



Trendevents December 2008

Not just super rich caught up in Madoff case – Dec.15, 2008

Alleged Ponzi scheme also ensnared banks, pensioners and charities

NEW YORK - The list of investors who say they were duped in one of Wall [Street's](#) biggest Ponzi schemes is growing, snaring some of the world's biggest banking institutions and hedge funds, the super rich and the famous, pensioners and charities...The alleged victims who sunk cash into veteran Wall Street [money manager](#) Bernard Madoff's investment pool include a trust tied to real estate magnate Mortimer Zuckerman and a charity of movie director Steven Spielberg. The Wall Street Journal reported that the foundation of Nobel laureate Elie Wiesel also took a hit...Among the world's biggest banking institutions, Britain's HSBC Holdings PLC, Royal Bank of Scotland Group PLC and Man Group PLC, Spain's Grupo Santander SA, France's BNP Paribas and Japan's Nomura Holdings all reported that they had fallen victim to Madoff's alleged Ponzi, or pyramid, scheme.

The 70-year-old Madoff (MAY-doff), well respected in the investment community after serving as chairman of the Nasdaq Stock Market, was arrested Thursday in what prosecutors say was a \$50 billion scheme to defraud investors. Some investors claim they've been wiped out, while others are still likely to come forward...“There were a lot of very sophisticated people who were duped, and that happens a great deal when you've had somebody decide to be unscrupulous,” said Harvey Pitt, a former chairman of the Securities and Exchange Commission, a regulatory agency in charge of monitoring investment funds like the one Madoff operated...The extent of the potential damage prompted a leading fund manager in London to lash out at U.S. regulators for failing to detect the fraud earlier...“I think now it is very difficult for people to invest in things that are meant to be regulated in America, because they haven't fallen down in the job,” Nicola Horlick, the manager of Bramdean Alternatives, which has 9 percent of its funds invested in Madoff's scheme, told the British Broadcasting Corp...“All through the credit crunch this has been apparent,” Horlick added. “This is the biggest financial scandal, probably, in the history of the markets.”

Among U.S. investors, the Boston-based Robert I. Lappin Charitable Foundation, a charity that financed [trips](#) for Jewish youth to Israel, let go of its staff after revealing that the money for its operations was invested with Madoff... New Jersey Sen. Frank Lautenberg, one of the wealthiest members of the Senate, entrusted his family's charitable foundation to Madoff. Lautenberg's attorney, Michael Griffinger, said they weren't yet sure the extent of the foundation's losses, but that the bulk of its investments had been handled by Madoff... Lautenberg's foundation handed out more than \$765,000 to at least 100 recipients in 2006, according to the most recent listing on Guidestar, which tracks charitable organization filings...The foundation helps support a variety of religious, educational, civic and arts organizations in New Jersey and elsewhere, and its contributions range from a gift of more than \$300,000 to the United Jewish Communities of Metro West New Jersey to a \$2,000 donation to a children's program at the Hackensack Medical Center...Reports from Florida to Minnesota included profiles of ordinary investors who gave Madoff their money. Some had been friends with him for decades; others were able to invest because they were a friend of a friend... They told stories of losing everything from \$40,000 to an entire nest egg worth well over \$1 million...They join a list of more powerful investors that have come forward, all worried about the extent of their losses. The roster of names include former Philadelphia Eagles owner Norman Braman, New York Mets owner Fred Wilpon and J. Ezra Merkin, the chairman of GMAC Financial Services, among others...Mortimer Zuckerman, the chairman of real estate firm Boston Properties and owner of the New York Daily News and U.S. News & World Report, said his charitable trust, Mortimer B. Zuckerman Charitable Remainder Trust, incurred losses of about \$30 million, impacting approximately 11 percent of the value of the trust...Mark Levy, a spokesman for Steven Spielberg, confirmed that the director's Wunderkind Foundation had investments with Madoff. “That's the only thing we can say at this point,” Levy said, declining to give details about how much the charitable organization had tied to the investment company.

The Wall Street Journal reported that the Elie Wiesel Foundation for Humanity, founded by the famed Holocaust survivor and writer, was hard hit by losses, citing two people familiar with the organization's investments. The Wiesel foundation said it was looking into the matter...The Journal also reported potential investors and firms exposed to the alleged fraud included: Carl Shapiro, founder and former chairman of women's apparel company Kay Windsor Inc.; Bed Bath & Beyond Inc. co-founder Leonard Feinstein; Yeshiva University; EIM Group; UBS AG; Fairfield Greenwich Advisors; Tremont Capital Management; Maxam Capital Management and Ascot Partners.

