinking people.

Should such military action be taken, the United States would have fallen once more into the British geopolitical trap, which will further the process of permanent war, and a clash of civilizations which is now spreading outward from South-west Asia.

The lure of "victory" and "success," and the fear that the terrorists are strong enough to attack the United States once again, have driven these individuals to embrace a policy which may lead to the breakup of Pakistan, a strong all-weather ally of the United States for decades.

In fact, Pakistan is extremely important, since it has 160 million people located in an area where three large nations—India, China, and Russia—are emerging as powerful nations, keen to exert their political, economic, and military influence over resource-rich Central Asia. In addition, Pakistan is one of the few Muslim nations that still supports the United States in international forums. But, business is business. To these reckless "patriots," the victory in Afghanistan is essential to take on Iran—a member of the "Axis of Evil," and a country now in the cross-hairs of the Bush Administration's gunners.

## Weakened Musharraf

The demand for the United States going it alone, if President Musharraf does not comply, and attack the FATA, began after Musharraf was led to carry out a disastrous raid on the Lal Masjid (July 10-11), located in Pakistan's capital, Islamabad. The raid not only killed 300-plus people inside the Lal Masjid (Red Mosque) complex, but also weakened the President, significantly isolating him from the population.

In addition, U.S. Homeland Security's July 2007 report stated: "We judge the U.S. Homeland will face a persistent and evolving terrorist threat over the next three years. The main threat comes from Islamic terrorist groups and cells, especially al-Qaeda, driven by their undiminished intent to at-

tack the Homeland and a continued effort by these terrorist groups to adapt and improve their capabilities.... We assess the group has protected or regenerated key elements of its Homeland attack capability, including: a safe haven in the Pakistan Federally Administered Tribal Areas (FATA), operational lieutenants, and its top leadership...."

The report drew immediate endorsement from President Bush, and on July 22, on Fox News TV, Homeland Security Advisor Fran Townsend told Chris Wallace: "I will say to you there are no options off the table. The President's committed to the most effective action that we can possibly take in the FATA to deny them the safe haven." In order to justify such "effective action," she also reminded the audience that "the federally administered tribal area is an area of Pakistan that's never seen the writ of the Pakistani government. It's never extended that far."

## Howling for Blood

A day later, at the White House briefing, spokesman Tony Snow, after hemming and hawing, said: "Again, we still maintain our position. We retain the option of acting on actionable intelligence. But we also retain the option of working with our allies to do the same."

Not to be left behind and dubbed as "unpatriotic," the Democrats joined the fray. Senate Majority Leader Harry Reid, a Democrat, backed Townsend, saying that the United States should use military force to destroy al-Qaeda safe havens—wherever they are, the *Boston Globe* reported. "We have the intelligence report, which says al-Qaeda during this administration is stronger than ever. I don't think we should take anything off the table. Wherever we find these evil people we should go get them," Reid said.

Former Rep. Lee Hamilton, a Democrat, who also served as vice chairman of the 9/11 Commission, addressing the Homeland Security report, told CNN that the Iraq War had distracted the United States, adding: "I think we have to find ways and means, perhaps it's the use of covert actions, perhaps it's the use of special operations, perhaps it's the pursuit of the Taliban when they're in Afghanistan, to let us go after them as they move back into Pakistan. Whatever it is, I do not find acceptable a sanctuary for al-Qaeda in Pakistan. We have to be able to go after them."

The latest threat at the time of this writing, was issued by



Democratic Presidential candidate Sen. Barack Obama, who, on Aug. 1, while speaking at the Woodrow Wilson Center in Washington, said the United States must be willing to strike al-Qaeda targets in Pakistan with or without the approval of the Pakistani government. “If we have actionable intelligence about high-value terrorist targets, and President Musharraf won’t act, we will,” Obama said.

Notwithstanding the naiveté of these individuals about the terrain, the nature of the enemy, and their own military acumen, these individuals in positions of power and authority in the United States are promoting something much more volatile than they realize.

To begin with: Is there any guarantee that such an action would result in success—even a temporary success? In a recent discussion with *EIR* (see below), former Pakistani Chief of Armed Services (COAS), Gen. Mirza Aslam Beg (ret.) said: “Everyone knows they [Americans and NATO] cannot win [against the extremists] and will lose the way the U.S. lost in Iraq. Two years ago, when they [Pakistani troops at the behest of the Americans] used force in Waziristan, they lost 670. Accepting defeat, they called for a ceasefire, negotiations started; a peace agreement was signed with the tribesmen.”

Embracing defeat, which General Beg considers a foregone conclusion, and invading the tribal areas of Pakistan,

may have multiple negative effects. It not only would weaken the United States military further, endangering the supply lines to the 50,000 troops now operating in Afghanistan, but also could force NATO member nations to face demands from home for a total withdrawal from the country.

There is little doubt that Pakistan’s 27,200 square kilometer tribal belt, home to 3.3 million Pushtun tribesmen, has become a safe haven for al-Qaeda, Taliban, and other Afghan resistance groups. As one analyst pointed out, it has become a hotbed of anti-American activity, thanks mostly to the U.S.-led occupation of Afghanistan, which drove many militants across the border into Pakistan. Next to the tribal area, live another 20-plus million Pushtuns belonging to Pakistan’s North West Frontier Province. In addition, Pakistan’s largest city, and the only major port, Karachi, harbors another 5 million or so Pushtuns. Across the Pakistan-Afghanistan border, about 13 million Pushtuns live as Afghans.

### FATA: A Deathtrap?

It has also been reported that since July 3—the first day of the Lal Masjid siege—suicide bombers have killed more than 200 people, mostly tribal policemen and soldiers. A Libyan commander, Abu Yahia al-Libi, who escaped a U.S. military prison in 2005, said in a video statement urging Pakistanis to overthrow Musharraf, “Destroy the fortification of his weak army and the nest of his filthy intelligence agency and the core of his infidel rule.”

In addition, according to well-informed sources in the North West Frontier Province, the Mir Ali area of North Waziristan in the FATA is under the effective control of the Islamic Movement of Uzbekistan (IMU) headed by Qari Tahir Yaldeshev. Small groups of Chechens and Uighurs are also present in the area, one analyst pointed out.

The IMU, with the help of Chechen instructors, has set up training camps in the area for training the recruits of the Neo-Taliban, the jihadi terrorist organizations of Pakistan, and individual jihadis from abroad—particularly from the Pakistani diaspora.

The *Dawn* of Karachi stated on July 29: “The problem now is that the situation in Miramshah has worsened to an unusual extent. In a letter to the government, that sounded more like a lamentation, a political agent stated that the khasadars [tribal police] had abandoned their duty without seeking his permission. All those appointed for 599 posts of the levies force had renounced their responsibilities and officers of the line departments had left their offices at the mercy of watchmen. Little wonder then that a line department office and a

checkpoint are blown up every day. Junior tribal officers and moharrirs [clerks] have not reported for work and tribal elders remain too scared to meet the political administration for fear of reprisal attacks from militants.”

All this news points to what General Beg rightly considers to be an unwinnable situation for the foreign invaders. But the greatest danger, of course, is the threat of triggering an all-out civil war in Pakistan, caused by a foreign invasion of the tribal area. It will be taken for granted by the Pakistanis that the American and NATO troops were able to move inside Pakistan only because Islamabad did not oppose such an invasion, thus effectively unleashing foreign troops against Pakistani citizens.

One major element of such an argument could be to unleash a war not only against the foreign troops but those within the Pakistani establishment who “allowed” those troops to invade their “homeland.” In fact, many Pakistani citizens of FATA consider the invasion of Afghanistan by the U.S.-led troops, in collaboration with the Tajik-Uzbek-Hazara-led Northern Alliance in 2001, to have been an invasion of their “homeland.”

The animosity that has developed between the Pakistani military, which wanted to curb the tribal zeal against the invading U.S. and NATO troops, and the tribal district, could unleash a civil war if Islamabad allows the foreign troops to move into the tribal area to cull anyone who opposes their presence. The danger under such circumstances is that a section of Pakistan’s population—Pushtuns, most likely—would demand separation from Pakistan while seeking to join hands with the Pushtuns on the other side of the Durand Line that separates Pakistan from Afghanistan.

## Line in the Sand

One of the chief reasons that such danger is real, is the non-acceptance of the Durand Line by the citizens of Afghanistan. The Durand Line, often referred to as a “line drawn in the sand” because of its virtual non-existence in creating a border between Pakistan and Afghanistan, was devised by the British Raj in 1893, to strengthen the status of Afghanistan as a buffer between British India and the expanding Russian empire, which the British geopoliticians believed was desirous of reaching the warm waters of the Indian Ocean. The demarcation was to remain in force for 100 years. It was not renewed by the deadline, which was 1993.

No legislative body in Afghanistan ever ratified the Durand Line agreement, which was signed by the British with the person of King Abdul Rahman Khan in 1893, and therefore, as far as its legality is concerned, it remains a defunct historical document. But the British-drawn imaginary line, wittingly or unwittingly, had created a controversy. Whenever the Pushtuns feel oppressed, they claim that the line that separated the Pushtunland divided not only the land, but separated families, fathers from sons and brothers from brothers.

Thus, a U.S. attack could well lead the Pushtuns in both

Afghanistan and Pakistan to join hands to form a Pushtunland—often identified as Pakhtoonistan. The Pakhtoonistan issue strained relations between the two neighbors in the 1950s and 1960s, although it faded after Islamists gained influence in the border areas in the 1970s. As a result, skirmishes between the Pakistani military and the irredentist Pushtuns have taken place from time to time, although they never reached a state of civil war. It is this sensitivity of the issue that had forced Islamabad to give a great deal of autonomy to the FATA tribal lands and keep the Pakistani military out of the tribal landmass.

Following the expiration of the Durand Line in 1993, efforts were made to work out a fresh demarcation of the international boundary. Pakistan, Afghanistan, and the United States formed a tripartite commission to resolve border disputes between America’s two allies. The commission held a series of meetings, but to no avail. The United States, which reluctantly participated in a dispute created by the British more than a century ago, made clear that the best it can do would be to help the two countries reposition small border posts here and there, but that they were not there to rewrite history.

Reports indicate that Kabul has officially asked the United States to use its influence on Pakistan to force it to redraw the Durand Line. Islamabad, however, has already rejected this demand, saying the line is a settled issue, which it has no desire to reopen.

It is not clear what the demands of the respective parties were, but what is certain is that the issue is volatile, and the friendship of both parties with the United States, does not soften the blow. As late as February 2006, while offering condolences inside Pakistan over the death of Khan Abdul Wali Khan, a venerable Pakistani Pushtun, Afghan President Hamid Karzai, a handmaiden of Washington, told the press that the Durand Line is “a line of hatred.” He said, on that occasion, that he does not accept this line as it has raised a wall between the “two brothers.”

What the well-wishers of the Pakistani nation in Washington should note is that an Islamic alliance ruling Pakistan’s North West Frontier Province has proposed changing the region’s name to “Afghania,” Malik Zafar Azam, the province’s law minister, told Reuters on Aug. 1. He said: “Constitutionally there is no bar on us to rename the province on our own but we want to resolve this issue in an amicable manner.”

The province government’s request to the Federal government in Islamabad is likely to rekindle an old debate over the name of the region dominated by ethnic Pushtuns, who live on both sides of the border between Pakistan and Afghanistan. Islamabad, however, would consider such demands as a deliberate attempt to combine the Pushtuns as an ethnic community with the purpose of denying the unity of Pakistan.

An invasion of the Pushtun-dominated tribal land inside Pakistan will weaken Islamabad’s hands further and could tip the scale in support of a Pushtun-led breakup of Pakistan.



## Musharraf Can't Wage War on His People

*Gen. Mirza Aslam Beg (ret.), former Chief of Staff of the Pakistani Army, currently director of the FRIENDS thinktank, gave this interview to Muriel Mirak-Weissbach on July 23.*



**EIR:** General Beg, I would like your views on the overall situation in Pakistan, which has become extremely turbulent. President Musharraf has been dealt a political blow with the Supreme Court's decision to reverse his ouster of Chief Justice Chaudry, while pressure from the U.S. is escalating, to demand that Musharraf move militarily against what they say is al-Qaeda, or let the U.S. troops go in.

**Beg:** Well, some good things have happened in Pakistan, even despite the gloomy picture. First, the judiciary is independent, which it had never been before. So the course of justice will be okay. Secondly, the supremacy of the Constitution and the rule of law have been established. Number three: The judiciary, which had supported a military takeover, can never do that again. And finally, there are new power-bases emerging in Pakistan, which have brought about changes, and are related to the middle class. These are the Bar and the Bench, and the media. As a result of this movement, the status quo, based upon a group of politicians in collaboration with the military and judiciary, who held power for decades, has been changed.

As for the negative things that have happened, first of all was the bloodbath at Lal Masjid [the Red Mosque]. This has created a new scenario in Pakistan. Either by design, or by deceit, the Army has been pitted against those who oppose Musharraf and his "enlightened moderation." Musharraf calls on the nation to fight extremism, but the people will not do it.

His second defeat was the Supreme Court's judgment on July 20. Musharraf is on weak legs politically. His options are limited; he cannot use force to break through, in the political field, and also in Waziristan and the Bajuar area, where the military are fighting. They know they will be defeated. The government is trying to negotiate with the tribals, despite the pressure from the U.S. to join hands and strike the extremists.

Musharraf knows that would be suicidal and a tragedy for the armed forces of Pakistan.

There were 2,600 girls and women in that mosque, but only 1,200 have been accounted for, not the rest. They were brutally killed. This is a sinister design in Pakistan, because all the students in the madrasas, boys and girls, come from the poorest of the poor. Many of them are orphans of the earthquakes in the north, many are children of the tribesmen from Waziristan, from the frontier region. There are hundreds of madrasas, which take in children and give them food and housing, run by the charities of the community. They were ruthlessly, brutally killed, and none of the many organizations fighting here for human rights has raised a hue and cry. These are the poor, being killed and exploited.

This is where Chaudry stands. In the short period of one and a half years, Chaudry dealt with 30,000 pending cases, and mainly the poor benefitted. That's why they hit at him. But the people won. This is the revolution in Pakistan, a peaceful revolution, which has taken a new shape here, as a result of the movement I mentioned earlier, of the Bar and Bench, and media. The political forces, secular or not, have no role to play.

**EIR:** How do you respond to the concrete pressures being put on Musharraf, to go after al-Qaeda or let foreign troops come in?

**Beg:** The Americans and NATO want Pakistan to do something that they failed to do themselves. They lost the war in Iraq, and lost the war in Afghanistan, and they will retreat. They expect Musharraf to deliver at a point when he is at his weakest, with few options left. His Attorney General resigned, there is division in his party, resentment in the Army. If the Americans (or Europeans) and NATO expect something to happen from this side, it will not happen. If they take action themselves, that will hasten the demise of General Musharraf....

Everyone knows they cannot win [against the extremists] militarily and will lose, the way the U.S. lost in Iraq. Two years ago, when they used force in Waziristan, they lost 670. Accepting defeat, they called for a cease-fire, negotiations started, a peace agreement was signed with the tribesmen. Now this has been broken after troops were sent in, in violation of the agreement. Over the last seven days, they have lost 130 Pakistani troops. The fighting is going on and negotiations are going on too. NATO and the Americans want our troops drawn into quicksand there. This is the tussle between Pakistan, and NATO and the U.S....

**EIR:** What do you think the government will do?

**Beg:** Under popular pressure, it will not wage war there. If the armed forces were defeated, there would be nobody left [to defend the nation].

# Has Dick Cheney Gone A Bridge Too Far?

by Jeffrey Steinberg

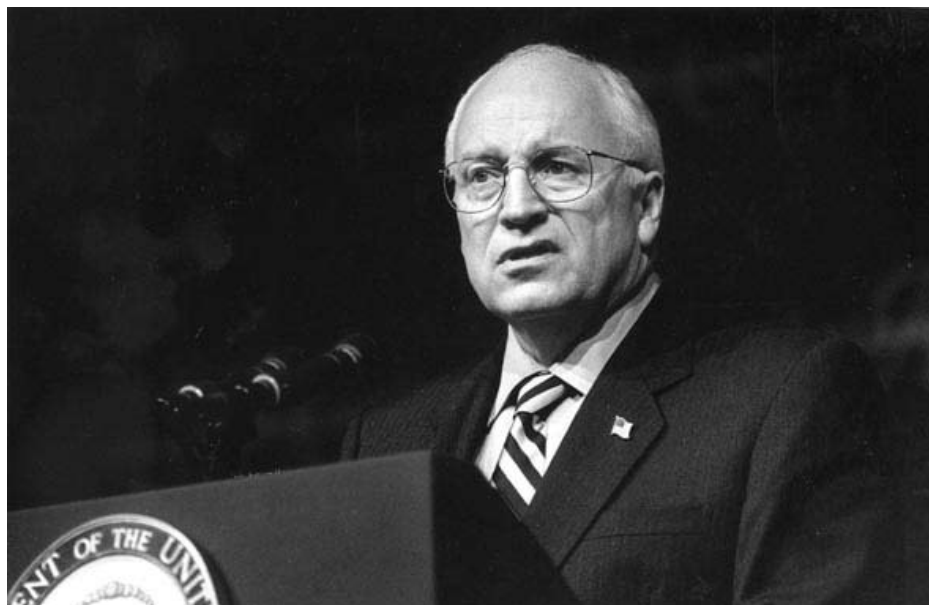
When thousands of Republicans descend on Minneapolis next Summer for the Republican Party Presidential nominating convention, they will be visually confronted with one of the many tragic consequences of the Bush-Cheney Administration's legacy of callous neglect: the remains of the I-35W bridge into the city, that collapsed on Aug. 1, plunging rush-hour commuters 60 feet into the Mississippi River below, killing and wounding an as-yet unknown number of people. In 2005, Minnesota Department of Transportation inspectors deemed the steel-truss bridge "structurally deficient," in a report to the Federal Highway Administration. By FHA standards, the bridge should have been replaced, long ago.

In the same year that the bridge was rated deficient by Minnesota authorities, the American Society of Civil Engineers published its "2005 Report Card on America's Infrastructure," which found that over 25% of the 590,750 bridges in the United States were "structurally deficient or functionally obsolete"—like the Minneapolis bridge! On Aug. 2, 2007, in a statement of condolence to those killed or wounded in the I-35W bridge collapse, the ASCE warned, "It will cost \$9.4 billion a year for 20 years to eliminate all bridge deficiencies. Long-term underinvestment is compounded by the lack of a federal transportation program." To be sure, the collapse of the nation's in-

frastructure did not begin with the January 2001 inauguration of Bush and Cheney. They just did everything in their power to make matters far, far worse.

The Minneapolis bridge collapse immediately evoked angry memories of the devastation of Hurricane Katrina, which virtually wiped out New Orleans and much of the coastline of the Gulf of Mexico, at the lower end of the Mississippi River, and vividly exposed Bush and Cheney's total disregard for the well-being of the American people.

And nothing has changed at the White House since Ka-



EIRNS/Stuart Lewis

*The collapse of the I-35W bridge in Minneapolis on Aug. 1, is yet another example of the Cheney White House's total disregard for the well-being of the American people; and another powerful reason to impeach Cheney now.*

trina. As if to underscore the point, two days after the collapse of the I-35W bridge, the White House threatened to veto the Water Resources Development Act of 2007 (WRDA), a bill that would invest \$21 billion in urgently needed repairs, replacements, and new construction of water projects, including levees, dams, and locks that are now in a state of total disrepair.

The same ASCE 2005 “report card” that warned of the crumbling state of America’s bridge infrastructure, reported a 33% rise in the number of dams that had become unsafe, over the seven-year period from 1998-2005. In absolute terms, the study found that a total of 3,500 dams and over half of the 257 locks, spanning 12,000 miles of vital inland waterways, were functionally obsolete.

Yet, during much of that seven-year period, the WRDA was stalled by a Bush Administration hell-bent on conducting preventive wars abroad, and delivering massive tax cuts to the super-rich at home—while the conditions of life for the lower 80% of income brackets plunged, and the nation’s physical economy, including infrastructure, collapsed to its lowest level since the Great Depression.

On Aug. 2, the House of Representatives, by an overwhelming 381-40 vote, passed the Water Resources Development Act; and the identical measure is expected to pass the Senate. The \$21 billion would fund the Army Corps of Engineers to conduct 800 projects; create hundreds of thousands of meaningful jobs; and generate orders for a very substantial bill of materials, giving life to a dying American industrial sector.

