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FTW Economic Alert

As The World Burns

By Michael C. Ruppert

-- But when the run on the dollar begins, OPEC will inevitably at some point switch its pricing to the Euro, which the entire world is wrangling - much to Europe's chagrin - into not only a safe-haven currency, but a profitable one. The next house is being built before the old one is abandoned. When the run on the dollar begins, it will be as if the rest of the world declared war on the United States of America by launching a missile, dropping a bomb, or landing an army at Bethany Beach, Delaware. That this will lead ultimately to widespread global warfare seems certain. This is exactly the way the administration is setting it up to appear to the American people. Think of 9/11 times fifty.

The rest of the world is merely defending itself with non-violent means - for the moment. But it will be portrayed as an attack upon the US. "Why?" George Bush will ask, rhetorically. "They hate us because of our freedom."

And, barring a miracle, the end results will be exactly the same as from a physical attack: devastation so complete and unthinkable - magnified by the brutal impacts of Peak Oil - that only a few will even try to prepare for it. That is sad because preparation will make all the difference (barring luck or divine intervention) in who survives and to what extent they remain intact and functioning afterwards.

- Run on the Dollar Imminent The American People and Economy Will Be Among the First Casualties
- The World Draws a Line in the Sand Around Iran There will be No Invasion
- Ukraine Possible Sarajevo for Global Conflict; Africa Ready to Explode in Proxy Wars; Latin America Heats Up; More
 - US Strategic Abandonment of the Korean Peninsula Inevitable; Taiwan Likely
 - Permanent Blackouts in Industrialized Nations Possible by 2008

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Holíday Message from Míchael C. Ruppert

This is a bittersweet holiday season. *FTW* is celebrating its amazing growth thanks to your support and the wonderful hard work and dedication of all our staff, writers and editors. We love all of you and we thank you for loving us.

I can make no promises that things will get better next year, or that this Christmas will signify a new beginning or a new world covenant. Some darknesses do not pass that quickly.

The only thing that *FTW* can promise you for next year is that we are going to completely reorganize ourselves in full recognition that what we need, and what you want, is better real-time reporting of *FTW*'s unique brand of news, analysis, and mapmaking. We promise you that we will be spending less time on history and more time and money looking at the serious challenges that lie immediately ahead of us.

To everything there is a season, and a time to every purpose under heaven. What's coming now is the season - however long it may last - of preparation.

This is a good time, for all who have that luxury, to sit quietly for a spell in the winter darkness and reflect. Not until we sit quietly with uncertainty for a while - walking towards our fears rather than wishing ourselves away from them - will we find the stillness and resolve to see a path through darkness rather than around it.

The only way out of the wilderness is through it.

The entire *FTW* staff wishes all of you and yours a happy and safe holiday season. Know that we'll be looking out harder for all of you next year and that truly, our thoughts are with you.

From me and all the FTW family,

Mike Ruppert



REPRINT POLICY

[This is a time of peril and opportunity. As the tepid, myopic, gatekeeping left is beaten once more by a resurgent but desperate right wing, mass movements are bestirring themselves throughout Latin America and elsewhere. In the Caribbean, Haiti is a unique crucible of these political dynamics, in which the filthy legacy of white supremacy mixes with intense class rivalries under the predatory gaze of American regional imperialists and reactionary French influence. But as the dollar begins its vertiginous fall, and the mythology of U.S. military omnipotence is discredited (at an horrific cost in Iraqi lives), and Peak Oil transforms everything under the sun, political economy will be twisted into new shapes. The stakes have not been so high, nor the pressures so intense, since 1968. In this bracing twopart series, FTW military editor Stan Goff turns his attention to the crisis in post-Aristide Haiti and its symbolic drama on the world stage. - JAH]

THE HAITIAN INTIFADA

A story of politics from black and white, high and low

By Stan Goff

November 30, 2004 0800 PDT (FTW) - **H**ow about those elections!

We are still watching this peculiar spectacle of American politics, wherein there was an unprecedented voter turnout, in a fight engendered by a mass movement that opposed a war, and in which those who opposed the incumbent and his war backed a candidate who consistently promised to expand that same war, and a campaign that was utterly devoid of any genuine discussion of the true causes and contexts of the war. The other thing we have just witnessed - which has also gone largely without public comment - is an astounding electoral victory delivered by a majority white voting bloc that is consciously but quietly voting what it perceives to be its embattled racial interests.

As military editor for *FTW* and as a former career soldier who has embraced a politics of resistance to imperialism, a pretty small niche in the current political ecology, I have been preoccupied with the rapidly evolving US military disaster in Southwest Asia - the focal point being Iraq. This region and that war, in my opinion, remain the central but not exclusive drama of a period that history will likely record as both tragedy and farce - as was the election - provided one direct one's attention solely to the abuses, delusions, and failures of the American state's putative leadership.

I think, however, that reducing our period to the judgments of leaders, or even to a description of the decadent irrelevance of American political discourse, is a mistake that further serves to obscure the very real, very promising, yet very dangerous descent of American imperialism. And the paradoxical political and racial cosmologies of American domestic politics are as tightly bound to this global conjuncture as a Gordian knot.

There are many broad developments associated with the perfect storm building in and around the global oil patch, but storms are transient. Once this one passes, and once the world's communities are presented with a fundamentally changed reality, how will they, how will we... adapt? This is a question that the Left and its allies cannot afford to ignore, I don't think, because shifts in power can happen with stunning speed when they do happen, and the power vacuums that appear in these tectonic shifts are filled not by those who have simply held the moral high ground, but by those who can exercise leadership and who are prepared to take and use political power.

Barring some encyclopedic and continually updated grasp of all shifting circumstances in all places at all times, we simply cannot predict exactly what any contingent future might look like. We cannot know what the world system will look like in the next decade or sowhich is a mere instant in historical evolution - but we can know that its essence will be influenced yet not determined by the most powerful actors in that system. Some of those actors that get lost in our discourse and our calculations are the great masses of people who are exploited, manipulated, and, more and more, expelled from that system.

I believe that there is one *sure* tendency that is making its way inexorably through the current din of social collapse and war, and that is not the *expansion* but the *erosion* of American power. This implosion of American global *hegemony*, then American *power* itself (they are not the same thing), is easy to miss precisely because the most prominent *symptom* of that structural weakness is the exercise of overwhelming conventional military supremacy.

Military issues have come to the fore in this period not out of some privileging of the military as subject matter, but because as the structural crises that fundamentally define this period increasingly threaten American dominance and the imperial dominant class who wields political authority, the structural weakness of the whole system has forced this dominant class to fall back on the direct and open exercise of military violence.

Hegemony, as it was described by Gramsci, is that more stable exercise of power that is characterized by the *consent* of the dominated. In the United States,

where elections are still seen as the ultimate arbiter of social power and even the 2000 election theft was widely tolerated, there is *hegemony*.

When Haitians, whom I will talk about extensively further down, are faced with the usurpation of their elected government, they lock the country down with ad hoc road-blocks and raise hell in the streets. We, by contrast, write anodyne columns, fret for a couple of days, and go dutifully back to work. Hegemony.

Hegemony is characterized most fundamentally not just by obedience, but by the internalization of the social and political *legitimacy* of the dominant class. The failure of hegemony is manifested when the struggle for political power is taken *outside* the established norms of elections, laws, and other mechanisms of the so-called social contract. This is what we are seeing in Iraq right now in bold relief.

The problem with the loss of global hegemony by US elites is not that military power is not efficacious. In many instances, it has worked. But as the world system becomes ever more rationalized, more structurally interfused, then the military as last resort for adjustment to structural crisis must theoretically have a global reach. It does not.

The specific crisis in Iraq is not the crisis of military defeat - which is not, at any rate, ultimately determined by tactical outcomes, but by political outcomes. The US crisis in Iraq is that one goal of that occupation was to demonstrate a fictional US military invincibility - to shock and awe the world. The crisis is not simply the very real tactical crisis that we can smell emanating from the podium of every Pollyanna briefing from Rumsfeld's War Department. The deeper crisis is that the shock-andawe bluff is being successfully called, and the rest of the world is now alive to the fact that the great power bleeds.

The assault on Fallujah as this is written has only sparked attacks outside Fallujah so extensive that the operation itself has come to be referred to as "squeezing Jell-O."

This development of increasingly open resistance has created a huge dilemma for much of the world's political leadership, *including* that leadership that exercised various forms of resistance to the specific agenda of the Bush administration, and even that leadership around the world that the masses themselves have thrown up in the face of the more general depredations of neoliberal loan-sharking.

That dilemma is that *if* the power of those holding political power, and the power of the United States, can be

called into question by the masses anywhere and everywhere, then every powerful figure in the status quo even so-called progressive leaders- will ask themselves, what stops these same masses from calling our power into question, too?

This is a situation analogous to militant labor movements that often prove as alarming to a union bureaucrat as they do to a boss. Faced with truly democratic or grassroots movements that decide to withdraw their recognition of the legitimacy of the system itself, these bureaucrats and brokers who guard the left flank of power will show their true colors and cling to the pant-legs of their bourgeoisie like a frightened child in the face of an angry and abusive guardian.

This process is playing out now in Latin America as we see the first tremors of what will inevitably become a kind of political continental drift away from the American empire.

The imposition of misery by IMF structural adjustment programs, with external dollar-debt as their central feature, has reached its breaking point in places across the continent and throughout the adjacent Caribbean, at the same time that the mask of military invincibility is being torn off the US by the car bombs, IED's, RPG's, and Kalashnikovs of Mesopotamia.

One government after another in Latin America has been thrown into turmoil by popular movements in Argentina, Brazil, Peru, Ecuador, Bolivia, and most recently in Uruguay where there was a stunning victory by center-left Encuentro Progresista. The Venezuelan popular democracy of the Chavistas has successfully thrown back one US-engineered coup d'etat, and the Colombian guerrilla movements are withstanding every blow being thrown by the immensely expensive Plan Colombia. Uprisings by popular movements in Mexico are generating a fresh political siege for the Fox government right on George Bush's Texas doorstep, including protests against Wal-Mart's incursions and the draconian Homeland Security measures along the Mexican-American border, as Bush's clique continues to wrestle with the tar baby in Iraq.

Yet in political retrenchments to the right by so-called progressive politicians, we now see de Silva of Brazil, Kirchner of Argentina, and Lagos of Chile committing troops to the UN occupation of Haiti to consolidate a blatant coup d'etat against the constitutional government of Haiti, planned and coordinated by the United States.

Has Argentina's Kirchner forgotten the US's supportive role during the Dirty War? Has Chile's Lagos forgotten 1973 and the CIA attack on Chilean popular sovereignty? And has Brazil's de Silva developed amnesia with regard to Goulart's ouster at the hands of the same

Of course they haven't forgotten.

What they are doing is tacking to the right, hoping to be forgiven by the United States for their associations with their own popular bases, thinking they can somehow build the MERCOSUR trading bloc on the sly. Brazil's Workers Party just suffered a set of battering defeats in key municipal elections, not because they are ostensibly still a leftist party, but because they have made so many concessions to neoliberalism. They are brokering now that they are in power, like a trade union bureaucrat. They have become "realistic," like the Democrats who put electable John Kerry forward and watched the most vigorous wing of their own party go to sleep.

I just returned from Haiti, as the last draft of this is written. I have to say that, while I defended and still defend deposed President Aristide from the imperialist attack on Haitian sovereignty, Aristide himself was playing this brokering game, trying to placate the angry Northern giant with talks of peaceful mobilization as a few dozen US-sponsored paramilitaries waged a series of armed attacks that were allowed to reverse the will of eight million people. Aristide was trying to deal, when he should have exercised the power vested in him by the Haitian masses to wage a fight on their behalf, and fed the FRAPHists to the *malfini* (buzzards) along *Route Nacionale*.

Hugo Chavez met force with force, and the US coup juggernaut in Venezuela became a busted flush.

