

## ON THE CALIFORNIA ENERGY CRISIS

# As Seen and Said By the Salton Sea

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Looking at the California energy-crisis from where some of us were gathered, yesterday, at a place near the Salton Sea, I can tell you this.

If you can afford the gasoline and the repair bills, most among you can, by free will, take a detour that might bring you a bit later, or quicker, to whatever your chosen destination might be; but, sooner or later, if you survive the journey, you will usually probably arrive at the place you have chosen, whether you later wish you had, or not.

Soon, unless President George W. Bush abandons his present ways, his policies are now going to lead his administration toward a point, in the rapid unfolding of the current California energy-crisis, at which Bush will be confronted with a global crisis so horrifying, that most of you would not now even try to imagine it. The exact time that point will be reached, may vary slightly, according to which detours are tried; but, nonetheless, it will be reached very soon.

For your own good, you, and President Bush, had better find the courage to face up to that reality, now, before it is too late. For the sake of all of us, please permit me to lead you,

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1. Long-standing Democrat Lyndon H. LaRouche, Jr. is a registered candidate for the Year 2004 election as President of the U.S.A. He is a Democrat in the footsteps of John Quincy Adams and Abraham Lincoln, and carries into today's crisis the legacy of Franklin Roosevelt's leading this nation out of the national economic disaster created by the cumulative effects of the then preceding Presidencies of such American Tories as Theodore Roosevelt, Ku Klux Klan fanatic Woodrow Wilson, and Calvin Coolidge.

step by step, into discovering for yourselves, what it is that you need to know, if we all are to work our way out of this mess.

The most important political issue now confronting all of the most intelligent and moral citizens of the United States, today, is: How could we prevent that terrible thing from happening? The only available, intelligent answer to that question, has two parts to it. First, speaking from a strictly technical, administrative standpoint, what kind of U.S. policy would bring this crisis quickly under control? Second, to speak politically, what are the chances, given President Bush's presently stubborn attitude on the subject, of bringing his administration around to accepting the needed, drastic changes in U.S. economic policy before it is too late to do so?

Competent answers to important questions, are never found without giving the matter serious thought. Don't expect answers to be cooked up in a minute or less in your microwave. You must accept the fact that the time has come for you to stop looking for simple-minded, snappy slogans, and do some careful thinking, which includes a considerable amount of re-thinking, instead.

To find the answers to the combination of those two questions, there are six distinct, leading points which we must take under consideration.

1. What are the policies which have led into the crisis presently centered in California? Why did this crisis become more or less inevitable?
2. What practical measures by the Federal and state



*The present crisis came about as a result of the continuing social process which began about 1966, with Richard Nixon's "Southern Strategy." It was perpetuated by the fanatically irrational policies of such officials as Senators Phil Gramm and Trent Lott. Left to right: Nixon, Gramm, Lott.*



governments, would quickly bring this crisis under control, and gradually solve it?

3. What are the proven precedents from past experience, which show that the solution I propose will work?
4. What would happen if the measures which I propose, were not adopted?
5. All things considered, what are the methods to be used, by relevant Democrats and others, in working to persuade the Bush Administration to adopt those needed policies, even in spite of his administration's presently more or less hysterical opposition to every step needed to bring this crisis under control?
6. Finally, apart from the kind of reluctance we must expect from among the experts in the new administration, such as Vice-President Cheney and Secretary of Defense Donald Rumsfeld, how shall we overcome the fanatically irrational objections we must expect from the numerous, Elmer Gantry-style, true believers, among Senators Phil Gramm's and Trent Lott's, or Representative Tom DeLay's political followers, within the Republican Party's popular "Southern Strategy" base?

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## 1. How the Crisis Was Created

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This present crisis came about as the result of a continuing social process, which began about 1966, at the time future President Richard M. Nixon was meeting with types such as the Ku Klux Klan, to negotiate what became known as the Republican Party's "Southern Strategy."

The intent of Nixon's policy, was to begin a process of reversing every remnant of those U.S. national economic policies, through which President Franklin Roosevelt had led the nation out of that Great Depression of 1929-1933 which former President Calvin Coolidge had bequeathed to his own successor, Herbert Hoover.

From the time of the outgoing Hoover Administration's collaboration with the incoming President Franklin Roosevelt Administration, the successive reforms by Hoover and Roosevelt, as measures taken in response to the collapse which Coolidge had created, had shielded the general welfare of our republic against a return to those Coolidge-style follies which had caused the 1929-1933 Depression. Since Nixon's election in 1968, every administration since Nixon's launching of the Southern Strategy, has contributed, in one degree or another, to stripping away, shingle by shingle, that protective roof of continued prosperity, which Roosevelt's reforms had installed.

As a result of those Southern Strategy-led changes in both



U.S. and world-wide trends in policy-shaping, two ultimately fatal new directions were introduced into both national and leading international economic policy-shaping. Thus, during the sweep of the interval 1933-1965, the overall trend in U.S. economic policy and practice, had been for improvement in the productive powers of labor and the economic conditions of life of the typical individual and family household; since Nixon's 1968 election, that policy, which once led us out of the Great Depression of the 1930s, has been reversed, downward step by downward step, during the recent thirty-two years.

The first major disaster, which Nixon brought upon the world economy, was his wrecking of the Bretton Woods monetary system, in mid-August 1971. With this action, Nixon ruined every essential feature of the monetary policy upon which the international economic progress of the 1945-1965 interval had depended, especially that of the U.S.A. on the one side, and, on the other, western Europe and Japan. Since that change in direction, first evolved under the influence of Nixon's so-called "Southern Strategy," during 1966-1972, the Americas and Europe as a whole, including what were formerly the Warsaw Pact nations, have fallen into a worsening, downward trend in both productivity and the general economic welfare of the populations considered as a whole. Since the introduction of "globalization," during 1989-1991, this decline has tended to become catastrophic.

The second major factor, has been that destruction of the U.S. internal economy itself, which was introduced systematically, also under the influence of Southern Strategy ideology, under the 1977-1981 Carter Administration.

Those two major changes in policy, whose effects have taken over our nation's policy-shaping increasingly, during the approximately thirty-five years, since the launching of the so-called "Southern Strategy," have had the following four, most notable impacts upon both the U.S. and world economies.

1. A pro-racist reaction, as typified by the Nixon "Southern Strategy" turn of 1966-1968, against the social-policy trends associated with the pre-1966, post-World War II campaigns for civil rights and improvement of the general welfare. This racism has been reflected in the shaping of our foreign policy of practice, as toward Africa, over this period to date.
2. A growing, increasingly mass-based, overt hatred against the Franklin Roosevelt legacy, a turn back to what Roosevelt had accurately identified as "American Toryism," a turn away from the economic recovery which had been made possible by Roosevelt's premising our nation's policy on the Constitutional principle of the promotion of the general welfare. This anti-Roosevelt impulse has been the driving force behind a pro-Confederacy-like

trend, in favor of "shareholder value," and against the Constitution's establishing the principle of the general welfare as a fundamental principle of our Federal law.

3. As already noted, these changes created a downward trend in the economies of Europe, Japan, and the Americas, and also of most of the world as a whole, a collapse set into motion by the Nixon Administration's uprooting of the pre-1971 Bretton Woods agreements.
4. To understand the cause of crises such as that striking the West Coast of the U.S.A. today, we must recognize these developments as the predictable outcome of a systematic wrecking, begun by the pro-Malthusian Carter Administration, of that post-1929 system of regulation, which had been established, initially, by cooperation between the administration of the outgoing President Herbert Hoover and the incoming President Franklin Roosevelt. The present crisis, as typified by the California case, has been the result of overturning those rules of bankruptcy and general economic regulation, upon which the 1933-1965 economic recovery and prosperity of the U.S. economy had depended.

### **The Long-Term Cycle Behind This Crisis**

In history generally, but in modern, globally extended European civilization most emphatically, the effects of the kinds of radical changes in the rules of the game, which the disastrous after-effects of the Nixon and Carter Presidencies illustrate, usually manifest their full effects approximately a generation after such changes in rules are introduced. The 1618-1648 Thirty Years War in Europe, is an example of this. The quarter-century from the 1977 inauguration of Democratic "Southern Strategy" phenomenon President Jimmy Carter, to the California deregulation crisis hitting upon the inauguration of Republican "Southern Strategy" sprig President George W. Bush, is also an example of this.

One of the principal reasons there is a tendency of such cycles to unfold over approximately twenty-five-year intervals, is cultural. The key to this connection, is the fact that about a quarter-century must pass before today's newborn babies become the next generation of established adults. Also, in modern economy, the most significant long-term cycles of physical forms of capital improvements, especially vital improvements in, and maintenance of basic economic infrastructure, also unfold over a span of about a quarter-century.

So, we might say of the past thirty-five years of downward trends in U.S. policy-shaping, the years since Nixon's "Southern Strategy" campaign of 1966-1968, that "the sins of the fathers are now visited upon the sons." It is from seeing today's California energy-crisis in that light, and only in that

way, that true causes and clear alternatives for the present situation can be presented and discussed in a rational way.

The corresponding problem today, is, that the adults now in their fifties, who were “Baby Boomer generation” adolescents when these changes in cultural paradigms began, have grown up, usually, without consciousness of the need to view their own culturally instinctive reaction-patterns of today critically, that from the standpoint of such immediately relevant evidence, as the contrasted reaction-patterns typical of their parents’ generation, a quarter-century, or more, earlier.

