

# Establishment Olympos defies God in stock-market hoax

by Lyndon H. LaRouche, Jr.

On Oct. 20, although the New York stock market joined markets around the world in plunging to new lows, the Dow Jones Index rose by a reported 102 points. The rise was caused by Federal Reserve chairman Greenspan's pouring uncounted billions of printing-press money into banks, brokerage house, and blue-chip corporations. The 30 stocks used to compute the Dow Jones Index rose, and a few other selected blue-chips as well, while the market as a whole actually fell.

This sort of cosmetic cover-up has been typical of Reagan administration response to problems of the U.S. economy since the end of 1982. The entirety of what the President has called "59 months of recovery" is based upon nothing but the same kind of manipulation of economic indices seen on the New York Stock Exchange on Oct. 20.

Some might call this continuing use of calculated deception "a corrupt practice." Unfortunately, something worse than corrupt political motives is involved. The administration actually believes, as do many so-called economic experts, that "psychology" is the dominant factor in shaping the ups and downs in not only the stock market, but the economy as a whole. The administration actually believes that "talking up prosperity" will cause prosperity, and that depressions are prevented by concealing anything which might be read as "bad economic news."

For that reason, the administration might sincerely believe that its worse-than-useless manipulation of the Dow Jones Index on Oct. 20 will "cause a recovery."

This sort of bungling must be rooted out of our government, urgently. It is important that we not be so simple-minded as to imagine that the Reagan administration invented the deluded practice under which it has been operating. We must locate the roots of this sort of practice, and uproot them; otherwise, we are unlikely to find a cure for the economic collapse which is overtaking us.

Our institutions and citizens would not tolerate that sort of manipulation for an instant, except for the postwar conditioning of our people, to accept the idea that whatever popular opinion believes is true, is true.

## Reagan economic policy as 'psy-ops'

Walter Lippmann's famous and influential *Public Opinion* illustrates the point; "psychological warfare" techniques for manipulating popular opinion were already in progress during the 1920s. Over the post-war period, especially the recent 25 years, U.S. policy-shaping has been dominated by the increasing perfection of techniques of "psy-ops."

Television broadcasting reduced the portion of advertising income flowing into the print media. The effectiveness of "psy-ops" manipulation of news media was increased by near elimination of political competition in news coverage. The depth of journalistic work by news media was cut back heavily. The wire services, television news coverage, and a handful of major dailies came to exert a monopoly over press opinion on major areas of national and foreign developments. A handful of witting figures placed in key positions could shape the editorial policies of thousands of local print and electronic media, even without the local media being aware of the fact that their editorial policies were being controlled in this way.

The news and entertainment media were enabled to secure almost fine-tuned control over what was called the "free public opinion of a democratic society." To that degree, Orwell's 1984 was becoming an ugly, utopian reality.

I know how our media are controlled so, through my own involvement in intelligence work internationally, through my knowledge of the decisive breaking events on a national and world scale, and through tracing out the way in which coverage of my activities has been the victim of a centrally orchestrated falsification for more than 15 years.

During the summer of 1986, I was called a "political extremist" as a result of my fight with Hollywood liberals such as Elizabeth Taylor over the issue of applying existing public-health law to AIDS. From that time on, nearly every news outlet in the United States put the label "political extremist" in front of my name. Similarly, nearly every news channel, since October 1979, has devoted the largest portion of its coverage of me to repeating the lurid charges copied ritually from the pen of drug-lobby spokesman Dennis King.

This is by itself conclusive proof of broad news-media complicity in a centrally coordinated “psy-ops” operation.

A majority of the U.S. citizenry has been quite literally “brainwashed” by a corrupt, controlled news media. More and more, the quality of the journalists employed by the news media are younger persons turned out by centers such as the Columbia University School of Journalism, persons whose lack of traditional moral standards suits them to employment by what the news media have become during the past 20 years.

This has become the chief instrument through which manufactured real and fictitious scandals have been the means to orchestrate elections, manipulate governments, and corrupt the processes of justice at the federal, as well as state and local levels. Successful politics has become the art of becoming part of this “psy-ops” system built up around the controlled news and entertainment media.

The Reagan administration is not to be singled out for blame, when it plays this game in the way it responded to “Black Monday’s” worldwide stock-market crash.