I want to digress into Haiti for a bit, because there is an intifada going on there right now that, to me at least, is a very hopeful sign, and I think Haiti can help us understand this crisis of imperialism and not only how it relates to foreign policy. I think Haiti can give us some insight into the continental drift of Latin America, but it can also tell us a few things about how global developments are articulated into that weird domestic politics I alluded to in my opening remarks.

It is easy in the United States to ignore Haiti. We have been inoculated against Haiti by powerful and easy impressions. Voodoo. *The Serpent and the Rainbow*. The *de rigueur* journalistic reference to Haiti as, "Haiti, the poorest nation in the Western Hemisphere."

Or... haitithepoorestnationinthewesternhemisphere... inseparable, like a new name.

The modern habit of impression ingestion, of incorporating these bold and simple symbolic snapshots into a menu of judgments, allows us to file Haiti away. We all know what we need to know, so there's no reason to spend much time masochistically formulating critical

questions about the ugly impressions we see beamed out of Haiti. It's that way because it's Haiti - voodoo backward, anarchic, the poorest nation in the Western Hemisphere... an embarrassment to those here who make essentialist arguments against racism, because it is a black nation that seems for the life of us to be somehow fundamentally deviant and incapable of self-governance without the caricatured barbarism of a Papa Doc.

This embarrassment about Haiti is particularly powerful among the African-American *petit bourgeoisie* who continue to labor under the banner of Equality instead of Self-Determination.

So to at least raise some provocative questions - because I don't have a crystal ball - about Haiti and the crisis of imperialism, I will begin with the reaction of US Black politicians to the current situation in Haiti. This can shed some light on the forces that are trying to apply the brakes to the first stages of a fresh attack on imperial power by mass movements in *this* hemisphere.

The Congressional Black Caucus was very vocal in sounding the alarm before the February 29 coup against Aristide, a coup orchestrated by the Department of State's hatchet man, former Jesse Helms aid Roger Noriega. Headed by Charles Rangel and Maxine Waters, the perennial gadflies of the CBC, the CBC sent a delegation to visit Aristide as the first military incursions were launched by former Haitian death-squads and exmilitaries across the *Dominican border*.

(I know this because I spoke in March with a retired Dominican General who confirmed that these former soldiers and FRAPH death-squaders, led by former FRAPH leader Louis-Jodel Chamblain and cocaine smuggling cop Guy Philippe, were trained with the knowledge of the US Embassy in Santo Domingo, at the Constanza military base.)

The CBC called for *intervention* to protect Aristide (when in fact it was US intervention that was smashing through police stations with machineguns from Ouanaminthe to St. Marc), who had won the 2000 elections in a legitimate and overwhelming landslide, *and who would win today if elections were held again*. Protection of Aristide's Fanmi Lavalas government, said the CBC, was a question of the US's basic commitment to democracy. Note the appeal here to the American political mythology and to chauvinism.

(It's a pity, really, when the one bright spot on the whole 2004 electoral horizon was African American Cynthia McKinney's return to Congress after *challenging* Democrat Party orthodoxy on the question of Palestine. The reason many continue to vote the milquetoast center is because that's all they are ever offered... and as

Jim Hightower said, "There's nothing in the middle of the road but yellow stripes and dead armadillos.")

At any rate, as Aristide continued to call for peaceful mobilizations, US Marines entered his Tabarre residence with a prepared "resignation" for him to sign and the option to get on their privately chartered jet to Destination Unknown or remain and die with his family at the hands of approaching US-supported paramilitaries. Under these circumstances, Colin Powell had the temerity to call this a "voluntary resignation."

This coup had been in the works since the 2000 election, with a combination of political destabilization paid for by the covert-operations front foundation, the National Endowment for Democracy, and an embargo of half a billion dollars in entitlements and loans to cripple the Lavalas government's ability to deliver basic services.

The reason it surprised both the Congressional Black Caucus and many American progressives was that they did not then nor do they now understand (or acknowledge) the class dynamics of Haiti. The struggle in Haiti has always been a class struggle first and foremost.

The generically-described violence in Haiti now is not the manifestation of some primitive energy, but a very well-understood - in Haiti at least - general rebellion. And it is a rebellion that neither the *de facto* government of Gerard Latortue nor the sycophant forces of the UN International Mission to Stabilize Haiti (called MI-NUSTAH) have proven able to stop or control.

The initial call by the Congressional Black Caucus, however, for Aristide's return as Haiti's legitimate chief of state, and for the reinstatement of his Party, Fanmi Lavalas - most of whom have now been hounded into hiding or jail on trumped up charges - has now been dropped by the CBC.

The Black Caucus is calling now *on the UN*, which cosigned the coup with sponsorship of the post-coup military occupation, and on the de facto Latortue government, *to accelerate the program to hold new elections*. The CBC is asking for stability through the electoral legitimation of some new authority. There again is that alarm at the specter of grassroots rebellion and the apparently indestructible fetish of managed elections.

The CBC is obviously not directly at risk from the Haitian intifada. But they are fearful, for several reasons, of the necessary violence inhering in this kind of rebellion, which they fail to understand - again - because they themselves fail to comprehend, or are reluctant to acknowledge, the class content of it. The class position of the CBC itself might contribute to that reluctance, which then defaults to consideration of Haitians as a kind of

undifferentiated mass, subject to the pros and cons of American racial essentialism - the essentialism that underwrites both American racism and the demand for "racial" equality.

Haiti's status vis-à-vis the United States is a *race* question, in this essentialized version, and a question of Haiti Entire, not Haiti colonized and polarized by class.

The CBC and other class-blind Black equality advocates have a very well-founded fear that the Haitian intifada will throw gas on the fire of American white supremacy, and that racists will happily retransmit the images of "irrational anarchy" to buttress that most basic of white shibboleths, black debility of self-control.

This is not an unjustified fear. This particular portrayal of Haiti has long served white supremacy - but this pernicious ideology does not support mere inequality. It is the reflection of a colonial relation, as Penny M. Von Eschen's superlative book, *Race Against Empire*, documents - an account of the systematic and intentional elevation of Black leadership during the Cold War that *dropped its critique of colonialism* and the marginalization and persecution of anti-colonial and pan-Africanist Black leadership like W. E. B. Dubois and Paul Robeson.

Much of the current Black political leadership has inherited the Walter White, we-are-all-Americans, NAACP legacy, and they are severely circumscribed by that legacy and their entrapment inside the Democratic Party. This line and this legacy requires "race" to be declassed and the national oppression of African America to be characterized as mere "inequality."

The class analysis of Haiti's current intifada (and of Haiti generally) creates a great deal of discomfort for many in positions of African American social and political leadership precisely because of the United States' shared history with Haiti. There are disquieting similarities between the neocolonial relationship of imperial elites and Haiti, and the neocolonial relationship which those same imperial elites enjoy with the "internal colony" of African America. Bear with me on this business of colonization, at least as an analytical strategy.

Black leadership that is currently articulated into the structures of American power is granted its place within those structures based on its own tacit recognition of the myth of integration and its embrace of American chauvinism. The notion is that African America suffers mere "inequality," a quantitative measure, and not - as revolutionary Black nationalists have repeatedly pointed out - a structurally colonial form of subjugation, a qualitative separation that can only be resolved by the struggle for independence and self-determination.

Acknowledgement of the colonial features of African America's situation, which bears more than a passing resemblance to the situation in Haiti, does not bode well for the continuation of hegemonic influence in Black communities by most current Black leadership.

http://www.blackcommentator.com, a web site I highly recommend, recently ran a commentary that detailed how the Black electorate was abandoned in midsentence by the Democratic Party to chase after George Soros and his ilk. In an editorial entitled "Black Anger, White Money - A Crisis for Black Leadership," the October 14 issue of BC wrote:

Whatever happens on November 2, traditional African American leadership faces a crisis of historic proportions, a day of reckoning that has been approaching for more than three decades. Having virtually shut down the activist wing of the Civil Rights/Black Power Movement in favor of electoral and broker politics at the dawn of the Seventies, Black leadership now finds itself blackballed from the \$200 million-plus soft money Democratic campaign feast. Essentially, they have been sidelined from the only mass action game they chose to play.

Instead, 527 outfits jump-started by superrich, Bush-averse benefactors like George Soros (net worth: \$8 billion) dominate the street action in Black precincts throughout the 17 campaign "battleground" states. Paying \$8 to \$12 an hour for door-to-door canvassers, the New Jack 527s have supplanted (usurped might be a better word) the electoral functions previously performed by mainstream Black organizations such as the 84-member National Coalition on Black Civic Participation (NCBCP). chaired by Patricia A. Ford. "The people who are doing the work are the community - only they are working for 527s," said Ford, the former executive vice president of Service Employees International Union (SEIU).

With more than \$80 million in funding, the Soros-backed voter mobilization 527 America Coming Together (ACT) has assumed leadership of the African American electoral army. The de facto commander is ACT CEO Steve Rosenthal, former AFL-CIO Political Director.

On the mass communications front, political messages are crafted and paid for through the Media Fund, which has raised and spent about \$28 million dollars as of End Part One

October 10. The brainchild of former top Clinton aid Harold Ickes, the Media Fund is currently in the middle of a \$5 million advertising campaign centered on Black-oriented radio. The fund's president, Erik Smith, is a former aid to Missouri Democratic Congressman Richard Gephardt. Although selected African American individuals, consultants and public relations and media firms have been recruited to the ACT and Media Fund voter mobilization and media projects, the white folks are firmly in charge of the methodology and the message.

Patricia Ford's NCBCP, with a 28-year history of electoral organizing including Operation Big Vote and Black Youth Vote, was left out in the cold. Its modest goal to raise \$8 million dollars for "voter protection" - ensuring that citizens who show up at the polls are allowed to cast their ballots - now seems beyond reach and out of time. As a result, said Ford, "the election is in peril."

Full at http://www.blackcommentator.com/109/109_cov er campaign.html

And she was exactly right, as we are now seeing very convincing evidence from across the nation that Black voters were widely intimidated and disfranchised, yet again, in 2004. The Democratic Party's response? "Let's begin a period of healing."

End Part One

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(AS THE WORLD BURNS, cont'd)

December 1, 2004 2100 PDT (FTW) - **J**ohn Lennon wrote, "Life is what happens while you're busy making other plans."

Since the US general election, while many in the US and around the world have been recovering from a gut shot which left them gasping for breath, an "asymmetrical" mobilization for global conflict has begun at warp speed. While many of the world's citizens and nations were unprepared for a second-straight US presidential election theft, it is obvious that many of the world's more powerful governments were anticipating and preparing for it for some time. They had their track shoes on and were in the starting blocks on November 3rd. There is no other explanation for the pace at which economic, political, military and energy events have moved around the world in the three weeks since November 2nd. The end of the world "as we know it" is very close. There may be nothing that can be done to prevent it and only little that will soften its impact. This places even greater importance on what *FTW* has been advocating for many years: personal and community preparedness.

This article constitutes *FTW's* third-ever economic warning to its subscribers. The first, published on September 9, 2001 was followed two days later by the "attacks" on the World Trade Center and Pentagon. The second was on July 8, 2002 just before a precipitous drop in the Dow of more than 1400 points and the wiping out of more than a trillion dollars of shareholder equity, especially from pension funds.

One key to grasping the interrelatedness of these developments is to understand that dramatic economic collapse, especially in the case of a super power or an Empire, has historically created a power vacuum which has resulted in war. If, as von Clausewitz said, "war is a continuation of politics by other means," then we must also admit that politics is a continuation of economics; and economics is a continuation of energy. All economics (at least in this world) is founded upon energy, whether it is hydrocarbon energy or physical labor (food calories). There are 10 calories of hydrocarbon energy in every calorie of food consumed.

Energy is the ability to do work; it is, in effect, the ability to survive. Energy is economics.

Now, economic warfare several orders of magnitude above that which has occurred since 9/11 is underway. As much of the world hoped it would soon be dealing with a Kerry presidency that might have provided a partner still worth working with, it refrained from making economic moves that might permanently damage the US. There was no point in destroying the US economy until it became clear that the election was rigged and the neocons had been moving ahead with a hostile agenda

all along. For the world, November 2nd represented yet another Rubicon: there is no longer any hope of "peaceful coexistence" with the American Empire. Ultimately this conflict must become a physical one.