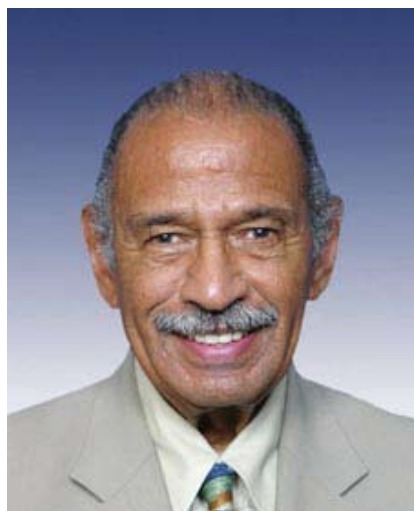
According to Rep. James Oberstar (D-Minn.), chairman of the House Transportation and Infrastructure Committee, and a key booster of WRDA, “There is urgent, pent-up demand to address the Nation’s water resources needs, including restoring wetlands in Coastal Louisiana and improving hurricane protection in New Orleans.”

Bush and Cheney’s response: We don’t give a damn.

## Cheney’s Wars Come First

The very day that the tragic bridge collapse occurred, the non-partisan Congressional Budget Office (CBO) issued an estimate that the Iraq War will ultimately cost U.S. taxpayers between \$1-1.4 trillion. Testifying on the report before the House Budget Committee on Aug. 1, CBO Assistant Director for Budget Analysis Robert Sunshine detailed the costs, including the long-term care and support for wounded soldiers, and benefits for the families of those killed. *EIR*’s own sources put the ultimate cost at closer to \$2 trillion, taking into account the replacement costs of the military equipment used in the war and occupation.

And this figure does not even consider the *next* war that Vice President Cheney is desperately promoting: a preventive war against Iran, that could kick off as early as this month, with Congress in recess until Labor Day. Despite strong and mounting opposition from the uniformed military and the in-



*Rep. John Conyers, as chairman of the House Judiciary Committee, would preside over the impeachment of Cheney. In a radio interview in California last month, Conyers pledged to take up the Cheney impeachment bill, H.R. 333, in the Judiciary Committee.*

telligence community, Cheney is pressing President Bush to give the orders to bomb Iran, according to sources close to the White House. All that is missing at this point is a pretext to start shooting. It is for this reason that many senior military and intelligence professionals are fearful of a “Gulf of Tonkin II”: a staged or fabricated incident, to provide Cheney with the opportunity.

And the Vice President did nothing to allay those fears when he appeared on July 31 on the Larry King Live show on CNN. Asked, point blank, “Would you make an overt move on Iran,” Cheney answered with a question: “For what reason?” He then added, “No, I’m not going to speculate about prospective operations,” elaborating, “Well, I’m concerned about Iran. I think everybody is, and should be. We see a state that periodically announces their objective as the destruction of Israel, for example. Mr. Ahmadinejad, Prime Minister [sic], periodically makes very threatening statements. They are actively pursuing the development of the capacity to enrich uranium to produce nuclear weapons.” He concluded, ominously, “We’ve been working diplomatically with our friends in Europe and the EU to get them to give up those aspirations. So far they haven’t responded.”

## More Help for Conyers

A significant majority of Americans, and an overwhelming majority of Democratic Party voters, believe that Cheney must be forced out of office immediately—if another war is to be avoided, and if the United States is to begin the process of national and global economic recovery.

Aug. 1 marked another milestone in the drive to force Cheney out. Reps. Donald M. Payne (D-N.J.) and Tammy Baldwin (D-Wisc.) joined a growing number of House Democrats, in signing on to H.R. 333, the bill introduced on April 24, 2007 by Rep. Dennis Kucinich (D-Ohio), to begin impeachment proceedings against Cheney. Total sponsors now number 17.



As chairman of the House Judiciary Committee, Rep. John Conyers (D-Mich.) would preside over the impeachment, serving, in effect, as the prosecutor. In a radio interview in California in July, Conyers had pledged to take up H.R. 333 in the Judiciary Committee, once three more Members of Congress signed on—despite excruciating pressure on him and others from Speaker of the House Nancy Pelosi (D-Calif.) to drop any thoughts of impeachment. Days before Payne and Baldwin signed on, Philadelphia Democratic Congressman Robert Brady had endorsed the Kucinich bill, thus bringing the issue to a head.

As Lyndon LaRouche eloquently warned, in his July 25 webcast, with the global financial system already collapsing, and with Cheney's backers pushing for war as the way out of the dollar crash, Cheney's removal is now a matter of survival for the United States—and that is not a partisan issue.

## Italian Senators Say, Impeach Cheney Now!

by Liliana Gorini

A letter from 14 members of the Italian Senate, urging the ouster of Dick Cheney to prevent another “Guns of August” war, hit the offices of House Speaker Nancy Pelosi and other members of the U.S. Congress Aug. 1.

“Only by forcing Cheney out, can the world be sure there will not be a ‘Guns of August’ attack on Iran,” the Senators wrote. “We urge you to immediately sign on to the legislation [House Resolution 333] to impeach Dick Cheney to prevent a disaster for mankind.”

The letter, in Italian with an English cover letter, was written by Sen. Lidia Menapace, member of the Defense Committee of the Italian Senate. She and the other signers are members of the PRC-European Left party.

In a telephone interview, Menapace said she wanted to emphasize that the many Italian parliamentarians who have spoken out against the war in Iraq, or an increase of the Italian military presence in Afghanistan, do not do so because they are “anti-American,” but because they support what she called “the other America,” which is presently fighting to impeach Cheney, to make an exit strategy from Iraq possible, and to take Franklin Roosevelt-style economic measures to revive the economy, as Lyndon LaRouche had outlined in testimony before the Italian Senate June 5 (see *EIR*, June 15, 2007).

“We are very worried that Cheney's war on Iran will immediately involve Italy too, because of the air base in Aviano,” the Senator said.

The letter from the Italian Senators was faxed to Pelosi (D-Calif.) and House Judiciary Committee chairman John Conyers (D-Mich.), as well as Reps. Michael Capuano (D-Mass.), Diane Watson (D-Calif.), Charles Rangel (D-N.Y.), Jesse Jackson (D-Ill.), Peter DeFazio (D-Ore.), Vito Fossella (R-N.Y.), Frank Lobiondo (R-N.Y.), Donald Manzullo (R-Ill.), Grace Napolitano (D-Calif.), Rick Renzi (R-Ariz.), and Shelley Capito (R-W.V.). All of the Congressmen have yet to sign on to the Impeach Cheney resolution.

The Congressional offices reached by phone from Milan responded well. An aide to Watson said, “Of course, we know people in Europe are also worried. Thank you very much.” An aide to Conyers, whose committee must initiate the impeachment proceedings, said, “I am not sure we will make it before recess,” but said she was heartened to hear that the Italian Senators are supporting the initiative.

The full text of the letter written by Menapace and signed by the 13 other Senators reads:

“Dear Representative,

“I take the extraordinary step of contacting you as a constituency leader from Italy, to appeal to you to immediately co-sponsor House Resolution 333 by Rep. Dennis Kucinich, to impeach U.S. Vice President Dick Cheney. The bill calls for a proceeding on the charges of high crimes and misdemeanors, for which there is an abundance of evidence. The fact is, only by forcing Cheney out, can the world be sure there will not be a ‘Guns of August’ attack on Iran. We are aware that there are now four U.S. aircraft carrier groups in the vicinity of Iran, as well as a buildup of U.S. fighter planes in Iraq, and a forward movement of bomber planes from Diego Garcia. We find the evaluation in the press that Cheney has the upper hand with Bush, and is determined to launch a war with Iran before he leaves office, highly credible. We in Europe have direct experience of the incalculable damage caused by two World Wars started in August, while governments were on holiday.

“We urge you to immediately sign on to the legislation to impeach Dick Cheney to prevent a disaster for mankind. With my signature I ask members of Congress to sign onto Kucinich's House Resolution 333 for Cheney's impeachment.”

The letter was signed by Menapace, Defense Committee, chairwoman of the Investigating Committee on Depleted Uranium; Sen. Annamaria Palermo, Infrastructure Committee; Sen. Rina Gagliardi, Education Committee; Sen. Claudio Grassi, Constitutional Affairs Committee; Sen. Giovanna Capelli, Education Committee; Sen. Olimpia Vano; Sen. Maria Celeste Nardini, Agriculture Committee; Sen. Josè Luiz Del Raio, Foreign Affairs Committee, Assembly of the Council of Europe; Sen. Salvatore Allocca; Sen. Erminia Emprin Gilar dini, Health Committee; Sen. Salvatore Bonadonna; Sen. Fosco Giannini, Defense Committee; Sen. Giovanni Confalonieri; and Sen. Giuseppe Di Lello.

# Revolution in Military Affairs: The Shape of Nasty Things To Come

by Jeffrey Steinberg

In the May/June 2002 issue of *Foreign Affairs*, then-U.S. Defense Secretary Donald Rumsfeld, in an article titled “Transforming the Military,” celebrated the “Revolution in Military Affairs” that had secured American forces a “victory” in Afghanistan, after the terrorist attacks of Sept. 11, 2001. While Rumsfeld’s recipe for “military transformation,” was short on detail, he did highlight the importance of pairing up special warfare soldiers with super-high-tech weaponry, including space-based satellite systems, unmanned drones, and precision-guided conventional and nuclear weapons.

Until his ouster as Secretary of Defense just days after the November 2006 midterm Congressional elections, Rumsfeld presided over the most dramatic transformation of U.S. fighting doctrine and command structure in the post-World War II era. Among the highlights:

- Rumsfeld transformed the Special Operations Command from a support command to a combat command. This meant that U.S. special forces troops could be deployed under the “Global War on Terror” into countries, without informing the U.S. ambassador, or even the military theater commander-in-chief. Under Rumsfeld, American soldiers are also now allowed to take time off from their military service to work for private contractors—and then return to active duty without loss of rank or seniority. Thus, the gap between soldier and mercenary-for-hire was forever, decisively breached.

- Rumsfeld significantly augmented the scope and mission of the Strategic Command, incorporating the former Strategic Air Command, controlling the U.S. nuclear triad (strategic bombers, land-based ICBMs, and submarine-based nuclear missiles); the Space Command; and the Missile Defense Command. Thus, Rumsfeld established a command structure suited to launching preventive and preemptive nuclear war.

These actions on Rumsfeld’s part, combined with the formal adoption in September 2002 of the “Cheney Doctrine” of preventive war against future potential adversaries, put the United States on a confrontation course with such major world powers as Russia and China—the only two nations possessing the kind of nuclear and other military force to threaten U.S. global and space-based military hegemony, and, under the insane “Cheney Doctrine,” justify full-scale preventive war, using space weapons, precision-guided long-range nuclear weapons, and other 21st-Century strategic war-fighting systems.

Such strategic madness presumes the existence of a military force wedded to an imperial agenda—not the kinds of officers and soldiers who have been among the most vocal critics of the Bush Administration’s permanent war schemes. With the invasion of Iraq in March 2003, Cheney and Rumsfeld unleashed a process of destruction of the traditional U.S. Army and Marine Corps that is now nearly completed. Instead of a military force made up of citizen-soldiers with a sworn commitment to uphold the U.S. Constitution, the United States is transitioning into a British East India Company model of private armies, associated with multinational corporations, contracted by governments to serve as mercenary surrogates, in pursuit of regime change to impose globalization, under the rubric of “clash of civilizations” permanent asymmetric war.

## Cyborg Soldiers

The new mercenary army, whether in its special forces or private soldier guise, is a postmodern version of the Roman Legions. Using finely tuned brainwashing techniques developed over the past 50 years, through the efforts of the Cybernetics Group and its successors, the newly minted “military-entertainment complex” is attempting to produce the new generation of hard-wired killers, utilizing the latest generation computers, paired with classical behavior-modification techniques. Yes, much of what is spewing out of the experimental university laboratories and military “transformation” shops, bears more resemblance to the science fiction writings of H.G. Wells and Aldous Huxley. But billions of dollars in taxpayer money is going into programs, aimed at producing human killing machines, stripped of any sense of mission or conscience—and this is not something that can be ignored.

For one thing, the same techniques being applied to the new generation of cyborg soldiers are also being spread to even younger audiences, who spend all their free time in front of a computer screen, playing point-and-shoot video games, that, in the words of Col. David Grossman, provide the “will and skill to kill.”

In the pages that follow, you will be provided with an in-depth look at the personalities and techniques being used to create these postmodern imperial legions. LaRouche Youth Movement organizers Gabriela Arroyo Reyes and Oyang Teng take on the Cybernetics schemers, who have been leading this assault on the republican nation-state for generations.

# ‘Spacewar’: Welcome to The ‘Post-Human’ Era

by Gabriela Arroyo Reyes, LaRouche Youth Movement

Ready or not, computers are coming to the people. That’s good news, maybe the best since psychedelics. It’s way off the track of the “Computers—Threat or menace?” school of liberal criticism, but surprisingly in line with the romantic fantasies of the forefathers of the science such as Norbert Wiener, Warren McCulloch, J.C.R. Licklider, John von Neumann, and Vannevar Bush.

The trend owes its health to an odd array of influences: the youthful fervor and firm dis-Establishmentarianism of the freaks who design computer science; an astonishingly enlightened research program from the very top of the Defense Department; an unexpected market-banking movement by the manufacturers of small calculating machines, and an irrepressible midnight phenomenon known as *Spacewar*.

Reliably, at any night-time moment (i.e., non-business hours) in North America, hundreds of computer technicians are effectively out of their bodies, locked in life-or-death space combat, computer-projected onto cathode ray tube display screens, for hours at a time, ruining their eyes, numbing their fingers in frenzied mashing of control buttons, joyously slaying their friends and wasting their employers’ valuable computer time. Something basic is going on.

—“*Spacewar*,” by Stewart Brand  
(Rolling Stone, ca. 1972)

Within the remote confines of Stanford’s Artificial Intelligence Laboratory in Palo Alto, California, something big was brewing, the implications of which would make the likes of Bertrand Russell, Norbert Wiener, and Mephistopheles himself cackle.

In all their righteous, scraggly glory, the self-proclaimed “enlightened” hippies, from New York City to Haight-Ashbury, who had “tuned in, turned on, and dropped out,” to the point of dullness, were immersing themselves in the writings of Norbert Wiener, Buckminster Fuller, and Marshall McLuhan. It was through these New Age visionaries, that they could vicariously envision themselves in a cyberuniverse, one in which they could leave behind any semblance of

responsibility for the past, present, or future, in which material reality could be wholly imagined as an information system.

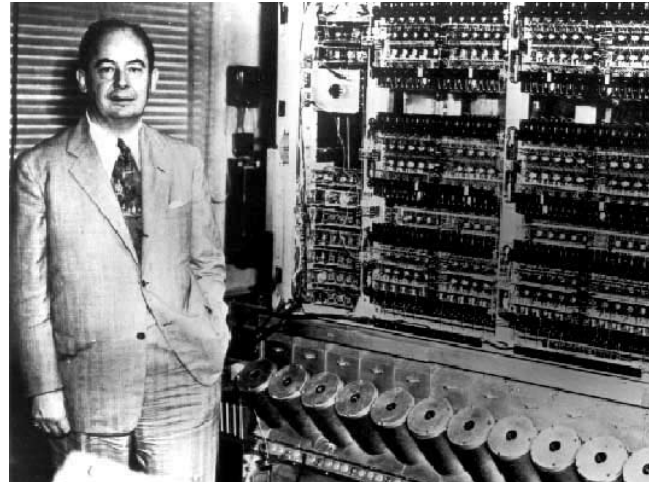
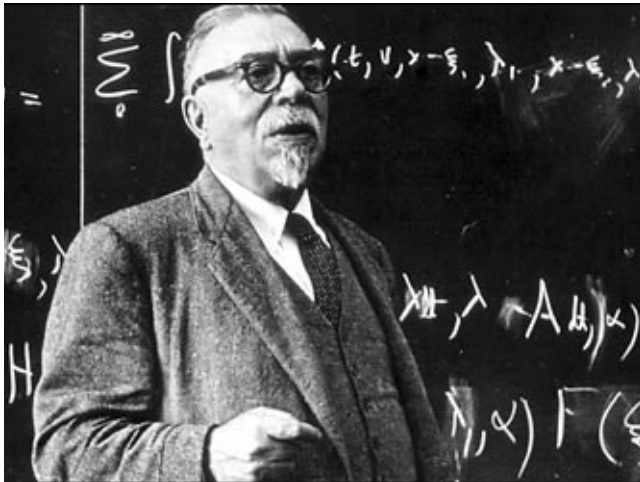
The mysterious, but long awaited “Internet” was about to be unveiled, like a Pandora’s Box upon an unsuspecting world, and there were high hopes everywhere, as MIT’s Nicholas Negroponte put it, that it would “flatten organizations, globalize society, decentralize control, and help harmonize people.” Long gone would be the days of dirigistic economies and industry; the faint sounds of spinning lathes, milling cutters, dirigibles and gliders, cranes and tractors, would inevitably fall into an eerie silence. In their place, the Internet would usher in an unprecedented era, as it paved the way for a “digital generation.” But not merely digital in the conventional sense, as Dr. Timothy Leary (not one to jump on this cataclysmic bandwagon too late) attested when he reached the profound realization that psychedelia as a radical new religion attracted too few followers, and instead opted to coronate himself as the new high priest of cyberculture, prophesying that virtual reality was the new and improved “Electronic LSD.”

In a cultural landscape such as this one, where it can be said with certainty that the fate of entire language cultures teeters on the edge of a slippery precipice, it becomes difficult to ignore the debris of a civilization that had once produced minds of an impressive caliber and moral fiber that laid the very foundations in culture, science, epistemology, and the maxim of man’s divine spark of reason. Whoever would be so naive and gullible as to be seduced by this “technetronic” symbiotic union of gadgetry with the perverse, would be, wittingly or unwittingly, giving in to the tried and true methods of the Luciferian Venetian Empire; as the ancient hands of Time bear witness to the fact that Venice would rather kiss the hand it could not sever.

## From the Counterculture to Cyberculture

The two pillars of assault on the American Intellectual Tradition, although cloaked in what appeared to be antithetical garments, were cybernetics and the drug counterculture. In the same way that the youth were corrupted in the aftermath of World War II, into their adolescent years during the





*It was through the New Age visionaries, such as Norbert Wiener (left) and John von Neumann (right), that the denizens of the counterculture “could vicariously envision themselves in a cyberuniverse, one in which they could leave behind any semblance of responsibility for the past, present, or future, in which material reality could be wholly imagined as an information system.” Wiener is shown at the Research Laboratory of Electronics at MIT; von Neumann, with the ENIAC computer.*

Vietnam War, today there is a culture of rabid existentialism, ahistoric by its very nature, that because of the multiplicity of options available to it, doesn't know which reality to choose to make its own; and the preconditions are being set by the modern-day descendants of the aforementioned Wieners and Russellites to ensure a new artificial paradigm-shift into a culture that would bring about its own destruction, and with it, the most advanced ideas that civilization has produced to date—a culture that only a cyberculture could offer.

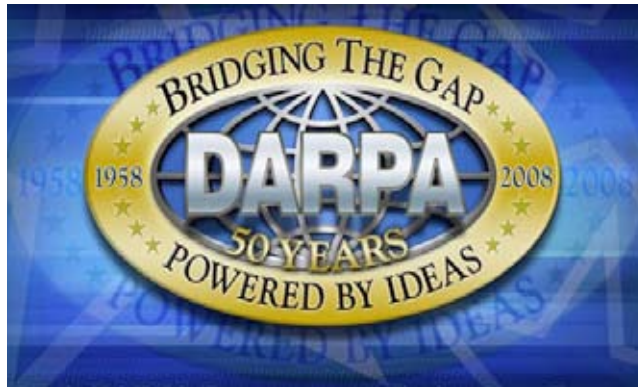
The Advanced Research Projects Agency (ARPA) was established on Feb. 17, 1958 (under the Defense Reorganization Act), in response to the Soviet Union's launching of Sputnik, to ensure that missile response capability in the United States would be adequate. Under the Defense Department, ARPA was bequeathed \$520 million by Congress, and with it, sole responsibility “for the direction or performance of such advanced projects in the field of research and development as the Secretary of Defense shall, from time to time, designate by individual project or by category” (DOD directive 5105.15).