### When will it end?

From his grave, the great tragedian Aeschylus is laughing, while the chief character of his most famous drama, “Prometheus,” nods agreement. Seeing the way in which official Washington has reacted to “Black Monday,” Aeschylus and Prometheus comment: “So do the mighty gods of Olympus fall, as the price of their long defiance of the Creator.”

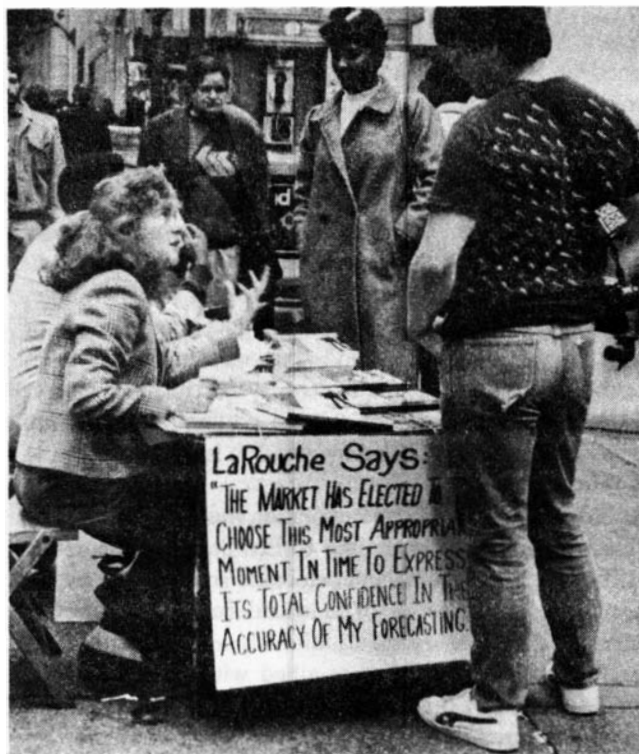
There is an international concert of very wealthy families, which is the most powerful component of the ruling U.S. liberal establishment. These include the royal and aristocratic families of Europe; they also include untitled sorts of noble financier families, in the U.S.A. and Europe, modeled upon the noble families of Venice.

The biological members of these families play less and less a policy-shaping role in the destiny of nations. The effective power lies less with vast, interlocking financial corporations, such as family trusts and foundations, all modeled upon the Venetian institution known as the *fondo*.

These *fondi* are administered by a combination of elite law firms and financial-management organizations. The leading figures in such legal and management enterprises are the ones who actually shape the policies of the families’ *fondi*.

The hierarchy of power is organized in financier syndicates, for which the vastly powerful reinsurance cartels of Venice are the top-most ranking power today. The power runs through lesser, but vastly powerful reinsurance cartels. Under all normal conditions, these reinsurance cartels take no capital risk, and therefore enjoy an infinite rate of return on their net operating and capital-gains incomes.

Below these lie the ordinary major banking cartels, coordinated through powerful investment-banking institutions.



Supporters of Lyndon LaRouche at a Wall Street rally, Oct. 20, 1987.

There is a monopoly on world trade in, and prices of food, run chiefly through Switzerland, as one branch operation of this complex of *fondi*. For the past 30-odd years, this food cartel has run the U.S. Department of Agriculture, for example, as it does under such accomplices of Cargill, Armand Hammer, and Dwayne Andreas as Secretary Richard Lyng today.

Of course, the biological heirs of these *fondi* are highly mortal, and have become more mortal than usual since the AIDS epidemic discovered the sexual practices common among the international chic set. The personality of the families lies in the corporate form of the families’ existence, the *fondi*-like institutions. It is the *fondi*, juridically the Roman-style *pater familias* of the family, which is the true personality of the family as a power. It is the managers of the *fondi*’s interests, who are the center of power.

The corporate form of these families is an aristocratic ruling class, sitting above the governments of Western Europe and the Americas. As a class, it is a distinct social species; but, except in matters it sees as representing the vital interests of its social-class species as a whole, it is often divided in its policies. The various factions and families within the class tear and bite one another routinely, with theft and murder commonplaces of inter-family dealings. In these and related respects, this social class is a real-life imitation of the mythical gods of Olympus.

Contrary to the socialist propagandists, this is not a capitalist class. It is traced directly to the ruling social class of

ancient Mesopotamia, the social class against which the American Revolution was fought. The system of political-economy which this social class has sought to impose and defend, since the ancient Chaldeans and Phoenicians, is based on a system of usury first known to have been established in ancient Mesopotamia and Phoenicia.