This apparently was what the neocons wanted to make clear as well. This is what they intend (it was what they meant by the phrase "nothing will stop us," repeated four times in Bush's RNC speech). They also wanted it understood that the Empire would willingly sacrifice its own people in a test of wills much as the Soviet Union did in World War II. As such, only the global elites, defined by money and power rather than nationality, stand to benefit in the short term. Indeed, given the nuclear threat involved, it is now debatable whether there will even be much of a long term (twenty years hence) to prognosticate about.

An all-out run on the dollar is imminent and from the moment that begins we will be living in a whole new ruth-less and unforgiving world. The best way to weaken the American military before fighting it is to eliminate as much of its funding as possible.

If my warning seems hyperbolic to you, then consider just one statement made by someone whose job it is to avoid hyperbole.

On November 23rd the *Boston Herald* reported on a shocking statement made by Stephen Roach, the chief economist for investment banking giant Morgan Stanley.

"Roach met selected groups of fund managers downtown last week, including a group at Fidelity. His prediction: America has no better than a 10 per cent chance of avoiding economic "Armageddon."

Press were not allowed into the meetings. But the Herald has obtained a copy of Roach's presentation. A stunned source who was at one meeting said, "it struck me how extreme he was - much more, it seemed to me, than in public."

Roach sees a 30 percent chance of a slump soon and a 60 per cent chance that "we'll muddle through for a while and delay the eventual Armageddon."

The core of Roach's analysis is the simple fact that, in order to keep the US economy afloat and maintain even moderate faith in the dollar, it must secure \$2.8 billion dollars a day in foreign direct investment (FDI), largely through the purchase of Treasury notes to service its bubble economy. Other sources have placed the required FDI at \$4 billion per day.

What is the sense of this as the Bush administration

raised the US debt ceiling by 800 billion on November 19th and continues to pull the rug out from under the dollar while at the same time cutting taxes and increasing spending? There were warning signs that these well-publicized moves were dangerous for Americans and their wallets more than two months ago when, on September 9th, the routine daily T-Bill auction at the US Treasury opened and no one showed up to buy.

Marshall Auerback - one of *FTW's* favorite economic analysts - writing for *Prudent Bear* (www.prudentbear.com) on Nov 16th reported:

Suppose they had a bond auction and every-body stayed home? We had a variant on that theme a few months ago. During a routine sale of U.S. Treasury bonds in early September, one of the essential pillars holding up the economy suddenly disappeared. Foreigners, who had hitherto been regularly buying nearly half of all debt issued by the U.S. government stayed home on September 9th.

"Thoughts of panic flickered out there," said Sadakichi Robbins, head of global fixed-income trading at Bank Julius Baer. To be sure, the foreigners returned in force at the next Treasury auction, and Sept. 9 was quickly dismissed as an aberration.

But the episode demonstrated something we have repeated on these pages ad nauseum: the extent to which the US remains dependent on the kindness of strangers in terms of sustaining its very way of life. We have posited the notion that a buyers' strike, a foreign creditors' revulsion, could arrive as a sudden thunderclap of financial crisis--spiking interest rates, swooning stock market and crashing home prices, a scenario which will not seem so absurd if we have a few more days like September 9th.

In the midst of these developments - common knowledge in Wall Street's boardrooms - Reuters reported on November 15th that bonuses for Wall Street executives were set to jump by 10% to 15% this year. Almost simultaneously, the *New York Times* reported on November 21st, "Soaring Interest Compounds Credit Card Pain for Millions." The latter story revealed that in recent months credit card companies have unilaterally increased (in some cases doubled) interest rates on credit card debt without notice. The net result has been drastic increases in minimum monthly payments and interest rates that have soared in some states to as high as 28%. What would you do if your monthly minimum on one card went from \$460 to \$780 dollars?

Most Americans today cannot dig out from that kind of

debt and this is a sure indicator that the weight of a major economic meltdown will be placed on the shoulders of consumers instead of corporations - at first. Consumers will never be able to dig out when the economy collapses. As Catherine Austin Fitts points out, lenders have an obligation to exercise diligence to see that borrowers are able to repay loans before making them. What is happening is that lenders are at one and the same time encouraging people to borrow while systematically undermining - universally - their ability to repay those loans. Americans are still being encouraged to borrow and spend when they should be being warned to cut back and decrease debt. The main reason is because soon - in the blink of an eye - the world is going to stop underwriting this binge-bubble economy and there will be no safety net for those weighed down by debt.

Why? It's called a wealth transfer. It happened in the Great Depression and *FTW* described it thoroughly in its <u>analysis of the crack cocaine epidemic</u> in South Central LA in the 1980s. The trillions stolen from the US Treasury, looted by stock manipulations and derivative-based investment bubbles, will be available to buy back our devalued assets at pennies on the dollar after the collapse.

This is the sickness of America's (and the world's) governing economic paradigm. This is also a sickness that is rushing the world toward the kind of war that spreads beyond human control very rapidly: World War I on steroids and amphetamines.

PRELUDE TO WAR - Dumping the Dollar According to a Plan - Iran in a Bubble

What has happened since November 2nd is that the entire world has been telegraphing a clear intent to stop providing America with its FDI subsidy. What has also been telegraphed is the administration's encouragement of this. The dollar will have to crash. But when? How far?

The rest of the world has realized that military confrontation with the US is not practical. Yes, it is true that the US military cannot wage a global war on many fronts. It is having a hard enough time holding its own in Iraq and Afghanistan. There will be no invasion of Iran. China has just signed a \$200 billion investment agreement with its government (<u>Asia Times</u>, Nov. 6th). India, Germany and Russia are signing oil and gas deals with Iran hand over fist. This is global insurance for Iran, which plans to open an oil futures trading bourse priced in Euros in 2005.

The US (Britain and Israel) cannot afford to attack hundreds of billions of dollars in Chinese, Russian, Indian, German and other foreign investments. It will not.

There are as yet no volunteers from among the other nations to suffer the carnage necessary to break the US military's back in an open firefight. But there are non-violent ways to fight the Empire which are in fact precursors to military confrontations. At some point the Empire will resort to what it knows, maybe in the Ukraine, maybe in Africa, maybe in Latin America. At some point after that, unless something is done, the safeties will come off nuclear and biological weapons. The unthinkable will become a rational option.

All of that may take less than a year. In the meantime the trick for the rest of the world is how to get out of the dollar *before* it plummets and thus protect foreign currency holdings.

Catch 22? Maybe not. Many countries are now signaling that they are willing to take a little shot in order to give the US a very big one. That's what November 2nd told Wall Street, the Treasury and the Fed. And - according to a November 29th AP story reprinted in Forbes -China's Central Bank has now moved in to try and manage the dollar's decline by buying and selling them through its four largest banks. The likely intent is to allow all the other nations aligning with this plan to get out safely with minimal losses. Only China has currency reserves (approximately US \$175 billion) and an economy big enough (even as Peak Oil is just beginning to hit home) to underwrite the switch and make it palatable to those taking the risk. It appears that since November 2nd the rest of the world feels it has much less to lose. They are correct. The oil and gas supplied by Iran are essential to the survival of many countries.

But China is also facing increasingly frequent blackouts due to energy shortages. If it is going to move on the dollar it must move before its economy slows and the US, Koreans, Europe, Japan, Canada, and the rest of the industrialized world start to shut down their factories there and withdraw their investments. In short, China must strike at the dollar while China stands a chance of winning. It will never have a better opportunity than right now.

The following story excerpts from Britain's *Telegraph* paint the picture.

Tension rises as China scours the globe for energy

By Richard Spencer (Filed: 19/11/2004)

China's insatiable demand for energy is prompting fears of financial and diplomatic collisions around the globe as it seeks reliable supplies of oil from as far away as Brazil and Sudan.

An intrusion into Japanese territorial waters by a

Chinese nuclear submarine last week and a trade deal with Brazil are the latest apparently unconnected consequences of China's soaring economic growth.

The connection, however, lies in an order issued last year by President Hu Jintao to seek secure oil supplies abroad - preferably ones which could not be stopped by America in case of conflict over Taiwan.

The submarine incident was put down to a "technical error" by the Chinese government, which apologised to Japan.

But even before the incident the People's Daily, the government mouthpiece, had commented that competition over the East China Sea between the two countries was "only a prelude of the game between China and Japan in the arena of international energy."

The Brazil trade deal included funding for a joint oil-drilling and pipeline programme at a cost that experts said would add up to three times the cost of simply buying oil on the market.

The West, however, has paid little attention to these developments. For the United States and Europe are far more concerned with the even more sensitive issues of China's relations with "pariah states."

In September, China threatened to veto any move to impose sanctions on Sudan over the atrocities in Darfur. It has invested \$3 billion in the African country's oil industry, which supplies it with seven per cent of its needs.

Then, this month, it said that it opposed moves to refer Iran's nuclear stand-off with the International Atomic Energy Agency to the United Nations Security Council.

A week before, China's second biggest state oil firm had signed a \$70 billion deal for oilfield and natural gas development with Iran, which already supplies 13 per cent of China's needs.

China has its own reserves of oil and natural gas and once was a net oil exporter. But as its economy has expanded by an average of nine per cent per year for the last two decades, so has its demand for energy...

Its projected demand, boosted by a huge rise in car ownership as well as the need to find alter-

natives to polluting coal for electricity generation, has contributed to the surge in the price of oil this year.

Shortages are already leading to power cuts in the big cities.

Since President Hu ordered state-owned oil firms to "go abroad" to ensure supply, they have begun drilling for gas in the East China Sea, just west of the line that Japan regards as its border.

Japan protested, to no avail, that the project should be a joint one.

The two are also set to clash over Russia's oil wealth. China is furious that Japan has outbid it in their battle to determine the route of the pipeline that Russia intends to build to the Far East.

Japan favoured a route to the sea, enabling oil to be shipped to both Japan and China. China wanted an overland route through its own territory, which would give it ultimate control if hostilities broke out.

Increasingly, analysts are saying that China's efforts have gone beyond what is safe or even in its own interests.

Claude Mandil, the executive director of the International Energy Agency in Paris, said the reserves in the East China Sea were hardly worth the trouble.

"Nobody thinks that there will be a lot of oil and gas in this part of the world," he said...

"If China's economy falters, which, in my view, appears increasingly likely, then commodity prices will plummet, and with them, the value of the assets that produce them," Jason Kindopp, Eurasia's lead China analyst, said.

"Beijing may end up in an early 1990s Japan situation, where it is forced to sell recently purchased overseas assets for a fraction of what it paid for them."

China's wider aggression to secure oil and gas was the greatest threat to its international standing in the next decade.

"Sudan is the primary example," he said.

"It marks the first time in recent years that China has promised to wield its veto power in the UN Security Council against a petition initiated by the United States and backed by France and Great Britain."

According to Bloomberg on November 12th, China has just signed a \$10 billion investment deal with Brazil to finance everything from factories to forestry, to ports to railroads, to energy prospecting. The key is not so much the assets; it's the combined economic power moving into a new power block and away from the US.

For three years *FTW* has been writing that China would be the endgame in the struggle for oil. If we were correct when we wrote that then the end game has arrived much sooner than we expected. The impacts of Peak Oil are magnified as they move through a complex, interdependent system of economic, political and military competition. In warfare (and that's what this is) the rule when both enemies are trying to take the same objective is that if you can't get it, you must deny it to your opponent also.

IF I CAN'T HAVE IT...

In other words, "If I can't have it then nobody can." What a magnificent statement of the current evolutionary state of mankind. Were the human race to have a tombstone, this might make an appropriate epitaph.

The signs are unmistakable that a rapid move away from the dollar is underway as other currencies like the Euro, the Yen and the Yuan show increasing strength. The Euro is becoming a hostage currency which the EU wants to weaken so as not to be priced out of the world exports markets. But I would not be surprised if strategic European thinkers - knowing that the Euro (either singly or in a basket with other currencies) is destined to become the currency of energy - are quietly supporting these moves. Every region is going to take some lumps here. The questions are when, where and how bad?