Among those overseas confirming exposure on Monday, Banco Santander, the largest bank in the euro zone by market capitalization, said its clients have 2.33 billion euros (\$3.07 billion) in exposure with Madoff, mostly through a [fund](#) called Optimal Strategic US Equity...HSBC, Britain's largest bank, said a "small number" of its insitutional clients had exposure totaling some \$1 billion in Madoff funds...It added that it has custody clients who have invested with Madoff, but it did not believe those "custodial arrangements should be a source of exposure to the group."... Royal Bank of Scotland — Britain's second-largest bank, which is now 58 percent owned by the British government — said it could lose around 400 million pounds (\$600 million) through exposure in trading and collateralized lending to funds of [hedge funds](#) invested with Bernard L Madoff Investment Securities LLC... Man Group, the world's largest publicly traded fund manager that reported exposure of around \$360 million on Monday, said "it appears that a systematic and comprehensive fraud may have been committed, evading a range of structural controls." Japan's Nomura Holdings said it has 27.5 billion yen (\$306 million) in exposure, but added that any losses were likely to be limited compared to its capital base...French banks foresee nearly 1 billion euros in potential losses as indirect victims of the alleged fraud...Natixis, France's fourth-largest bank, set its maximum indirect exposure at about 450 million euros. A statement by the investment bank said it made no direct investments in hedge funds managed by Madoff. However, it said that some of its clients' money was invested in funds managed by "first class custodians," which in turn entrusted those securities to Madoff's investment securities company.

Both Societe Generale and Credit Agricole said they had "negligible" exposure of below 10 million euros each. However, the euro zone's largest bank, BNP Paribas, has estimated its risk exposure to hedge funds managed by Madoff at up to 350 million euros...In a statement Sunday, BNP Paribas said it has no investment of its own in Madoff's hedge funds, but "does have risk exposure to these funds through its trading business and collateralized lending to funds of hedge funds."... Swiss bank Union Bancaire Privee indicated it had hundreds of millions of dollars in client assets invested under the management of Madoff. The Geneva bank, one of Switzerland's largest, did not disclose a total amount invested, but did say the exposure of its clients "represents less than 1 percent of the total assets under management of the bank."... UBP's announcement Monday followed weekend disclosures by Swiss banks Reichmuth & Co. of Lucerne, Banque Benedict Hentsch & Cie SA of Geneva and Neue Privat Bank of Zurich that they had millions of dollars worth of client assets at risk in the case...Unicredit, Italy's largest bank, said its exposure to Madoff's company is about 75 million euros, representing amounts the bank invested directly and not funds belonging to its clients, said spokesman Andrea Moreschi. Unicredit has a separate, indirect exposure through Pioneer Investment, its [asset management](#) division.

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SEC Whistle Blower Speaks out on Fraud: by Matt Renner – Dec. 22,2008 Truthout/Report

On Tuesday, SEC chairman Christopher Cox admitted that the agency had failed to thoroughly investigate multiple "credible and specific allegations regarding Mr. Madoff's financial wrongdoing," adding "I am gravely concerned by the apparent multiple failures over at least a decade to thoroughly investigate these allegations or at any point to seek formal authority to pursue them."... **The Madoff affair is the latest in a string of missteps made by the regulatory body.** After the revelation of a massive fraud scheme, a former government investigator Gary Aguirre has accused government law enforcement officials of repeatedly turning a blind eye to Wall Street crime... **Gary Aguirre on the SEC:** After a successful career as a trial lawyer, Gary Aguirre turned his attention to public service, trading in a lucrative practice to become a government lawyer tasked with investigating financial crimes.

Matt Renner: Why was Madoff able to hide his activity from oversight?

Gary Aguirre Madoff was an investment adviser, which means the SEC had regulatory authority over him. He engaged in a classic kind of fraud called a 'Ponzi' Scheme, which means that he gave phony profits to

some investors which he took from the pockets of other investors. That kind of fraud is difficult to detect until investors can't get their money back. Then it comes to light. In this case, we know that there were repeated complaints to the SEC over a period of nine years. The SEC was told Madoff was operating a Ponzi scheme. So, it is stunning that the SEC failed to investigate those allegations and uncover the fraud. It's a new low for the SEC.