In the history of similarly downward periods in culture generally, it is sometimes difficult for any of that current generation of leading policy-shapers under sixty years of age, to recognize, that their own generation’s generally accepted values, have been, too often in history, the harvest of seeds of catastrophe planted a quarter-century or more earlier.

It is especially difficult, for most among today’s leading executives, in or out of government, to take a still further, necessary step, to recognize the nature of the relevant mistakes made earlier by their parents’ generation, the kinds of mistakes which, for example, contributed to shaping the state of mind of today’s presently leading generation of policy-shapers. In the case of the so-called “Baby Boomer generation,” this kind of difficulty, by one generation, in understanding the mind-set of a predecessor generation, has been aggravated most significantly, by the current failure of our secondary and higher educational institutions to teach real history, a collapse in the quality of education which has gripped both our nation’s educational institutions and its mass media-misshaped popular opinion, over a period of more than a quarter-century to date.

It is reliving history, through experiencing the act of discovery of experimentally demonstrable universal principles made by earlier generations, which enables the student to relive, within himself or herself, the actual, important thoughts and related experiences of those from several generations, centuries, or, as in the case of Classical Greek, millennia earlier. It is only in that way, that a present generation can know and judge the world-outlook actually experienced by earlier generations, and earlier cultures. It is only in what came to be known as such a Classical-humanist approach to education, that a sense of history is developed in the young.

The recent generations of university-educated Americans, the so-called “now generation,” have been generally denied that competence, which should have been provided them through Classical-humanist modes of education. Most of them, even those in high positions today, have been denied the competence to judge the ways in which both they and their predecessors had thought similarly, or differently, on important specific issues of policy-making. The ability to seek out truth, is suffocated under the weight of blind faith in the pathetic assumption, that current opinions are right simply because they are currently prevailing opinions.

So, to understand the cycle of developments during the

past thirty-five years, we must, first, re-experience the period from the 1920s through the time of the Kennedy Administration, the social conditions experienced by the U.S. population, under the combined impact of the Great Depression of the 1930s, the 1933-1940 struggle for physical-economic recovery, the imperatives of World War II, and the continuing effort to remedy painful physical shortages. These experiences produced a certain, paradoxical duality of value-judgments, among, at least, most of the adult generation from the period of World War II.

For that generation, the fearful impact of the Depression had tended, on the one side, to intensify popular fascination with “having money,” money in and for itself; but, at the same time, the experience of suddenly aggravated physical want, had prompted a keen sense of physical reality, as being, in the final analysis, more important than that money itself. So, our population reacted, often paradoxically, in the way its members viewed personal conditions of family life, on the one side, and, on the other side, the politically shaped physical conditions of the government-policy-shaped environment on which personal and family life’s conditions and opportunities depended. This dual view of personal and general circumstances, was reflected in a paradoxical way of viewing the juxtaposition of relative condition of the physical environment for living, and the more narrowly personal features of financial interest.

For various reasons, the change in cultural outlook among a significant portion of that portion of the youth entering our more fashionable universities, during the post-missile-crisis, post-Kennedy, middle to late 1960s, prompted many among them to tend to reject the degree of relative emphasis placed upon physical realities by their parents’ generation. A common expression for such flights from reality, was the ejaculation, “We don’t go there!”

Aggressive shifts in that direction, away from physical realities, had already begun in the form of the so-called “White Collar” and “Organization Man” mythologies of the family households of new suburbanites of the 1950s. Among the relevant strata of students on campuses during the middle through late 1960s and beyond, an intellectually blind dislike, akin to the ideology of the so-called Nashville Agrarians, for anything associated with “Yankee-style blue collar values,” influenced a leading portion among those students who would become most typical of the upward-rising future policy-shapers of today.

The effect of that shift of those Baby Boomers into a Nashville Agrarian style of ideology, is to be seen in the transformation of most of the formerly great industrial centers and modern family farms, through which we had won World War II and rebuilt war-torn post-war western Europe, into today’s “rust belt.” It is that “rust belt” phenomenon, which typifies the developments which have made the U.S. economy so vulnerable to the crisis of the region including California, today.



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The social effect for today, of the so-called cultural paradigm-shift of the campus Baby Boomer generation, was expressed then as a growing, so-called “New Leftist” style of disdain for the previous generation’s values, among that rising generation of future policy-influences entering adulthood.

The “New Leftist” was only the relatively extreme case, who typified a much broader part of the same university population. Both shared, more and more, in varying degrees, a revulsion against the importance formerly attached to technological progress in the production and maintenance of basic economic infrastructure and physical goods. This was especially notable in matters bearing upon attitudes toward capital-intensive modes of infrastructure-building and production of goods. A related, “New Leftist” enmity against unionized “blue-collar” strata, and against technological progress in basic economic infrastructure and capital-intensive forms of agricultural and industrial production, shaped the social setting in which what became known as “the environmentalist movement” was developed.

At first, the so-called “new radical” portion of the campus population of the late 1960s, affected the now familiar tattered-jeans styles, by aid of which they associated themselves, “spiritually,” and, usually, temporarily, with the “underclass” of the very poor. Soon, during the course of the 1970s, they yearned again for the gaining of that same “my money” which they had pretended to disdain during the late 1960s.

In the worst such cases, the trend was, that, more or less unlike their suburbanite parents, they no longer wished to associate the gaining of money with those benefits for the economy as a whole, which are expressed in increase of the

energy-intensive, capital-intensive physical productive powers of labor. In the worst, but increasingly influential numbers of such cases, reality was supplanted, for them, by “my money” as such, “my money” now associated with the intangible called “information,” or simply sensual pleasure for its own sake, or even entertainment in the forms of ephemeral, faddish fantasy-styles, like that of the morally self-degraded *vox populi* cheering the slaughter in the Roman Colosseum.

So, as this Baby Boomer-led, existentialists’ “transvaluation of values” emerged as a growing political force, during and following the Carter Administration, our nation did worse than merely permit the accelerating decay of our basic economic infrastructure, and the looting and ruin of our farms and industries. Our government enacted law after law, our popular culture adopted ideological change after change, all of which accelerated the tearing apart of everything which the great recovery of 1933-1965 had built up.

Few cases illustrate the importance of that connection more simply and dramatically today, than the combination of the catastrophic collapse of the share of the national income among the lower eighty percentile of family-income brackets, since 1977, and the virtual non-history of new development of energy production in California during the recent twenty-five years since the inauguration of that President Jimmy Carter.

In an earlier time, during the periods of the Depression, World War II, and the 1946-1989 “Cold War,” U.S. national security had signified the ability to muster the means to secure the most essential needs of our population and a “full-set economy” within our national borders. Gradually, especially



*Demolition of a U.S. Steel plant in McKeesport, Pennsylvania, 1985. It is this “rust belt” phenomenon, which typifies the developments which have made the U.S. economy so vulnerable to the crisis of the region including California, today.*

with the 1972 “détente” agreements with the Soviet Union, and “the opening to China,” the need for self-reliant national economic security, was less keenly felt in leading policy-shaping circles.

This became an increasingly conspicuous policy-trend during and following Henry A. Kissinger’s Nixon Administration activities of the year 1972. In contrast to the traditional view of national-security interests, Carter’s wrecking of agriculture, industry, and basic economic infrastructure, followed by related legislation such as Garn-St Germain and Kemp-Roth, like the famous “Plaza Accords” later dictated to Japan, signalled a trend toward looting the U.S. economy’s, and also the world’s productive base, in favor of greater emphasis upon floods of cheaply produced goods brought into the U.S.A. and western Europe from abroad. With the 1989-1991 collapse of the Soviet system, the willful collapse of the U.S. economy was accelerated under the rubrics of NAFTA in particular, and “globalization” in general.

During earlier times, before the sweeping changes introduced by Nixon and Carter, the notion of national economic security, was regarded as interchangeable with another notion, that of a “full-set economy,” the notion of a national economy which would be capable of surviving, successfully,

even vigorously, were it to be cut off from imports from much of the world outside it. Economic national security signified commanding, at home, all of the essential technologies, scientific laboratories, and means of agricultural and industrial production on which the welfare of our nation and its population depended.

Today, as a result of that global aftermath of the Southern Strategy, virtually no nation in the world has any longer the actively functioning means to reproduce the kind of “full-set economy” represented by the leading economic powers of the 1960s and 1970s. The post-1989-1991 plunge into the hysterias of NAFTA and “globalization” have represented the greatest single source of strategic threats to the U.S. economy, as also that of Europe, and elsewhere, in modern times.

### **The Present Inflationary Trend**

Now, add the effects of the currently soaring rates of inflation. That is not all, since the 1966-1982 structural changes in U.S. and other nations’ policies, the levels of physical output, which the nations, and the world as a whole, have been able to maintain during the recent decade, until now, have been maintained by using up, without replacement, more and more of the produced wealth created during periods two or three decades ago.

To a large degree, this willful collapse of the economy has been recognized, but also camouflaged, by the popular delusion, that a new, better way of life, called “information economy,” has inevitably superseded the old “smokestack economy.”

In the U.S., in particular, today’s crisis in basic economic infrastructure, including energy production and health-care capacity, is a reflection of the accumulated using-up, and systematic destruction of capacities which had existed in the U.S. itself a quarter-century ago. In other words, if we measure economic costs of output in purely physical terms, the world, if considered as it were a business, has been consistently operating at a net physical loss, over the entirety of the past quarter-century. Forget financial statistics, for the moment. Think of the physical reality which shows those financial figures to be a giant hoax.