In 1963, the portion of research dealing with missile technology was moved from the jurisdiction of the military, to become a separate entity known as the National Aeronautics and Space Administration (NASA), at which point, ARPA was left with nothing but a large budget. The morbidly astute behavioral psychologist J.C.R. Licklider (who would later run the Command and Control Research division of ARPA research) was quick to suggest that ARPA, which would, in 1972, change its name to Defense Advanced Research Projects Agency (DARPA), should invest heavily in computer and artificial intelligence research. As the Cold War intensified, ARPA became a willing vessel for the ideas of cybernetic unmanned warfare of Norbert Wiener, which relied on the computers being built based on the logic designs of John von Neumann.

An overwhelming number of research and development initiatives, and disciplines under the rubric of “interactive computing systems,” associated with Human System Integration (HMI), and dealing on one level or another with human brain-machine interfaces, the Internet, or the gaming industry, have a genesis which can be traced back to the earliest days of ARPA. It was through ARPA that the cybernetic blueprint regarding human-machine interface would be unveiled. Today, DARPA proudly carries on the cybernetic torch with the AugCog (Augmented Cognition) program which—through its ongoing research and development for the Army, Navy, Marines, and Air Force—seeks to develop a computational system that, with the aid of prosthetic technologies, such as cued memory retrieval, would enhance the overall effectiveness and performance of the warrior soldier.

“The newly emerging field of AugCog is aimed at revolutionizing the way humans interact with computer-based systems by coupling traditional electromechanical interaction devices (such as a mouse or a joystick) with psychophysiological methods (respiration, heart rate, EG, functional optical imaging), where human physiological indicators can be used in real time to drive system adaptation or *a priori* assess potential design issues which may induce information overload or inefficient decision making” (DARPA). This is the beginning of what some hope will be the next big paradigm-shift, not only in interactive computing, but that it will come to define new parameters for what it means to be human.

The barely recognizable remnants of the military-industrial complex had been transformed into the military-entertainment-complex; this is the training ground for what is now being infamously called “post-human” warfare: a realm in which the unyieldingly faithful and self-avowed worshippers of the fathers of Cybernetics and Information Theory, Wiener and



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von Neumann, have incessantly and tirelessly dedicated themselves to the propagation of a “Renaissance,” in which there exists a seamless fusion between the digital, cybernetic machine and the human being. It is a grave error, according to them, to assume that cognition is an occurrence that takes place in the human mind. Instead, the high priests of post-humanism audaciously preach that cognition is a logical systemic activity which is distributed throughout the environments in which human entities just happen to move and work.

## Can Machines Supersede Man?

We need first to understand that the human form—including human desire and all its external representations—may be changing radically, and thus must be re-visioned. We need to understand that five hundred years of humanism may be coming to an end as humanism transforms itself into something that we must helplessly call post-humanism.

—Ihab Hassan, “*Prometheus as Performer: Towards a Posthuman Culture?*”<sup>1</sup>

The litmus test for the age-old question of whether or not machines could supersede man’s intellect was typified by what was widely known as the Universal Turing Machine, or Turing test, as described by Prof. Alan Turing in his 1950 paper, “Computing machinery and intelligence.” It consists of the following procedure: A human judge engages in a conversation with two other parties, one a human, and the other a machine; based on the responses from each of them, the judge, who does not know which is which, must figure out which is

the human, which is the machine. It is presumed that both the human and the machine will try to mislead the judge as to its real identity, and pose as the “most human.” If an intelligent being cannot tell the intelligent machine from the intelligent human, this failure, according to Turing, would be the final and necessary proof that machines can think, and would draw out an obvious distinction between intellectual and physical capacities of the thinking human being.<sup>2</sup>

It was not until 1974, at a meeting of the American Society for Cybernetics, in Philadel-

phia, that the phrase “second order” or “second wave of cybernetics” was officially coined by Heinz von Foerster. There are three main “waves” of cybernetics that are distinguishable today: “first order” cybernetics, which Wiener helped engineer, and which lasted from the mid-1940s to the mid-1970s; “second order” cybernetics, which lasted from the mid-1970s until the mid-1990s. Finally, the “third order” cybernetics, also known as the period of social cybernetics (with which the futurists and humanist educators of today seem to preoccupy themselves the most), which began in the mid-1990s.<sup>3</sup>

Carrying on where Turing left off, Hayles, Hassan, and Hans Moravec propose in their rehashed theories that human identity is essentially an informational pattern, and that it has become increasingly “disembodied.” Moravec even goes as far as to make the modest proposal, that, in the not too distant future, human consciousness will itself be downloadable into a computer.

“We are cyborgs not in the merely superficial sense of combining flesh and wires, but in the more profound sense of being human-technology symbiots: thinking and reasoning systems whose minds and selves are spread across biological brain and non-biological circuitry.”<sup>4</sup>

The fusion between the biological and technological domains has created what academicians and scholars are likening to a “cognitive machinery” which they predict will inevitably evolve into a self-perpetuating process. To begin to unravel the convoluted phenomenon they describe, one need only to assess with a clinical eye the woes, curses, and bizarre sentimentality that pour forth from the mouths of mesmerized computer

1. “Prometheus as Performer: Toward a Postmodern Culture?” *Georgia Review* 31, 4 (Winter 1977-78). In *Performance in Postmodern Culture*, Michel Benamou and Charles Caramello, eds. (Madison, Wisconsin: Coda Press, 1977).

2. Alan Turing, “Computing Machinery and Intelligence,” *Mind*, vol. LIX, no. 236, October 1950.

3. Stuart Umpleby, “The Science of Cybernetics and the Cybernetics of Science,” *Cybernetics and Systems*, vol. 21, no. 1, 1990.

4. Andy Clark, *Being There: Putting Brain, Body, and World Together Again* (Cambridge: MIT Press, 1998).





*"We are cyborgs," say the post-humans, "not in the merely superficial sense of combining flesh and wires, but in the more profound sense of being human-technology symbiots: thinking and reasoning systems whose minds and selves are spread across biological brain and non-biological circuitry."*

video-game players, thus affirming that they are merely projecting their proprioceptive senses into the simulation that is the gaming world. As though in a trance, produced by the flashing graphics of the technicolor LCD screen, many devout gamers find themselves locked in the same positions for countless hours, their left hand tapping away mindlessly on the keyboard, and their itchy "trigger-happy" finger nervously and repetitively guiding the mouse up and down. Entrenched, to the point of exaggeration, in the simulated space of the virtual world; indulged, to the point of complete oblivion to the real world around them—there is a fluid intermingling between flesh and metal, where there seemingly exist no physical boundaries between their fleshy bodies and the joystick which has now become an unconscious extension of their hands.

Welcome to the era of disembodied information, where flesh and metal become one. But before the preconditions of a post-human future are fully comprehended, the question must

be posed: Who are the agents of this degrading misnomer that passes for "human" science?

Nancy Katherine Hayles, Professor of English at UCLA, and author of the cult-classic of cyberneticists and futurists alike, *How We Became Posthuman: Virtual Bodies in Cybernetics, Literature, and Informatics*, speaks for an emerging breed of academician, determined to keep this odiously entropic and venomous dogma alive. Hayles describes the kooky "research" of Kevin Warwick, Professor of Cybernetics at the University of Reading in England, who inserted an implant into his arm: his first implant being a passive device, communicating only with embedded sensors in the environment. He went on from this first attempt to a second implant that also sends signals to his nervous system, creating an integrated circuit, linking his evolving neural patterns directly with sensors and computer chips embedded in the external environment. Such are the depths to which these engineers of the Apocalypse will plunge in their promotion of a science (by nomenclature only) devoid of profound and impassioned ideas.

Hayles describes what she sees as the promising future of the post-human vision, which, despite the fact that it still has problems, and dangers, makes an otherwise meaningless and miserable existence quite bearable.

## The Merger of Defense and Entertainment

The other leading propagandists of this perverse social fusion between man and machine include the Institute for Creative Technologies in Marina del Rey, California. In December of 1996, the National Academy of Sciences hosted a workshop on the common and organized aims that existed in the defense and entertainment industries dealing with modeling and simulation. The report that would emerge in the aftermath of this workshop, at the request of Prof. Michael Zyda (Computer Science specialist in artificial intelligence at the Naval Postdoctoral Academy in Monterey, California, and director of the MOVES Institute, which spawned the game "American's Army"), prompted, three years later, the U.S. Army to fund the University of Southern California with a \$45 million budget to create a research center that would develop and advance military simulations, and reflect the overlap between the Pentagon and Hollywood. Also in this growing list of propagandists, is the Institute for the Future (ITF), which was founded in 1968 by former RAND Corporation researchers, and today claims to forecast the future.

Another incubator for the continued creation of explicitly anti-human ideas goes by the name of HASTAC (Humanities, Arts, Science, and Technology Advanced Collaboratory). The conception for the HASTAC consortium came in 2003 at a meeting of humanities leaders sponsored by the Mellon Foundation. Founder Cathy N. Davidson (vice provost for Interdisciplinary Studies, and co-founder of John Hope Franklin Humanities Institute at Duke University) and co-founder David Theo Goldberg (University of California Humanities Research Institute, Irvine), had already envisioned a plethora of projects



*The “morally repugnant Timothy Lenoir” (right) crawled out of from the swamp of the explicitly anti-human HASTAC, funded by the John D. and Catherine T. MacArthur Foundation. Today, Lenoir, at Duke University, continues to engage in research for the introduction of virtual reality into biomedics and other humanities fields. Below: Stanford Artificial Intelligence Labs.*



tions under its umbrella, including Wayne State, Duke, Boston, Cornell, George Mason, Rice, and Stanford Universities; University of California at Irvine; the Universities of Michigan, Southern California, and Washington State; and last, but not at all least, the Woodrow Wilson National Fellowship Foundation, Digital Promise, and the John D. and Catherine T. MacArthur Foundation (the country’s largest private grant-making institution, with assets of \$6 billion). Two of the most ambitious projects under the HASTAC umbrella are “The global body and the virtual Cyborg,” which is already underway through programs at Duke University, and “How they got game: Cultural implications of interactive simulations and video games,” from Stanford Humanities Lab, one of HASTAC’s founding members.

It is from these pitiable echelons that the morally repugnant Timothy Lenoir crawls out. With funding from the Alfred P. Sloan Foundation, Lenoir’s past endeavors have included investigative projects launched from Stanford Humanities Department at the time he was teaching the History of Science. Today, Lenoir is the Kimberly Jenkins Chair for New Technologies and Society at Duke University, where he continues to engage in research for the introduction of virtual reality into biomedics and other humanities fields. The Jenkins “Collaboratory” exists for the sole purpose of investigating and pushing the limits of “transformative processes” in fields such as “cultural production” and human-machine engineering, as well as biotechnology.

Today, the “Game” project is housed at Duke University, and focuses on the development of “industrial-strength” simulations that are the product of the military’s relationship with Hollywood and the gaming industry. It is here that the “collaboratory” of Simulation, First-Person Shooters, Strategy, and storytelling project leaders from PEO STRICOM (Program Executive Office for Simulation Training and Instrumentation Command); the Institute for the Future, Science Applications International Corporation (SAIC), MIT Media Lab; and SIMNET (Simulated Network) slime molds interface.

These are not merely colorful concoctions springing forth from fertile imaginations of mad scientists and pedagogues of calamity. This is a heinous attempt to create, from among the ranks of this emerging generation, a class of desensitized drones who will conform to the absurdity of a society in which nothing is held to be true, and everything is permitted. Reminiscent of the dark ages in science, where knowledge was suppressed, today it is not a question of annihilating science, but of controlling it. These are, and always have been the preconditions to control a society. From the pits of the aforementioned nexus, have sprung the seeds that were necessary predecessors to the modern-day Darwinian globalized market and cyberculture that have spawned a population on the verge of willingly surrendering that which renders them superior to apes, bacteria, and computers—their humanity.



that would expand innovative uses of technology to create an unparalleled cyberinfrastructure process. Included in the core leadership of HASTAC are Jeffery Schnapp (director of the Stanford University Humanities Lab); Ruzena Bajcsy (director of the Center for Information Technology Research in the Interest of Society at the University of California, Berkeley); Hadass Scheffer (director of fellowship programs at the Woodrow Wilson National Fellowship Foundation); and Henry Lowood (Curator for Germanic Collections and History of Science and Technology Collections at Stanford University Libraries, Stanford University).

HASTAC describes itself as “a voluntary consortium of leading researchers from dozens of institutions, who have been co-developing software, hardware, and cyberinfrastructure. Legal, ethical, social, historical, and aesthetic issues must also be carefully considered as we expand our capacities for accumulating and analyzing data and as we push the boundaries of science and what it means to be human.” From among its ranks, HASTAC seeks to create a new generation of scholars in the humanities who have an infallible expertise in the most advanced work in creating leading edge Information Technologies, and transform institutions in the process of spreading their cyber-humanities vision.

Only in its fourth year of existence, HASTAC already commands “academic attention” and has more than 70 institu-

# Video Games and the Wars of the Future

by Oyang Teng,  
LaRouche Youth Movement

In 2013, the Army will unleash a new breed of soldier. A soldier whose lethality has been honed by the finest technologies. A soldier equipped to see first and strike decisively. Today, he's yours to command.

—Advertisement for the video game, “*Ghost Recon: Advanced Warfighter*”

Welcome to Dick Cheney’s fantasy world, where the United States fights permanent wars against the “failed states” of the Third World, with legions of Special Forces hunter-killer squads backed up by “shock and awe” air power. This is the reality that Cheney and his backers are actively promoting. And despite the colossal failure of the Iraq War, this so-called Revolution in Military Affairs continues, with heavy emphasis on automated and space-based weapons systems, “information dominance,” and computer simulation.

If the wars of the future are to be fought by a new breed of soldier, a ready pool of potential recruits is already being trained. Many of them have not yet entered the military, and some have never touched a weapon. But, thanks to a recently consummated marriage that has been dubbed the “Military-

Entertainment Complex,” the games of today are preparing them for the wars of tomorrow.

“Ghost Recon,” which is based on the premise of a near-future “U.S. intervention on Mexican soil in order to bring back Democracy,” was developed by Ubisoft in conjunction with the U.S. Army to showcase its Future Force Warrior concept, which it plans to implement in the near future. “America’s Army,” an enormously popular online game, was developed by the Modeling, Virtual Environment and Simulation Institute at the Naval Postgraduate School, and released in 2002 as the “U.S. Army’s Official Game” to bolster recruitment.

These are only two examples of dozens of similar titles plying virtual violence as entertainment—and as training.

With American fighting forces bogged down in Iraq and Afghanistan, this new phase in the militarization of entertainment and the commercialization of war, is only the latest in a long-term project to destroy the U.S. military from within, which goes at least as far back as the 1957 publication of Samuel Huntington’s *The Soldier and the State*.

A true war-avoidance policy today requires examining the long arc, beginning with the death of Franklin Roosevelt, up to the present moment of existential crisis, as one, unified process. Combined with the man-machine doctrine of cybernetics, the postwar military transformation has been a key feature of the imperial policy of globalization now being used as the imperative for new wars of “Democracy.”

## The Soldier and the State

At the time that Huntington wrote *The Soldier and the State: The Theory and Politics of Civil-Military Relations*, the United States was already in the midst of a transformation into



The long-term project to destroy the U.S. military from within goes back to Samuel Huntington’s 1957 book, *The Soldier and the State*. The method was provided by the “Military-Entertainment Complex,” which produces “games” like “*Ghost Recon: Advanced Warfighter*,” shown here (Huntington, above).

a post-industrial state. President Kennedy's extraordinary scientific-industrial drive for the Apollo Project was a temporary interruption in the design for what Zbigniew Brzezinski called a "technetronic" society. As capital-intensive investment in agriculture and industry gave way to an emphasis on the "white-collar" service economy, another pillar of national sovereignty, the institution of the military, was under assault by what President Eisenhower famously warned of as the "Military-Industrial Complex."

Repudiating the obvious lesson of World War II—that the country's military strength was unmatched when it combined a science-driven industrial-logistical base with a clear moral advantage—Huntington called for a reversal of the idea of the citizen-soldier, which had been embedded in America's republican military tradition since the time of George Washington. Instead, he argued that a "professional" military was one not bound by the principles of the nation, but merely trained in "the management of violence."

"The professional army which fights well because it is its job to fight well is far more reliable than the political army which fights well only while sustained by a higher purpose," he wrote. "The military quality of the professional is independent of the cause for which he fights. The supreme military virtue is obedience." According to Huntington, the Korean War was exemplary, because it was the first major war in

which the American soldier "fought solely and simply because he was ordered to fight it and not because he shared any identification with the political goals for which the war was being fought. Instead, he developed a supreme indifference to the political goals of the war—the traditional hallmark of the professional."

*The Soldier and the State*, which is on required reading lists for military officers today, was written at Harvard, under the supervision of, among others, Paul Nitze and William Yandell Elliott, forebears of the fascist neo-conservative movement. Nitze and Elliott were among those pushing an escalation of the Cold War through the constant threat of military confrontation against the Soviet Union.<sup>1</sup> To help shape the appropriate public sentiment for such an outright subversion of U.S. interests, Huntington took aim at the "ignorance and naive hopes" of an American population steeped in the anti-imperialist tradition of peace through development, reflected in Eisenhower's 1950s Atoms for Peace program.

It is no surprise that Huntington explicitly attacked the influence of France's École Polytechnique on the 19th-Century curriculum of West Point, America's premier academy for military officers. With a heavy emphasis on subjects like construc-

1. Speech by Clifford A. Kiracofe, Jr., "U.S. Imperialism: The National Security State," *EIR*, March 17, 2006.

## A Policy for Universal Military Training

*The following is excerpted from a policy paper issued by Lyndon LaRouche on Aug. 15, 1979, and reprinted in the May 19, 2006 issue of EIR.*

The historical precedent for the internal design of this universal military training program is the French Ecole Polytechnique under Lazare Carnot and Gaspard Monge during the period of 1793-1804. This approach was emphasized at West Point during 1818-28, where it was associated with the work of Commandant [Sylvanus] Thayer. . . .

The error infecting even many of the best among modern West Point graduates is a loss of connection to the notion of a republican military policy, the substitution of the notion of efficient service of a poorly-defined sense of United States' "state interest"—thus tolerating the crucial flaw of both Napoleon and Clausewitz.

What has been forgotten to that extent is the principle of Machiavelli: A modern republic committed to principles of scientific and technological progress has a potentially decisive strategic advantage. If the beneficial influence on citizens caused by an environment of technological prog-

ress is employed as the basis for developing the whole of that citizenry as a well-equipped, well-trained military force in-depth, dimensions of warfare are opened up which give such a state a decisive, qualitative, advantage over the forces of any well-matched adversary. . . .

The point on which Napoleon failed, where Carnot succeeded, is Napoleon's excessive emphasis on the military side of service to mere state interest. In the longer sweep of warfare, in the developments which bring developed in-depth capabilities into play, the military potentials of forces are developed on the foundation of the cultivated republican potentials of those persons.

1. The individual soldier-citizen must have a developed advantage in cognitive powers.

2. The individual soldier-citizen must have a developed sense of the sensuous reality of "theoretical" knowledge—he should be an acting physicist, not a "pure ivory tower mathematician."

3. The individual soldier-citizen must define his or her life as the meaningful mediation of the continuing development of society toward higher levels of knowledge and practice.

For these reasons, the best military training is that which is based on the training of young engineers of a nation which is itself an ongoing experience of technological progress.



tive geometry, West Point produced the leading engineers in the country, who directed the massive rail-building projects that integrated the continental expanse of the country. These served as an essential part of the nation's military and economic security. Through this kind of education, the military was not producing trained killers, but productive citizens who could think creatively (see box).

## Man and Machine

The cybernetics project of Bertrand Russell's protégé Norbert Wiener also attacked the "naïve" belief in progress that Americans, inspired by the promise of new breakthroughs in nuclear science and space travel, stubbornly defended. Progress, Wiener argued, was merely an illusion, since the entire universe (including the human race) had been handed an irreversible sentence: death by entropy.

"May we have the courage to face the eventual doom of our civilization as we have the courage to face the certainty of our personal doom," he wrote in his 1950 *The Human Use of Human Beings: Cybernetics and Society*. "The simple faith in progress is not a conviction belonging to strength, but one belonging to acquiescence and hence to weakness."