MR: Why do you think the SEC didn't use these regulatory powers in this case?

AG: We can't really prejudge it at this point. There is a lot of talk in the media that there were personal links between SEC staff and Madoff. One has been identified; I'm not sure he was the only one involved. But stepping beyond personal connections, in general elite. They have often gotten a pass. The SEC is focused on the small players

MR: What is it about the culture at SEC that steers them away from looking at the big Wall Street players?

AG: All the agencies have to some extent or another a revolving door [where government employees rotate out to the private sector and earn more money]. But at the SEC, what you rotate into is an enormous salary leap. SEC managers may make \$200,000. That same person may make \$2 million as a starting salary on the outside and can move up from there. Now, when he leaves, I'm not sure he's worth \$2 million as lawyers, but he takes his Rolodex with him and that Rolodex is gold. The system maintains itself, because those that stay know their turn will come if they play the game. They see a director or associate director move on \$2 million job with a Wall Street law firm. Then, the departed employee calls back to his former colleagues and says, "you know I really don't think there is much of a case against so-and-so, I'd like for you to take a look at it." And the case goes away; the system goes on in perpetuity... What you have when you leave the SEC is contacts with the SEC, you have the Rolodex and the ability to call back to people you used to work with. I don't want to single out Burger, I think that is really the culture there. A culture of 'don't rock the boat,' the industry does not want 'boy scouts,' and if you can be effective with the SEC through your contacts, that is a very valuable asset you can bring to the table.

<http://www.sciencedaily.com/releases/2005/07/050705231841.htm>

"Procreating Ourselves to Death" -- *Ban the Population Bomb*

We are informed by our media monopolies, with a constant barrage of green-washing, that we are in an ecological crisis. In a recent documentary entitled *An Inconvenient Truth* we see, for about 10 seconds, Al Gore demonstrating the demographic J, that is at the root of our problem, that of overpopulation. What we do not see is any attempt to discuss the taboo subject of minus zero population growth and how to achieve that. Nor do we see any attempt to demonstrate the possible reasons why we have arrived at the state.

Since 1972 we have been seeking a solution to this problem. For four decades, our Foundation for the Advancement of Applied Technethics and Human Ecological Recovery (t.m.)(inc.) (F.A.T.H.E.R.) has been seeking to recruit the finest minds to this end. One would think that this kind of inquiry would be openly received and generously applauded. On the contrary our experience has been that we and others who have followed this thread are in fact subjected to obscurity. Names like Margaret Sanger, Helvetius and Condorsette, SPR Charter and others, whose works disappear, or are in the case of Helvetius are literally burnt. On the other hand the Media Monopolies controlled by pharmaceutical interests and governed by military-industrial agendas perpetuate a nonstop bombardment of propaganda, coercing the masses to "go forth and multiply" because "The Army Needs You". One excellent example, I was horrified to watch the other day, a film musical starring Ronnie Reagan, entitled *This Is the Army*.

What we have discovered is that it is indeed an "inconvenient truth that our condition is the result of deliberate artificial ignorance and scientism, designed for Imperial agendas and the profit motives of drug monopolies. That up until the 16th century women all over the world, in indigenous cultures were guided by their ancestral wisdom, or rather the science of their ancestors, in the use of herbal lore and specifically the use of herbal birth control. That a group of drug lords, in the name of a medical monopoly used the Inquisition to wipe out this knowledge, with the direct result that here was the beginning of the rise of populations, the beginning of the demographic J. We can trace as a direct result, the rise of populations in Europe, as a precursor of the Industrial Revolution, that was the primary engine of global colonization. We can

demonstrate that, via this colonization the global ancestral scientific practice of herbal birth control was decimated. We can trace the cause of all this directly to the profit motive of the few individuals that continue under the names of the pharmaceutical business, big sugar, and the junk food cartels to practice the farming of humanity and the propagation of a global disease establishment.

We know, for example that until the 16th century, women and youth in particular, who missed their menstruation cycle -- who now living in a dumpster in Mexico City, would be excommunicated from the church for practicing abortion -- in the 16th century would go to the local elder, familiar with the ancestral herbal pharmacopeia, who would simply prepare a tea with emmenagogues to induce the flow of menses. Within 24 hours the menstrual cycle would begin again and there would be no need for abortion. We argue that the suppression of this information is the pivotal point at which humanity departed from the natural order, with the end result of our 6 billion people in excess of what is sustainable on the planet.