Yet, while the U.S. has been plunging toward national financial bankruptcy, living, more and more, until now, on its national current account deficit, and while the lower eighty percentile of our family-income brackets have been driven, since 1977, into an increasingly desperate impoverishment, official Washington and most of the news media have insisted, frantically, on speaking of a wonderful, never-ending growth and prosperity. Now, we have come to the point, that clinging to an hysterical commitment to the slogans of “free trade,” “deregulation,” and “globalization,” would mean a virtually immediate, chain-reaction collapse of California and much of the world besides. All in all, the fantasies of the popular mass-media create quite a paradox.

To be more exact, the U.S. economy, while operating at



a net loss, in terms of physical accounts, has been enjoying super-profits for its financial markets. Most of this financial profit has no real content; most of it is merely financial-accounting's fictitious bookkeeping profits on a vast bubble of financial speculation, much like, but far worse than the famous John Law bubble.

Think of a weekend poker-game, in which some players profit, and other players lose. Yet, all the time, the total money in the room becomes less and less, as the players send out for yet another round of beer and pizza. Except for what the U.S. is able to import, more and more, from cheap-labor markets abroad, while shutting down U.S. production itself, all without actually paying for all of what is imported, the U.S. is becoming physically poorer and poorer, while the debts pile up, and the lower eighty percent of the family households, work more jobs per week, and take less and less of the total national income home, each year, since 1977. *Are you poker-players so drunk, that you consider the proceedings in that room to represent an increasingly prosperous economy?*

Thus, while the U.S. economy has been losing money, and shrinking, as measured in physical terms of cost and output, it has been accumulating vast paper profits from what is Federal Reserve Chairman Alan Greenspan's orgy of pumping up purely financial speculation. At the same time that the nominal rate of inflation of prices of consumer goods was creeping up relatively slowly, a vast inflationary debt-bubble was building up to the point it must sooner or later explode.

During the recent years, since about 1995, the symptoms of an oncoming global financial crisis, have been increasingly clear. From time to time, the truth has been forced to the surface, as by the so-called "Asia crisis" of 1997 and the Russian bond-speculation crisis of 1998. During the interval March-September 2000, the inflationary process reached the level of a threatened break-out, like that which struck Germany during the Summer of 1923. That comparison of the U.S. of today to the Germany of the inflationary crisis of 1923, is no exaggeration; the measurements are precise and the evidence conclusive.

The German inflationary crisis of 1923, was the outcome of the earlier French military occupation and looting of the Rhineland. To get the French troops out of Germany, Germany agreed to print the money, to pay the financial reparations demanded by the French. For a time, this growing flood of printing-press money did not show up as a hyperinflationary trend in prices of German commodities. During the Spring of 1923, that trend shifted. There was a reason for this, as a similar factor lies behind such hyperinflationary figures as an estimated 1,000% rate of inflation in California energy-prices today.

In both of these cases, Germany 1923 and the U.S. today, a critical point was reached, at which the amount of new inflationary credit required, to roll over the existing relevant accumulation of debt, exceeded the amount of the debt being rolled over in that way. When such a condition arises, ac-

companied by a trend toward contraction of production-levels, a hyperinflationary potential has been set into motion. Any continuation of monetarist forms of credit-expansion, beyond that critical point, sets off, inevitably, the type of hyperinflation seen in the July-November statistics for 1923 Germany. That happened in 1923 Germany; that is what lies behind the hyperinflationary bubble in energy prices, in California, and elsewhere, today. Alan Greenspan is, therefore, a dangerous sort of ideologue, and also, more recently, a panic-stricken, reckless fool.

So, during the year of the election, 2000, the U.S. money managers were caught between putting sufficient financial inflation into the system, as "plunge protection" measures intended to keep the system from collapsing before the November 7th election-day, while holding back as much as they dared, for the sake of avoiding, or, at least, restraining the knee-jerk impulse of Alan Greenspan's Federal Reserve System, for feeding a growing tendency toward hyperinflation in the fictitious values attributed to shareholder and related financial assets. The worst, and potentially most deadly of those fictitious financial assets, existed in the form of the mere gambler's debts to mere gamblers, debts known either as assets or as debts, otherwise known as financial derivatives.

There was already hyperinflation under way, in some categories, such as costs of acquiring housing, energy costs, and others, even before the present surfacing of the California energy crisis. The most devastating impact has been felt in the area of production and distribution of electricity, hitting hardest in what has become the most vulnerable sector of the national economy as a whole, the California-centered West Coast region.

This presents the nation, and the Bush Administration, with a threat of the type for which the miracle cures of the monetarist medicine-men, such as lunatic doses of "free-market cocaine," are a cure for depression which is worse than the disease.

None of the measures which would be presently considered acceptable by the Bush Administration, will have any other effect than to ensure a chain-reaction blow-out of the world's financial system, should the world be willing to put up with such policies from within the U.S.A. Only a return to the kinds of strategies introduced under President Franklin Roosevelt, that, in part, in cooperation with the outgoing Hoover Administration, could address the present situation successfully.

Otherwise, unless a return to the Franklin Roosevelt way of thinking is introduced now, an early, catastrophic failure of the current Bush Administration, is inevitable. Unless President Bush changes his present policies, as I indicate, once again, here, his administration is about to suffer the greatest catastrophe of any Presidency in more than a hundred years, and that about now. Such is the fate of those fallen empires, like that of the poet Shelley's "Ozymandias," which tarried too long in their substitution of ideology for reality.

A fundamental, and sudden shift, back in the direction of Franklin Roosevelt's solution, in the policy-shaping paradigms of the U.S. government, will either occur now, or an incalculable horror of combined financial, economic, social, and strategic catastrophe is inevitable for the short term ahead.

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## 2. A Twenty-Five-Year Solution

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The first step which must be taken, is to put the entire, formerly regulated sections of our nation's energy industry under Chapter 11 bankruptcy protection. This does not necessarily mean putting each entity into bankruptcy; it means putting some entities under Chapter 11 protection immediately, but it also means putting the protective umbrella of Federal and state government threat to provide such protection to any relevant entity within the domain of maintaining national and regional energy security.

As a leading feature of that use of Chapter 11 methods, bankruptcy reorganization must be conducted to further the aims of immediate reinstatement of former types of Federal and state regulation of the generation, and distribution of the nation's energy supplies, that at prices sustainable by businesses and typical households, and consistent with pre-2000 trends in such prices.

The difficulty in taking those urgently needed forms of corrective action, is not only that deregulation has become, like cocaine, a habit; but that the financial interests associated most closely with the campaign for the election of the present administration, represent chiefly a Southern Strategy-based complex of financial interests which are deeply committed to defending the revenues from activities which are choking California's economy to death at this moment.

If all among those interdependent courses of action are not taken, no real solution to the presently skyrocketing crisis is possible. In that case, the Bush Administration would come to be seen soon as more or less doomed from the outset, hung, so to speak, by the rope which supported its election.

The Franklin Roosevelt precedent is to be understood to be applicable to this case. The mission is to defend national economic security, as the principle of promotion of the general welfare and national security of all of the population and its posterity, defines the meaning of law under our Federal Constitution, absolutely contrary to the errant opinion of some text-offenders among the U.S. Supreme Court justices.

The prices and assured, regulated flow of the stream of electrical and related supplies, must be immediately re-regulated by the standard of pre-1977 precedents. This regulation should be Federal, insofar as interstate commerce or national-security requires, and shall be otherwise left to the states, but with Federal support and guidelines, as needed for coordination among the states.

Presently strong official and related objections to such policies, should not be considered as tolerable excuses for

failing take such actions. When the perceived pain is sufficiently acute, as will soon be clear, those objectors who are still capable of rational behavior, will feel themselves under the greatest pressures to become less stubborn in opposing the restoring of regulation. The nation's electorate will demand such changes, and they will be right in demanding that such changes be made promptly, now, before the present crisis becomes impossible to manage under our Constitutional form of government.

These emergency measures of re-regulation must be complemented by a new matrix of combined, short-term, medium-term, and long-term national energy policy.

### Short-Term Energy Policy

For the moment, we must operate on the working assumption that we have presently available to our nation, approximately sufficient capacity for generation and distribution of required energy-supplies. Major generating installations, and their matching grid-system elements, presently require periods in the order of three to five years to install, even if high priorities are assigned to such installations. Increasing of capacity for refining and delivering fuels also requires lapsed time. That means, that only certain marginal adjustments in primary energy-supplies are feasible during the year or two immediately ahead.

The suggestion that floods of fuels or electricity from abroad would overwhelm the price-crisis, is a childish delusion. No cheap theatrical stunts of that sort will work. Saner people will concentrate on managing what we have, while beginning to build for the medium and long term ahead.

For the relatively short-term period ahead, arranging supplementary supplies for critical points in the grids, will be needed, in the manner of shoring up weak points in the dike. This will be applicable to the needs for improvements in the quantity of supplies, and for improvements in spots of less reliable performance within the regional distribution grids.

Among the required priorities, there must be a cautious avoidance of over-reliance on what might be an excessively extensive scope of load-frequency distribution operations. A large degree of local and regional ability to isolate systems from potential calamities in the broader distribution grids, should be considered a national-security priority. "Just-in-time" and "justly barely enough" practices must be avoided, that as a matter of national economic security. There must be built-in slack within the system, both nationally, and regionally; there must be ready reserves available.