Rumors are again surfacing of the possible birth of an Islamic gold dinar. The dinar is a double whammy as globally the lid is being ripped off a decades-long conspiracy to suppress the price of gold. Gold has hit 16 year highs recently of over \$455 per once. Central banks, including the Fed, may soon be forced to reveal how much gold they have, or don't have. They will do anything to avoid disclosing where it went and why it isn't there. When that happens, the world - especially the American people - might be in for a real shock as we learn the truth about where "our" gold isn't.

The collapse deepens. Tens of millions of unemployed, especially the young, might face a choice between starvation and enlistment in the military. Maybe we won't need a draft after all. Maybe that's why both Bush and Kerry were so certain about it.

New and previously unthinkable economic and military alliances are rapidly emerging as geostrategic fault lines (e.g. the Ukraine) portend massive earthquakes, and as the US Federal Reserve has basically indicated that it will make no effort to support a dollar which is now beginning a freefall. That does not mean that there will not be corrections as the dollar occasionally bucks the trend, but the trend must ultimately prove to be mightier than the dollar because of American debt. Once a revolt like this is unleashed there is no turning back. The world will have to destroy America or be destroyed itself. The battle to control oil reserves continues. Oil is money.

Money is valueless without oil.

Russia, China, India, Brazil, and now Venezuela

The first task is for the world's major economic players to begin divesting dollars before they crash even further. Russia, Indonesia, Japan, Mexico and India have already begun such moves. The *Financial Times* reported on November 26th that mere whispers in China that its central bank might approve dollar (T-Bill) sales caused a near panic in financial markets until the rumor - an obvious trial balloon - was denied. The moment China starts selling dollars the rest of the world will crash down the doors of the bank to get rid of theirs as quickly as possible. The run on the dollar will be short, bloody and catastrophic.

Chinese Whispers Frighten Currency Markets

By Chris Giles Financial Times London Friday, November 26, 2004

The dollar fell to new lows on Friday on rumours that China might shift some of its currency reserves away from the greenback, highlighting the dollar-related jitters in financial markets.

The fragility in currency and bond markets has centered on fears that Asian central banks might dump US assets to avoid large losses as the dollar's value falls. The markets' nerves were highlighted by Friday's investor reaction to a report, later retracted, that China's central bank was offloading US Treasury bonds...

On Tuesday, the first deputy chairman of the Russian central bank said it might increase the proportion of its reserves held in euros.

Investors have taken the comments as a signal that the Chinese and Japanese central banks

might also be considering their asset holdings. If either began to shift into European or Asian assets, the dollar would plunge...

The bubble of protection surrounding Iran just gets bigger and stronger. It is obvious that the entire world is drawing a line in the sand over Iran beyond which the Empire knows it faces a fight to the death. Yet, in every public posturing the Cheney-Bush dynasty has made it clear that this fight is exactly what it wants, is seeking, and is prepared for.

Iran, Venezuela discuss oil price in Tehran

LONDON, Nov 29 (IranMania) - Venezuelan President Hugo Chavez arrived in Tehran Sunday for two days of high level talks, with discussions including the oil price ahead of next month's OPEC meeting, according to AFP.

"The topics of discussion will include oil relations between the two countries in OPEC and defending the oil price," Chavez told reporters in brief comments before he sat down for a meeting with Iranian President Mohammad Khatami.

Chavez, who is heading a high-level political and economic delegation, gave no further details.

OPEC has signaled it will stick with the dollar and there is a motive for this consistent with the dollar's ultimate demise. The Sydney Morning Herald reported on November 25th that OPEC president Purnomo Yusgiantoro has announced that OPEC will continue pricing oil in dollars because dollar denominated oil allows less affluent countries to arbitrage stronger currencies (i.e. the Euro) before converting to weaker dollars for oil purchases. While this will nominally hurt oil exporters like Saudi Arabia, Venezuela, Iraq and Iran in the short term, it will also be a way of sharing the already enormous wealth transfer underway as oil hovers near \$50 a barrel with less powerful nations and binding them into the new block. It is OPEC actually taking care of the rest of the world (for a while) and whether it is for altruistic or Machiavellian purposes makes little difference.

An Empire that cannot protect its vassal and tributary states is no longer an Empire but a carcass ripe for picking. This is how the world is beginning to see the United States from a geostrategic standpoint.

When the run on the dollar begins, OPEC will inevitably at some point switch its pricing to the Euro, which the entire world is wrangling - much to Europe's chagrin - into not only a safe-haven currency, but a profitable one. The next house is being built before the old one is abandoned. When the run on the dollar begins, it will be as if

the rest of the world declared war on the United States of America by launching a missile, dropping a bomb, or landing an army at Bethany Beach, Delaware. That this will lead ultimately to widespread global warfare seems certain. This is exactly the way the administration is setting it up to appear to the American people. Think of 9/11 times fifty.

The rest of the world is merely defending itself with non-violent means - for the moment. But it will be portrayed as an attack upon the US. "Why?" George Bush will ask, rhetorically. "They hate us because of our freedom."

And, barring a miracle, the end results will be exactly the same as from a physical attack: devastation so complete and unthinkable - magnified by the brutal impacts of Peak Oil - that only a few will even try to prepare for it. That is sad because preparation will make all the difference (barring luck or divine intervention) in who survives and to what extent they remain intact and functioning afterwards.

Berlin and Dresden at the very end of World War II, Stalingrad in 1942, and the cities of Hiroshima and Nagasaki, are the only earthly landscapes I can imagine which might be worse. This time however, most of the buildings will remain standing, empty and decayed; possibly the self-created tombstones of an ultimately self-destructive species. This is the horror of Peak Oil that I and many other researchers have foreseen and warned about for so long - some, like Richard Duncan (below) for much longer than others.

At some point however, likely within the next year, the all-out run on the dollar will take place and then the financial embers will burst into flames, perhaps even military confrontation. The latter will likely begin as "low-intensity" surrogate conflicts in Africa, Saudi Arabia, Eastern Europe and South America before the almost certain eruption of large-scale military conflict.

Some of us can and will prepare to one degree or another for this. FTW's main obligation and commitment to our subscribers is to provide them with information that makes them better informed, safer, more prepared and aware of what is really going on around them. For the eighty-one months that we have been publishing I can safely say that nothing we have ever published is as urgent or as clear as the warning we publish in this article.

Things have changed. No longer can I or *FTW* invest long periods of time to write the detailed and lengthy analyses which have become our hallmark. The world is changing too fast for that. There is only time to make you aware of patterns and breaking news stories in a way that no other publication is doing. Raising our vision

a little higher, and looking further down the road, the best service we can provide you is to focus more on breaking news and to integrate fast-breaking developments into what we hope is the map we have successfully drawn for you over almost seven years.

PEAK OIL IN OVERDRIVE - THE OLDUVAI CLIFF APPROACHES

Within two weeks of the publication of this warning, legendary oil geologist Richard Duncan will publish a new paper titled The *Olduvai Cliff Event: ca. 2007* after a peer review of Duncan's work is completed. *FTW* will bring that paper to you as soon as it becomes available.

Excerpts from that paper read as follows:

The Olduvai theory states that the lifeexpectancy of Industrial Civilization, defined in terms of world energy use per capita ("e"), is less than or equal to 100 years. History: We know that the peak of "e" [per capita hydrocarbon production] occurred in 1979 and that "e" declined from 1979 to 1999 (the 'slope'). Future: The Olduvai theory predicts that "e" will decline even faster from 2000 to the so-named 'cliff event' (the 'slide'). A previous study put the 'cliff event' in year 2012 (Duncan, 2001). However, it now appears that 2012 was too optimistic. The following study indicates that the 'cliff event' will occur about 5 years earlier than 2012 due to an epidemic of 'rolling blackouts' that have already begun in the US. This 'electrical epidemic' spreads nationwide, then worldwide, and by ca. 2007 most of the blackouts are permanent. The 'modern way of life' is history by ca. 2025. [emphasis added]...

Postulate 2 of the Olduvai theory states, "Energy production per capita (e) will decline exponentially from the cliff event circa 2008 to 2030." If that is true, then the population in the world's industrial nations, we argue, will go from about 3.3 billion in 2008 to about 0.9 billion in 2030, a net die-off of about 300,000 people per day in the 22 years from 2008 to 2030. [emphasis added].

Most Peak Oil advocates will think that this pushing up of the date is perhaps unjustified. I do not and neither does Richard Duncan whom I spoke with by telephone on November 29th. Almost all oil geologists understand and acknowledge that applying technology such as secondary recovery via water injection and horizontal bottle-brush drilling actually accelerates a field's decline by destroying the source rock. The same analogy applies to the ever more intense fight to either wrest oil supplies away from competitors or, failing that, to ensure that

competitors cannot gain access to what you are denied.

Iraq is a case in point, where the insurgency is routinely blowing up oil infrastructure to keep the US from benefiting from cheap oil. Peak Oil is more than just a geological event. It is rapidly coming to be understood as an economic, political and military event as well [that's why we capitalize it - Editor]. This is the focus that *FTW* has pioneered, especially in our analysis of September 11th 2001.

It can take ten years to bring a new so-called "mega field" of 500 million barrels (Mb) online. The average is three to five years. Oil discoveries have been in a steady decline since 1964. No new mega fields have been discovered in more than a year and we know which fields are scheduled to come online and when. Previously *FTW*'s Dale Allen Pfeiffer had calculated that by 2007 it was a mathematical certainty - all things remaining equal - that there would be absolute and unavoidable shortfalls of production.

But all things are not equal. Warfare, whether economic or military, destroys production capacity. It either blows up infrastructure, keeps fields from being developed, or robs nations and economies with capital and expertise of the ability to go out and even develop the few small fields remaining to be found.

Once major blackouts start hitting; once the US economy tanks and millions become unemployed; once banks and pension funds fail and the housing market collapses, a cycle will have begun which can only compound itself - thus preventing what would be the "ordinary" development of remaining fields. Human civilization may self-destruct before declining oil would have made it necessary. If the world is engulfed in war then neither the LNG tankers necessary to bring natural gas to the US nor the LNG terminals needed to receive it will be built. There won't be enough capital. There won't be enough remaining expertise. There won't be enough social order to complete even these stopgap measures. If Peak Oil does not destroy civilization, then our chosen course of waging war to get oil most certainly will both accelerate and worsen its impact.

And that is why we - as a species - stand on the brink of a very real Armageddon.

A FLOOD OF BREAKING NEWS

Stories are now breaking so fast that I cannot begin to process them all. *FTW* is going to have to reorganize and grow because the coverage of breaking news is now more important to you and to us than the detailed analyses and "mapmaking" we have worked so hard at for seven years. The best I can do as I conclude this

warning is list some of the other recent developments which have caught my eye and offer a few brief comments. In the context with what I have written above, these developments should reinforce the urgency of this message.

Warnings have recently been issued that Medicare, Medicaid and the Pension Benefit Guaranty Corporation may soon be insolvent (see *Crossing the Rubicon*).

Climate change and the possibility of a climatological collapse have accelerated as the Arctic ice cap is receding faster than anticipated. Publications from the *Christian Science Monitor* to *Al Jazeera* are publicizing reports from scientific institutes that the change is accelerating and even causing glaciers to melt in the Himalayas. The savage irony of this is that the oil industry is cheering this on because it will open up a Northwest Passage for shipping which will make it even easier to extract the few hundred million barrels of oil in the Arctic National Wildlife Refuge and open up sea lanes for faster transport of oil from Russia and Norway over the pole.

The Wall Street Journal reported on November 29th that China is acquiring submarines at a breakneck pace and this is causing alarm all over Southwest Pacific.

The World Trade organization has just slapped the US with first-ever punitive sanctions that may cost up to \$150 million per year for illegally protecting US steel makers from competition.