Wiener claimed that while living organisms, including human beings, may appear to exhibit non-entropic characteristics, they are merely isolated systems fighting the natural tendency towards disorder. They do this through feedback mechanisms, which amount to nothing more than information exchanges through electrochemical impulses transmitted throughout the nervous system. Since every feedback mechanism in a living organism has its correlative in a mechanical system, he said, there is fundamentally no difference between animals—or humans—and machines.

Therefore, Wiener says, society, like an individual organism, could be reduced to a system of communication and control, and be programmed. A series of cybernetics conferences were held under the sponsorship of the Josiah Macy Foundation to elaborate such methods of social control. Many of the social engineers who attended, such as Margaret Mead and Gregory Bateson, were instrumental in the Frankfurt-School manipulation of the anti-science 1960s rock-drugs-sex counterculture, through such agencies as the Congress for Cultural Freedom.<sup>2</sup>

The effort to infuse the doctrine of cybernetics into all aspects of culture and economic policy can be heard today in the oft-repeated maxims of globalization, which hail the mythical



[www.ucsf.edu/mjd1330](http://www.ucsf.edu/mjd1330)

*DARPA's Augmented Cognition (AugCog) project aimed to create soldier-computer "dyads," and the movement for a "Post-Human Renaissance" where "there are no demarcations between bodily existence and computer simulation, between cybernetic mechanism and biological organism." This would become the holy grail of the research for future battlefield technologies, as well as much of today's video-game industry. Shown: a cyborg in the making at the AugCog and Tactile Situation Awareness Lab, Pensacola, Fla.*

realms of "Information" and "Cyberspace." Wiener goes so far as to predict that the day will come when we are able to "transmit the whole pattern of the human body" as if through telegraph, to be reconstructed by an appropriate "receiving instrument."(!)

But, though Wiener's pseudo-science easily lent itself to science fiction, cybernetic theories of automation were being put into practice. The Defense Department's Advanced Research Projects Agency, known as ARPA (today called DARPA), was the dominant sponsor of computer-related research beginning in the 1950s. Cold War-driven projects like SAGE (Semi Automatic Ground Environment), an automated air-defense network of unmanned jet planes, led to a growing interest in war gaming and command systems studies. The coming age of automation, according to Wiener, would usher in a "Second Industrial Revolution."

Behavioral psychologists like J.C.R. Licklider, meanwhile, spun new theories to explain the emerging interface between man and machine. Licklider had been a participant at Wiener's cybernetics conferences and was hired by various government, academic and private research labs, many of which sprang up with funding from ARPA. While heading the Command and Control Research division of ARPA in 1960, he wrote a paper titled "Man Computer Symbiosis." In it he stated, "The hope is that, in not too many years, human brains and computing machines will be coupled together very tightly, and that the resulting partnership will think as no human brain has ever thought and process data in a way not approached by the information-handling machines we know today."

That hope would take form in such later projects as DARPA's Augmented Cognition (Aug-Cog) to create soldier-computer "dyads," and the movement for a "Post-Human Renaissance," where "there are no demarcations between bodily

2. Jeffrey Steinberg, "From Cybernetics to Littleton—Techniques in Mind Control," *EIR* May 5, 2000.

existence and computer simulation, between cybernetic mechanism and biological organism.”<sup>3</sup> This would become the holy grail of the front-end research that has spun off not only future battlefield technologies, but also much of today’s video game industry.

## Counterculture to Cyberculture

The effects of the postwar assault on FDR’s legacy exploded into full view with the Vietnam War. Most important, it signalled the top-down degeneration of U.S. policy in the aftermath of President Kennedy’s assassination, while experiences on the battlefield showed that kill-power alone doesn’t win wars.

Combat training had increased the firing rate—that is, the percentage of American soldiers who would shoot their weapon at the enemy with the intent to kill—from the 15-20% during World War II, to over 95% by the end of the Vietnam War. New methods conditioned soldiers to shoot at human-like targets on reflex, to break down the natural psychological aversion to killing other human beings.<sup>4</sup> This kind of stimulus-response operant conditioning would become a central feature of video-game “shooters” that could be found at most arcades beginning in the 1980s, and are now a fixture at U.S. military installations worldwide.

The concept of the “electronic battlefield” was also introduced during Vietnam, where automated or semi-automated systems coordinating land, sea, and air power could supposedly sanitize warfighting.

Military planners, sitting in front of display screens hundreds of miles away, would call in airstrikes on digital blips, registered from sensors, inserted along the Ho Chi Minh trail, a key supply route for the North Vietnamese. Systems analysts extrapolated the amount of damage their bombs were inflicting on enemy equipment and personnel, but soon discovered that their readings were vastly inflated. (It was claimed that more trucks had been destroyed in these operations than actually existed in the country.)

Surrounding these new developments in military practice, was the transition from “counterculture to cyberculture” then taking shape amidst the social and political trauma of the Vietnam years, and chronicled by figures like Stewart Brand in his 1972 *Rolling Stone* article, “Spacewar! Fanatic Life and Symbolic Death Among the Computer Bums.” (“Spacewar!” was an early video game, created as a recreational side project at one of the MIT’s ARPA-funded computer labs).



EIRNS/Stuart Lewis

*The transition to the so-called Information Age as the natural evolutionary shift from “second wave” industrial civilization, to “third wave” post-industrial civilization, was celebrated in Alvin and Heidi Toffler’s (above) 1980 The Third Wave. In their 1993 follow-up book, War and Anti-War, they argued that, under the clash between second- and third-wave cultures, nation-states would dissolve, as they faced “endless outbreaks of ‘small wars.’”*

This new cyberculture would embrace not only the anti-authoritarian romance of digital communalism, typified by the advent of the Internet, but also the supposedly liberating principles of “market populism”—that is, the anti-government economics of globalized free trade.<sup>5</sup> As stated by two of today’s leading advocates of the Revolution in Military Affairs, Felix Rohatyn and George Shultz, this supranational economic model was far better suited for the operations of private mercenaries than for national armies that might, after all, be called upon to defend national interests.

## Third-Wave War

By 1980, nearly a decade of deindustrialization and deregulation had followed the elimination of the gold-reserve-based Bretton Woods system. The transition to the so-called Information Age as the natural evolutionary shift from “second wave” industrial civilization, to “third wave” post-industrial civilization, was celebrated in Alvin and Heidi Toffler’s 1980 *The Third Wave*. In their 1993 follow-up book, *War and Anti-War*, they argued that under the clash between second- and third-wave cultures, nation-states would dissolve, as they faced “endless outbreaks of ‘small wars.’” Militaries, including privatized “professionals” on contract with the United Nations or individual states, would have to be reshaped to adapt to this post nation-state world of “anarchic turbulence.”

3. Tim Lenoir, “All But War Is Simulation: The Military-Entertainment Complex,” *Configurations*, Vol. 8, No. 3, Fall 2000, pp. 289-335.

4. David Grossman, *On Killing: The Psychological Cost of Learning to Kill in War and Society* (Boston: Little, Brown and Co., 1995).

5. Harley Schlanger, “From Hippies to Hedge Fund Operators: The Case of Jeff Skoll,” *EIR*, April 20, 2007.

At the same time, military officers like Gen. Donn Starry, were closely studying how to apply the concepts of the third wave to warfighting. Starry was then head of the Army's Training and Doctrine Command, which was formed in 1973 to rethink Army doctrine, and would draw on some of the worst concepts then being popularized to sell the end of national sovereignty in the sleek packaging of "globalization."

In the aftermath of Vietnam, cyberfreaks, new agers, and downright occultic Satanists had thrown their efforts into re-making the military. Army officers Col. Paul Vallely and Lt. Col. Michael Aquino authored a 1980 discussion paper titled "From PSYOP to MindWar: The Psychology of Victory," detailing a scheme to utilize new technologies to wage the equivalent of psychological total war, using America's dominance of "electronic media" to "make possible a penetration of the minds of the world such as would have been inconceivable just a few years ago."<sup>6</sup> In the Hobbesian virtual world projected by these utopians, the U.S. military would be the world's high-tech Leviathan, playing "whack-a-mole" with any upstart regional power that refused to accept the emerging consensus for a globalized world order.

The new paradigm was called "Transformation," and would emphasize smaller, more mobile, more lethal forces, not dependent on the (quickly shrinking) in-depth industrial capacities of the national economy. The "lethality" of the individual "warfighter" would be enhanced by networked communications and other digital technologies. The new military ideal would no longer be the model of the citizen-soldier, but that of the cyborg.

## The Military-Entertainment Complex

It was also in 1980 that the military formed its first major partnership with a video-game company, when the Army contracted with Atari to modify its tank-shooter arcade game "Battlezone" for official training use.

Video games had come into their own during the late 1970s, having been developed by veterans of early ARPA-funded defense projects. By 2006, video and personal computer (PC) games had become a \$13.5 billion industry (not counting the many online games available free), including a huge array of war-based games, ranging from simulations of fictional NATO counterterror operations in "Rainbow-Six: Rogue-Spear," to re-enactments of World War II battles in the "Medal of Honor" series. Game company KumaWar (motto: "Real War News. Real War Games.") goes a step further, offering re-enactments of battles only days or weeks old, with a constant real-life source for updated missions coming straight out of Iraq and Afghanistan.

Already, by the early 1980s, when games and graphics were prehistoric by comparison, military recruiters began to

troll video arcades to find kids whose skills would serve them well in future combat roles.<sup>7</sup>

With the end of the Cold War, the military's transformation kicked into high gear. Then-Secretary of Defense Dick Cheney massively downsized the military, hired Halliburton to conduct a secret study on the privatization of core military functions, and authored a Defense Planning Guidance calling for the United States to maintain lone superpower status through preemptive wars. He also oversaw the deployment of 500,000 American troops for the 1990-91 Gulf War, during which U.S. technological supremacy was seen as proof, by advocates of the Revolution in Military Affairs, that war had entered the information age.

President Clinton's Defense Secretaries William Perry and William Cohen were also big fans of "information warfare." In a 1997 speech at Fort Irwin, Cohen told the troops: "What we're witnessing now is the transformation of the level of information as broad and as absolute as one can conceive of it today. So, actual domination of the information world will put us in a position to maintain superiority over any other force for the foreseeable future."<sup>8</sup>

Despite the proliferation of euphemistic phrases and acronyms to describe this supposedly new form of war, the stench of old-fashioned British-style imperialism is hard to cover up. For example, Pentagon advisor Thomas P.M. Barnett, in his book *Blueprint for Action: A Future Worth Creating* (G.P. Putnam's Sons, 2005), outlines a lunatic plan to enforce globalization through a combination of "Netcentric" (high-tech automated weapons systems) and "Fourth Generation" (Special Forces counterinsurgency) war, to export security from the "Core" (the globalized Western world and its allies) to the "Gap" (everyone else). He gloats that young people are already attuned to this policy, given that they are "the most overly programmed ... generation that America has ever produced."

## 'All But War Is Simulation'

In 1992, the U.S. Army established the Simulation Training and Instrument Command (STRICOM), tasked with developing the Advanced Distributed Simulation Technology program and furthering links between simulations research and the armed forces. It has since changed its name to PEO STRI (Program Executive Office for Simulation Training and Instrumentation Command), but has retained its motto: "All But War Is Simulation."

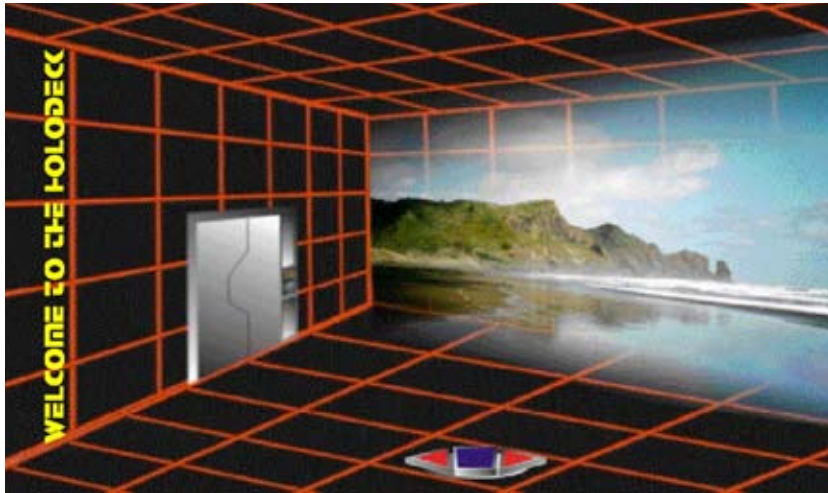
Ten years earlier, SIMNET (Simulated Network) had been launched by DARPA's Jack Thorpe, a retired Air Force major. With the help of private contractors Perceptronics and BBN Laboratories (which once employed behavioral psy-

6. Jeffrey Steinberg, "Cheney's 'Spoon-Benders' Pushing Nuclear Armageddon," *EIR*, Aug. 25, 2005; and "Satanic Subversion of the U.S. Military," *EIR*, July 2, 1999.

7. Ed Halter, *From Sun Tzu to Xbox: War and Video Games* (New York: Thunder's Mouth Press, 2006).

8. James Der Derian, *Virtuous War: Mapping the Military-Industrial-Media-Entertainment Network* (Boulder: Westview Press, 2001).





*The mission of the Institute for Creative Technologies (ICT) at USC, is to construct Star Trek's "holodeck." Their mandate is to push the boundaries of interactive stimulation; so far, the sense experience is limited to wraparound projection screens, vibrating headsets, and a "scent collar" that can emit the authentic battlefield smells of gunpowder and Arabic spices. Shown: a computer image of a Star Trek Holodeck.*

chologist Licklider in the 1950s), the military sought to create a "networked virtual battlespace," which would allow multiple people to train simultaneously on different modules. When SIMNET became operational in 1990, one of its first applications was the Army's Close Combat Tactical Trainer for tank warfare, which would be a major part of ground operations during Desert Storm.

Of course, computer-simulated combat was not confined to military research centers. A whole generation of youth was spending increasing amounts of time in virtual battle in the arcade, on their home video-game consoles, and increasingly on their PCs. The 1993 release of id Software's "Doom" for the PC was something of an innovation. Although the first-person shooter genre had been introduced with the previous year's "Wolfenstein 3d," "Doom" had more violence and better graphics. Subsequent versions also included the source code, allowing players to modify the game to their personal specifications.

It was such a modification that produced "Marine Doom." In 1996, Marine Commandant Charles Krulak issued a memorandum with a directive to find ways to ensure that "Marines come to work and spend part of each day talking about war-fighting: learning to think, making decisions, and being exposed to tactical and operational issues," including through the use of "computer-based war games." The Marine Corps Modeling and Simulation Management Office established a "Computer Based Wargames Catalog," and two Marine programmers, who would later go on to work for video-game companies, modified "Doom II" as a tactical trainer for four-man fire squads.

A 1997 report entitled "Modeling and Simulation: Linking Entertainment and Defense," summarized the proceed-

ings of a National Research Council conference which brought together representatives from the military and entertainment world. Their goal was to map out a working relationship whereby the same cutting-edge simulations and virtual reality research brought to bear on enhanced training programs for the military, could also be used in commercially developed video games. Such would be the mission of the Institute for Creative Technologies (ICT).

### **Just Like the 'Holodeck'**

With \$45 million from the Army, the ICT was established in 1999, at the campus of the University of Southern California to be the premier laboratory for the science, and art, of fantasy. It is staffed with Hollywood writers, graphics designers, and computer engineers, whose simulations research revolves around behavior modelling and artificial intelligence.

But the ultimate aim, explicitly outlined by some of ICT's creators, is to actually construct Star Trek's "holodeck" (the holographic simulations room used on the TV show). Though the "immersive experience" they have achieved so far is still limited to wraparound projection screens, vibrating headsets, and a "scent collar" that can emit the authentic battlefield smells of gunpowder and Arabic spices, their mandate is to push the boundaries of interactive simulation.

As stated in the summary for the ICT's Sensory Environments Evaluation (SEE) project, whose research includes the role of video-game play on performance in simulated environments: "Recent neurobiological studies have found that emotional experiences stimulate mechanisms that enhance the creation of long-term memories. Thus, more effective training scenarios can be designed by incorporating key emotional cues." Creating memories is exactly what simulation research is all about, according to West Point graduate Michael Macedonia, the chief scientist and technical director of PEO STRI who helped create the ICT.

In addition to conditioning through immersion, new combat training techniques emphasize "increased situational awareness" for "data-rich environments," namely, the urban battle zones American soldiers are expected to fight in during the coming years. DARPA's Improving Warfighter's Information Intake Under Stress project, otherwise known as Augmented Cognition, shows where this research is headed.

Through a device attached to the soldier's head, brain activity would be regulated by a computer interface, to optimize the incoming information flow of auditory and visual data from the environment, creating a symbiosis between man and machine called a dyad. Here is Huntington's professional sol-

dier with a cyberculture twist: a souped-up warrior whose primary virtue is that he can “process information” faster and better than the enemy.

The training techniques being designed by today’s “visionaries” in virtual technologies and artificial intelligence are, in reality, based on nothing more than the reductionist belief that the human mind is a programmable system, not fundamentally different from an animal or machine. This absurd premise had already been thoroughly refuted by the time of Plato, where, in dialogues like the *Meno*, Plato demonstrates the characteristic power of the human mind to transcend logical systems—in other words, to change the rules of the game.

## Killer Graphics

With ventures like the ICT, the gap between official training simulations and gaming entertainment, which had been shrinking for 20 years, has all but vanished. The commercial logic of using video games for training is reflected in growing profits for game companies, while the military logic of relying on recruits primed on violent games jives with the new emphasis on lethality.

Earlier this year, “America’s Army,” “The Army’s Official Game,” surpassed 8 million registered users, as one of the most played games. Like the extremely popular “Counterstrike,” “America’s Army” is a networked first-person shooter, with the added feature of taking the “recruit” through virtual boot camp and basic combat training before the start of a variety of simulated missions, all of it rendered down to authentic detail. Although it is a recruiting tool for the U.S. Army, the game is available free to anyone in the world with a computer and an Internet connection.

While the PC-based “America’s Army” was produced by the Navy’s MOVES Institute, the ICT Games Project, with the collaboration of Sony, and gamemakers THQ and Pandemic Studios, turned out the console-based “Full Spectrum Warrior” in 2004, with a sequel in 2006. The commercial version is only slightly different than that used as an official training aid, though a simple code available to gamers unlocks the military version. The game—whose title refers to the Revolution in Military Affairs concept of full-spectrum dominance, a key term in the Defense Department’s “Joint Force” blueprints for future war—simulates urban combat against fictional Middle Eastern insurgents like the Mujahideen al-Zeki and the Anser al-Ra’id.

Though players gun down “insurgents,” and blow up buildings, cars, and people, developers emphasize that, more than anything else, these games teach “leadership skills” and teamwork.



*Like the extremely popular “Counterstrike,” “America’s Army” is a networked first-person shooter game, which takes the “recruit” through virtual boot camp and basic combat training before the start of a variety of simulated missions, all of it rendered down to authentic detail. Although it is a recruiting tool for the U.S. Army, the game is available free to anyone in the world with a computer and an Internet connection.*

## The Next Revolution

While globalization has brought our once-proud economy to the brink of a violent implosion, our military has been reduced to fighting brutal wars of occupation.

In Iraq, we see none of the gleaming attributes implied by high-flying phrases like “Netcentric Warfare,” “Full Spectrum Dominance,” or “Third Wave Cyberwar”; but only the decay of wrenching poverty and desperate futility brought on by endless urban combat. The actual Revolution in Military Affairs has aimed to destroy the fundamental principles of the military itself.

A challenge stands before the young adult generation of the world today, the choice of pathway for the next 50 years of human history. Recent developments suggest an imperative that does not involve the permanent wars of Cheney’s preference. Instead, they point to the possibility of worldwide corridors of development, spanning the globe in a network of nuclear power plants, magnetic levitation rail lines, and new agro-industrial centers.

Such an undertaking would bring sovereign nations into new relationships of cooperation to uplift their populations, and call upon transformed institutions—including the military, reconnected to a national sense of purpose—to carry out the greatest engineering feat in human history.

This is a mission that will also call upon the creative powers of the next generation of world leaders, powers not dulled by digitally enhanced fantasy. Such is the new breed of statesmen ready to emerge.

# ‘Oldboy,’ Columbine, and The VA Tech Massacre

by Michele Steinberg, Phil Fisher, Jr., and Neil Martin

On July 18, 2007, at the fourth and final public meeting of Virginia Gov. Tim Kaine’s panel on the Virginia Tech shootings, where 33 students were killed by fellow student Seung-Hui Cho, a number of the parents of victims pleaded with the panel to extend its investigation to get to the bottom of the story. They also complained that they had been treated callously by Virginia Tech and state authorities.