We have an analogous, and related case, in the instance of those who propose to expand FEMA and similar capabilities, for dealing with infectious disease emergencies, without recognizing that the post-1973-1975 take-down of the former Hill-Burton health policy, has resulted in the accelerating destruction of the medical capacities, in institutions, actively employed professionals, and health-care policies, which would be a precondition for doing anything significant in the



face of a real health-care emergency. The just-never-really-on-time delivery of supplies of flu-virus vaccines, typifies the evidence of possible lunacy, and clearly incompetence, in proposals for special emergency "crisis-management" re-arrangements of that which does not exist to be arranged.

Among included measures, the following are to be considered. The use of jet-engine complexes, as relatively mobile auxiliary power generation for patching up the distribution dike, is typical of the kinds of short-term actions available. The logistics of fuel supplies, for this purpose, is an integral part of that.

Meanwhile, there must not be reliance upon hydroelectric sources to the degree that such uses might undermine the relevant water-management systems' other essential functions. The primary mission of water-management systems, should be water-management, from which hydroelectric generation serves as both an integral feature and a by-product. The environmental impact of drawing down the water reserves, as a way of avoiding government's responsibility for actions which some political interests might not like, is something this nation need not, and should not tolerate.

### **Medium-Term Policy**

The notion of medium-term energy policy is pivoted on the observation that, at present, three to five years is required, to install a completed electrical generating facility of one to two gigawatts average output-capacity. Most desirable, are facilities which would supply process-heat and synthetic fuels, such as hydrogen and methane, for local and regional industrial and other uses.

On this account, medium-term energy policy overlaps long-term policy. The principal generating plants of the system as a whole, are constructed with an intended useful life of about a quarter-century, or longer; major hydroelectric installations significantly longer. These principal installations involve capital expenditures, and related financing arrangements, at rates which should be sustainable in the order of 1-2% simple interest, amortizable over long-term periods.

Given the reality of the awful financial crisis threatening our nation's, and the world's banking systems now, the resurrection of an adequate energy-system for our nation, will require a long-term credit facility of a special type, with a special mission-assignment. There must be a Federal authority which coordinates this, and provides Federal credit for facilitating long-term investments in medium-term construction and rehabilitation of generating and distributing capacities.

In connection with this same point, we must not separate national energy policy from its natural relationship to the financial systems of banking and pensions. Regulated systems of national basic economic infrastructure, operating at low simple interest rates, are the broad base of the pyramid upon which to build national economic growth in depth. This pertains to the natural complementarity between the functions of local and regional banking, and the development of the basic

economic infrastructure and communities of the region in which the banker's market is most usefully situated.

The U.S. experience of the Reconstruction Finance Corporation and Germany's Kreditanstalt für Wiederaufbau, are models of reference for such rebuilding and long-term development programs.

This has special importance for national banking and other policies at this present time. The perilous conditions of speculation-ridden private banks at this time, and the need to save those banks as functioning institutions, sometimes almost despite themselves, requires that Federal and state government act to foster the growth of a solid new base of bank assets, by aid of which to manage the difficult work of financial reorganization of banking institutions which must not be allowed to fail, even though they be awfully bankrupt.

The fostering of public sponsorship of large-scale investment in maintenance and improvement of long-term basic economic infrastructure, is still, today, the most solid foundation available for mobilizing combined public and private resources for a national economic recovery along lines typified, by the work of the Reconstruction Finance Corporation and the Tennessee Valley Authority, during President Franklin Roosevelt's tenure. Clearly, Federal policy and action now, must reference those highly successful precedents.

In such matters, we must always shape the implementation of any important policy, especially those of medium-term and long-term impact, with regard to their impact upon the so-called "macroeconomic" totality in which such undertakings are situated. The interdependency among large-scale infrastructure programs, regional and local banking, and general community and business development within a region, must be the minimal setting within which infrastructure policies and programs must be defined.

In that vein, consider the following.

The location of prospective such plants, must be subject to Federal, as well as state, local, and private initiatives. In any rational form of U.S. national law and related policy, the requirements for power, as measured in even such raw figures as kilowatts per square meter, are subject to the same types of policy-planning as national railway, waterway, and highway projections. Geography and related considerations indicate where such facilities may lie, optimally, over the decades and generations yet to come.

In such respects, the kind of long-term energy-policy under which directions for medium-term actions are subsumed, resembles long-term general staff planning in the military domain. The indispensable role contributed by West Point graduates, as engineers, in building up the basic economic infrastructure of our nation, is among the experiences which reflect the principles involved.

Medium-term policy in this area must take into account, that since the beginning of the Carter Administration, there has been a catastrophic collapse in U.S. energy national security, as a reflection of the combined failure to develop new

generation, and attrition of pre-1977 installations. The coming four years in energy policy, must be directed to clearly concretized goals, as defined from a long-term perspective, in choices of locations and numbers of newly constructed generating capacities and in related improvements in grids.

Also, present policy-making for the medium, and long term, must take into account, that throughout the world, there have been significant, qualitative advances in the standards for types of designs of generating plants. Two implications of this, are not to be overlooked in projecting national energy policy for the medium term.

In this connection, we must also recognize a complementarity between needs for new installations inside the U.S.A. itself, and what should become a growing vast market for such installations in other parts of the world.

Our national policy must foster the resurrection of U.S. capital-goods-producing capacity lost over the recent quarter-century, with the intent of fostering the reappearance of firms which find the base-line for their market in combined domestic and foreign requirements. Such a marketing perspective warrants acceleration of scientific and related technological progress in this field of capital goods production and installations, and indicates a corresponding requirement in even the medium-term programs of our universities and related institutions.

This also points to the need for permanent functions of our Federal government, to bring together the public and private interests and agencies which will contribute crucial parts to implementing such a perspective.

## Long-Term Policy and Environment

It should come to be understood, that “long-term energy policy” has two distinct, but complementary meanings for practice. In the first approximation, it signifies the intended cumulative effect of adding generating facilities which each could be installed, usually, during periods of three to five years. It should also mean something distinctly more profound; we should see energy policy in terms defined by the celebrated biogeochemist Vladimir Vernadsky’s conception of the *noösphere*.

To make this clear, I summarize Vernadsky’s conception, resituating it in the setting of my own original work in physical economy, and correcting some widespread, but incompetent popular opinion on this subject.

Vernadsky is famous for defining the term “biosphere,” as signifying that our world’s atmosphere, oceans, and much of the surface of the Earth down tens of kilometers, is, increasingly, the *natural product* of the action of living processes upon the otherwise non-living Earth as a whole. He went further, to emphasize that the rate at which the biosphere itself is growing, is increased by the creative economic activity of mankind. Thus, he defined our planet as, in the first instance, under the reign of a biosphere, which is, in turn, under the reign of a creative force, human creativity. Vernadsky then

defined this superimposition of the *noetic* powers of creativity, unique to the human species, upon the biosphere, as through physical-economic activity, as the *noösphere*.

That means, that we must view mankind’s development of what we call basic economic infrastructure, as functionally an extension of the biosphere’s role in generating and sustaining the preconditions needed for human life.

Therefore, domains of public interest such as mass transportation, water management, improvements of fields and forests, and production and distribution of energy, must be viewed as what Vernadsky would term the *natural products* of the *noösphere*, just as he classified atmosphere, oceans, and so on, of pre-human Earth, as natural products of the biosphere. From a standpoint of modern economy, the development of general basic economic infrastructure, and our maintenance and improvement of the biosphere, are to be seen as a continuous, single process within the *noösphere*. Among the relevant points to be stressed, is the beneficial role of rational development of basic economic infrastructure in improving what would be otherwise called the biosphere.

This means, that one of the goals of public administration, is to ensure that the land-area of the world is improved, as a biosphere, to the effect of enhancing the conditions required for human life.

To this end, I, in my function as a specialist in the science of physical economy, have introduced a refined notion of what I and my associates have introduced to Eurasian policy-deliberations as “development corridors.” This is to be seen as an extension of what American System economists Friedrich List and Henry C. Carey defined as the function of a transcontinental railway system, such as those which integrated the U.S.A., from Atlantic to Pacific, as functionally a single national territory.

If we examine relevant examples from both ancient and modern history accordingly, we should recognize, rather readily, that it is necessary to correlate general transportation routes, with power generation and distribution, and with water management, all under a single, unified conception. By developing corridors of this type, in bands of up to fifty miles or more in breadth, we create the preconditions under which what is economically otherwise more or less marginal land-area within a continental interior, is transformed into highly productive, economically fertile area.

If we approach such pathways of development appropriately, the effect of such development is, to enhance the biosphere for man’s existence, not, as many misinformed persons have feared, the reverse.

The present crisis, born out of the follies of U.S. policies (in particular) during the recent thirty-five years, has brought us to the time, that our properly informed concern for the coming generations of our population, should impel us to develop and adopt long-range policies whose effect on the *noösphere*, is to enhance the condition of the nation and the world bequeathed to our descendants.



*Vernadsky's notion of a noösphere coincides with what should be adopted as a leading feature of our national long-range mission: the colonization of space. Here, an artist's rendition of a production-facility on the Moon.*

## Lessons From Space-Science

This notion of a *noösphere* coincides with what should be adopted as another leading feature of our national long-range mission. One of the greatest drivers for scientific and technological progress during the course of the Twentieth Century, was developments pertaining to the exploration of nearby Solar space. Most of our leading achievements in science and technology on Earth, have occurred either as by-products of combined military and other space programs, or in symbiosis with them.