Warnings of a bird flu epidemic that could kill seven million people in the next year are being circulated by the WHO and major governments around the world.

Russia has announced that it will stop pegging the ruble to the dollar and Russian bonds have just been upgraded to investment grade by major rating agencies like Fitch; Standard and Poor's has announced it may follow suit.

All nuclear weapons research contracts held by the Lawrence Livermore Laboratories and the University of California have just been transferred to the University of Texas.

Housing Bubble -- On Nov. 16, according to the Associated Press, Fannie Mae, currently under investigation for cooked books, admitted a possible \$9 billion loss from derivatives as it auditor KPMG refused to sign off on its accounting sheets.

The Association of Southeast Asian nations (ASEAN) is mounting a diplomatic effort against Myanmar (Burma), allegedly over human rights reforms. But this happens just on the heels of an announcement that China is seeking to build a pipeline through Burma to the Indian Ocean to shorten tanker routes and avoid potentially troubled waters in the straits of Malacca and the South China Sea.

Guerilla insurgencies and US military involvement are spreading throughout Latin America as the US is pushing governments there to change their laws and procedures to permit more aggressive suppression of dissent, mislabeled as terrorism.

In Africa investment dollars from a multitude of countries including the US, Europe, China, India and around the world are flooding the continent as political instability, strikes, guerilla revolts and coup attempts have been reported in at least eight countries in the last three months. This will, of necessity, be the subject of an upcoming *FTW* series.

The Ukraine, a geostrategically vital pivot nation is becoming a battleground between the Bush and Putin regimes as Russia urgently seeks to extend its regional influence into Europe and keep open pipeline routes for Caspian oil to the Black Sea and its vital ports. Without Ukraine in its sphere of influence, Russia will revert to being only an Asian power instead of an Asian and a European power. The dispute over the recent election results by Viktor Yankuovych (pro-Moscow) and Viktor Yushchenko (pro-US) may lead to civil war and partition of the country. Do not be surprised if the Ukrainian conflict leads to a military confrontation between NATO and Moscow. The stakes are that high (watch for a coming article by Larry Chin of the *Online Journal* on this important subject).

As the US cuts back on troop deployments in South Korea, both halves of the divided peninsula have signaled an interest in reunification. This is a prelude to a strategic US withdrawal from the peninsula for the simple reason the US cannot, in today's world, possibly hope to defend it. The same might also be true for Taiwan if things get dicey. Recent massive US Naval exercises involving seven carrier battle groups not far from Taiwan (Operation Summer Pulse) revealed the importance of a region which includes oil deposits so small that International Energy Agency Chief Claude Mandil basically called them insignificant. How nervous would a US withdrawal from Korea make Japan? Taiwan? At what point will the line be drawn when the nukes come out? These are all questions that need to be answered.

I could not help but chuckle when I heard a recent announcement that "small but significant" oil discoveries had recently been made in the Falkland Islands (those grains of sand near Antarctica, for which Britain went to war with Argentina in 1982) and in Bosnia where hundreds of thousands of lives were sacrificed during the 1990s. Coincidence?

IMMEDIATE ADVICE

Take this to heart as if your welfare depended upon it. Do it as if the crisis was upon you today. These are only immediate steps. *FTW* is about to undergo a major reorganization so that we may bring you better real-time information and more solutions or options as they become available.

- 1. Curtail all unnecessary spending.
- 2. Reduce credit card balances.
- 3. Get to know and become friends with your neighbors on all sides.
- 4. Keep (at least) a week's worth of cash and food in your home.
- 5. Look at your residence and ask yourself what you could do to improve it if there were no heat and no electricity. Start preparing for both. Look at your insulation (if you own), your windows, curtains (a great source of heat loss) and roof.
- 6. Buy physical gold, not paper gold. I am convinced that we will see gold reach at least \$600 per ounce in 2005. It's a great way to hedge against a falling dollar.

These steps may not seem like much on paper. But when the deluge comes they will give you a head start that may save your life.

More to follow...

Michael C. Ruppert Publisher/Editor www.fromthewilderness.com

[Special thanks to excellent story-catching and analysis by Bill Murphy of the Gold Anti-Trust Action Committee (GATA) over the last three weeks of monetary madness. Bravo!]

ANOTHER INSULT FROM BUSH AND THE PENTAGON NEO-CONS

By Wayne Madsen

Washington, DC - November 22 still has meaning for me. Although I was in elementary school on this day in 1963, I vividly remember the shock and horror of a nation that experienced the brutal murder of its young and popular president on a Dallas street. But November 22

apparently no longer means much to either George W. Bush or his neo-con cabal who are currently consolidating their dominance over the Pentagon and setting their sights on the CIA and State Department.

This morning I decided to pay my respects to President and Mrs. Kennedy by doing something I don't do very often in Washington - visit a memorial. I first noticed something amiss when I walked through the main gate to Arlington National Cemetery from Memorial Drive, the same causeway that, on November 25, 1963, bore President Kennedy's horsedrawn coffin from Washington to be laid to final rest upon a hilltop overlooking the city. Roosevelt Drive, a pedestrian walk that pedestrians once took as the most direct route to the JFK Memorial was blocked by chain link fences and the iron gate was closed. Those wishing to visit the Kennedy gravesite were forced to walk over a mile out of their way, much of it uphill, to the site. For the old and infirm, the walk would have been too much. Taking the long route around to the JFK grave. it became apparent that other rial had also been closed, in-

cluding Weeks Drive, a shortcut to Roosevelt Drive. There was no noticeable construction and the barri-

cades prohibiting direct access to the Kennedy site were temporary in nature.

When I finally arrived at the grave, I was not surprised to find it - for a short time - devoid of other visitors. A sole National Park Service guard stood duty. It was as if November 22, 1963 and what happened that day was some insignificant factoid of American history.

Making matters worse, there is now a video game from Britain called "JFK Reloaded" in which a player can be Lee Harvey Oswald and earn points by shooting Kennedy from the Texas School Book Depository. The player loses points if he or she hits Jackie. But the Bush administration, which rails against indecency on television and radio, does not feel compelled to have the Federal Trade Commission rule against the marketing of

such a game to young people in the United States. Not surprisingly, the premise of the game is that Oswald did it, alone; that's exactly what the Bush family would have us believe. But more on that later.

A spokesman for Senator Edward Kennedy called the "despicable." game That word applies aptly here, too: those with the power to do so have walled off most of the easiest access routes to the Kennedy grave site. And it is probably no more despicable in having as the White House Press Secretary Scott McClellan, whose father and Texas attorney. McClellan, penned a book suggesting that Lyndon Baines Johnson was behind the assassination. In fact, Johnson always suspected that the CIA, whose ranks included one Texas oilman named George H. W. Bush, was somehow involved with the assassination of President Kennedy.

Just why the Department of Defense and the Department of the Army would need to close off the major access routes to President Ken-

nedy's grave site on November 22 is anyone's guess. Washingtonians are accustomed to barricades around



For seemingly no reason, Roosevelt Drive from a spot around the corner from the Kennedy site is closed to the public on the 41st anniversary of the president's assassination in Dallas.



access routes near the memothe Memorial Drive, main access route to the Kennedy grave, from the Memorial Drive entrance to Arlington National Cemetery.

our most cherished and popular monuments and landmarks, but this is a new level of symbolic aggression and contempt. The National Cemetery Administration told me that complaints about closing off the route to the Kennedy grave should be directed to the Departments of the Army and Defense.

It was the intention of the Kennedy family and his ad-

ministration that the President be buried on federal property so the grave would be accessible to the American people. That was the wish of Secretary of Defense Robert McNamara after he heard that initial plans were to bury the President in the Kennedy family's plot in Holyhood Cemetery near Brookline, Massachusetts. McNamara, in his capacity as Secretary of Defense, made special plans to inter Kennedy at Arlington. The current Secretary of Defense, Donald Rumsfeld, apparently saw no problem with blocking

PEDESTRIANS PROHIBITED

Weeks Drive, one of the direct access routes to the Kennedy grave site on the morning of November 22, 2004.

easy access to the Kennedy grave site on this 41st anniversary of the President's assassination.

Perhaps the memory of Kennedy is a bit too much for

the neo-cons in the Pentagon. Just consider the differences between Bush and Kennedy. One was a bona fide war hero who was beloved by the American people and the world. The other is a draft dodger who failed to show up for his required medical exams and mandatory training and duty and is hated throughout the world. One started the Alliance for Progress to create better living conditions in Latin America. The other permits his thuggish Secret Service agents to get into a fracas and creates a diplomatic inci- Park Service ranger stands vigil. dent by requiring Asia Pacific

The Kennedy grave site on the morning of November 22, 2004. Once the with Chilean security agents scene of November 22 memorial services, today only a sole National

Economic Cooperation banquet guests in Santiago to go through a metal detector. One brought the world to peace from the edge of nuclear war. The other seeks to plunge the world into a series of never-ending wars. One was brutally murdered in Dallas. The other used Dallas as a base to feather his financial nest by making

deals on money-losing oil exploration companies, a taxpayer-funded baseball stadium, and shady political accommodations with crooked politicians and terroristconnected Saudis that would make the politicians of Tammany Hall uncomfortable.

There is something about the name "Kennedy" that seems to make the Bushes quite upset. The USS John

> F. Kennedy was even dispatched on a dangerous deployment in the Persian Gulf as part of an exercise aimed primarily at future military action against Iran. Morale on board the Kennedy is at an alltime low, and in recent months its Commanding Officer and a fighter squadron commander have been relieved for cause. E-mails from Navy personnel on the ship confirm that tempers against the Pentagon and Bush are running high.

> But there is something else about John F. Kennedy in particular that makes the Bushes jumpy. The name "George

Bush" appears much too frequently in documents, some newly released, relating to the assassination of President Kennedy. Since there is no statute of limitations on murder or accessory to murder, I can understand why

> Bush pere and fils may want to erase November 22, 1963 from the history books.

> The document trail linking George H. W. Bush to those involved in the assassination of President Kennedy is nothing less than chilling. First is a memo dated November 22, 1963, from FBI Special Agent Graham Kitchel to the FBI Special Agent in Charge in The subject is Houston. "Unknown Subject: Assassination of President John F. Kennedy." The memo states:

At 1:45 p.m. Mr. George H. W. Bush, President

of the Zapata Off-shore Drilling Company, Houston, Texas, residence 5525 Briar, Houston, telephonically furnished the following information to writer by long distance telephone call from Tyler, Texas.

BUSH stated that he wanted to be kept

confidential but wanted to furnish hearsay that he recalled hearing in recent weeks, the day and source unknown. He stated that one JAMES PARROTT has been talking of killing the President when he comes to Houston.

BUSH stated that PARROTT is possibly a student at the University of Houston and is active in political matters in the area. He stated that he felt Mrs. FAWLEY, telephone number SU 2-5239, or ARLENE SMITH, telephone number JA 9-9194 of the Harris County Republican Party Headquarters would be able to furnish additional information regarding the identity of PARROTT.

BUSH stated that he was proceeding to Dallas, Texas, would remain in the Sheraton-Dallas Hotel and return to his residence

on 11-23-63. His office telephone number is CA 2-0395.

So we have George H. W. Bush telling the FBI that he did not know the source of the information but knew that a John Bircher named James Parrott, who was the same age as Lee Harvey Oswald (24), wanted to kill President Kennedy in Houston. Bush did not know much about Parrott but gave the name of two Republican Party officials in Houston. Of course, Bush's Zapata Off-Shore Drilling Company had been a CIA

front since 1960 and had supplied the Bay of Pigs invasion (code named "Zapata") force with two of his company's ex-U.S. Navy landing craft, renamed the "Barbara J" and the "Houston." In any case, Bush's phone call to the FBI was a false lead, and Parrott was cleared. However, Bush's phone call creates more questions about him than about Parrott. First of all, there is no evidence that Bush was in Tyler when Kennedy was shot. There was no Caller ID in those days that would have allowed Special Agent Kitchel to know, for a fact, that Bush was calling from Tyler. Bush's wife, Barbara, claimed he was in Tyler but Bush once said he may have been in Port-au-Prince, Haiti that day. But Bush himself admits to the FBI that he was booked into the Sheraton Hotel in Dallas on November 22.