Reports from the LaRouche Youth Movement (LYM), which attended the panel’s public meetings, confirm that the panel is a long way from understanding what happened at Virginia Tech—a lack which could prove fatal. In fact, the investigation of the shootings has become a battleground over the issue of the cult of violence among youth—a cult that not only includes \$9 billion in the video-game market, but also spin-offs in the form of films, TV shows, and cartoons.

At the July 18 meeting, in a private conversation with the LYM, a member of the panel admitted that she was very concerned about the effect of violent video games on young people, but, she claimed, “in the Cho case there is no evidence that he was addicted. None of his friends at school said that he played violent video games.” *Such “evidence,” cited by the panel is a dangerous over-simplification.* Even more worrisome, at the same meeting, the chairman, Col. Gerald Mas-sengill (ret.), a former Virginia state police superintendent, excluded LYM member, Paul Mourino from testifying.

Why? Had the video-game lobby intervened? Had the White House report which insisted that there was *no* video-game involvement in the Virginia Tech case, been used to pressure the panel to drop that line of investigation?

Despite the attempted censorship, Mourino was able to point out that: 1) Dick Cheney’s cult of violence—perpetual war and the revolution in military affairs—that was behind the developing of more intense “killing simulators,” such as those Cho played in high school; and 2) the agreement of Cho’s family to speak to the panel, offered the chance to probe this angle, that has been covered up.

## The Smoking Gun? ‘Oldboy’

If the panel wants a “smoking gun,” Cho’s own video of himself posing with gun and hammer, provides it.

On the day of the Virginia Tech rampage, Lyndon La-Rouche, who has led an international campaign against video-game brainwashing, since the 1999 Columbine massacre, identified several “critical questions”: What was the level of

accuracy and skill in shooting? Was there video or Internet shooting training involved as described by Lt. Col. David Grossman (ret.), whose book, *On Killing*, and interviews with *EIR*, detailed not only how video “games” are “killing simulators,” but also have a dehumanizing effect on the players, making it easier for them to kill in the real world after thousands of cyber-kills.

Was there a breakdown of security procedures, where there was no lockdown of the campus in the hours between the shootings at the first building, and the second?

That time gap is when some of the most important evidence of Cho’s connection to the video-game cult emerges: Cho’s own poses mimicking the film “Oldboy,” a Korean-made “underground” movie. During that time, Cho e-mailed a video to NBC-TV, that not only included a statement that glorified the video-game-addicted Columbine killers, but included at least two poses—one with a hammer, and another with a gun to his own temple—that a Virginia Tech professor suggested, correctly, mimicked “Oldboy” scenes. When these scenes were posed, is unclear.

“Oldboy” is not a mere movie—it is the film representation of a Japanese comic-book cult form, called “*Manga*,” and the comic-book series called “Mr. & Mrs. Vengeance,” which celebrates the most brutal and horrific manga themes of dismemberment, pederasty, rape, and murder. Importantly, “Oldboy” is an underground phenomenon—it has not yet been commercially released in the United States. So, how did Cho intersect the film?

It is through research work by the LYM, that *EIR* has been able to identify the significance of “Oldboy” and its links to the video-game culture, including animé (computer animation) and other cult horror films, such as Hollywood’s recent garbage, “Grindhouse,” made by the director, Quentin Tarantino, who pushed “Oldboy” to win the 2004 Cannes Film Festival’s Grand Prix.

But among video-game developers, gamers, and violence addicts, the *Manga* series “Oldboy,” on which the film is based, is well known, and has been for years. *Manga* is the Japanese word for comics and print cartoons. Outside of Japan, it refers specifically to comics originally published in Japan, or in that Japanese style. The form was widely used in the 1930s, to promote Japanese militarism especially, during the pre-fascist and fascist period. In the 1960s and ’70s, it became an underground radical counterculture phenomenon, promoting suicide, existentialism, and terrorism. “Adult *Manga*” has also emerged as a specifically pornographic form, with a heavy dose of sex violence and sado-masochism.

In her book *Adult Manga: Culture and Power in Contemporary Japanese Society*, (University of Hawaii Press, 2000), Sharon Kinsella’s introduction documents the mindset of the “radical” *manga* cartoonists who “feel” the culture of violent hatred of all other human beings.

“Oldboy” and its tortured philosophy obviously influenced the Virginia Tech tragedy, and if Hollywood has its way, it’s “coming soon to a theater near you.”



## Addicting Our Children To Killing

*The following is an excerpt from a 1999 EIR interview with Colonel Grossman, an expert on violent video games.*

**Grossman:** ...The most definitive study is in the *Journal of the American Medical Association*, June 10, 1992, which identified the fact that anywhere in North America that television ever appeared, 15 years later [violence sharply increased]; there appeared to be an immediate cause-and-effect relationship. It is one of the most astounding epidemiological studies in the second half of this century, and it has been virtually denied.

What's going on here? The people we've entrusted the public airwaves to, have done a systematic brainwashing on this topic. It is extraordinarily difficult for any of us to grasp the fact that they are using a toxic, addictive substance, to increase their market share. The magazine, newspaper, radio, book industry, have been crippled during a time while the television industry has increased its market share. Its addictive ingredient is violence, just as the addictive ingredient in tobacco is nicotine.

And the addictive ingredient is also a deadly one. A child who watches his dad beat his mom: 20 years later, when he's under stress, and he's got a wife, what's he going to do? The same thing. Now, not necessarily, but there is a far greater probability.

Why does a child replicate that behavior? Because the behavior that they observe in the first five years of their life cannot be unlearned. If a child watches his father beat his mom, or if he watches 1,000 violent acts on TV, he is cocked and primed to participate in those actions in the future.

Not every child with access to guns is going to use those guns in violent crime. Only a tiny fraction of a percentage will. But because of that tiny fraction of a percentage society says, children have no Second Amendment right to guns. In the same way, not every child with access to media violence, in particular these violent video games, is going to become a mass murderer. But because of that tiny percentage, and because it serves no useful purpose for a society for children to have access to this violence, the time has come for us to treat these firearms trainers in the same way we do firearms....

**EIR:** You have spoken of the use of this training, as military training, for children's videos. What is the transfer? Were there military people who took a second career, to go into this?

**Grossman:** No, here's what happened. In World War II, we taught our soldiers to fire at bull's-eye targets. We learned that that was tragically flawed. No bull's eyes ever attacked someone on the battlefield. Their ability to transfer the training to the reality was limited. We realized that there is this tremendous gulf between being a law-abiding citizen, and then taking a gun in your hands and being able to take another human being's life. Not everybody can do it. In order to help them do it, you have to give them intermediate steps to cross that vast gulf.

And that's what these simulators are. We taught our people to practice shooting at realistic man-shaped silhouettes. The law enforcement community had to do the same thing. And then in the 1970s, we introduced the shoot/no-shoot program for the law enforcement community, in which you fire at rear-projection movies. Pop-up targets were simulated human beings that you shot at in the military. Then we had the rear-projection movies where you fired blanks. Now that was as far as the military or the law enforcement community went, for quite some time.

But the video community picked up on the military training. They picked up on it and began to develop games based on that same technology. But now the games went far, far out. Now we are at a video arcade where you hold a gun in your hand, and you're shooting at [images of] human beings—and this is totally industry-driven.

Then the military became aware of these games. They began to go out to civilian contractors, and took off-the-shelf civilian products—like “Doom,” from which they developed “Marine Doom.” Or, the Nintendo, Super Nintendo. The Army purchased over 1,500 of these Super Nintendo devices, attached an M-16 [automatic rifle] and turned it into a superb marksmanship-training device.

Now, these devices were the next generation. The military simulations became the next step in the law enforcement environment. You can talk to your local law enforcement agency training division, and tell them you want to use their FATS trainer (Fire Arms Training Simulator). You'll hold a mock-up of a real gun in your hand. You'll pull the trigger at a large-screen TV, and the slide will slip back, you'll feel the recoil, and when you hit the targets, the targets will fall. Understand that the law enforcement officers have to demonstrate restraint in this test.

Then go to the video arcade and play a game called “Time Crisis.” Hold the gun in your hand, feel the slide slip back, and mow down SWAT team members. Then walk next door to that game and play a game called “House of the Dead.” Then watch as you blow heads off and arms off, and get bonuses as you're blowing heads off; and on and on. And get a feel for the fact that what the law enforcement officers are using as a powerful simulator, is being given indiscriminately to our children. So, there are flight simulators, that teach you how to fly; there are killing simulators, that the military and law enforcement use, that enable you to kill; and there are mass-murder simulators.

# Foreclosure Crisis Demands Congress Take FDR Approach

by Nancy Spannaus

With the U.S. housing foreclosure crisis hitting levels unseen for decades, leaving millions of families vulnerable to losing the roofs over their heads, Congressional leaders pulled together a special hearing on July 25 to discuss the topic. The Joint Economic Committee hearing was called by Sen. Charles E. Schumer (D-N.Y.), with a specific focus on the impact of the subprime mortgage lending crisis on what he called “one of the hardest-hit communities in the nation—Cleveland, Ohio.” Testimony was presented by five witnesses from the Cleveland area, including Hon. James Rokakis, treasurer of Cuyahoga County; Hon. Anthony Brancatelli, Cleveland City Council; Mrs. Audrey Sweet, resident of Maple Heights; Ms. Barbara Anderson, resident of Slavic Village; and Kenneth D. Wade, CEO of NeighborWorks America.

The hearing succeeded in providing a sensuous picture of the disaster which predatory lending practices in the housing sector have created for low-income families and local governments in urban centers. If anything, it understated the disaster that looms nationally. An estimated 1.7 million Americans will lose their homes over the next year when adjustable rate mortgages reset, according to an analysis by Moody’s Economy.com reported in the Aug. 1 *New York Times*.

## An Inadequate Response

But the hearings’ failure was in not providing guidelines on how Congress should act to reverse this process, which can only get worse, if its root causes are not addressed.

References were made in the course of the hearing to some of the legislative measures which have been put on the table, in response to the crisis. In nearly all cases, these measures avoid the reality that caused the disaster: the fact that

housing has become an object of insane speculation, without regard for the need to provide decent affordable housing for the nation’s citizenry. It is this reality, the current *housing system*, which has to be changed.

Specifically, as Lyndon LaRouche has emphasized, Congress has to *throw out* all of the deregulation measures which were adopted for the housing sector, from the 1960s forward. After declaring a national economic emergency, Congress has to reorganize the banking system, including declaring a moratorium on foreclosures, in such a way that the huge speculative bubble based on mortgages is effectively wiped off the books, and such speculation is outlawed in the future. Then, as part of an overall banking reorganization, mortgages on owner-occupied homes should be *written down* to a reasonable level. Congress should then authorize a regulated Fannie Mae to act as President Franklin D. Roosevelt’s Home Owners Loan Corporation did, to purchase from the banks and other institutions these rewritten mortgages, while bridge loans, at very low interest rates, are provided to homeowners who need such aid in order to stay in their homes.

More could be said about what specific measures are needed,\* but the overall point should be clear: The foreclosure crisis is but a *symptom* of the bankruptcy crisis of the dollar-based world financial system, and cannot be solved independently of dealing with that bankruptcy crisis. Either an FDR-style approach is taken, including wiping out trillions of dollars of unpayable debt, or so-called ameliorative measures will do nothing but pour monies down the drain—into doomed financial institutions.

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\* See “Put the Toothpaste Back in the Tube: Rebuilding FDR’s Dedicated Lending System for Housing.” *EIR*, July 27, 2007.

# Senate Hearing on Crisis: 'Cleveland Under Siege'

*Excerpted here is the opening statement of Sen. Charles Schumer (D-N.Y.) at the Senate Joint Economic Committee Hearing, July 25, 2007, which was titled "A Local Look at the National Foreclosure Crisis," with the subtitle "Cleveland Families, Neighborhoods, Economy Under Siege from the Subprime Mortgage Fallout."*

*Subheads have been added.*

I would like to welcome my fellow Committee Members, Sen. Sherrod Brown, our witnesses and guests here today for this very important hearing on a problem that is plaguing too many families and communities across the nation—the subprime foreclosure crisis.

The numbers are staggering and getting worse.

Consider these statistics:

- The Center for Responsible Lending estimates that as many as 2.4 million families may ultimately lose their homes to the subprime foreclosure crisis, at a cost of \$164 billion in home equity.
- In June alone, foreclosure tracker RealtyTrac counted 165,000 new foreclosure filings, more than double the amount recorded in June 2005.
- From June to October of this year, \$100 billion of risky subprime adjustable rate mortgages are scheduled to reset in a weak housing market, many of which are likely to default and lead to further foreclosure increases.
- One in five subprime loans originated in 2005 and 2006 will end in a lost home.

These numbers are not the manifestation of a housing market "correction," as the administration's economists have argued. These facts are not merely the byproduct of a period of bad decision making among a select few over-eager borrowers. These shocking figures are a result of widespread, systemic, irresponsible underwriting practices by too many unscrupulous brokers and lenders that now are threatening the social fabric and economic well-being of our nation's neighborhoods and towns.

And worst of all, this subprime foreclosure crisis is just beginning. I know it is hard to imagine that it could get worse from here, but it will. The wave of foreclosures that we have seen to date does not include the vast number of risky "exploding" adjustable rate mortgages that were originated in 2006. Once these loans start resetting this Fall and into next year, we can expect to see hundreds of thousands more families lose their homes.

And when this foreclosure storm subsides, it will have left a net loss of homeownership in its wake.

I called this hearing today for two main reasons:

First, I fear that the cries for help from the millions of real people trapped in bad subprime loans today are getting drowned out by the headlines of investor woes, collapsing hedge funds, and lower-than-expected earnings from lenders.

And while every city in America is in this together, I chose to focus on the families and neighborhoods of Cleveland, like Slavic Village, that are being decimated by subprime foreclosures. Slavic Village is a harbinger of the crisis that is unfolding in cities across the nation; and I hope that by investigating the human toll of unscrupulous lending up close, we can better prepare to prevent more Slavic Villages from emerging in the near future.

## Learning the Lessons of the Present

Second, I am afraid that we are not learning the lessons of the present. I fear that this problem is beginning all over again right under our noses, with predatory lenders preying on those very families already in danger of losing their homes—this time, with the promise that they are rescuing them from foreclosures.

We're reading in the headlines that lenders are tightening underwriting guidelines, and that some have even banned certain types of risky loans. Yet the data examined by the Center for Responsible Lending show otherwise. At the June hearing I held on the Housing Subcommittee that I chair, CRL testified that many of the most recent offerings of mortgage-backed securities still included harmful prepayment penalties and stated income or low documentation loans, and nearly 80% of the mortgages were still risky adjustable rate loans!

The witnesses that we have here testifying for us today are at the epicenter of the subprime lending storm. The testimonies that you will hear tell a story of fraud, corruption, greed, negligence, and heartbreak.

Our witnesses will also inform us about an important side of this issue that is rarely discussed—the ways foreclosure impacts not only the families that own the homes, but their neighbors, their communities, and their local governments.

We never hear, for example, that one foreclosure on your city block can bring down your home's value by 1.5%, even if you have never missed a payment on your own mortgage. In neighborhoods like Slavic Village outside of Cleveland, where over 1,000 homes are currently foreclosed and vacant, community leaders like Councilman Tony Brancatelli and residents like Barbara Anderson—both of whom are here today—are grappling with lost property values in the area of \$60 million. Just think about that. \$60 million of financial security that the families in this one community were relying on has disappeared.

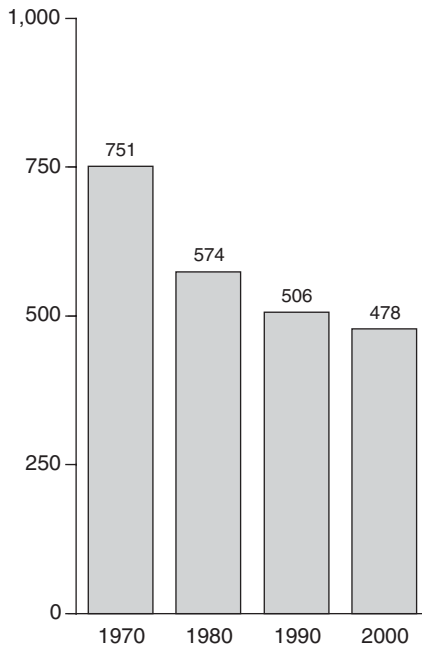
And lower property values means lower tax revenues for



FIGURE 1

### Cleveland: Population Falls by 36%

(Thousands)

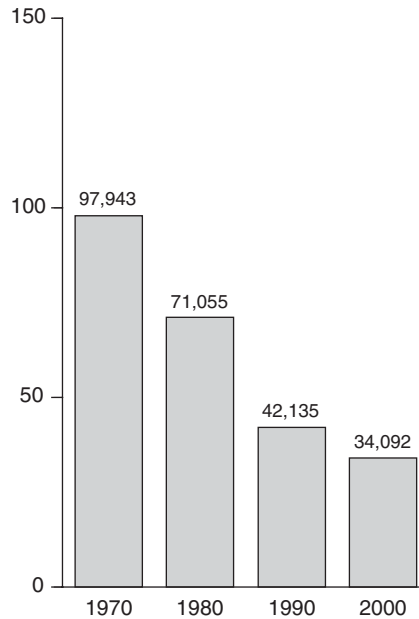


Source: Dept. of Housing and Urban Development; EIR.

FIGURE 2

### Cleveland: Manufacturing Workforce Falls by 65%

(Thousands)

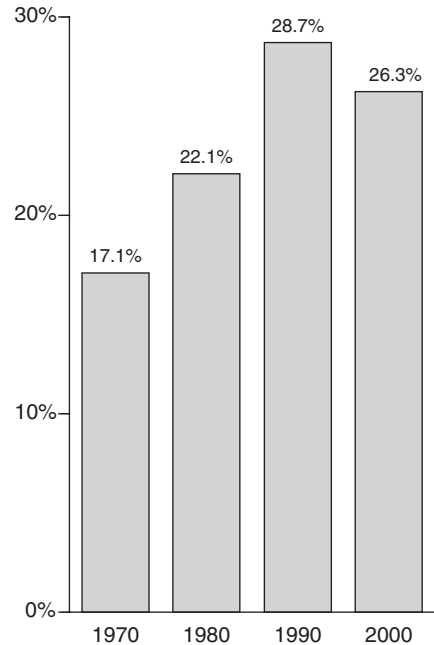


Source: Dept. of Housing and Urban Development; EIR.

FIGURE 3

### Cleveland: Poverty Rate

(Percent)



Source: Dept. of Housing and Urban Development; EIR.

*The collapse of the city of Cleveland as a major industrial urban center, shown here, has helped create the conditions for the current housing disaster, in which an impoverished population cannot afford to maintain their mortgages, and fall victim to predatory lenders.*

local governments at a time when the demands on them are already too high. County treasurers like Jim Rokakis here with us today now have fewer resources for their schools, their local law enforcement, and for important public services such as those that can help these imperiled homeowners.

This is not a problem that is going to go away when the market corrects itself—the subprime mess is leaving deep scars that threaten economic security nationwide, whether in urban neighborhoods like those in St. Louis and Baltimore, suburbs like Massapequa on Long Island, or entire regions like Greater Cleveland.

### ‘We Cannot Afford Inaction’

We cannot afford inaction. To do nothing means that hundreds of thousands more families will lose their homes and their primary source of economic security. To do nothing means that millions of other homeowners will see the value of their homes plunge through no fault of their own. And to do nothing means that we will be permanently handicapping communities for years to come, which will have widespread repercussions for our economy.

We don’t have time for endless debate about the causes of

this crisis. We need to help families everywhere, including those sitting in this room, who are struggling with foreclosures today. And we need stronger, common-sense regulations, to prevent a flood of risky or abusive subprime loans rushing into the vacuum that the current crisis has created.

To help stem the surge of foreclosures expected in the months ahead, Senator Brown, Senator Casey, and I are fighting for increased resources for nonprofit groups in the trenches of the foreclosure prevention fight. We have succeeded in getting \$100 million of funding for HUD-approved foreclosure prevention programs in the Senate Transportation-HUD Appropriations bill, and we will fight to make sure that this important resource is made available to the many organizations, like NeighborWorks and ESOP here with us today, that are providing an invaluable service to help struggling borrowers keep their homes.