For reasons which I have elaborated in other locations, the establishment of a production-facility on the Moon, and the long-term goal of establishing a Los Alamos laboratory-scale of scientific research installation on Mars, pertain to the future security of the planet Earth itself from asteroid threats and numerous other causes. The danger to be averted with aid of such space researches, is not from a child's fancifully fearful images of invading species of malicious living consciousnesses, but from the kinds of natural, biological and other catastrophes which are, at present, built into the design of our Solar system. The evidence, that the cosmic-ray showers impinging upon Earth are traced back, principally, to the highly anomalous Crab Nebula, indicates the classes of problems and possible benefits which a space-oriented science mission must take into account. We might not intend to visit the Crab Nebula itself, during mankind's presently foreseeable future, but we must study it from afar, and examine more

closely the effects of that radiation on the characteristics of both living and non-living processes within the inner region of the Solar system, as on Earth itself.

Such relatively long-term missions into nearby Solar space, may be distinctly long-term, involving perspectives of from a quarter- to half-century, but it is clearly necessary, and must necessarily have immediate and continuing benefits to life on Earth, even simply through the use of by-products obtained from such scientific discovery and related development. If there is something "out there," threatening us a half-century to a century ahead, we should get started on the necessary development-work, now. It is such long-view commitments, which separate science and its progress from merely tinkering.

When we consider, from Vernadsky's standpoint, the actual requirements for replicating the micro-environmental equivalent of an Earth-like *noösphere* in a site on Mars, we are forced to look at the relationship among human populations, their *noösphere* and the biosphere in a fresh and valuable way. The very fact, that such a significant portion of our present population, was attracted to concern for the well-being of the biosphere, whether they understood that subject competently, or not, reflects a natural, and healthy disposition for viewing the future conditions for human life as a guiding mission-orientation for the present policy-making of society.

Morality, the glue which holds society together as human, rather than Hobbesian beasts, is not confined to local relations

among presently living persons; it lies, more essentially, in the way in which the living moral individual, views the shortness and fragility of his or her mortality, in respect to preceding and future generations of all humanity. It is the passion so aroused, in the individual's reflection upon that relationship to past and future, which is the living bloodstream of true civilized morality.

Thus, it is, sometimes, those missions which may seem intangible to the unthinking person, which imbue the society with the motive for that individual and cooperative accomplishment on which healthy social relations within society depend. It is the passions such a sense of mission imbues, which have proven indispensable, historically, for the most notable efforts on behalf of general human progress.

Government policy-shaping must never become so obsessed with the more obvious practical side of near-term goals, that it loses sight of the role of human motivation in making possible the achievement of any sort of important goal. Without a well-developed sense of mission, well-planned wars are lost in their execution, and capable units fail in their local tasks. Without long-term goals, the motive for simply moving ahead today is weakened to the degree, that even simple obstacles appear to be insuperable, when they might have been rather readily overcome. We must never be so imbued with the mind-set of the financial accountant, that we lose sight of the importance of that which does not appear in his proposed budget, a quality of human motivation, which, in its finest expression, spans the work of generations yet to come.

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### 3. The Hoover-FDR Precedent

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Just as the example of the 1966-1968 march back toward slaveholders' society, the Nixon Southern Strategy, illustrates the way in which rather sudden changes for the worse are sometimes brought about, so the collaboration of the outgoing Hoover Administration with President-elect Franklin Roosevelt, illustrates, as does the Treaty of Westphalia which ended the Thirty Years War, the way in which sudden changes for the better may be set into motion as a reflex-reaction against the crisis-conditions a society's follies have been generating over a long-term cycle to date.

It is the great paradoxes which confront a people, which are usually the occasion on which a people may choose to make an abrupt change, for the better, as we did with Franklin Roosevelt's response to the 1929-1933 crisis, or, for the worse, as Germany did, during January-February 1933, in establishing the Hitler dictatorship. Those who study such examples from history, know that anyone who says, "You can not change the way the cards have been dealt," is wrong. Man is distinct among species, as a creature endowed with free will; our responsibility is to cease our piteous whimpering about "the way things appear" to be, and use that free will to

correct our society's mistakes.

There are many leading examples of such changes in the pre-history and history of the United States.

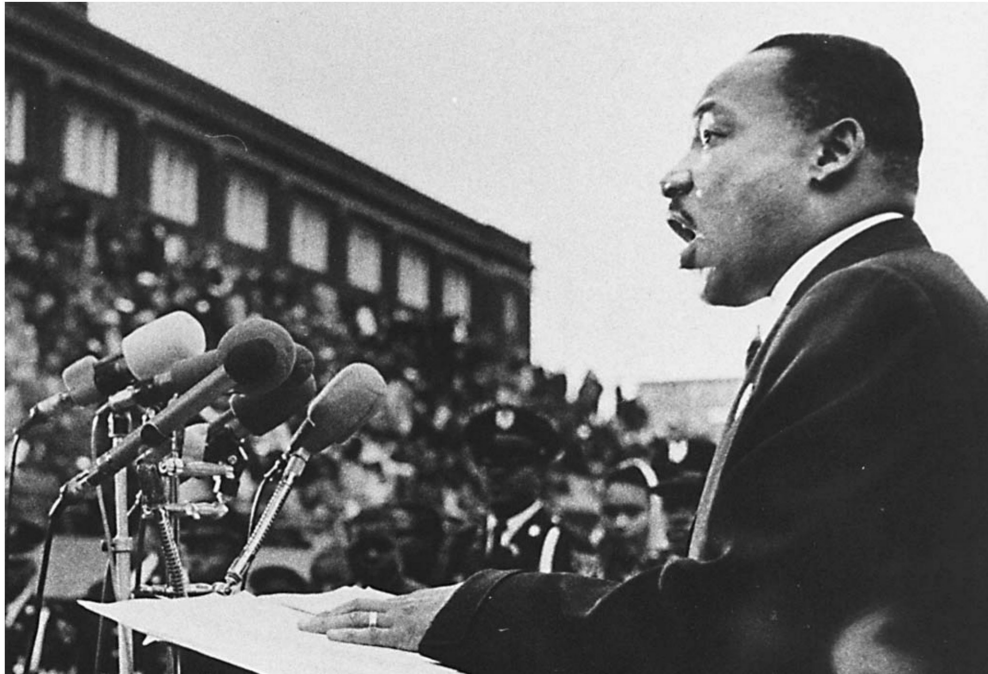
The first great English settlement in North America, the Commonwealth of Massachusetts, led by the Winthrops and the Mathers, had been an early model for the kind of economy we associate with the name of Alexander Hamilton later. This happy progress continued, until developments in 1688-1689 England crushed much of the original colony's independence, its vitality, and its remarkable earlier trends for economic and cultural development. Less than two decades after that, the defeat of those English patriots, who had been allied with a prospective first minister of Britain, Gottfried Leibniz, created a desperate situation for the English colonies, a situation which forced both the defeated faction of the patriotic English, such as Spotswood and Hunter, and also the colonists such as Cotton Mather, James Logan, and Benjamin Franklin, to prepare the way for the future independence of the United States from the British monarchy.

The horrid events of July 14, 1789, in Paris, turned our young republic's former chief ally, France, over, successively, to the hands of such deadly enemies as "Adam Smith" follower Jacques Necker and the Jacobin Terrorists of 1789-1794, our republic's ugly adversary Barras, and the Barras protégé who betrayed him, our adversary Napoleon Bonaparte. Next, from the 1814 defeat of Napoleon, through 1848, both the British monarchy and the Holy Alliance powers were our deadly enemy, determined to destroy us. So, came the greatest war in our history, the Civil War, from which we emerged victorious as the greatest single national economy of the planet.

Then came the 1901 assassination of President William McKinley, and the pestilence of Presidents Theodore Roosevelt, Woodrow Wilson, and Calvin Coolidge, from which President Franklin Roosevelt rescued us for a time.

So far, in each of these and similar crises, our nation has survived, because, in each case, we produced and adopted from among us the quality of leadership, such as that of Presidents Monroe, John Quincy Adams, Abraham Lincoln, and Franklin Roosevelt, to guide us out of the practice of that folly which our popular opinion itself, had condoned. Indeed, President John Kennedy, and Rev. Martin Luther King are examples of exceptional persons who could have emerged as also such great national leaders, had they lived.

The unusual degree of relative success, which our U.S.A. has exhibited, in rising up from out of the swamp of past periods of national moral peril, is no accident. It is a product of the best influences from old Europe, as assembled on our territory, by what came to be known as "the American intellectual tradition," the tradition expressed simply, but also profoundly, by the 1776 Declaration of Independence and the 1789 Preamble of our Federal Constitution's dedication to the promotion of the general welfare as our most fundamental principle of domestic law-making.



*Rev. Martin Luther King, Jr. In each of the crises which our nation has survived, we did so because we produced and adopted from among us the quality of leadership required to guide us out of the practice of that folly which our popular opinion itself, had condoned. King was one who could have emerged as such a great national leader, had he lived.*

It has been the ability of those who were imbued with that tradition, who have recognized the history and content of those peculiar constitutional documents as the legacy of what we recognize, and act to defend, as the “American intellectual tradition” to which President Franklin Roosevelt summoned our nation, up and out from the great peril which been created by the preceding, morally corrupted, and corrupting Presidencies of Theodore Roosevelt, Wilson, and Coolidge.