So what we have here is the root problem, how to end the kind of drug profiteering that has endangered the entire ecosphere. We are open for further debate on this subject. In order to interact on this subject invites you to please see our index of web pages on: <http://De-School.net> and a copy of this brief synopsis available on: <http://AdBan.org>

Media Monopolies, Drug Cartels, Artificial Ignorance and the Demographic J by George Kasey founding member of the PeaceMaker Virtual Free University (t.m.)(inc.) and *The Foundation for the Advancement of Applied Technethics and Human Ecological Recovery (t.m.)(inc.)*

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<http://www.latimes.com/business/la-fi-neil19-2008dec19,0,1742816.story>

From the Los Angeles Times - December 19, 2008

2010 Ford Fusion Hybrid: 52 mpg and the darkness before dawn

Even when Detroit manages to do something right, the timing and execution are off.
By DAN NEIL

As we know from the works of Cormac McCarthy, despair can be kind of gratifying. And yet, as much as I hate to disturb our national mood of decline, I have some good news regarding the auto industry. You may return to your comfort drinking presently.

The 2010 Ford Fusion Hybrid, and its twin, the Mercury Milan Hybrid, are mid-to-full-size sedans that seat five in surprising comfort and offer a full-size trunk measuring around 12 cubic feet. They measure 190.6 inches long and weigh a goodly 3,720 pounds. The gas-electric output is 191 horsepower and zero to 60 mph acceleration is under 9 seconds.

The retail price of a nicely equipped Fusion Hybrid -- with blandishments such as rearview camera, blind-spot alert and 17-inch alloy wheels -- is \$27,270. With the applicable federal tax credit, the car should cost consumers about \$25,000, I estimate (final numbers have not been announced).

On a test drive of a Fusion Hybrid last week in West L.A. traffic, I managed, without much trouble, to get 52 mpg in mixed city-highway driving.

Wait, so, has somebody invented the car of the future and didn't tell us?

It's a worthy question. The scolding undercurrent of recent congressional hearings on the auto-industry bailout was the notion that Detroit had failed to invest in next-generation technology that could help wean us off foreign oil. Not so. What they did fail to do was sufficiently commercialize this technology so that it was ready and waiting at dealerships when people got stampeded this year by spiraling gas prices.

Had Ford made a few hundred thousand of these cars available in June -- along with the financing to sell them -- we'd be erecting 50-foot equestrian statues of William Clay Ford and Alan Mulally in city squares, and the streets of Dearborn, Mich., would be repaved with diamond cobblestones.

and Tad W. Patzek, professor of civil and environmental engineering at Berkeley, conducted a detailed analysis of the energy input-yield ratios of producing ethanol from corn, switch grass and wood biomass as well as for producing biodiesel from soybean and sunflower plants. Their report is published in ***Natural Resources Research (Vol. 14:1, 65-76)***.

In terms of energy output compared with energy input for ethanol production, the study found that:

- * corn requires 29 percent more fossil energy than the fuel produced;
- * switch grass requires 45 percent more fossil energy than the fuel produced; and
- * wood biomass requires 57 percent more fossil energy than the fuel produced.

In terms of energy output compared with the energy input for biodiesel production, the study found that:

- * soybean plants requires 27 percent more fossil energy than the fuel produced, and
- * sunflower plants requires 118 percent more fossil energy than the fuel produced.

In assessing inputs, the researchers considered such factors as the energy used in producing the crop (including production of pesticides and fertilizer, running farm machinery and irrigating, grinding and transporting the crop) and in fermenting/distilling the ethanol from the water mix. Although additional costs are incurred, such as federal and state subsidies that are passed on to consumers and the costs associated with environmental pollution or degradation, these figures were not included in the analysis.

"The United State desperately needs a liquid fuel replacement for oil in the near future," says Pimentel, "but producing ethanol or biodiesel from plant biomass is going down the wrong road, because you use more energy to produce these fuels than you get out from the combustion of these products.".. Although Pimentel advocates the use of burning biomass to produce thermal energy (to heat homes, for example), he deplores the use of biomass for liquid fuel. "The government spends more than \$3 billion a year to subsidize ethanol production when it does not provide a net energy balance or gain, is not a renewable energy source or an economical fuel. Further, its production and use contribute to air, water and soil pollution and global warming," Pimentel says. He points out that the vast majority of the subsidies do not go to farmers but to large ethanol-producing corporations.