Another goal that Senators Brown, Casey, and I share is to create a national regulatory structure for mortgage brokers and other originators that fall through the cracks of the complex federal and state regulatory agencies.

In April, we introduced a strong bill, The Borrowers Protection Act, to make it harder for irresponsible brokers and

non-bank lenders to sell mortgages that are designed to fail the homeowner and result in foreclosure.

Our ultimate aim is to strengthen standards for subprime mortgages by regulating mortgage brokers and all originators under the Truth in Lending Act (TILA) by establishing on behalf of consumers a fiduciary duty and other standards of care. In addition, the bill outlines standards for brokers and originators to assess a borrower's ability to repay a mortgage, requires taxes and insurance to be escrowed on all subprime loans, and holds lenders accountable for brokers and appraisers.

We look forward to hearing from all of our witnesses today....

## Cleveland Activist: 'A Devastating Decade'

*These are excerpts from testimony by Barbara Anderson, a Cleveland resident, and the treasurer of the Predatory Lending Action Committee of Empowering and Strengthening Ohio's People (ESOP), which was formerly known as the East Side Organizing Project, a community organization that originated in the southeast side of Cleveland.*

... ESOP's model is different from most, if not all, other foreclosure prevention counseling agencies. Chief among those differences is that we combine direct action organizing in order to secure an agreement with our loan counseling efforts. Indeed, the secret to our success is direct action organizing to secure written agreements that, most importantly, designate one specific person empowered to negotiate and change the loan terms to keep a family in their home.

Since 2001 when we began keeping track, ESOP's agreements have kept more than 2,500 people in their homes. For 2007, to date, we have assisted more than 400 families and are bracing for the "October Surprise" that will actually hit in January 2008.

I want to spend a few minutes and give you a sense of just how devastating the last decade has been due to the regulators abdicating their responsibility and abusive lenders entering the market place. The following statistics were put together by Paul Bellamy, a fair housing expert in Cleveland. They paint a very grim picture. Consider:

- Ohio's foreclosure rate is three times the national average and the highest of all states.
- Data from 12 of the 13 largest Ohio counties indicate that 2006 foreclosure filings increased by an estimated 25% over 2005, with an estimated 80,000 foreclosure filings.
- The volume of foreclosures is expected to grow much faster in 2007 and 2008 because of the number of subprime ARM [Adjustable Rate Mortgage] loans that will be reset at

much higher rates. In 2005, subprime loans accounted for about 13% of the mortgages issued nationally, compared to almost 28% (more than double) of the mortgages issued in Ohio. Subprime loans account for 18% of all outstanding Ohio mortgages currently held by the secondary market and other loan servicers. Despite representing less than one of five outstanding mortgages, subprime loans account for 70% of all foreclosures.

- The most common type of Ohio subprime mortgage is a "2/28" loan. These loans are sold with low initial "teaser rates" that are fixed for the first two years. Beginning in year three, the interest rate increases as often as every six months, so the monthly payment grows dramatically. Often, these loans are not underwritten to anticipate the inevitable rate escalation. In 2007 and 2008, roughly \$14 billion of these 2/28 subprime loans are going to reset in Ohio, impacting some 150,000 to 200,000 mortgages.

- Many borrowers with 2/28s and other ARMs can't refinance or sell to avoid default because their property is not worth what is owed. All too often, their original mortgage was based on an inflated appraisal. In 2006, six of Ohio's eight major metropolitan areas experienced depreciating real estate values between 3.5 and 7.7%—well above the U.S. average of 2.7%....

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### Interview: Jim Rokakis

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## Home Foreclosures Slam Formerly Industrial Cleveland

*Mr. Rokakis is treasurer of Cuyahoga County, Ohio. Marcia Merry Baker interviewed him on July 26.*



**EIR:** What you testified to the Joint Economic Committee of the Senate yesterday, was about the situation in Cuyahoga County, in Cleveland, which is in the forefront of the national home foreclosure crisis. Would you summarize some of the dimensions which you have been pointing out?

**Rokakis:** Let me give you some benchmarks. In 1995, there were 3,300-plus private mortgage foreclosures filed in Cuyahoga County. By 2000, the number had doubled to over 7,000 private mortgage foreclosures. Last year, in 2006, there were over 13,600. This year we're on pace to do 17,000.

**EIR:** Mr. Brancatelli, the Cleveland city councilman who testified yesterday, said that in his particular neighborhood, it is running something like two per day.

**Rokakis:** Look, there are 300 to 350 auctions every Monday here in the Sheriff's office. I don't know what his particular statistics are, but it's not surprising, since his is one of the hardest-hit districts in town.

**EIR:** What happens? What are you seeing in terms of evictions, people out on the street, vacant lots? You're seeing scrambling for housing. Some of the properties were bought for rental, some are where people were still trying to live?

**Rokakis:** I would say that half of them—and it's anecdotal, we're not really sure, it could be a little more—but, roughly half of these are purchased by people who thought they could get rich in real estate. They saw giant loopholes in the system that allowed them to buy property without downpayment; that allowed them to buy property in spite of the fact that they had no credit; that allowed them to buy property without documenting their income.

It not only did all of that, but it even gave them cash back at the close. So it was like manna from heaven!

"I'm poor. I have nothing. You'll let me buy a house? With no credit check, with no proof of income? And you'll give me money back at the sale? At the closing?"

Big surprise that people did it by the thousands. You could blame them. We could blame the poor. We could talk about the fact that they need to make better economic decisions. But we've got to stop blaming the poor, and we've got to look at the system that enabled Wall Street to pour hundreds of billions of dollars into this market. Money that didn't belong to them. Hedge fund money. Money that came from pensions, or whatever the source. And look at the damage it caused.

**EIR:** In your written testimony yesterday, you advised the Senators, "Don't buy the argument of the Federal Reserve Bank that the market will correct itself..." This goes along with what you are saying now.

**Rokakis:** That's been the thing all along. Look, they had the authority of the Ohio Homeowner Protection Act of 1984. They had authority under the Truth in Lending Act, Regulation Z. The Fed has had authority for a long time to do something about this, and they've looked the other way.

What they did do, is keep interest rates low for a long, long time. They created all this liquidity, and then stood by

and watched these banks make these incredibly bad decisions. And Wall Street, you know, was part of the game: "How do we securitize this, and spread the risk out?" With these investment trusts and residential mortgage back securities—they thought they'd created the perfect model. They could democratize credit, give everybody a loan, and nobody would lose.

A huge mistake.

**EIR:** And now the bubble is popping.

**Rokakis:** That market's down today, what—300 points or more?

I hope Bernanke is right and that it's *only* \$100 billion. I think it's wishful thinking. I think the losses will be a multiple of that number.

It's not just subprime lending. It's also the fact that we have, in this country, encouraged people to strip equity from their homes. You might argue that in the last four or five years, we have been living on borrowed money. It's been equity that people have taken out of their properties, always believing that the property and the real estate value would appreciate, and if worse came to worst, they could always sell the property and get out.

Well, now that the market is falling, and now that values are dropping—in some cases, into the basement—the combination of their first mortgage debt, and their home equity loans, well exceeds the value of their property.

**EIR:** You have quantified that some for Cuyahoga County, right? It's multi-millions.

**Rokakis:** We know that just in terms of the amount of money they loaned Argent Mortgage—we estimated that it's roughly \$30 million of negative equity—this is money loaned in excess of the value of the property.

What kind of company would make loans that go bad at the rate of one in four, in the first three years? Who would do that kind of business?

**EIR:** That characterizes the whole country in the bubble.

In your multi-county area, is there discussion among lawmakers, county treasurers, and others, of emergency policy? The Federal response so far—and it's often bipartisan, like Senators Stabenow and Voinovich—has been to ask for tax relief, and this and that. But we have a systemic crisis here.

**Rokakis:** Actually, this is only helping us to resolve one of the problems. The reality is that you have to rein in this industry. They've proven they can't be trusted. They've proven they're not going to play by the rules. They can talk around this, and over this, and through this, but at the end of the day, you are going to have to codify some of these reforms, because otherwise, they'll continue to make no-document loans; they'll continue to make loans that look the other way on issues involving value; they are going to continue to make loans to people with poor credit. I just think they'll continue to make loans with no regard to whether the person they're making the

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loan to has the ability to make good on the loan—not just at the initial teaser rate, but at the fully indexed rate. We could talk about this until we're blue in the face, but they'll continue to make loans where the broker claims to be the borrower's friend and trusted ally, where in reality, the broker is trying to make the very best deal he can to hurt the borrower, by putting him into a loan that is more than he can pay. Because there's a reward for them at the other end.

**EIR:** If you reined these practices in, what about dealing with the situation of housing and the need for Federal emergency action to help? There is the precedent from the 1930s. Franklin Roosevelt had the Home Owners Loan Corporation?

**Rokakis:** There's a role for government to play in this, and they're not playing it. I think that what we have to recognize is that the democratization of credit—by making money available to everybody—has been a failure. It hasn't worked.

So, let's be honest. Not everybody can be a homeowner. We sure think it's a great idea. Everybody should own a home some day; but not everybody is ready. To continue to perpetuate this myth is going to be cruel and costly and devastating to our country.

So let's clean this mess up, and then focus in on things like quality rental housing and creating programs that give people a fighting chance at making that monthly mortgage payment. And not putting them into a payment they can't afford, into a loan that they're likely to fail on.

**EIR:** You've been treasurer in Cuyahoga County for ten years, what about the context—

**Rokakis:** The context is that nobody was home in Ohio on the regulation side. Because nobody was home, they did what they could get away with.

**EIR:** Your area has had such an outflow of people, such a loss of steel and other industry—on a belt running from Buffalo to St. Louis, with Cleveland and your county right in the middle, so that you have been hit hard. Your city functions, your tax base has taken a tremendous hit.

**Rokakis:** Yes it does impact the tax base. At one time, for example, Cleveland was a big, booming city. Half of the property taxes collected in this county in 1965 came from the City of Cleveland. The city has declined so drastically, that last year, the city's share of my total tax collections for the county dropped to 17%.

**EIR:** So here is the reflection of the dramatic de-industrialization of the economic base.

**Rokakis:** It's the decline of the cities. The decline of cities is not an Ohio-only phenomenon.

**EIR:** No. You're representative. Cleveland probably had the most generalized high living standard, 40 years ago, of all the industrial belt.

# Fifty-Year Program Inspires Denmark

by Our Copenhagen Bureau

This Fall, an infrastructure commission appointed by the Danish government has to present a list of major infrastructure projects that should be considered for the coming 30 years. Meanwhile, the Danish Schiller Institute—which during the past year has distributed three programmatic newspapers in runs of 50,000 copies each (in a population of 5.5 million), with the demand that the pessimistic/hedonistic “68er” culture be replaced with big infrastructure projects and a Danish maglev network—is gathering support for transforming the infrastructure discussion from “what are the next repair projects to be undertaken” to a comprehensive 50-year development perspective, based on building three major bridge projects, along with the first parts of a Danish maglev network, over the next decade. That would mean tripling the annual Danish infrastructure budget.

In the aftermath of the recent agreement to build the Fehmarn Bridge (*EIR*, July 20, 2007), an intense public debate has taken place regarding the need to investigate a 46-km Kattegat bridge project linking Zealand directly with Jutland via the island Samsø. All the major newspapers have been discussing the possibility of combining this with the first Danish high-speed train route to connect the two biggest cities, Copenhagen and Århus. This discussion is now broadened to include the general lack of investment in rail and road infrastructure in recent decades.

## Present Plans Are From 1936

On July 15, the biggest Danish newspaper, *Jyllands-Posten* (*JP*), had a feature on how Danish road traffic is jammed up due to lack of long-term planning and investment. The paper outlined how the evolution of the Danish highway system has followed a script from 1936, when the so-called H-plan was proposed. It involved highways going north-south in Jutland and Zealand, with a connecting highway over Fyn completing the H. The plan included the Great Belt Bridge, the Fehmarn Bridge, and a bridge to Sweden. The time has now come, the article argued, for putting a new vision on the table for development of the highway system.

On July 17, *JP* had a second feature, accompanied by an editorial, on the sad state of affairs for the Danish railroads. The feature reported that while other European countries are building high-speed rail, sections of the Danish railroads are slower today than they were 40 years ago—simply due to lack of investment. The next day, *JP* reported figures from the Union of Construction Engineers that Denmark would have



to invest 100 billion crowns (about \$17 billion) over the next 30 years—simply to keep the rail system functioning. A more ambitious policy, improving the railroad, would require 200 billion crowns.

The traffic policy spokesmen for the various political parties were then interviewed. Magnus Heunicke from the opposition Social Democratic Party thought that those 200 billion crowns had to be spent, while the Social Liberal Party thought 100 billion for 20 years would be more reasonable. The government parties, on the other hand, wouldn't even consider that amount of money for rail infrastructure. The traffic spokesman for the Liberal government party added, that he thought high-speed trains would be irrelevant for a little country like Denmark. The worry in the government is whether the present limited infrastructure budget should be spent on improving the railways or the highways. The solution to that paradox is, of course, to change the underlying flawed axioms and massively expand the Danish infrastructure budget—a change that, with the present budget surplus, seems like an obvious thing to do.

### Op-Ed by Schiller Institute's Gillesberg

That point was brought home in an op-ed entitled "Bridges Are the Foundation for the Next 50 Years Infrastructure," by Tom Gillesberg, the chairman of the Schiller Institute in Denmark, in *Jyllands-Posten* on July 30. The Schiller Institute, which operates internationally, was founded by Helga Zepp-LaRouche. The prominently placed op-ed calls for a visionary 50-year perspective, and *JP* highlighted a quote: "The task which the Infrastructure Commission and the Danish politicians are faced with is to decide the overall visionary plan which can lay the basis for the development in the

next 50 years. A foundation which can be completed piece after piece, and further built upon." This is the second recent op-ed *JP* has printed by Gillesberg. The first one was on the need for a Danish maglev network, which was prominently published on June 21.

After referring to *JP*'s series on the lack of long-term planning, Gillesberg continues, under the subhead "Maglev": "Therefore, it is important to choose the right foundation. In a little more than ten years, the Great Belt Bridge and the Øresund Bridge [both now in use] ought to have been supplemented by a series of new bridges: the Kattegat connection, the Fehmarn Bridge, and a bridge between Helsingør and Helsingborg. These three projects, which have to be built anyway, should be completed as fast as possible, so the coming infrastructure projects can be planned accordingly.

"At the same time, we have to build a brand new rail connection between Århus

and Copenhagen via the future Kattegat link, which gives us a unique chance of establishing the first part of a new Danish high-speed rail network. This should be a maglev train connection between Copenhagen and Århus, which with a speed of 500-600 km/h would make it possible to traverse the distance between the two cities in 25 minutes, and thereby replace the car as the Danes' preferred means of transportation. The maglev net will then, of course, be expanded nationally and internationally, and over time will also come to play a major role in freight transport. We will be first with the new, instead of being the last with the old!"

The op-ed also argues, that even though Denmark, with the building of a maglev network, will avoid having to spend fortunes on trying to transform an outdated railroad to a high-speed rail network that would have to be replaced by maglev in the coming decades anyway, we still will have to spend significant amounts on improving existing, neglected rail infrastructure. All in all, we will have to triple the combined annual budget for infrastructure spending, compared with what has been the rule the last two decades. That, however, is not a frightening proposition. Such an investment will, as the result of increased productivity and creation of wealth, return with compound interest. With the building of the maglev and those three new bridges, there is a vision for Danish infrastructure development to further build on.

Gillesberg ends by stating that "other infrastructure projects should fit into this larger plan, with the Kattegat/maglev project as the rotation point for the next 50 years, and therefore the starting point for the work the Infrastructure Commission and Danish Parliament will take up after the Summer break."

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# Business Briefs

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## *Continental Integration*

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### **Kirchner Invites Mexico To Join Initiative**

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Argentine President Néstor Kirchner, during his July 29-Aug. 1 trip to Mexico, repeatedly emphasized the crucial importance of Mexico participating in “the building of the nations of South America and Latin America,” and joining such entities as the Common Market of the South (Mercosur), to advance continental integration and economic development for all.

Even though Mexican President Felipe Calderón is a free-trade advocate like his predecessor, Vicente Fox, he stated at the beginning of his Presidency that “looking south” and improving relations with nations of the region, will be a centerpiece of his foreign policy.

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## *Nuclear*

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### **Israel Considers Plant; Argentina Mines Uranium**

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Israel is considering building its first nuclear power plant. According to the Israeli daily *Yediot Ahronot*, the issue is under discussion by the office of Israeli Prime Minister Ehud Olmert and the Infrastructure Ministry. A decision to build a plant would require Israel joining the Nuclear Nonproliferation Treaty.

Possible locations for the proposed plant include the Negev Desert in the south. Israel also may consider building the plant in cooperation with a neighboring country.

Experts estimate that the cost of building a nuclear power plant could reach \$2 billion, and take at least eight years to complete.

Argentina, meanwhile, has announced plans to resume uranium mining and production. Initial estimates are that it will mine 30 tons annually.

Although Argentina has significant uranium reserves, for the past ten years it has relied on foreign imports for the 120 tons it needs to fuel its existing reactors. In the

1990s, many mines were closed under the IMF austerity policy imposed by former President Carlos Menem. Now, the Kirchner government plans on reopening mines and expanding uranium exploration.

On July 27, a Memorandum of Understanding was signed between Atomic Energy of Canada Limited and Nucleoelectrica Argentina, to begin negotiations for the construction of a 740-megawatt CANDU-6 reactor, which will be Argentina’s fourth nuclear plant.

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## *State Budgets*

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### **California Crisis a Sign Of Worse Times Ahead**

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Key California state government programs are threatened with being shut down by the second week of August, since the state failed to pass a budget by the June 30 deadline. Gov. Arnold Schwarzenegger is under fire for having “abandoned the process.” And there is no end in sight to the stalemate.

Purportedly, the basic problem, as widely reported, is that the Republicans in the California Senate are united in opposition to the budget passed by the Assembly. The ostensible sticking point is less than \$1 billion in expenditures: GOP Senators are refusing to pass the budget unless at least another \$800 million is cut.

The reality is different. Schwarzenegger is pursuing the script written by his promoter, George Shultz, who is committed to imposing fascist austerity on the state, while ripping apart the social safety net, just as his previous puppet, Gen. Augusto Pinochet, did in the Shultz-Rohatyn experiment in Nazi economics in Chile. Schwarzenegger is playing the “soft cop,” letting the GOP Senators take the blame; but the stalemate is already having real consequences.

Without a new budget, the state’s \$2 billion emergency fund for Medi-Cal, the state’s Medicaid program for the elderly, has been depleted. A \$227 million payment scheduled for Aug. 2 to hospitals and nursing homes will not be made. There are also warnings that funds are short for firefighting—a dangerous prospect with the year-

long drought—and for road repairs and new transportation projects.

The Senate Republicans insist on further cuts, including \$324 million from welfare, which will cause more than 40,000 families to lose state assistance. The Republicans are also demanding cuts in public transit funds.

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## *Nazi Economics*

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### **‘Infrastructure’ Bill Introduced in Senate**

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The “National Infrastructure Bank Act of 2007,” introduced on Aug. 1 into the U.S. Senate by Chris Dodd (D-Conn.) and Chuck Hagel (R-Neb.), is part of fascist financier Felix Rohatyn’s program for looting the country, just as he looted New York City under the Big MAC program in 1974-75.

The bill calls for private controlling interests in public infrastructure, involving the same “public-private partnership” principle which shaped Big MAC. Now at Lehman Bros., formerly at Lazard, Rohatyn is part of a network of private financiers tracing back decades to Anglo-Dutch-French circles opposing nation-state-serving economics.

The Dodd-Hagel bill has been a Rohatyn initiative for some years. In 2004, he set up the Commission on Public Infrastructure as part of the Washington D.C. Center for Strategic and International Studies (CSIS).

Since then, Rohatyn has orchestrated a committee, including Dodd, Hagel, and others, to support “Guiding Principles for Strengthening America’s Infrastructure,” and calling for “partnering with the private sector”—companies such as Goldman Sachs, Macquarie, and Morgan Stanley.

On Aug. 1, Rohatyn issued a letter of support for the bill, along with former Sen. Warren Rudman, co-chairman of the Commission on Public Infrastructure, saying it would “help re-structure the federal role by allocating costs and financing more fairly and rationally.... The proposed Infrastructure Bank Act also will increase the ability of the private sector to play a central role in infrastructure provision....”