In the case of Germany, for example, virtually every leader of Germany today, recalls, humbly, that Germany was twice crushed by the Anglo-American maritime power in world wars. The sense of national interest, among the leading intellects of continental Europe, is often clear, but the European patriot’s sense of capacity to act independently in accord with the national interest, does not match the sentiment endemic to a U.S. population which senses itself a great power which has never yet been conquered. Throughout the world today, only, to a certain degree, do the British, we, and Russia share in common, today, a sense of an historically defined global strategic capability, as embedded in our nature as a nation.

Thus, in assessing the implications of the presently on-rushing, global financial collapse, our republic has a twofold distinction. We have the culturally conditioned confidence to exert a role of leadership among nations. Provided that we rely upon reviving that American intellectual tradition expressed by our Declaration Independence and the 1789 Preamble of our Federal Constitution, we have the resources through which to call up from that heritage, the added element of international leadership needed to bring nations into effective cooperation in solving even such menaces as the great

global financial and economic collapse descending upon the world today.

The remarkable thing to be stressed in the immediate setting of this report, is what must be for many students of history, our republic’s remarkable ability to recall the heritage of that American intellectual tradition, even when we seem to have fallen far below that moral level, as today, and, to do that not but once or twice, but to have repeated that remarkable renaissance at a number of crucial points in our past history.

Morally, we as a people are in worse straits than President Franklin Roosevelt’s inauguration found us. Yet, I say two things in opposition to the pessimism that comparison might suggest today. First, such a renaissance never occurred except under extraordinarily perilous circumstances; second, it is the only option we, and perhaps all of present civilization as well, have available to us. We had better try, and better than try, succeed.

However, we have reason to be optimistic about our potential to improve ourselves under conditions of crisis. What is actually historically exceptional, among nations, about our Federal republic, is the way in which the legacy of a Fifteenth-Century political revolution in Europe, gave Christopher Columbus the map which aided him in reaching our shores, and set into motion that conception of the constitutional modern sovereign nation-state, which was imported to North America at a time that conditions in Europe did not permit such forms of self-government being established there.

This legacy, reenforced by the implications of our nation’s development as a melting-pot for immigrants, has embedded within us a heritage which even the Southern Strategy has not yet stamped out of existence. Whenever a great crisis,





*President Franklin D. Roosevelt, with members of Congress, during World War II. "Morally, we as a people are in worse straits than President Franklin Roosevelt's inauguration found us. Yet, I say two things in opposition to the pessimism that comparison might suggest today. First, . . . a renaissance never occurred except under extraordinarily perilous circumstances; second, it is the only option we, and perhaps all of present civilization as well, have available to us. We had better try, and better than try, succeed."*

provokes us to summon back to life that American intellectual tradition born in the best aspects of Europe's modern culture, we have the potential for greatness as a nation within us, still.

Our urgent task, is to take those steps which are most likely to bring about a renaissance of that American intellectual tradition, a renewal of the idea reflected in the Declaration of Independence and Preamble of the Federal Constitution. It is the adoption of that intellectual mission, as the model for our cooperation in addressing the present crisis, which must become the form of political action around which we rally to change an otherwise impossible present situation.

Practical measures are indispensable, but we are not likely to mobilize the force to implement them, unless we place a still higher priority upon a certain moral impulse, a commitment to affirmation and vigorous revival of the anti-Southern Strategy, American intellectual tradition. If we can revive that tradition, we shall succeed in carrying out the needed practical measures.

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#### 4. If Not That, What?

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There are those persons who, unfortunately, will argue, that, "What if Bush doesn't change, as you suggest? Isn't there something else he might do? We might not like it; but, can you say he does not have the power to make it succeed? Anyway, perhaps the crisis is not as bad as you say it is." Silly people! Famous last words! Don't run around telling people,

that you know a medicine-man who could cure a disease, when you don't even know what the disease is.

First of all, think back to that national loser's contest, which George Bush did not win because he was a political genius, or a glorious spell-binder of the campaign platform. He won by default, beating the Democrats' patsy he was set up to defeat. Even with a stacked deck like that, he needed a Supreme Court's dubious intervention, to certify the appointment, not exactly by election, but, virtually, by decree.

That said, now, considering the fact, that the present financial crisis, and also the California situation, was building for an explosion all during the past national Presidential election-campaign, and, also considering, that neither of the two hand-picked candidates, Bush and Gore, addressed this issue during the campaign, even when challenged to do so on a nationally televised event, the new President is not exactly a man with the qualifications one would seek, in case of a serious crisis, such as that specific, already onrushing current economic crisis, which he thought not important enough to discuss while campaigning.

The best you could expect from a President of President Bush's qualifications, is that he, like some Presidents before him, might be so impressed with the awesome authority and responsibility of the office he has come to occupy, that he would push aside personal habits and considerations, when he were faced with what he recognized as a choice between his personal inclinations, and his moral accountability for the present and future interests of our republic.



Therefore, don't assume that the President, or any among his leading advisors, even the ones who are known to be intelligent and experienced, has any inclination or qualifications for crafting the kind of policy on which the survival of the U.S. might depend at this juncture. The best for which you might hope from any or all of them, is that their conscience, simply as patriots with a sense of deep moral accountability for the office they occupy, might prove more influential than, and often directly contrary to their presently stated policy commitments.

That is not meant as an insult to the new President. That is, however, a slap in the face to those among my fellow-citizens, who need it. For once, they should grow up, and face those realities of our national political life from which they ran away, in hordes, during the recent elections. Bush is not qualified for making policy; therefore, we can only appeal to him as a man, and as a man who, hopefully, cares about what the future, hearing that future through what such voices as his grandchildren's, might come to say about his performance of his present duties.

If you, as a citizen, had really cared about our nation's ability to cope with this crisis, you should not have allowed the choice of President to be limited to persons so ill-qualified, relative to all plausible choices of available rivals, as Bush or that ill-tempered Mr. Gore who seemed, most of the time, to be campaigning against himself. You, the typical citizen, played your part in creating the present mess; and, you should admit it, rather than seeking someone else to blame for the results you did virtually nothing to prevent when you might have done so.

However, we do have a curious advantage in the fact that neither Presidential candidate actually won, or deserved the election. The campaign was virtually rigged, on the side of both parties, by Autumn 1999. No serious campaign was allowed to appear on the mass media, after February 2000. Thus, there is an ominous shadow of a Presidential election for which no relevant campaign was allowed, hanging over our nation's capital today. By no reasonable standard, did the U.S. electorate choose either of the two principal candidates. Who, then, earned that election, under such conditions? There stands the image of the unknown candidate who would have been chosen by a thinking electorate, but what face does he bear?

Who would the electorate have chosen, had there actually been a real election-contest? The question is clear, but the definitive answer is not yet provided. Nonetheless, that question itself haunts both the new administration and the Congress, like a new, popularly based political force, waiting in the wings.

While that unknown candidate lurks in the background, watching, always watching, we have a national disaster, which is also a global one, on our hands.

So, the California side of the crisis is only the most obvious element of a global panic in progress at the present mo-

ment. No one visible in the present U.S. Federal government, has shown the slightest independent knowledge of what the causes for this crisis are, or what to do about it. Our job, therefore, is to fill the policy-vacuum so described. Our job is to define the nature of this crisis, define the needed solution, and then convince those with the legally constituted responsibility for doing so, to do what they must do. That is the job of many, but, it is, above all others, my job right now.

In other words, the definition of, and solution for this crisis must come from authorities outside of the government, and must win support for that from within the political processes of political party and government. This will occur, if it succeeds, through a proportionately large role by the legacy of the Franklin Roosevelt tradition within the Democratic Party, but also through cooperation with relevant Republican and other channels. Hopefully, the President of the U.S.A. will be brought, by his conscience, to agree to the needed policy-actions.

## **The Count-Down**

The question is: at what point, might the crisis itself, confront the present Congress and Administration with the sense that such a sweeping change in national emergency policy must be accepted, whether they like the idea, or not? That brings us to the next point: What will happen, should President Bush continue in his present, disastrous approach to the California situation?

To answer that question, you must recognize, first of all, that the California crisis is merely an individual eruption, among an entire series of coming eruptions, which are inevitable, because this present world financial crisis has a built-in hyperinflationary impulse, which is, so far, beyond the comprehension of both the President and his relevant advisors.

Thus, as the case of the California legislature's panicked reactions illustrates, the kinds of government bail-out used thus far, have the effect of trying to put out an ongoing fire-storm by cooling it down with large floods of Alan Greenspan-brand, chilled monetary gasoline. Everything done in that direction, or by the Bush Administration's matching negligence, has not only made the situation far worse than when Bill Clinton was still President, but is pushing the situation toward an uncontrollable, global disaster.

In this situation, only massive and drastic re-regulation of the national energy system, reversing President Jimmy Carter's follies, combined with the application of the notions of Chapter 11 bankruptcy reorganization employed by the Franklin Roosevelt Administration, will even dent the ongoing crisis. Any delay, any attempt to deal with the crisis by so-called "free market" and implicitly hyperinflationary monetarist madness of the type which the panic-stricken, ideology-ridden fool, Federal Reserve Chairman Alan Greenspan is attempting, will make things even much worse than if those parties were to do nothing at all.