Bush always had a keen interest in what files the government had on Kennedy's assassination. When he was CIA Director in 1976, Bush wanted to see all the agency's files on the Kennedy assassination. His memos specifically requested information on Oswald,

Jack Ruby, and others linked to the assassination. In her book The Family: The Real Story of the Bush Dynasty, author Kitty Kelley writes that "Years later, when [Bush] became president of the United States, he would deny making any attempt to review the agency files on the JFK assassination... when he made this claim, he did not realize that the agency would release 18 documents [under the Freedom of Information Act] that showed he had indeed, as CIA director, requested information-not once, but several times-on a wide range of questions surrounding the Kennedy assassination."

Then there is the business of the November 29, 1963 memo from the Director of the Department of State's Bureau of Intelligence and Research to J. Edgar Hoover, the FBI Director. The subject is "Assassination of President John F. Kennedy, November 22, 1963." The memo states:

Our Miami, Florida, Office on November

23, 1963, advised that the Office of some misanti-Castro raid against



Three roses atop President Kennedy's grave.

Coordinator of Cuban Affairs in Miami advised that the Department of State feels guided group might capitalize on the present situation and undertake an unauthorized Cuba, believing that the assassination of President John F. Kennedy might herald a change in U.S. policy, which is not

true.

Our sources and informants familiar with Cuban matters in the Miami area advise that the general feeling in the anti-Castro Cuban community is one of stunned disbelief and, even among those who did not entirely agree with the President's policy concerning Cuba, the feeling is that the President's death represents a great loss not only to the U.S. but to all of Latin America. These sources know of no plans for unauthorized action against Cuba.

An informant who has furnished reliable information in the past and who is close to a small pro-Castro group in Miami has advised that these individuals are afraid that the assassination of the President may result in strong repressive measures being

taken against them and, although pro-Castro in their feelings, regret the assassination.

The substance of the foregoing information was orally furnished to us, George Bush of the Central Intelligence Agency and Captain William Edwards of the Defense Intelligence Agency on November 23, 1963 by Mr. W.T. Forsyth of this Bureau.

A copy of the above memo was furnished to the Director of Naval Intelligence. That is important for reasons that will be explained in the following paragraph.

Not only was George H. W. Bush, a known CIA operative, in Dallas on November 22 but he was also keeping track of the stance of pro-Castroites in Miami. That would have been important because Lee Harvey Oswald, Kennedy's accused assassin was supposed to be a pro-Communist member of the "Fair Play for Cuba Committee." But he was also associated with the "Anti-Communist League of the Caribbean" and "Friends of Democratic Cuba." And his apparent control officer was FBI agent Guy Bannister, formerly of the Chicago FBI office and a former Naval Intelligence officer, whose office "Guy Bannister Associates, Inc." a CIA cut-out for training anti-Castro Cubans, was located at 544 Camp Street in New Orleans. 544 Camp was also the address used by Oswald's "pro-Communist" "Fair Play for Cuba Committee." The local Office of Naval Intelligence was across the street from 544 Camp.

The Director of Naval Intelligence is made privy, as an "info addee," to the aforementioned State Department memo on the reaction of pro- and anti-Castro Cubans in Miami to Kennedy's death.

Oswald, while stationed at a classified U-2 base in Japan as a U.S. Marine, would have had his security clearance adjudicated by the Office of Naval Intelligence.

Bush's role as a CIA operative in the Bay of Pigs invasion, a military action in which the Office of Naval Intelligence was closely involved, suggests that the other links between Bush, ONI, and the anti-Castro Cuban exiles are not benign.

George H. W. Bush has still other, more oblique links to Kennedy assassin. The Houston-based conspirator James Parrott, Guy Bannister was a fervent John Bircher. Bannister was not only associated with Oswald but also David Ferrie, the commander of a Louisiana Civil Air Patrol unit whose members included not only Oswald but also James Reynolds Bath, the future buddy and Texas Air National Guard pal of George W. Bush. According to one of Bath's former Houston business

associates, Bath became a pilot through the cadet program of the Louisiana Civil Air Patrol, a known recruiting ground for future CIA agents. Six days before Pearl Harbor, the Civil Air Patrol was founded by Dallas oilman David Harold Byrd who also owned the Texas School Book Depository from the 1930s to 1972. Another supporter of the Louisiana Civil Air Patrol was Claire Chennault, the founder of China's "Flying Tigers" and the notorious "Civil Air Transport" of China that later became Air America. Chennault died in New Orleans' murky intelligence-connected Ochsner Foundation Hospital in 1958. In 1964, Byrd apparently removed the "Oswald" window pane from the fifth floor of the Texas School Book Depository and made it a souvenir fixture in his home.

Another connection between Bush and the assassination is George DeMohrenshildt, an anti-Communist White Russian-émigré who befriended fellow White Russian Marina Oswald and her husband Lee upon their emigration from the Soviet Union to Texas, where DeMohrenshildt was involved in the oil business. De-Mohrenshildt's son-in-law told the Warren Commission that is was likely that his father-in-law was involved with the Kennedy assassination. DeMohrenshildt had an interest in pursuing oil exploration contracts with Haitian President Francois "Papa Doc" Duvalier - something that may have involved George H. W. Bush's one-time alibi that he was in Port-au-Prince on November 22, 1963. In March 1977, the House Assassinations Committee was due to interview DeMohrenshildt but iust a few hours before his scheduled appearance he was found dead of a "self-inflicted" gun shot wound. When DeMohrenshildt's personal address book was discovered, it was found to contain the following entry:

"Bush, George H.W. (Poppy) 1412 W. Ohio also Zapata Petroleum Midland" Number: "4-6355"

From the directory entry it appeared that DeMohrenshildt, who was rumored to be with the CIA, knew George H. W. (or Poppy as his family calls him) from before 1959, when Bush moved from Midland to Houston. It is also noteworthy that while he was taking care of the Oswalds during 1962, DeMohrenshildt was in close contact with Admiral Henry Bruton, the former Director of Naval Communications, who would have played an important supporting role for Naval Intelligence's activities in the Bay of Pigs invasion.

As I walked away from President Kennedy's grave site this morning - looking forward to another one mile detour around the normal direct access walkway - I pondered why the Pentagon and the White House would dishonor our 35th President in such a manner on the anniversary of his murder. But then the words of President Kennedy's Inaugural Address on January 20, 1961 sprang to my mind: "In the long history of the world, only a few generations have been granted the role of defend

ing freedom in its hour of maximum danger. I do not shrink from this responsibility - I welcome it. I do not believe that any of us would exchange places with any other people or any other generation. The energy, the



The "Eternal Flame" - still casts a glow on an otherwise dark and gloomy Washington.

faith, the devotion which we bring to this endeavor will light our country and all who serve it-and the glow from that fire can truly light the world."

Kennedy spoke of light. The Bushes speak of fear and gloom and they represent darkness. If he were alive to-day, Kennedy would agree that as with World War II and the Cold War, freedom is once again in its "hour of maximum danger" - a danger from within the United States, from within the country's own institutions of government. By closing off the roads leading to Kennedy's Eternal Flame, the Bush administration is once again showing its contempt for America's traditions, its past. But as suggested in this article, the Kennedy assassination may be something the Bushes do not want that Eternal Flame to illuminate.

Ironically, on the morning of this 41st anniversary of President Kennedy's assassination, the Associated Press filed this report from Houston:

A private jet that was en route to Houston to pick up former President Bush clipped a light pole and crashed Monday as it approached Hobby Airport in thick fog, killing all three people aboard.

The Gulfstream G-1159A jet, coming into Houston, went down about 6:15 a.m. in an undeveloped area 1 1/2 miles south of the airport, officials said. The former president had been scheduled to travel to Ecuador for a conference.

God does, it appears, work in mysterious ways.

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The Power of Delusion

By Dale Allen Pfeiffer and Elizabeth Anne Pfeiffer

[In "Snap Out of It," Mike Ruppert advised readers not to be hypnotized by either the bogus election or its appalling result. The Left is vulnerable to a trance-inducing melody that repeats, and repeats, "you were cheated... cheated... cheated... it isn't fair... no fair... no fair." The danger is that this particular fraud - the pseudo-election of 2004 - will absorb their attention while implying that the rest of American institutions are more or less intact. Those institutions are, of course, rapidly crumbling.

Here Dale Allen Pfeiffer examines the much larger hypnosis, whose captive audience numerically dwarfs the Left wing of the Democratic Party. This is the Puritanical spell that afflicts those tens of millions who regard Bush as some sort of virtuous hero, rather than the "mentally ill empty suit" one reads about in Crossing the Rubicon. Why do they do it? Here are fifteen reasons, a set of techniques used by the image-managers and their elite employers in a successful effort to monopolize the freedom to persuade and to suggest. "The Power of Delusion" is especially rich in sources for further reading. Enjoy. -JAH]

Much madness is divinest Sense-To a discerning Eye-Much Sense- the starkest Madness-'Tis the Majority-In this, as All, prevail-Assent-and you are sane-Demur-you're straightway dangerous---And handled with a Chain-

-Emily Dickinson (poem 435), c. 1862

What is going on with the US population? How could anyone vote for George W. Bush? This guy shouldn't be in the White House, he should be in prison. And now, with the fascists vindicated in the White House and in control of the House and the Senate (and soon the Supreme Court), the future is wide open. We will likely see more war, more death, and the complete pillaging of the US economy and our social system (social security, medicare, school budgets). We could see not only the outlawing of abortion, but the criminal prosecution of any woman who obtains an abortion. We could see the reinforcement of the Patriot Act, the scrapping of the Bill of Rights, and the full establishment of a police state. We could see a nuclear attack, ecological devastation, and the impoverishment of the working class.

Is this the future for which approximately half of the US

population voted? Are these people brain dead or what?

Contrary to the way we might feel about it, the people who supported Bush are not stupid. Nor are they in favor of the future outlined above. These people truly believe that they are voting for a better, safer world. A world where moral values are enshrined and where terrorism is thwarted by a strong military. A world of continued prosperity which extols the superiority of the American dream. In a word, they are deluded. (For a study on just how deluded Bush supporters are, see *The Separate Realities of Bush and Kerry Supporters*, Kull, Steven, et al. The PIPA/Knowledge Networks Poll, 10/21/2004.

http://www.pipa.org/OnlineReports/Pres_Election_04/Report10_21_04.pdf.)

How can such a large percentage of the US population remain blinded by denial in the face of so much evidence which flatly contradicts their view of reality (and isn't such delusion a feature of psychosis)? When the rest of the world clearly sees and deplores what is happening, how is it that a majority of the US population-which prides itself on freedom of information and informed democracy-has not clue what is really happening? How is this delusion being maintained? Through a few simple techniques.

1. Promote a system of socialization in schools that trains people to respect and obey authorities and not to question the system.

The ideological purpose of school is to inculcate students into a system of obedience which will prepare them for the workplace and turn them into complacent, unquestioning citizens. Teachers are themselves indoctrinated while they are still in college. When I once looked into obtaining a teaching degree at a major teaching university, I was first given a verbal examination to find out how I would handle various situations. The exam concluded that I had a tendency to handle things in a non-authoritarian manner (that is, I tried to teach students to think for themselves and give them a voice in decision making), and I was told I would have to go through a program of behavioral modification before I could undertake a teaching degree.

Students are expected to obey teachers and to ask permission for everything, including attending to their own bodily functions. Free time is severely restricted and any child who shows a tendency to daydream is deemed afflicted with attention deficit disorder and recommended for medication. Creative and individualistic thinking is allowed only within narrow channels. To paraphrase Utah Phillips, our educational system equips us with the tools of the ruling class, but teaches us nothing of the history and the tribulations of the working class.