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## Time for Next-Generation Nuclear Plants in U.S.A.

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*Other nations are forging ahead, while the U.S. budget for nuclear R&D is only 11% of what it was in 1980! What's needed is a crash program, as Marsha Freeman reports.*

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While dozens of nations start building their first nuclear power plants, a parallel effort is under way to deploy more advanced, next-generation nuclear technology to supplement, and then replace, today's light-water fission reactors. The United States is decades behind in this effort, upon which future economic survival depends. While there is an acknowledged lack of skilled manpower, and industrial infrastructure, the greatest obstacle to moving forward has been the lack of political will.

Next-generation nuclear reactors include an array of technologies. The most immediately necessary, as detailed in the accompanying article, is a family of high-temperature reactors. Through the production of outlet temperatures up to three times that of today's power plants, high-quality heat can be applied to create desperately needed freshwater, through desalination, and the production of synthetic fuels, such as hydrogen.

Efforts in Russia, China, India, Japan, and South Africa to carry out research, build prototypes, and deploy fourth-generation nuclear technologies, are under way. In the United States, although there are small-scale concept development and design activities, there is no plan to *build* anything for more than a decade. How could there be? Adjusted for inflation, the budget for nuclear energy R&D today is 11% what it was in 1980.

Congress has recently taken a small step to reorient the Bush Administration's nuclear R&D program, which is geared, not toward economic development, but toward "nonproliferation," in order to get the next-generation reactor program moving. A crash effort, with massive infusion of resources, which characterized President Eisenhower's Atoms for Peace program, is what is needed.

In 2002, the Department of Energy started a new program to design and demonstrate a Next-Generation (also referred to as a fourth-generation) Nuclear Plant project. In 2004, the De-

partment approved the development of a full-scale nuclear plant that would be combined with a facility for producing hydrogen. The very-high-temperature reactor was chosen as the power source, to operate at about 950°C, or 1,742°F, nearly three times that of today's commercial nuclear power plants. Recognizing that it was years behind other nations in nuclear R&D, a Generation IV International Forum was initiated by the United States, to "cooperate" with other nations already engaged in advanced nuclear R&D.

But from the beginning, the program had no sense of urgency, too little funding, and a schedule that was determined not by the pace of technical progress, but mainly by the budget-driven strategy of spending smaller amounts of money, over a longer period of time.

The roadmap for a \$2.4 billion demonstration program has construction on the very-high-temperature reactor scheduled to begin in 2016, and the plant to be operational by 2021. The Department of Energy proposes commercial introduction by 2030! Even were this a revolutionary new technology, never before engineered, this schedule might appear to be a bit conservative.

But consider the following: The United States operated two higher-temperature gas-cooled reactors in the past—the Peach Bottom Unit One reactor (1969-74), and the Fort St. Vrain reactor (1979-89); Japan and China have operated small high-temperature gas-cooled reactors, demonstrating the feasibility of the concept; and South Africa is building a fuel fabrication facility, and completing the R&D to begin mass producing small, modular, high-temperature gas-cooled reactors, using the pebble bed design, in the next decade.

To make matters worse, in February 2006, President Bush announced his Global Nuclear Energy Partnership (GNEP). This program is a 25-year effort to engage other nuclear-

# Next Generation Nuclear Plant

## Process Heat, Hydrogen, and Electricity



Idaho National Laboratory

*This artist's rendition of the Next Generation Nuclear Plant is reminiscent of the 1960s designs done at Oak Ridge National Laboratory for nuplexes, or Nuclear-Centered Agro-Industrial Complexes. The high-temperature reactor will be used to produce electricity, and high-quality heat for the production of synthetic fuels, such as hydrogen, and for process heat applications in industry.*

energy nations to develop “proliferation-proof” nuclear designs. The purpose of the program is to limit access by the new nuclear energy nations to the full nuclear fuel cycle, including uranium enrichment to produce fuel, and reprocessing of spent fuel. When GNEP became the Administration’s focus, the Next-Generation Nuclear Reactor became a lower priority.

Concerned that this next-generation nuclear program was floundering, Rep. Darrell Issa (D-Calif.), chairman of the Subcommittee on Energy and Resources of the Government Reform Committee, asked the General Accountability Office (GAO) to examine the progress of the program.

### Moving Forward, Faster

In its September 2006 report, “Status of DOE’s Effort to Develop the Next Generation Nuclear Plant,” the GAO reviewed the progress made, and the recommendations by two

independent advisory groups. A group of experts gathered by Idaho National Laboratory, where the next-generation reactor will be built, and the DOE’s Nuclear Energy Research Advisory Committee (NERAC), both recommended that the DOE accelerate its schedule for completing the plant. As the GAO notes, what good will an “even more advanced” reactor be in 2030, when other countries already have high-temperature systems for sale?

The Idaho group suggested that three years could be trimmed off the schedule, by scaling back some of the technology advances planned for the project, and taking a more incremental approach. The reactor could be designed to incorporate more advanced fuels and materials as they are developed, rather than waiting for the “best” to be ready before building anything.

NERAC pointed out that accelerating the schedule will make the project more “attractive to industry,” which is sup-

posed to pay a share of its development. In testimony before the Senate Committee on Energy and Natural Resources on June 12, 2006, NERAC member Dr. Douglas Chapin stated that a “completion date of 2021 greatly decreases the chances of substantial industry and international contributions.” NERAC recommended that a reactor facility “that can be built soon, to gain experience, and then upgraded as the technology advances,” would be preferable. It could be a “technology demonstrator,” and a smaller machine.

As it now stands, the very-high-temperature reactor needed to meet the DOE’s design criteria would require a pressure vessel, which houses the nuclear reactor core, more than twice the size of that of a conventional nuclear power plant. There is only one company, Japan Steel, that could even scale up production to manufacture such a vessel, the GAO notes.

In Senate testimony on June 12, 2006, Dr. Regis Matzie, senior vice president of Westinghouse, stressed that the U.S. program could also be accelerated by leveraging the large-scale testing facilities developed in South Africa, enabling the program here to be “demonstrated within a ten-year period.”

The GAO states that in addition to the efforts in China, South Africa, and Japan, the General Atomics company in the United States, and the French nuclear giant Areva, are advancing their own designs. General Atomics has started activities with the Nuclear Regulatory Commission (NRC), that could lead to an application for design certification, and has a research reactor design that could lead to a commercial prototype.

South Africa’s Eskom, in partnership with Westinghouse, has also started pre-design-certification activities with the NRC. If the U.S. program stays on its current track, one or both of these fourth-generation nuclear reactors could be on sale to U.S. utilities, years before the U.S. demonstration reactor is up and running.

The Idaho National Lab group estimated that completing the plant three years earlier would reduce the total cost, but would require more funding in the near term. In FY2007, the Lab states, funding for design work would need to be increased from \$23 million, the Administration request submitted to Congress, to \$100 million. DOE’s response was that although the current design work “could support doubling the department’s FY07 request of \$23 million ... DOE has limited funding for nuclear energy R&D and has given other projects ... priority over the Next Generation Nuclear Plant.”

Congress was not satisfied with this response.

In a June 11, 2007 report on the FY2008 Department of Energy budget, the House Committee on Appropriations states that its bill includes an increase to \$70 million for the Next-Generation program. The money for the increase was taken from the ill-conceived GNEP program. The Committee directed the Department of Energy to make the Next-Generation program a higher priority than GNEP.

Highest priority and sufficient resources would put the next-generation nuclear reactor on the right pathway.

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## Interview: Phil Hildebrandt

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# A Practical High Temperature Reactor

*Idaho National Laboratory has been designated by the U.S. Department of Energy as the project integrator for the Next-Generation Nuclear Plant, which will be built at the Laboratory. The project will incorporate a high-temperature reactor into a complex to produce electricity, synthetic fuels like hydrogen, and high-quality process heat for industry. Phil Hildebrandt is the Project Director for the plant.*



*He has over 39 years of experience in the nuclear and power industries, including in the Naval Nuclear Propulsion Program. He is Special Assistant to the Laboratory Director for Prototype Reactors and Major Projects. He was interviewed by Marsha Freeman on Aug. 2.*

**EIR:** In June, the House Appropriations Committee increased the budget for the Next-Generation Nuclear Plant, and urged that it become a priority for the Department of Energy. One reason was to reduce the long time for its realization. On the current DOE timetable and budget profile, the plant would not be operational until 2021.

Idaho National Lab assembled the Independent Technology Review Group, which recommended that three years could be trimmed from the schedule. It concluded that to accelerate the program, rather than the \$23 million requested for FY07, \$100 million would be needed. How far does the \$70 million the Appropriations Committee voted on go toward reducing the schedule?

**Hildebrandt:** I think it’s a very important starting point. The amount of money in the budget that you’d like to have in FY08, to keep on the schedule that we’d like to stay on, would be considerably more than that—a factor of three to four more than the \$70 million. However, the \$70 million makes a very important first step in putting the Next Generation Nuclear Plant, and the demonstration plant for high temperature reactor gas technology, on the road. Let me give you the context for that.

The Next-Generation Nuclear Plant and the commercialization of the gas reactor is, in practical fact, going to be driven by private industry, not by government. We are putting together a commercial alliance. It will have members including



end-users and vendors, and will be a partnership with government to help share costs.

That commercial alliance is pressing very heavily toward completing, and making operational, the next-generation nuclear plant as a demonstration plant, by 2018. That is the press of the private sector. That is a different schedule than what comes out of the Energy Policy Act [passed by Congress in 2005].

**EIR:** Is the drive to get industry involved due to the fact that you don't see the government putting the level of funding into it that it requires?

**Hildebrandt:** That's correct. The government would start it off the ground, but as it's practically starting to occur, the private sector will be the driving force behind this.

**EIR:** What industries do you see participating in the commercial alliance?

**Hildebrandt:** The private sector membership for the commercial alliance has end users that are considerably different than the traditional nuclear industry. In this case, they are the broader energy industry—the petroleum industry, the petrochemical industry. This involves the use of process heat; process heat, and hydrogen being one of the energy carriers from that process heat, is the primary focus here. Industry wants the capability to exist as soon as possible, but no more than a decade out.

With what has been provided by the Congress, we still could achieve a 2018 start-up, with the House Appropriations Committee budget mark. It just means we're pushing a bow wave of funding ahead of us.

**EIR:** What level of contribution will be required from the private sector?

**Hildebrandt:** I would expect that by the end of the project, the government and industry would share it about equally. There would be 20/80 split early on, when we're in the developmental aspects of the program, and it flips around the other way as you get into construction of the demonstration unit.

**EIR:** What kind of interest have you had from industry?

**Hildebrandt:** The broader end-users in the petroleum and petrochemical industry are beginning to be interested, based on the prices of premium fuel, like natural gas and oil. In the petroleum industry, they use a large amount of hydrogen, and depending upon which company it is, they use a tremendous amount of natural gas. Natural gas is used as a source to make heat, and they're looking at what their options are.

There is some interest in the traditional nuclear industry in this technology. A couple of utilities are showing interest in the high-temperature gas reactor. Some of that interest is in producing hydrogen and selling it into the pipeline that exists along the Gulf coast. Other interest is in being the owner-operator of the nuclear facility that supplies process heat to industry. The company that has been most vocal about that is Entergy.

**EIR:** There is quite a bit of international interest in this technology—in South Africa, and General Atomics has worked with the Russians. It has been proposed that the U.S. program could advance more quickly by taking advantage of this work.

**Hildebrandt:** The Westinghouse interests and the South Africa Pebble Bed Modular Reactor (PBMR) people participate in this emerging commercial alliance. There's an ongoing conversation as to how we can achieve the benefits from the work that has already been done in South Africa. You have a competitive marketplace, and other vendors have interests in this. There are three teams: the Westinghouse team, which includes the PBMR group; an Areva team; and a General Atomics team. About 26 international companies are involved, and we are discussing how we use work that has already been done—by the South Africans and also the Russians, in their plutonium burner work with General Atomics—how we bring in the experience that goes back decades, and also the current work, that has been done.

**EIR:** One of the suggestions to accelerate the program was to start with a smaller reactor, at a lower temperature, which is not so challenging from a materials standpoint.

**Hildebrandt:** In fact, irrespective of the size, we will start at a lower temperature, because technically we need to step our way up. We are starting at a lower temperature than originally conceived of for the very-high-temperature reactor, which was in excess of 1,000°C. In the range of 950-1,000°, you get to the point where conventional metals will not work. The review group said to get below that temperature, and we have taken that step.

The second step in that discussion is, what temperature do we need for the process applications? The third step, is, at what temperature should we start the demonstration activity, so we are technologically successful, and to what extent can that reduce the time required? This is a very active conversation. I would not be surprised that when that is complete, in about a year, that we'll be lower than 950°C, in the range of 850-900°, which makes a big difference.

The three teams of companies will have their pre-conceptual design reports done in the September time frame, with opinions and recommendations. But temperature alone is not the only issue. The other is licensing time by the Nuclear Regulatory Commission, also being actively discussed.

**EIR:** As far back as the 1960s, Oak Ridge National Laboratory carried out design studies for what they called nuplexes, or Nuclear-Centered Agro-Industrial Complexes. Advanced nuclear technologies were to provide not only electricity for new cities, but also process heat for various industries. The artist's drawing of the concept for your Next-Generation Nuclear Plant [p. 55] is reminiscent of the nuplex concept.

**Hildebrandt:** That concept is not in my memory. At that time, I was in the Naval Nuclear Propulsion program in Washington. I would be very interested to see that.

# Fourth-Generation Reactors Are Key to World's Nuclear Future

by Marjorie Mazel Hecht

By 2050, the world will need 6,000 more nuclear reactors in order to keep up with population growth and electricity demand. We will need all kinds of reactors: large advanced reactors for industrialized nations, fast reactors (breeders) that can create more new fuel than they burn, floating nuclear plants, thorium-fueled reactors, and other innovative designs. But the workhorse of the next generation of nuclear reactors will be the modular high-temperature gas-cooled reactor, both the Pebble Bed Modular Reactor (PBMR) and the Gas-Turbine High Temperature Reactor (GT-MHR), because of their inherent safety and versatility.

The PBMR, originally a German design (a 30-megawatt prototype operated there from 1967-89), is being built in South Africa (**Figure 1**). The GT-MHR, designed by San

Diego-based General Atomics, is being engineered in prototype in Russia, with the aim of burning excess plutonium from decommissioned weapons. Also, China has had a small (10 megawatt) high-temperature reactor of the pebble bed design in operation since 2000, with plans for a large-scale demonstration reactor by 2010. Japan also has a high-temperature test reactor.

One advantage of these reactors is that they are small enough to be modularly produced on an assembly line and shipped to the plant site for assembly, thus cutting the production costs. The nuclear site can be configured to start with one or two units and built up to six or eight, as needed, making use of a single control building. Thus a developing country, where the electricity grid is small, can start off with one unit, and

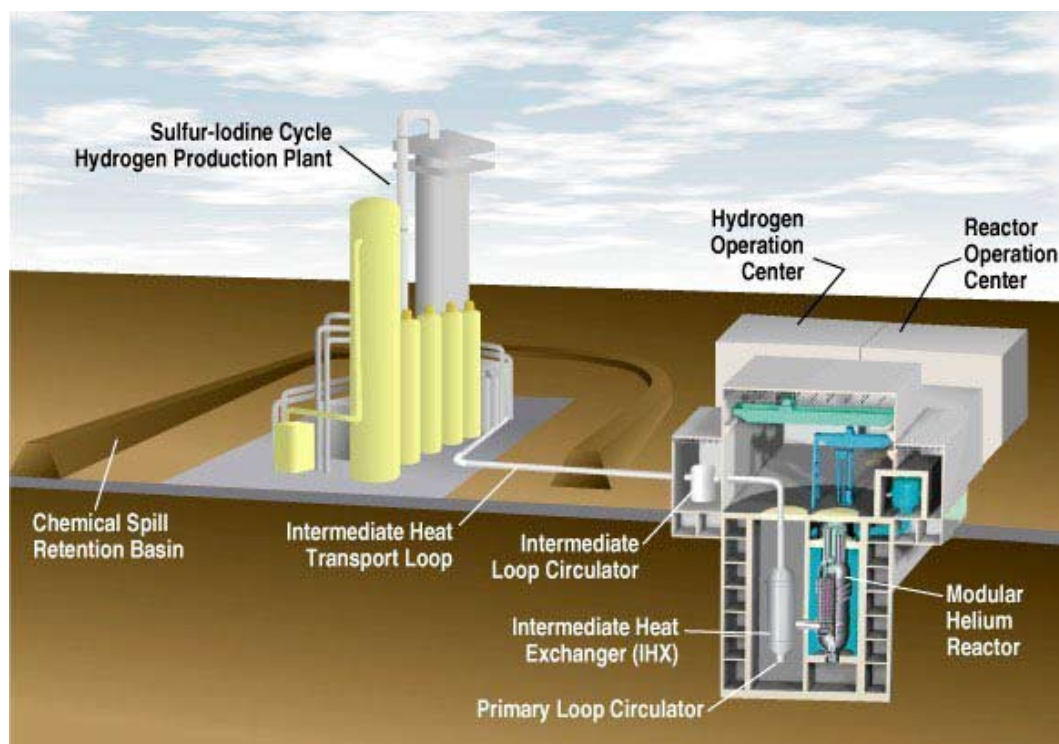
FIGURE 1  
**Artist's Illustration of a PBMR Plant**



Courtesy of PBMR

*The first prototype PBMR is expected to be online by 2013. PBMR is also constructing a plant to fabricate the fuel pebbles. The demonstration reactor will be built at Koeberg near Cape Town, and the pilot fuel plant at Pelindaba near Pretoria. South Africa has an ambitious program planned for the mass production of PBMRs for domestic use and export.*

FIGURE 2  
**GT-MHR Hydrogen Production**



Courtesy of General Atomic

*This General Atomic design couples a modular helium reactor, the GT-MHR, to a sulfur-iodine cycle hydrogen production plant. The sulfur-iodine cycle, which uses coupled chemical reactions and the heat from the high-temperature reactor, is the most promising thermochemical method for hydrogen production.*

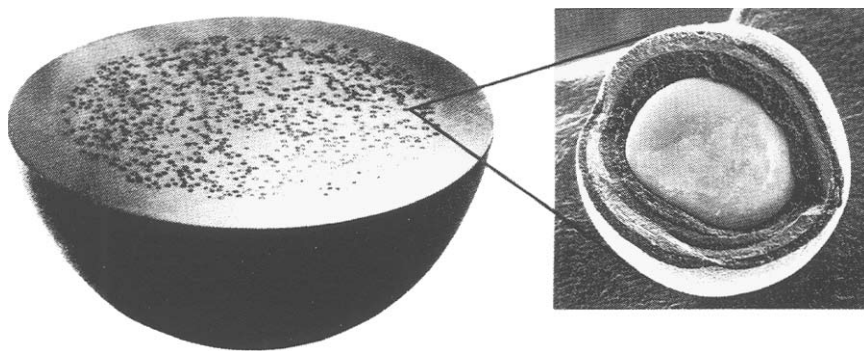
build up as the country develops.

Another advantage is their high temperature output. For the GT-MHR, output is almost three times hotter than today's conventional reactors—1,560°F, compared to 600°F. (The PBMR output is about the same.) These high temperatures can be coupled with a wide range of industrial processing, from steel-making to hydrogen production for fuel (**Figure 2**).

The PBMR is a 165-megawatt plant, while the GT-MHR is a 285-megawatt plant. Both have passive and inherent safety features that make a meltdown impossible. The reactors can shut down without any operator intervention.