Thus, we are in a count-down, in which one crisis will lead quickly to a more intense and broader crisis, and, then, another, until the agony is brought to its end. If this is continued for long, even, during the short term, the greatest financial blow-out in history, will erupt as a global phenomenon to which Bush's continued bungling of the California situation will have contributed in large degree.

Thus, we are confronted with the prospect of a series of critical decision-points, one among which carries the label "point of no return." What that point is, is, so far, undetermined; but, by the nature of the process, it is there, and coming up faster than almost any among you are prepared to think. At that point, the most certain consequence, among many others, will be a general disintegration of the world's present banking and financial system, including the virtual evaporation of some leading national currencies.

Between that outer limit, that "point of no return," and the immediate California-centered crisis, we may assume within reason, that there are several successive crisis-points, between now and that limit, at which Washington will be confronted with a challenge which will be usually greater than at any earlier crisis-point.

Our best option is, that somewhere in that process, there may come a point, before all options have run out, at which the combination of relevant political forces, would induce the U.S. government to adopt a Franklin Roosevelt-modelled action.

The possibility of success along that line, depends absolutely upon the level of popular and other political mobilization around the present policy-outline set forth here.

This mobilization, must be, first of all, a national mission within the U.S. itself. However, it must also be expressed as an intensified effort in support of what I have already circulated as my proposal for a New Bretton Woods agreement.

In sum, if anything good happens, that will occur only if we do our part in making it happen.

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## 5. Making It Happen

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It was for reasons so described, that I made the decision to announce my candidacy for the 2004 election as the President of the U.S.A. The purpose was to provide the U.S. a public figure who is actually qualified to be the kind of President this nation needs, and the world requires of it, at this crucial juncture.

The nature of mankind is such, that, up to the present time, the lack of adequate qualities of Classical-humanist forms of education in the population as a whole, has limited the ability of nations to defend themselves in times of crisis, to the degree they found leaders who served as a focal point of rallying for a clearly defined mission.

The idea that every person is, even today, in some way qualified to lead under crisis-conditions, is mythological non-



*Lyndon H. LaRouche, Jr., candidate for the Democratic Party's 2004 Presidential nomination. "If the Democratic Party's forces do not rally around a figure, who not only clearly expresses the alternative to the folly of the Gore faction, but who expresses efficiently the applicability of the Roosevelt legacy to the specific character of the present economic crisis, the Democratic Party will flop."*

sense. Not that every human being is not born with a relevant such potential, but that society has failed thus far to develop that potential adequately among its members generally. Thus, it often appears that qualified leaders for a time of crisis, such as Konrad Adenauer for Germany, or Charles de Gaulle for France, appear in ways which are not mysterious, but in ways which leave much about the reasons for their exceptional development unexplained. Hence, there was no Gaullism without a living President Charles de Gaulle.

Such qualified leaders are not the mythical creatures of G.W.F. Hegel's "World Spirit" fantasies; no attempt to explain these cases in terms of some mystical "leadership principle" should be tolerated. In each study of truly great leaders, there is a clearly rational case for that selection, which becomes more or less evident after the fact. They were better able to make and motivate the right decisions, when others,

in that time of crisis, were either not competent in development, or lacked that quality of decision needed to make the necessary, rational decisions, at the right time. So far, in history, and in politics, as in physical science and Classical artistic composition and performance, these qualities of critical leadership are limited to a relative sprinkling of individuals.

By contrast, study of this matter shows us why other putative candidates for such leadership roles were not qualified. We should recognize from such studies, at various levels of leadership responsibilities in society, what rather common flaw in the development of the individual has deprived him or her of the qualities of mind needed to avoid playing the tragic role, of a perhaps Hamlet-like figure, should he or she come into a post of great responsibility at times of existential crisis.

Thus, while awaiting a society which does a better job in developing its young to their true potential, a prudent people gives special attention, especially in times of crisis, to selecting what it hopes will prove to be persons suited for the role of leadership under crisis-conditions.

In this respect, in the matters of policy at hand, as posed by this crisis, my capacity for leadership is of relatively outstanding quality, certainly the best suited for a crucial mission before our nation at this present juncture.

As history shows, as in the case of the person of Socrates, for example, leadership for times of crisis is not necessarily a matter of official authority, but may be, as in the case of great scientific discoverers, a special kind of moral authority which may, thus, move institutions to act in needed ways. At this juncture, because of the way in which I was fraudulently excluded from the year 2000 Democratic primary process, and because the present crisis has shown that I was the only qualified candidate prepared to deal with the greatest crisis of this time, it was necessary to underscore the paradox of my superior qualifications over all other candidates, in contrast to the incompetence of the habitual loser and bungler Al Gore, and the menacing implications of the mistaken policies associated, thus far, with the candidacy of President George W. Bush.

Therefore, for the present moment, the function of my role as the leading candidate for the 2004 election to the Presidency, is to provide an indispensable personalized rallying-point for addressing a kind of crisis which no other known political figure of the U.S. today is qualified to address in an adequate way. That does not imply that my candidacy for 2004 is not a serious one; it merely points out that that is the reason I must put myself forward as that candidate, at this time, and in this way.

Since President Bush presently represents a Republican administration, my role as a leading Democrat is a crucial aspect of my role in our efforts to deal with the present economic crisis.

There are two leading considerations involved in this choice of role. First, that the revival of the legacy of President

Franklin Roosevelt is a political precondition for any effective mobilization of the national will for dealing with this crisis at this time. Second, that the Democratic Party has been crippled in the manner and degree candidate Gore's pitiable performance attests, by precisely that factional element within the Democratic Party which has been my savage persecutor in the party's organization up to this time.

Thus, for a Democratic Party struggling to come up off the floor where Gore's foolishness dumped it, my role as a leading intellectual figure of a Roosevelt party reborn, is essential in filling a crucial aspect of that political vacuum which Gore's folly generated within the party and its constituency as a whole. In other words, if the Democratic Party's forces do not rally around a figure, who not only clearly expresses the alternative to the folly of the Gore faction, but who expresses efficiently the applicability of the Roosevelt legacy to the specific character of the present economic crisis, the Democratic Party will flop.

If the majority of the Democratic Party were not mobilized around a combination of the Franklin Roosevelt legacy and my specific and unique competencies for addressing the current crisis, there could be no significant force set afoot to push President Bush into reconsidering the measures needed to avert looming catastrophe.

There is thus, that matter of party and personalities. There is also a crucial, much deeper issue of method involved.

The special, exceptional quality lurking within the history of our United States, is, as I have said, above, that American intellectual tradition which brought into being both the independence of our constitutional Federal republic, and the rescue of that republic under the leaderships of President Abraham Lincoln, and, later, of President Franklin Roosevelt. We should not idolize Franklin Roosevelt as a perfect man, but regard him as like a soldier, who came to the fore to save the situation, and that other important leaders have played a similar role at critical times, when such leadership was needed.

To awaken this nation to the role it must play, for its own defense, and for the benefit of humanity more generally, there must be, first and foremost, an upsurge of that American intellectual tradition expressed by our Declaration of Independence, the Preamble of our Constitution, the leadership of President Abraham Lincoln, and that rescue of civilization led by President Franklin Roosevelt in his time.

The practical measures of policy-change, needed to address the present world-wide economic crisis, are one indispensable side of the solution. However, that solution will not be recognized, or implemented, without a corresponding, indispensable quality of motivation. The needed return to the precedent of the Franklin Roosevelt recovery, will be adopted only if a leading mass-based force among our citizens, chooses that model out of confidence in what Roosevelt represented in that time and place.

Failed leaders would advise, "Don't keep bringing up Roosevelt! You will win support for these measures, only if you present them in terms which are consistent with presently prevailing ideologies." Directly to the contrary, when a nation has brought itself to the verge of self-destruction, by means of what has become its popular opinion, that popular opinion is not the cure of the disease; it is the potentially fatal infection which dooms any enterprise taken on behalf of that opinion.

The essential quality of any leadership fit to lead the way out of the present crisis, is that it makes the people conscious of the fact, that it was popular opinion itself which has brought the nation to the verge of doom. That lesson pervades history generally. It is only when popular opinion, or the like, has brought the nation to the brink of doom, that popular opinion will confess its folly, and consider choosing a different way.

Look back a little more than a decade, to a time in Leipzig, when the unarmed people stood on one side of a row of lighted candles set upon the street, and an armed force, ready to shoot down the people, stood, that night, on the opposite side of those candles. The shooting did not occur; the regime of Erich Honecker fell within days. There is nothing mystical in numerous such cases from history. To understand that point, is to see how and why it is possible, to bring the present U.S. government around to considering the alternative I have identified here.

The distinction which sets the human mind above that of the beasts, is a quality defined as cognition. This is the quality which enables the individual to generate what prove to be valid universal physical principles, or to compose or perform great works of Classical artistic composition. This method can not be reenacted on the blackboard, or within the bounds of a digital computer system. Great such discoveries can not be generated by deduction or so-called induction. They are generated by a quality, sometimes associated with Platonic forms of spiritual exercises, unique to the sovereign individual human mind.