For a thorough discussion of the educational system,

please read The Underground History of American Education, written by John Taylor Gatto, New York State teacher of the year in 1991. Mr. Gatto subsequently resigned from his teaching position, and dedicated his life to teaching people about the true nature of the educational system and the development of alternatives. You can read his book online or purchase a print copy at http://johntaylorgatto.com/underground/. For a short article by Mr. Gatto on the first six lessons all school children in the US are taught, go to this site http:// www.cantrip.org/gatto.html. Another short overview of the US educational system can be found at http:// www.hermes-press.com/education index.htm. For a classic alternative to the US educational system, read Francisco Ferrer's The Origin and the Ideals of the Mod-School. http://dwardmac.pitzer.edu/ anarchist archives/bright/ferrer/origin.html

2. Encourage and rely on a social system where anyone who dissents is viewed as deviant.

This factor ties in with the socialization process of the schools mentioned above, and with the religious fundamentalism mentioned below. Once you vocalize your dissatisfaction with the current socioeconomic system. you become an outcast and may even be viewed as a pervert. This ostracism has been observed and commented on by social psychologists in a number of social settings. This mechanism is responsible for the insular quality of most social groups, and breeds the "either you're with us or against us" mentality espoused so recently by George W. Bush. Through this mechanism, the influence of the social pariah is limited. The dissident's only hope is to join a social group which shares his or her views. See Whistleblowers: Broken Lives and Organizational Power by C. Fred Alford (Cornell U. P., 2001).

3. Rely on and encourage family dysfunction, so that people are reacting from their own inner wounds and seeking acceptance and forgiveness.

Coming from a dysfunctional family, a man or a woman is less likely to practice critical thinking and more likely to think in a reactionary manner based on his or her personal emotional wounds and immature psyche. A member of a dysfunctional family generally harbors some feelings of inadequacy and will strive to conform and be a good citizen in order to gain acceptance and to be forgiven for his or her perceived faults or failings. For a powerful study of the relationship between authoritarian parenting and the espousal of punitive and authoritarian policies in adult life, see *The Politics of Denial*, by Michael Millburn and Sheree Conrad (M.I.T. Press, 1998).

4. Reinforce the atomization of society so that peo-

ple have fewer opportunities to communicate openly.

The atomization of society is an effect of the commercialization of everyday life and the privatization of the commons, along with the growth of private car ownership. The barn raising, the fall harvest, the sewing circle, the Sunday picnic, and barter have been replaced by freeways, shopping malls and television. The effect of this atomization of society is the limitation of public discussion and social activity. Instead of basing your view of reality on the world you perceive around you and an open discussion of issues, reality largely becomes a construct of the electronic media. Neighbors become nuisances at best, and the community at large is perceived to be a hostile place of drug fiends, rapists and muggers. The friendly stroll is replaced by the harassed drive where you must vie for the road with other aggressive drivers. The friendly barter or community market is replaced with an impersonal commercial outlet where you must compete with other shoppers for overpriced goods which are generally supplied by underpaid workers. See Geography Of Nowhere: The Rise And Decline of America's Man-Made Landscape, by James Howard Kunstler (Free Press, 1994), and Bowling Alone: The Collapse and Revival of American Community, by Robert Putnam (Simon and Schuster, 2000).

5. Keep people stressed, afraid and insecure, while reporting that the economy is improving using only data for the upper percentiles of the population. This factor actually comprises several factors which interact to keep people in a state of confusion, frightened, insecure and wondering where they went wrong.

Though it is instilled in us at public schools that this is a free country where anyone can become a millionaire if she simply puts her mind to it, people find themselves struggling just to stay afloat, working long hours or holding down two or three jobs. The effect is to keep workers stressed, preventing them from thinking clearly and leaving them without the time and inclination to study the important issues and take a critical look at major events. The stressed individual is, instead, inclined to simply accept what is presented to him or her in a few minutes of televised news broadcast or in a glance at the headlines of the daily newspaper.

While struggling to stay afloat, the stressed worker is presented with a picture of a healthy and robust economy, where the stock market is bounding and the economy is awash in prosperity. This picture of economic prosperity is not tainted by statistics such as the number of chronically unemployed who have used up their unemployment benefits, or the number of underemployed. This economic picture does not mention that in comparison with the cost of living the wages of the average worker have actually been in decline for the past thirty years, or that CEOs now make up to 500 times what

their blue collar employees earn. It does not mention how overvalued the stock market has become, the derivatives bubble, the housing bubble or any of the other bubbles which are preparing to burst with disastrous effect. It avoids discussing how our economy is subsidized by money laundering, or the large scale looting of our economy. Nor does it portray the level of personal debt, or the skyrocketing number of bankruptcies and foreclosures.

In short, the struggling worker is given a picture of the economy from the perspective of a CEO, to go along with the ruling class history which was taught to him and her in school. In trying to reconcile this image of reality with their own struggle to stay afloat, the stressed worker is often left to conclude that he is at fault for failing to take advantage of all the opportunities around him, or that she is simply plagued by bad luck.

On top of this, we are bombarded with sensationalized news stories (murders, rapes, robberies, drive-by shootings) which serve to frighten us and make us more wary of social interaction. And then there are the terrorist alerts issued periodically by the Department of Homeland Security: vague, undefined alerts whose purpose can only be to increase public paranoia.

For an interesting examination of how our economy actually works, check out Catherine Austin Fitts' website. http://www.solari.com. And her overview, Narco-dollars for Beginners, archived at http://www.ratical.com/coglobalize/narcoDollars.html. Michael C. Ruppert also does any excellent job of mapping out the economy in his book, Crossing the Rubicon: The Decline of the American Empire at the End of the Age of Oil (New Society Publishers, 2004). For an honest look at economic indicators, I recommend http://www.dailyreckoning.com. http://www.dailyreckoning.com, and http:// www.prudentbear.com. Also consider Damned Lies and Statistics: Untangling Numbers from the Media, Politicians, and Activists (U. of California Press, 2001), by Joel Best.

6. Support reactionary thinking and religious fundamentalism. And encourage the projection of fears and personal faults onto the Other, making him / her / them the enemy.

More than just the opiate of the masses, religion is a control mechanism. All theistic, organized religions tend to subject their believers to authoritarian control. One of the founders of the current fundamentalist movement in the US, Rousas Rushdoony, founder of the Christian Reconstruction Movement, wrote that "Christianity and Democracy are inevitably enemies." (*The Independent Republic*, R.J. Rushdoony, 1964.) While Rushdoony's ideas for a biblical reworking of the US Constitution and social structure are considered extreme, all of the platforms and goals of the religious right can be traced to

his ideas.

7. Throw any residual dangerous information down the memory hole.

The war in Afghanistan (You mean we've still got troops there?), the prison camp at Guantanamo (We're still holding prisoners there? Haven't they gone to trial?), weapons of mass destruction (I don't remember them saying we had proof positive, much less that they could attack the US). As soon as I get out of work this evening, I've got to take Billy to the dentist, and then pick up Suzy from soccer practice. I guess it's MacDonald's for dinner again tonight.

When people are overworked, left too stressed and fatigued in their off time to engage in critical thinking, and bombarded by media input which actually helps to numb their cognitive faculties, is it any surprise they can't remember what happened yesterday?

8. Rely on the media to underreport serious issues and leave out important details.

Have you heard much about the war in Afghanistan? The Plame investigation? The Congressional investigation into the Bush administration's WMD claims? What about these so-called Iraqi insurgents, where are they all coming from? Have you heard anything about Pakistani ties to Al Qaeda or the 9/11 hijackers? I'll bet you did hear about Saddam Hussein's supposed connection to Al Qaeda, but did you see the subsequent retractions? If you're reading FTW, you probably know about all this - but most of the people around you do not. For a critique of the selectivity and self-censorship of the mainstream media, see the classic study by Noam Chomsky and Edward S. Herman, Manufacturing Consent: The Political Economy of the Mass Media (Pantheon, 1988). For a critique of the selectivity and self-censorship of the "progressive" media, see: http://www.questionsquestions.net/gatekeepers.html, and http://www.oilempire.us/gatekeepers.html.

9. Rely on the media to present a frame of reality which places an honest assessment outside of the viewer's comfort zone.

All of the sit coms and TV dramas, all of the commercial music and Hollywood movies either present us with some variation of the American dream, or they paint the world as a dangerous place fraught with peril. Even our evening news is staged so that the anchors appear wholesome, trustworthy pillars of the community commenting on what is socially acceptable and what is morally deplorable. Consume and be happy, we are told, but don't venture out into your own neighborhood. Rarely are we informed of the social costs of our American dream, or the destructive side of mass consump-

tion. When this dark side of the dream does intrude, we feel uncomfortable and powerless. It's a shame, but it's best not to think about it.

10. Count on the complicity and compromises of your opponent, while utilizing these complicities and compromises to present yourself as the honest candidate.

Kerry could not do the right thing and condemn the Iraqi invasion as unlawful, otherwise he would be guilty of war crimes for voting in favor of the war. Therefore, his stance was disingenuous, and people could detect that he was not being honest. Bush, on the other hand, has been saying the same thing all along, and truly believes in what he is doing (and that is the scary thing). The Democrats, in general, give lip service to supporting the working class and then go on to act in behalf of their corporate sponsors. Meanwhile, the Republicans are quite open about their corporate allegiance, while courting the moral concerns of the religious right.

11. Repeated denial of culpability on major issues which could result in criminal charges (i.e. WMD, prisoner torture, 9-11 complicity, the Plame investigation).

Bush vigorously maintains that he has made no mistakes during his years in office. Meanwhile, his administration continually sidesteps on major issues where they are culpable, lying to Congress and the public about Iraqi weapons of mass destruction, denying that they encouraged the torture of prisoners, denying that they had any foreknowledge of or involvement in 9/11, refusing to release important records of Cheney's energy task force - the list goes on and on. The repetition serves to drill what they are saying into the public consciousness, even when it is an outright lie. Part of this robotic repetition of patent falsehoods is based on Bush's personal pathology, and part is based on an incredibly cynical practice of strategic opinion management by his handlers, chiefly Karl Rove. For the former, see for instance The Bush Dyslexicon: The Sayings of George W. Bush (W.W. Norton, 2002) by Mark Crispin Miller, excerpted at: http://www.alternet.org/story/10988; also, Bush on the Couch: Inside the Mind of the President (Regan Books, 2004), by Justin A. Frank. For the latter, see Bush's Brain: How Karl Rove Made George W. Bush Presidential (Wiley, 2003), by James Moore.

12. Appeal to emotions using keywords and images; subconscious suggestion through staged media events.

How many times have we seen Bush speaking with a gathering of police, firemen, or military personnel in the background? The implication is that he has their full support. How many times during the campaign did we

see Bush dressed casually, leaning on the platform, chewing the fat with common folks? How many times has he linked the words pride, American and freedom? How many times has he linked the words terrorist and evil?

13. Control the terms of conversation and debate using verbal framing. neurolinguistic programming (NLP).

The terrorists have declared a war on freedom while our imperialistic efforts are a War on Terrorism. The invasion of Iraq is a mission to free the Iraqis from dictatorship and bring democracy to the region. Ditto Afghanistan. There is no Iraqi resistance, it is a terrorist insurgency. The legislation which trimmed the Bill of Rights was the Patriot Act. The effort to limit our freedom, crush diversity, and oppress women and minorities is a desire for moral values. Right?

For more on framing and how it is used in politics, see http://www.rockridgeinstitute.org/perspectives/simple_framing. See also the work of George Lakoff, including Moral Politics: How Liberals and Conservatives Think (Chicago, 2002), and Don't Think of an Elephant: Know Your Values and Frame the Debate--The Essential Guide for Progressives (Chelsea Green, 2004). Anyone interested in this issue should also read George Orwell's great essay of 1946, "Politics and the English Language," found online in its entirety at various sites, e.g.: http://www.resort.com/~prime8/Orwell/patee.html.