These reactors are meltdown proof because of their unique fuel design (**Figure 3**). Tiny uranium fuel particles are encased in ceramic spheres (0.03 inch or 0.75 millimeter for the GT-MHR), which serve as “containment buildings” for the fission process. The several concentric layers of temperature-resistant materials—porous carbon, pyrolytic carbon, and

FIGURE 3  
**Cross-Section View of Fuel Pebble**

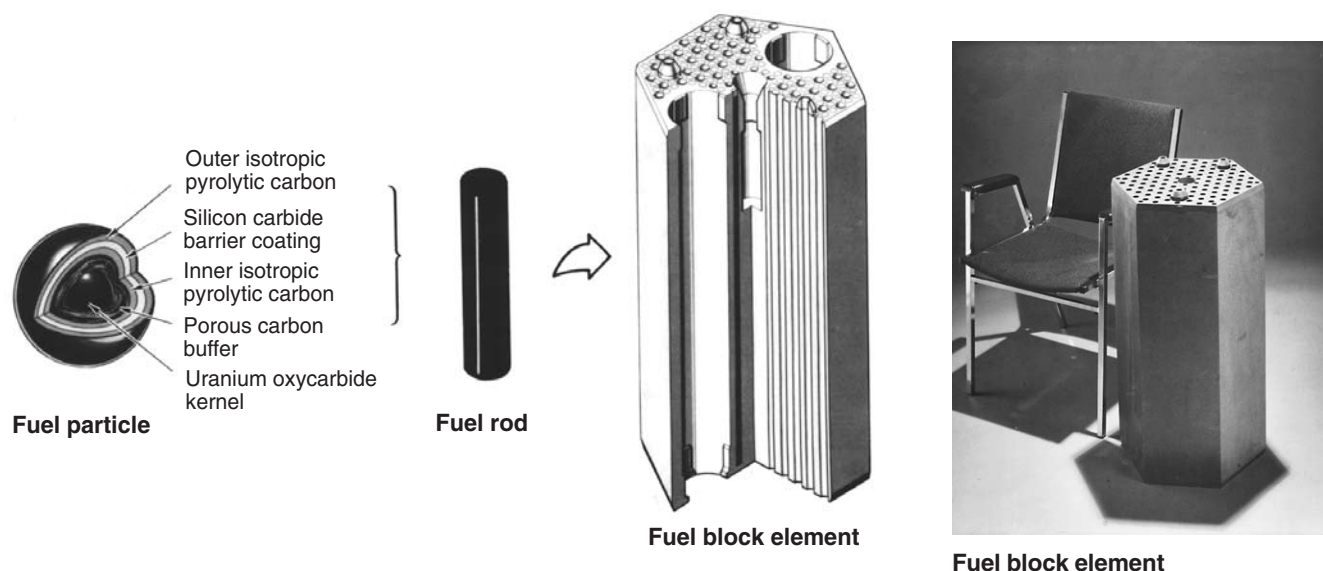


*A cutaway view of a coated PBMR fuel particle is at right. Each particle has a 0.5 mm kernel of uranium dioxide surrounded by several concentric layers of high-temperature-resistant ceramics that “contain” the fission reaction. The coated fuel particles are then embedded in a graphite matrix and formed into fuel spheres the size of tennis balls, about 60-mm diameter, which circulate in the reactor core.*

silicon carbide, “contain” the fission reaction of the uranium, even at very high temperatures. The overall design prevents the reactor from ever getting hot enough to melt the



FIGURE 4  
GT-MHR Fuel Components



*The tiny fuel pellet (left) is about 0.03 inch in diameter. At the center is a kernel of fissile fuel, uranium oxycarbide, which is coated with a graphite buffer and then surrounded by three successive layers of carbon compounds. The fuel particles are mixed with graphite and formed into cylindrical fuel rods, about 2 inches long. These rods are then inserted into holes drilled in the hexagonal graphite fuel element blocks. These are 14 inches wide and 31 inches long. The fuel blocks, which also have helium coolant channels, are then stacked in the reactor core.*

ceramic spheres that surround the nuclear fuel.

The fuel particles can withstand heat of 3,632°F, and the reactor core temperature remains below 2,912°F. In fact, the fuel pebbles can withstand temperatures at which the metallic fuel rods in conventional light water reactors would fail.

In the GT-MHR, the spheres are mixed with graphite and shaped into cylindrical fuel rods, which are then inserted into hexagonal fuel blocks that make up the reactor core (**Figure 4**). General Atomics pioneered this fuel particle design in the 1950s, and operated two high-temperature reactors in the United States.

The PBMR fuel design is similar. Tiny nuclear fuel particles are coated with layers of ceramics. But unlike the GT-MHR, the fuel particles are then embedded into fuel balls the size of tennis balls. Each of these balls contains about 15,000 fuel particles and about one-quarter ounce of uranium. The balls, 456,000 of them, circulate around the reactor core. One advantage of this design is that the reactor can be continuously refueled, adding new fuel pebbles at the top, and removing spent fuel pebbles from the bottom of the reactor.

## Efficiency and Safety

The high temperature output of these reactors gives them greater generating efficiency, in addition to allow-

ing a wide range of industrial applications. Both use a direct-conversion gas turbine, with no steam cycle—a big improvement. The heat is carried by the helium gas, which is also the coolant. This simplifies the system and increases efficiency. Other technological breakthroughs have also contributed to simplifying the design and making the reactors more efficient. The GT-MHR is 50% more efficient than conventional light-water nuclear reactors.

Both of these reactors are located underground, with the auxiliary systems and control room above ground. The overall design of the reactor contributes to its safety. In addition to the usual control rods, which can slow down the fission process, there are two coolant systems, a primary system and a shutdown coolant system. If both of these were to fail, the reactor is designed to shut down on its own. There is a passive back-up system, whereby the heat from the reactor core is transferred by natural conduction to the reactor walls, which naturally convect the heat to an external sink. The concrete walls of the underground structure are lined with water-cooled panels to absorb the core heat from the vessel walls. Should these panels fail, the concrete of the structure alone is designed to absorb the heat.

In any type of loss-of-coolant accident, the reactor can withstand the heat without any operator intervention.

# Computer Climate Models: Voodoo for Scientists

by Gregory Murphy

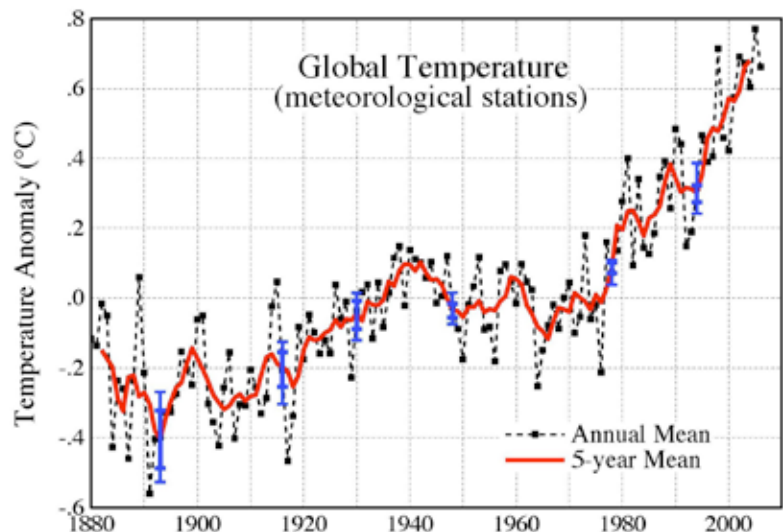
*Gregory Murphy, who served in the U.S. Navy as a nuclear machinist mate on a nuclear submarine, is a researcher for EIR and 21st Century Science & Technology, who has interviewed many people on both sides of the global warming debate. Interviews published in EIR include those with Dick Taverne, member of the House of Lords in Great Britain, former member of Greenpeace (EIR, May 6, 2005); Dr. Paul Reiter, medical entomologist at the Pasteur Institute in Paris (EIR, April 6, 2007); Dr. Piers Corbyn, astrophysicist and founder of Weather Action Long Range Forecasters (EIR, June 1, 2007); Dr. Nils-Axel Mörner, head of the Paleogeophysics and Geodynamics department at Stockholm University, and renowned expert on sea-level change (EIR, June 22, 2007).*

Climate models are the “Bible” of global warming advocates. The problem is that these computer models aren’t real. As one leading climate modeller told me, the models “*don’t use any observed temperature data directly.*” Another announced that “*the climate record is irrelevant.*” In other words, the models are a deliberate fraud, and many people in the business of convincing the public of the “dangers” of alleged anthropogenic global warming, know that they are a fraud.

The latest Intergovernmental Panel on Climate Change report (entire report released May 4, 2007; “Summary for Policymakers” released Feb. 2, 2007) is based almost totally on computer modelling. One of the main problems with these models is that there is no control of their assumptions.

Modelling cannot be done as a controlled physical experiment, like an engineering experiment. You cannot take the climate, put it on a bench, and tune it up. All you can do, at the current rudimentary stage of our understanding of weather and climate, is have assumptions. If you were testing a fuel cell, for example, for a nuclear power plant, you could model it and judge where the hot spots would be, and where the ra-

FIGURE 1



Goddard Institute of Space Studies/GISTEMP/Dr. Makiko Sato

*Were any real (observed) temperatures used in compiling this graph?*

dioactivity would be, and you could reconfigure it to be more effective. But in climate, you do not know how the atmosphere works, or how the ocean works, well enough to model them. They are multi-layered systems, with many nonlinear pressure variations and temperature inversions that are impossible to model.

When I worked on a nuclear submarine, for example, we used those temperature inversions in the ocean to hide in, to become invisible, because there were certain layers that were opaque to sonar equipment. Literally, you could be a few feet away from another sub, and it wouldn’t sense you. Temperature changes make a difference in how the sonar equipment works, in a passive or active mode (sending or receiving).

It’s the same in industrial benchmarking, using computer models instead of building prototypes. When Mercedes-Benz relied on computer models to build a car, the Mercedes A-Class, without building a physical prototype, it was a failure.



Courtesy of Anthony Watts/surfacestations.org

*A surface meteorological station in Tahoe City, Calif.: Is this what they mean by man-made global warming?*

They found out when they drove the car, that if they took a hard right turn, it rolled over. But it worked fine in the computer model. The same with some SUVs, which have caused, and continue to cause accidents.

Computer modelling of the climate is an example of what Lyndon LaRouche has talked about as linearization in the small, trying to take a nonlinear dynamic system and model it with a linear model. The linear model negates human creativity and physical reality.

Climate models are out of sync with observational data. The last chapter of the latest IPCC report even discusses a couple of examples of this. For example, the temperature through the atmosphere modelled shows a steady rise, which would conform to a hypothesis of man-made global warming; but observational data show that there are several different inversion layers of temperature. In some spots, the tropospheric (ground level) atmosphere is a lot lower in temperature than the stratosphere (the next layer up), which is the opposite of the model results.

Another example is the model of global warming guru James Hansen, now at Goddard Institute of Space Studies. This was the first dynamic three-dimensional picture of climate, which came out in 1981. The model showed a steady increase in temperature through the 1980s into the 1990s. But observational data from Hansen's temperature data set showed no trend at all, just peaks and valleys.

At the time, today's leading global warming scientists said, in looking at the observational data, that this data showed *no anthropogenic warming*. But mysteriously, in 1990, these same scientists concluded that it was man-made CO<sub>2</sub> that caused the model trend. When questioned on this discrepancy, Tom Wigley, former director of the Climate Research Unit at East Anglia

in Britain, said: "The climate record is irrelevant. What is important is the greenhouse effect."<sup>\*</sup>

## The Temperature Hype

We've all heard that world temperature over the past 100 years has risen 0.6°C. Where does that measure come from?

The temperature rise was calculated from three different data sets: 1) the world weather records, kept at the Smithsonian Institution in Washington; 2) the global historical climate network at Goddard Institute of Space Studies; and 3) the U.S. historic climate network at the National Oceanographic and Atmospheric Administration.

Here's where the voodoo comes in: They take the monthly means of the weather stations of the three data sets. (Some of the stations are the same. The World Weather Data Set covers 1850-1940; the Global Set covers 1950 to the present; and the U.S. Historic Climate Set is from 1896 to the present.)

After calculating the monthly means, they study the history of the stations—whether they are near airports, in cities, or whether they have been moved. And from that, the modellers decide how the data have to be "corrected" for the so-called heat island effect, missing years of data entry, and other methods of calculating means (because there is no uniform standard for collecting means; each country has its own way of doing it).

Then, the yearly mean temperature is calculated from the monthly means.

(A word about mean world temperature: Global mean temperature is meaningless in the study of climate change. For example, the currently alleged annual global mean temperature increase of 0.6°C doesn't mean anything if it's -21°C in St. Petersburg. Sure, you can calculate a mean temperature of, say, 25°C. Is that a heating trend, or a cooling trend? It depends on where you are located! Think of a man who has one foot in a bucket of ice water, and the other foot in a bucket of boiling water. On average, he's fine!)

The modellers take as much of the raw data that can be gathered for a 30-year period, which in the case of the Department of Energy Climate Research Unit Data Set for 1985, was 1951 to 1980. They calculate the mean from that as their "reference period" or yardstick, from which the entire data set is then judged, even for years that occur *before* the 30-year reference period. The differences, both positive and negative, of comparing the reference period to each yearly mean, give you a temperature anomaly, which is what is graphed.

So, a 0.6°C rise in temperature refers to a temperature anomaly, *not a real temperature*. You have used a buzz saw to average everything, and your result is a temperature anomaly

<sup>\*</sup> Wigley was interviewed in "The Greenhouse Conspiracy," 1990, a video shown on Channel 4 in the U.K.





Courtesy of Kristen Byrnes/ponderthemaunder.com

*Another surface temperature station, Eastport, Maine: More man-made global warming?*

which corresponds to nothing in reality. This is uncritically accepted by policymakers, who do not question how this “rise” was calculated.

Unless you have the data sets, and the factors the modellers used to select the monitoring stations, it is not possible to replicate this figure. Before 1985, one could get the list of weather stations used in the technical literature, although not the formulas for weighting the stations used in the models. After 1985, as the global warming issue heated up, the modellers *refused to release the names and locations of the stations used!*

As for today’s 1,200 U.S. weather stations: They are monitored by volunteers, some of whom are retired Weather Service officials. The stations are in disrepair, because of budget cuts at the National Weather Service. And many of them are located bizarrely between airport runways, or near air-conditioning exhausts, or near trash incinerators (see photos)—hardly representative locations for judging the temperature!

A volunteer group surveying these stations to try to improve the situation, has so far located about 300 of them. The results can be seen at [www.surfacestations.org](http://www.surfacestations.org). Worldwide, there used to be 5,000 weather stations, but phase-outs have left only about 3,600. This is a sorry situation, especially given the level of hype for the cataclysmic nature of global warming.

This is not a very secure data base, even without the manipulations of the modellers. It should be noted that the modellers claim that they are using statistical correcting methods to compensate for the poor quality of the data, but they have not made their methods public, so it is not possible for other scientists to check this.

But as bad as the observational data are, these data aren’t

even used in the IPCC computer models! When asked about this, Gavin Schmidt, a prominent climate modeller at Goddard Institute for Space Studies, stated in writing to this author: “The computer models used for the IPCC projections do not use any observed temperature data directly. They are instead calculations from close to first principles just using the distribution of solar irradiation over seasons, the shape of the continents, and changes in atmospheric composition, i.e., greenhouse gases. Everything else is calculated.”

## Back to the Model Assumptions

Now, how does one get from a 0.6°C rise in the past 100 years to the model predictions of a 2-4° rise in the next 100 years? This comes back to the assumptions used in the computer models.

The predicted rise is based on the modellers’ assumption that a doubling of CO<sub>2</sub> will produce an increase of 3.42 watts per square meter that will be radiated back at the surface of the Earth, causing an increase in temperature of 2-4°C. Right now, the CO<sub>2</sub> measured in the atmosphere barely produces 1 watt per square meter.

Most of the first chapter of the IPCC report deals with this so-called radiative forcing. The modellers assume that CO<sub>2</sub> will increase linearly, and that the effect will also be a linear progression. But researchers who have studied CO<sub>2</sub>, such as Dr. Sherwood Idso, have said that the first 20% of the increase in CO<sub>2</sub> will be the most effective in sending radiation back to the surface, and as it keeps increasing, it will become less effective, because of the proportional relationship with other gases in the atmosphere.

The climate modellers say the increase will happen within 100 years because of man-made emissions. But the modellers assume that CO<sub>2</sub> is leading temperature. In reality, the temperature record for the last few million years shows that *temperature leads CO<sub>2</sub>*; there is a 300-600 year delay between rising temperatures and rising CO<sub>2</sub> in the atmosphere.

## Throwing the Baby Out With the Bathwater

The modellers massage their data, getting rid of anomalies; for example, a century of temperature data is smoothed out so that you can’t see the computer model “drift.” This drift is where the computer produces anomalous values during the processing of data. But how do you know that the drift that the model is producing is not actually what you are looking for as the trend? The modellers see it as computer error, and they “correct” for it. But it’s the drift that might actually tell you something.

The basic climate models have not improved in the last 20-30 years, despite increased computer power. Models, however, are seen as infallible, calculating the future like clockwork. But the universe, climate, and human beings aren’t clocks. Nevertheless, the U.S. Congress and many governments are willing to shut down their economies at a cost of billions of dollars and countless human lives, because of what the climate models tell them about “man-caused global warming.”

## Reality Hits!

Immediately after Aug. 15, 1971, Lyndon LaRouche made perhaps his most memorable long-range forecast: If measures are not taken to reverse the post-industrial economics of looting which the decoupling of the dollar from the gold-reserve system represents, the world will be headed toward fascism. As subsequent developments have borne out, LaRouche was absolutely right.

As we head for the 36th anniversary of that catastrophic Aug. 15 decision to end the Bretton Woods system, a stock-taking is in order. The financial system of floating exchange rates and usury which George Shultz put into effect under the Nixon Administration is still nominally in effect—but it is imploding. Trillions of dollars of worthless debts have been generated, but the apparatus which permitted them to appear to be paid is breaking down. Indeed, the system of global financial flows is in the process of freezing up, threatening to take the whole world banking system with it.

At the same time, the consequences of the looting of the physical economy of the planet, which has been a necessary consequence of the speculative binge, has reached the breaking point. Examples abound, particularly in the developing sector, but there is perhaps no more dramatic incident to prove the point than the collapse of the Interstate 35W bridge at Minneapolis, Minnesota on Aug. 1.

Like the global financial meltdown that is under way, the collapse of the bridge was a catastrophe waiting to happen. This bridge, like more than 120,000 others around the United States, has been rated “structurally deficient,” but was deliberately left without repair. Such an immoral policy is replicated nationally in many other sectors of physical infrastructure as well—just look at the situation in New Orleans, two years after Hurricane Katrina!

Nor is it surprising that President Bush has reacted to the Minneapolis disaster in the same way that he did to Katrina, mouthing sympathy, but acting to cut back the very resources that are required to solve the problem.

While the toleration of the destruction of the Bret-

ton Woods system is the long-term cause of these disasters, there are two immediate causes:

- First, there’s Dick Cheney. It was Cheney’s pressure for extending and broadening the Iraq War, which has directed attention away from maintaining and improving our infrastructure—not to mention carrying out the necessary bankruptcy reorganization of the world financial system. To solve this problem, Cheney must go!

- Second, there’s the failure of the Democratic leadership in the Congress. Both in the Fall of 2002, and the Spring of 2005, LaRouche and his political campaign made a major drive for a crash infrastructure-building campaign, in which the replacement and repair of the nation’s bridges was one major facet. If Congress had saved the auto industry, instead of listening to Rohatyn, now-unemployed auto workers could have been put to work on our crumbling infrastructure, and this disaster could have been prevented.

The lesson to be drawn is clear. If the Democrats and sane Republicans fail to act to remove Cheney, and to push through the needed financial and economic reforms, a lot of people are going to die. *Cowardice kills people.*

But the overall context must be kept in mind. The world system as a whole is in its death throes, and no matter how many kinds of fictitious assets are concocted to try to preserve it, the system is going to collapse. The collapse can be delayed, but it cannot be prevented, except by changing the world monetary system.

Which brings us to the *good news*. Unlike in 1971, there is a worldwide constituency around a concrete plan to not only reconstitute the monetary system on a sound basis, but also to launch a 50-year economic development program. This program, put together by Lyndon LaRouche, in consultation with collaborators all around the world, could go into effect tomorrow, if the political will to oust the major obstacle, Dick Cheney, were mustered.

The first step is to face the reality of the breakdown crisis, and the fact that LaRouche was right. The next steps will be easy indeed.

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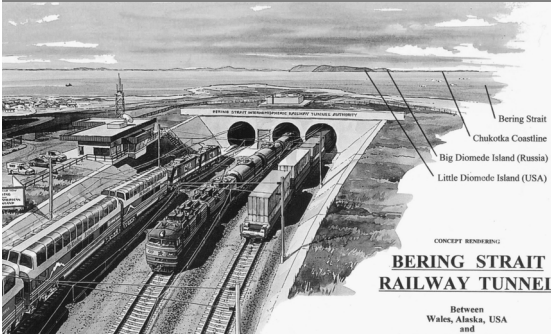
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