The expression of cognition relevant to the case immediately under discussion here, occurs when a population recognizes that its habituated way of thinking compels it to think about a certain relatively awesome situation before it, as suggesting two, mutually contradictory conclusions about the way in which things work. Thus, a people may come to the conclusion, that previously accepted institutions, and previously prevailing popular opinion, simply do not work in the way previously assumed. When this realization spreads throughout a considerable portion of the population, the potential for a sudden change in institutions erupts. If, in that circumstance, there appears a suitable, available way to replace the failed, previously prevailing leaderships and opinions, a situation for sweeping change, such as that witnessed in that moment at Leipzig, may occur.

That is the hopeful prospect for our U.S. today. The self-discrediting of the ideology associated with the recent thirty-

five years of the Southern Strategy, as expressed in the inability of the present Bush Administration to come to a sensible response to the California and related crises, typifies a range of presently imminent crises, on various issues, and in various parts of the world, which may, even probably, produce a state of affairs akin to the referenced events in Leipzig.

If that opportunity arises, as we must look for it, then a successful outcome depends largely on the ability to present the role of a mobilized movement which associates its authority with the precedent of the Franklin Roosevelt case, and expresses that in terms consistent with the American intellectual tradition underlying our Declaration of Independence and the Preamble of the 1789 Federal Constitution. The remedy so situated for adoption, must, of course, be a competent one. This locates, and defines my personal role in this presently spiralling crisis-situation.

If the enemies of that effort succeed, then, the United States is assuredly doomed.

There lies the opportunity to save this nation, and to rally international institutions to join us in bringing about the needed change.

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## 6. The Yahoo Factor in Politics

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The present administration and its complement in the Congress, has two principal features. On the one side, as typified by cases such as Vice-President Cheney and Secretary of Defense Rumsfeld, it is identified with the Wall Street "establishment." At the same time, at the bottom, quite literally, its most notable popular base is found among a specific spectrum of populist fanatics, a stratum fairly described as "bottom feeders," typified by such representatives as Oliver North, Senators Trent Lott and Phil Gramm, and Representative Tom DeLay, and also by "televangelists" such as Pat Robertson and Jerry Falwell. The latter is to be fairly described as the "Yahoo Factor," as Jonathan Swift portrayed the Yahoo, in present U.S. politics.

The current administration, taken together with its constituency in the Congress, is thus, in large degree a symbiosis of such an alliance between its Southern Strategy's crisis-management "establishment" component, and the medley of combined "fundamentalist" and heathen varieties of so-called "conservative" populist rabble, functioning as a kind of terrorist Jacobin mob within U.S. political life generally today.

It is that symbiosis of the Bush Administration with that Yahoo Factor, which constitutes the mass-based kernel of something threatening to approximate an American equivalent of the Nazis' fascism within today's U.S.A.

The use of "conservative" to describe this rabble, has the same connotations as the use of "conservative" in Armin Mohler's published report on the origins of Hitler's fascism, in *The Conservative Revolution in Germany*. "Conserva-



*A rally by the Promise Keepers cult in Washington, 1997. The notion of the "Yahoo Factor," is demonstrated most dramatically, by the barking Elmer Gantry types among so-called religious "fundamentalists."*

itive" so used, then as now, signifies the pro-feudalist-led opposition to the influence of the American Revolution of 1776-1789. That symbiosis is the danger to be averted; that is the most stubborn of the political obstacles to be overwhelmed, in the effort to bring about a rational solution to what is presently presented to us as the California energy crisis.

The notion of the "Yahoo Factor," is demonstrated most dramatically, by the barking Elmer Gantry types among so-called religious "fundamentalists." Swift's image of the degraded, rutting, quasi-human Yahoos of his tale, is to be recognized as most ironically appropriate, when one thinks back to the days of those mass revival meetings, of which it was said, many "more souls were made, than saved." The spectacle of the televangelist appeals to the hypocrisy in his audience, underscores the appropriateness of reference to such sordid escapades.

To understand the Yahoo Factor, in these specific terms of reference, is to grasp the political character of the stratum, whether from among those who present themselves as religious hypocrites, or the more frankly heathen varieties of such populists.

The way to deal politically with the national-security threat represented by that Yahoo Factor, is to demonstrate that the "fundamentalists" and professed heathen of this stratum, share, in their variously glinty-eyed certainties or wild-eyed frenzies, the same, common stench of actually heathen varieties of syncretic religious beliefs, behind the veils of the "fundamentalists'" Sunday-go-to-meeting hypocrisies.

The lesson from European history to be learned on this account, is the phenomenon of the Flagellants of the Four-

teenth Century's New Dark Age, and the religious warfare which dominated the history of Europe during that "little dark age" which dominated all of Europe from 1511 until the 1648 Treaty of Westphalia. It is that quality of so-called "religious fanaticism," which is also reflected in the "biological religion" of the Nazis and both "fundamentalist" and heathen varieties of American Yahoos today. History warns us, that this type of phenomenon, is a deadly factor of insanity in human history, the kind of development which has often plunged entire civilizations into prolonged new dark ages.

To understand these poor, misguided unfortunates, these Yahoos, one must focus on the practicalities of their expressed beliefs respecting their personal relationship to God and to their fellow human being. The propensity for Southern Strategy-style racism, as repeatedly expressed publicly over years, by new Attorney-General John Ashcroft, is of crucial relevance to understanding the actual, heathen nature of the religious beliefs professed by such types.

Take the televangelist, for example. There is about as much smell of raw sex in those "Elmer Gantry"-style sermons, as one might expect of a bordello. Sordid sensuality pervades sermon and ecstatic enthusiasms of the clientele, alike.

This aspect of the performance is not accidental. For what do these poor creatures pray? Wealth, health, and family, the latter pronounced with a strong, gothic sort of emphasis upon sexual overtones, are the matters of business negotiated between the parson and his credulous clientele. It is their practiced attitudes toward God, mankind, and nature, which, proverbially, "gives the show away."



In Christianity, in contrast to these poor fellows, man and woman are made equally in the image of the Creator of the universe, and thus endowed with a natural goodness, which need but be redeemed. God has no bad taste, and would not waste his efforts on redeeming worthless wretches, but rather, spends His effort reclaiming, and cleaning up, that which belongs to Him. So, *Genesis* 1 and the *New Testament's* Gospels and Epistles teach.

The Yahoo parson, like Thomas Hobbes, John Locke, the Heritage Foundation's Bernard Mandeville, Adam Smith, and Jeremy Bentham, teach a different, more earthy, and also more unearthly sort of religion, more in keeping with the theology of the referenced "fundamentalists." For them, human nature is that of a beast, which knows nothing but that which its lusts and senses teach it to believe. On that account, like the lurid cult of the medieval bogomils and their syncretic imitators among religious varieties today, they believe in the kind of God which is fairly described as typified by the control over the fate of mankind by little green men operating from under the floorboards of sensuality. Thus, if a true believer in such rubbish is a member of what the Bogomils defined as their elect, prestige and great material rewards will be mysteriously heaped upon them by those little green men.

Such is the teaching of Bernard Mandeville, whom Friedrich von Hayek assigned the role of saint for his Mont Pelerin Society's pagan religion. Such is the teaching of Adam Smith, and so on, and on. Such empiricist and kindred forms of heathen styles in "under the floorboards" mysticism, is the premise upon which Nazism and horrors to kindred effect are constituted as militant mass movements, such as the Yahoo Factor in U.S. political life today.

In Christianity, matters are considered in an entirely different way, as in all rational forms of civilized society. We, as the Christian Apostles did, find our peculiar mixture of mortality and immortality, in our characteristics as cognitive beings. Through that aspect of our nature, cognition, which sets us apart from, and above the beasts, we experience our immortality as our continuing cognitive relationship with those minds which have preceded and come after us. We experience this in the expression of those creative powers, by means of which, man, unlike any other species, can willfully increase its power within and over the universe. So, in this relationship and kinship to the Creator, we find our true human nature.

The Yahoo, whether professing "fundamentalist" or heathen, finds his relationship to the universe and God in magic, such as the alleged "magic of the marketplace," as performed by the equivalent of "little green men under the floorboards."

The Yahoo is, on that account, quite mad, and tends, thus, to act in a passionate way, contrary to any sense of reality. As a Yahoo, reality means nothing to him, if it conflicts with his arbitrary fanatical faith in a heathen sort of magic. Thus, he is not only mad, but extremely dangerous, in the sense that a

drunken driver behind the wheel is a reckless endangerment for society.

The only good thing one can do with such fellows, is to attempt to redeem them, in the same way we might hope to prompt an obsession-ridden dear friend to "snap out of it!" Sometimes, the shock of reality, breaks through the veil of the Yahoo's delusion; he shrugs his shoulders, grins sheepishly, and, as it is said, "comes out of it."

The tactic for dealing with this Yahoo style in lunacy, is, first of all, to recognize it for what it is, not to dignify it as if it were some legitimate body of public opinion. As in dealing with all lunatics, one hopes they might "come out of it." To this end, we must rely on our expressions of compassion toward all human beings, to make them less fearful of the threat our very presence represents for the fanatic in them, and to rely on the benefits of "reality shock," to bring them out of their fantasy, into the real world of the real-world problems we would hope they would join us in mastering.

The rule is: one is not being kind to a psychotic, by defending his psychosis. The Yahoo is what he is; if he choose to be a Yahoo, he must be recognized as the problem he represents for as long as he, like any lynch-mob habitué, continues in that profession. Don't blame God, or Christianity, for the behavior of the Yahoo. Blame those who have made such Yahoos a political commodity of their commerce.

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