It divides society between ordinary people, as subject nations and individuals destined to pay usury to the *fondi*-like family class, and the ruling aristocrats and Tyre-like, Venice-like financier-nobles, who collect the proceeds of usury in such forms as ground-rent, speculative profits on trading monopolies in raw materials, and financial usury. The system of usury is not only an economic relationship between the ruling class and the ruled; it is also a social and a political relationship.

Although the American Revolution was accomplished by those who sought to create the United States as a republic freed of the grip of such an aristocratic social class, by the time of the 1776-83 War of Independence, the families of American Tories associated traditionally with Harvard, Yale, and Princeton today, families allied with the British and Dutch East India Company then, were a powerful minority. Through a series of onslaughts, aided by great wealth acquired in the African slave-trade and the China opium-trade, this class of former American Tories of the 1763-1815 conflicts with the British House of Hanover became, by the time of President Theodore Roosevelt, a ruling social class of "patricians" viewing themselves as a ruling class of the Roman imperial type.

They became, together with their like in Western Europe, a real-life aristocratic social class in the image of the doomed mythical gods of Olympos.

## The doom of Olympos

In Aeschylus' famous tragedy, Prometheus' warning to the gods of Olympos, his oppressors, is that they have set themselves up as gods, ignoring and defying the real God the Creator. Since the Olympians have had great success in playing their dirty tricks upon nations and persons, the ruling families of Olympos have come to imagine that there is no power over man and nature greater than the power of their own capricious whims.

Prometheus warns: By acting in defiance of the laws of the Creator, you would-be gods of Olympos have set your wills into defiance of the laws which the Creator has embedded in the universe. The result of such defiance will always be, that those who set themselves up as gods in this way, will be destroyed. The destruction of Olympos will occur, not as an arbitrary act of will by an angry Creator; the destruction will be wrought automatically, through the efficient laws which the Creator has built into the design of the universe.

That is the significance of "Black Monday." The Reagan administration's monetary and economic policies have been in defiance of the laws of nature. U.S. agriculture and man-

ufacturing were deliberately collapsed, to enrich speculators. The basic economic infrastructure of the United States, upon which the productive power of labor depends, has been rotted away. In sections of our cities looking more like the bombed-out cities of 1945 Europe, people driven into the depths of wretchedness, fight for existence with rats, roaches, and disease. Similarly, these same policies have crushed the economies of the traditional trading partners of the United States, especially since October 1982.

The ability of the average person to survive on this planet, and within the United States itself, has been savagely depleted, for sake of what the Reagan administration has regarded as the desirable greater paper profits of a relatively small gang of rentier-financier interests. The President has ignored the plight of the many, to praise the nominal wealth of the few as "59 months of unbroken prosperity."

The Reagan administration expresses this as a commitment to a set of adopted policies. Whoever supports these policies is considered "loyal," and "one of the good guys." Whoever casts doubt on these arbitrary choices of ruinous policies, is treated as an adversary, "one of the bad guys."

Meanwhile, I, like Aeschylus' Prometheus, have warned that these policies are leading to precisely the sort of doom of Olympos which exploded on "Black Monday." As early as May 1987 I even supplied what is now proven to have been the correct date for the first eruption of a general collapse of the international financial bubble, the biggest international financial crash in history.

How did the President respond? Week after week, he delivered nationwide addresses, not naming me, but denouncing as "doom-sayers" those who issued statements untrue to me.

When the crisis struck, his administration still refused to face reality. Instead, he responded in the worst possible way, ordering the Federal Reserve System to unleash the forces of potential hyperinflationary explosion.

The President does not believe that the laws of physical cause and effect operate to govern the amount of useful goods produced and consumed per capita. While the real economy has been collapsing, because of his policies, he has seen the growth of a pure financial bubble on financial markets as a measure of "economic growth." In other words, he has served the arbitrary whims of the rentier-financier gods of Olympos in defiance of the Creator.