15. Focus on minor, sensationalized issues which favor your candidate.

This year it was gay marriage. While polls show that the majority of Americans could care less whether a gay couple gets married or not, the religious right galvanized their followers around this issue. With the divorce rate as high as it is, what does that say about the sanctity of marriage? I suspect the religious right was worried that gay couples would have a lower divorce rate than heterosexual couples. Common decency makes it obvious that consenting adults ought to marry whom they choose - but to spell that out is to legitimize the artificial frenzy that moved this issue to the center of an entire election.

Conclusion

We have reviewed some of the major factors behind Bush's popular support. As Mike Ruppert says, while documenting voting irregularities is important, it is an exercise for historians. If we are to have any hope of changing the direction in which this country is heading, then we have to understand why so many people supported Bush against their own economic, ethical, social and spiritual interests. Analyzing the factors enumerated above, we must develop new strategies for breaking through delusion and denial so that we can help bring people to their senses before our Constitution is completely supplanted by Christian Fascism.

Additional Sources

In addition to the sources mentioned above, I urge everyone to read the following books and web pages. In order to preserve our freedom, we need to learn how government, industry and the media influence the way we think.

Brainwashing America, Norman D. Livergood. http://www.hermes-press.com/brainwash1.htm. An excellent web page from an excellent web site.

Television and the Hive Mind, Mack White. http://www.mackwhite.com/tv.html

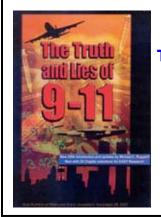
Stepford Citizen Syndrome: Top Ten Signs Your Neighbor is Brainwashed, Maureen Farrell. http://www.democraticunderground.com/ articles/02/09/05_stepford.html

PR! A Social History of Spin, Stuart Ewan, Basic Books. http://www.bway.net/~drstu/home.html

The Father of Spin: Edward L. Bernays and the Birth of Public Relations, Larry Tye, Owl Books. http://www.prwatch.org/prwissues/1999Q2/bernays.html

Weapons of Mass Deception: The Uses of Propaganda in Bush's War on Iraq, Sheldon Rampton & John Stauber, Jeremy P. Tarcher (publisher).

Toxic Sludge Is Good for You!: Lies, Damn Lies and the Public Relations Industry, John Stauber & Sheldon Rampton, Common Courage Press.



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Cynthia McKinney: "We Need *Narco News*, and It Needs Us"

A Letter from Georgia's Congresswoman-Elect on the Need for Authentic Media

By Cynthia McKinney Please Distribute Widely

November 9, 2004

Dear Friend.

I am one of the silver linings to come out of Election Day 2004 in the United States.

After being driven from my seat in Congress two years ago by a hostile corporate media that seeks to demonize those of us who speak our minds and our hearts against power, the voters of Georgia's Fourth Con-

gressional District returned me to Washington on November 2nd.

I return to Washington ready to fight.

But before I get to Washington in January 2005, I ask you to join me in contributing to the Internet newspaper that made a free online media possible in the United States and elsewhere: Narco News.

When we contribute to the journalism of <u>Narco News</u> through <u>The Fund for Authentic Journalism</u>, we in Civil Society also become co-publishers of the newspaper - a pioneering experiment that is working to bring democracy to the Media. Read more about this innovative project, and

make a contribution today, at this link: http://www.authenticjournalism.org

Here is why our contributions to The Fund for Authentic Journalism and participation in *Narco News* are so urgently important today:

The voters brought me back from the political grave in disobedience to a Commercial Media that told them I was too radical for the United States Congress. They endlessly repeated falsehoods about my family and me. They distorted my political positions. If you know the story of the Fourth Congressional District in Georgia, you already know the score.

But the voters saw through the Commercial Media this time. Why?

Because an alternative media is rising from below, through which we were able to correct the record, and allow authentic truth to shine its light above all the lies.

The cutting-edge of that alternative media exists on the Internet. It would not have existed in 2004 if not for the heroic battles fought by *Narco News* three years ago to win press freedom rights for Internet journalism.

It was *Narco News* that, through its <u>2001 New York Supreme Court</u> victory, established First Amendment protections for all Internet journalists. *Narco News* literally opened the legal door through which all other alternative media and bloggers on the Internet marched through to enjoy press freedom.

During that court battle, in September 2001, I wrote an open letter to the law firm that sued *Narco News* and its publisher Al Giordano on behalf of billionaire bankers, and sent a copy to the Court. I said:

"A respected journalist telling the truth, at risk to his own safety, should not be facing a lawsuit meant to silence him. The lawsuit is without merit. Cease the case immediately and issue a formal apology."

Three months later, the New York Supreme Court issued its landmark decision protecting *Narco News* from that billionaire attack, which will be recounted in law school textbooks for decades to come as the turning point for press freedom on the Internet.

None of the online media that exist today - the bloggers, the journalists, the web pages of alternative media - would be able to do what they do if not for the sacrifice and fighting spirit of *Narco News* before them.

Beyond the legal precedent, *Narco News* continues to be the shining lighthouse setting the example for all online and alternative media about how to practice credible journalism that is not beholden to advertisers and big money interests.

What we read on *Narco News* is credible journalism, "reporting on the drug war and democracy from Latin America," that time and time again over four years has changed the course of history. *Narco News* led the way in foiling the coup attempts in Venezuela when the Commercial Media dishonestly claimed that President Hugo Chavez had "resigned." *Narco News*' reporting along the U.S.-Mexico border has become the chosen media of whistleblowers in the DEA, the Department of Homeland Security, Customs, and other law enforcement agencies. I know - because I hear all about it from the Washington insiders - that the border reporting of *Narco News* correspondent Bill Conroy regularly leads to shake-ups, firings, reassignments, and concrete changes in how those agencies operate. Hispanic and black law enforcers, in particular, count on *Narco News* to combat the rampant discrimination inside U.S. border agencies. And *Narco News* has the bureaucratic bosses running scared as a result.

Let's talk about racism in America for a moment. *Narco News* is the only online media of its size that doesn't just talk about combating racism: It is a shining example of a truly integrated, multi-cultural, multi-lingual, grassroots media. The *Narco News* School of Authentic Journalism has trained 100 journalists of conscience over the past two years. Although there is no law requiring *Narco News* to practice affirmative action, *Narco News* walks its talk. At least half of all young journalists given scholarships by *Narco News* are Latin American, and at least half are women.

The right wing has been indoctrinating young journalists with its own scholarship programs for 30 years. The *Narco News* School of Authentic Journalism is the first project of its kind to fight back by building an international army of truth-telling journalists of talent and fighting spirit.

You would think that a project like *Narco News* that does so much so well would be thriving economically. Well, it is not. There is no profit in fighting against greed. But if we, the people, don't act now to democratize the media, the undemocratic money-driven media will continue to make authentic democracy impossible in the United States.

One of the huge lessons from the 2004 elections is the folly of placing all our activist eggs (and funds) in election campaigns. The opposition in the United States raised more than \$100 million dollars in small contributions via the Internet this year. I know my campaign benefited greatly from that trend. You may be one of the donor-activists who gave to my campaign or to others, and if so, I thank you for it.

But for the past three months, while everybody was making online credit card contributions to election campaigns, we forgot about the need to keep the alternative media strong. Donations to The Fund for Authentic Journalism - more than \$60,000 in the first half of 2004 - dried up as everyone's focus was on elections.

Now the election is over - elections, alone, didn't work to change the country or the world - and we need our alternative media more than ever.

Narco News, as the first and best example of how non-profit authentic journalism can and does work, is the first of many that we must save and make grow stronger.

More exciting is that our participation in *Narco News* doesn't begin or end with a financial donation. It's the groundbreaking participatory nature of *Narco News* and its online group blog - The Narcosphere - that makes all of us who contribute to *Narco News* partners in the project. There, if we have donated labor as journalists, or money as citizens, we become "co-publishers" of the newspaper, and can comment, criticize, correct facts, add information, and discuss with others every single report published by *Narco News*. I don't know of any other newspaper that gives the readers so much power to directly keep journalists honest and be participants, not just consumers, of the media.

That's why, today, I have signed up for my co-publisher account on *Narco News*, and I ask you to do the same. *Narco News* has created the space for us in Civil Society - no matter what our political party or tendency is; all voices are in-

vited - to be part of the newspaper.

Narco News continues building a revolution in journalism, tearing down the monopoly walls that once gave First Amendment rights only to Commercial Media. You can join me as a co-publisher of Narco News by making your contribution today to The Fund for Authentic Journalism.

You can make that contribution online at: http://www.authenticjournalism.org/

Or you can send a check made out to "The Fund for Authentic Journalism" at:

The Fund for Authentic Journalism P.O. Box 71051 Madison Heights, MI 48071

I want to know, when I return to Congress next January, that *Narco News* is on a strong financial footing again. If it is not, my job will be so much more difficult, and not only on the issues of democracy and the drug war, but also on all our priorities for a more just, fair, and open society.

We have all spent recent months in election campaigns, with mixed results, and we have ignored our alternative media to our own peril. The next two months we need to make up for lost time and bring *Narco News* and authentic journalism back to health, because every battle that comes next will be dependent on it.

Authentic Media, and the citizens it mobilized, brought me back to Washington.

Today, let's mobilize together to sweep Authentic Media to its new and rightful place as the path to replacing, and democratizing, all media in our lifetimes.

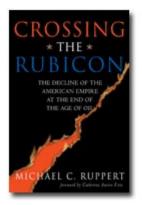
Without democracy in media, democracy in politics won't be possible. When it comes to the First Amendment, I say "first things first." Let's save and strengthen the online newspaper that founded the Authentic Journalism renaissance. Let's flex our political muscles where it most counts: in building that alternative media.

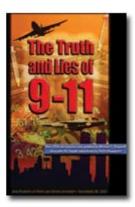
Let's have another mighty success story before January 1, 2005. If, together, we accomplish this task, then all will truly not be lost come the New Year.

Sincerely, Cynthia McKinney Congresswoman-elect 4th District, Georgia

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Draft Extradition Update

As r	egular FT	W readers	know, four	months ago we be	egan contac	cting the embassi	es and cons	sulates of	75 counties
and	asking th	e following	question: "	Under existing trea	aties, is	obligated	to extradit	e fugitives	(back) to
the	United Sta	ates for dra	Ift evasion?	II					

Replies have come slowly, but since this chart was first published in the Feb '04 issue of this newsletter, we have received additional replies from the following countries: Argentina, Brazil, Colombia, Nigeria, Peru, Poland, and South Africa). Last updated April 22, 2004, this chart will be continually updated until all 75 countries on our list have responded. Updates can be viewed online, in Mike Ruppert's article, "Nowhere to Run, Nowhere to hide."

	Extradite Yes/No?	FBI LEGAT	NORTH- COM	NATO	ANZUS	CONDITIONS
Argentina	No*	Yes				* "Requested State may refuse extradition for offenses under military law that are not offenses under ordinary criminal law (article 4, military offenses-paragraph 4"
Australia	Yes	Yes			Yes	
Brazil	Yes	Yes				
Canada	Yes	Yes	Yes	Yes		
Colombia	Yes	Yes				Case by case basis
Germany	Yes	Yes		Yes		
Italy	Yes	Yes		Yes		
Mexico	Yes	Yes	Yes			
New Guinea	No					Will not extradite
New Zealand	No				Yes	Will not extradite if violation of military law
Nigeria	No	Yes				"No treaty exists between US and Nigeria to mandate repatriation of draft dodgers"
Norway	No			Yes		Discretion of Foreign Ministry
Panama	Yes	Yes				
Peru	Yes					Case by case basis
Philippines	Yes	Yes				
Poland	No	Yes		Yes		"Extradition can also be denied if military offense does not constitute a felony under existing national penal code (Art 5, subsection 4)"
Portugal	No			Yes		
Russia	No	Yes				"No agreement for extradition exists"
South Africa	No*	Yes				"The Executive Authority of the Requested State shall refuse extradition for offenses under ordinary criminal law."
Spain	Yes	Yes		Yes		
Sweden	No					No, if only crime is against military law
Switzerland	No	Yes				No, if only crime is against military law
Thailand	Yes	Yes				