All "psy-ops" is based on the same defiance of the Creator. "psy-ops" is a technique for brainwashing popular opinion into believing that something unreal is true, in order to prevent popular opinion from reaching conclusions based on the simple realities of experience. The object is to make people the kinds of utopian slaves Orwell describes in his famous *1984*, by inducing people to accept the habit of believing what the news and entertainment media tell them to believe, and to reject as incredible any facts which are in contradiction to such psy-ops-manufactured popular opin-

## Black Tuesday 1929: just a 'correction'

Even a cursory look into the archives of the 1929-33 period, following the crash of the stock market in October 1929, reveals some striking parallels to the responses of today's elected officials and "financial analysts":

**Oct. 22, 1929.** Professor Irving Fisher of Yale: "Even in the present high market the prices of stocks have not caught up with their real values. Yesterday's break was a shaking out of the lunatic fringe that attempts to speculate on margin."

**Oct. 23, 1929.** Stocks fell sharply.

**Oct. 24, 1929.** Charles E. Mitchell of National City Bank: "This reaction has badly outrun itself."

**Oct. 24, 1929.** *New York Times*: "Confidence in the soundness of the stock market structure notwithstanding the upheaval of the last few days was voiced last night by bankers and other financial leaders."

**Oct. 24, 1929.** Thomas W. Lamont of J.P. Morgan and Co.: "Prices of many important issues had been carried down below the levels at which they might be fairly expected to sell."

**Oct. 25, 1929.** President Herbert Hoover: "The fundamental business of the country, that is, production and distribution, is on a sound and prosperous basis."

**Oct. 26, 1929.** Stocks again fell sharply.

**Oct. 29, 1929.** Stocks plunged wildly. John D. Rockefeller announced that conditions were fundamentally sound, and he was buying stocks.

**Oct. 30, 1929.** John J. Raskob, Democratic Party

National Chairman, in a statement in the *New York Times*: "Prudent investors are now buying stocks in huge quantities and will profit handsomely when this hysteria is over and our people have opportunity in calmer moments to appreciate the great stability of business by reason of the sound fundamental economic conditions in this great country of ours."

**Nov. 18, 1929.** William Green, president of the American Federation of Labor: "The Federal Reserve System is operating, serving as a barrier against financial demoralization. Within a few months industrial conditions will become normal, confidence and stabilization in industry and finance will be restored."

Mass unemployment then struck American labor. Banks collapsed throughout the world.

**Oct. 22, 1932.** Detroit, Michigan. Speech of President Herbert Hoover: ". . . the tide has turned and the gigantic forces of depression are in retreat. Our measures and policies have demonstrated their effectiveness. . . . Recovery would have been faster but for four months of paralysis during the spring months while we were defeating proposals of the Democratic House of Representatives to increase governmental expenses by \$3.5 billion. . . ."

"Manufacturing production has increased by ten percent. . . . The Department of Commerce shows that over 180,000 workers returned to the manufacturing industry in August, 360,000 more in September. . . ."

**1932.** Campaign slogan of President Herbert Hoover: "Prosperity is just around the corner."

The Great Depression increased in its fury, continuing until 1939. Then President Franklin Roosevelt, in defense preparations, geared up the peacetime economy, deliberately promoting industrial development with cheap credit and government contracts.

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"All my friends believe," becomes the means by which the credulous, half-brainwashed citizen argues against any facts which contradict a psy-ops-manufactured "popular opinion."

The President believes that "Black Monday" was not caused by anything real, but only by "bad psychology." So, he considers it perfectly proper to fake the Dow Jones statistics by inflationary manipulation of markets, to cause a correction of "bad psychology."

"We will not lose the war, as long as we continue to believe we are winning it," is the famous policy of Nazi Propaganda Minister Josef Goebbels, from the beginning of 1943 onward, almost to the end. So, the White House believes that the inevitability of the biggest international financial crash in history can be prevented simply by a few sleight-

of-hand tricks of manipulating opinion expressed by the nightly news media dispatches.

So, "whom the gods would destroy, they first make mad." Prometheus' warning now stares us in the face.

It might still be possible for some of the establishment to come to its senses, and rally behind the emergency measures of reform I have proposed. In that case, they and the nation would survive this crisis. In that case, they would survive, not as gods of Olympus, but as a part of a revived American System of political-economy. Otherwise, Olympus and the rest of us are likely to be carried deep into the pits of crisis.

If we wish to survive, we had better quickly recognize that President Reagan's present policy, like George Bush's presidential campaign, is a delusion; we had better act quickly to ensure that we do not come down together with our modern would-be gods of Olympus.