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From: Ron Miller November 14, 2008

RE: *[energyresources] Ethanol And Biodiesel From Crops Not Worth The Energy*

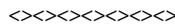
Professor Pimentel has been making these analyses for quite some time. While he has quite a pile of critics and has refined and expanded his analysis to answer them he has not had to change his conclusions. This is certainly a good illustration of the problems with trying to solve problems within the confines of a price system. The reason ethanol continues to be such a large business is that it is a large business! Once you have people making a lot of money and many others making a living from it you have developed a constituency for maintaining it whether it makes sense or not. The classical discussion about such a situation was the buggy whip industry following the invention of the car. Had Fascist Germany not been defeated in World War II it is possible to envision complaints about shutting down extermination camps because of the wealth they produced and the employment they provided!

Many of those who support ethanol production point to the example of Brazil. Most cars in Brazil run on ethanol. The reason they can do so is that the country produces large amounts of sugar cane. The waste from its production is easily and naturally convertible to ethanol. When one adds to this the fact that the country has a lot fewer cars than North America it makes for a workable solution – for them. They usual reaction of those in the business to an analysis such as that offered by Pimentel is to try to ignore it or simple drown it out by arguing “well, at least, we are trying to do something”! The fact that it appears to be the wrong thing doesn’t seem to penetrate.

Eventually, of course, nature will force people to face the facts as raw materials simply dry up. What is needed is to put into place an infrastructure that would permit us to operate more efficiently using sources of energy not based on fossil fuels. One of the problems is, again, the way a price system operates. One possible solution after another is thrown up often with little result. But, if one looks a little closer, one might find that somewhere someone is making some money off some little known contract.

We need more research. We need more experimentation. We need a clear understanding of the facts of the situation not just some scheme for someone to make money. Money is nothing at all without physical wealth to back it up. We need to have structures in place when the raw materials that form the basis of our society are no longer plentiful or even available. If we through them all away our society will disappear. We need a social system based on the principles of science as the method of making correct decisions whether they are politically correct or not.

Ron



“DESIGN, DIRECTION OR DISASTER?”

A Talk by Howard Scott, Technocracy's Founder Detroit, Michigan, March 15, 1958

I think we had better have a little review for a moment. We are celebrating the 40th anniversary, because in the fall of 1918, we founded The Technical Alliance out of scientists, technologists, engineers, and others of the war industries of World War I. In 1933, twenty-five years ago, we (*Howard Scott and M. K. Hubbert*) incorporated Technocracy as a nonprofit, nonsectarian, nonpolitical, membership organization. So, we are celebrating two things — a 40th anniversary and a 25th anniversary.

It is a rather unique proposition, in that Technocracy and before it The Technical Alliance has never had any angels or subsidies, we have never had any business rackets making money for us, and yet we have gone up and down this continent and our material has gone out around the world, We have survived the greatest depression in history and the greatest world war, and the present conditions are that we are headed into something else. We on the North American Continent have a choice: whether you are going to be dragged into it kicking and screaming. It isn't that you have any choice about your going — it's only about the manner of your going, and you might as well make up your minds to do it clean as an organized, directional proposition and avoid the trouble that might be otherwise.

Some of you may have seen the papers — *The New York Times* is carrying a full-page ad by McCann-Ericson that this economy is fundamentally sound, that there's nothing wrong with it, and we should be able to go on to bigger and better things. The interesting part of it is that that is the ballyhoo that has been handed out to the public for the last sixteen years. This last decade, from 1947 to 1957, has been the greatest decade in the history of any nation in the world. We've produced 54 million automobiles. The automobile companies made billions. Of course, you had to sell them on an installment basis, and yet the automotive companies of United States have never designed a real automotive vehicle. What they did, what they have done, and what they are continuing to do is they soup it up, they chrome it up, and the advertising boys from Madison Avenue dress it up so it's a beautiful job of appealing to the conditioned taste of the American consumer. Fifty-four million automobiles in ten years and not a one of them that is an achievement — not a single damn one. Now it is utterly amazing.

We've built between 11 and 12 million homes out in suburbia. True, they range from the lower cost to the higher cost ones, but whether the ranch house or split level is \$10,995 or \$50,995, they are all abortions — every single one of them. Did you ever stop to think that a ranch house 100 feet long has to have piping that length? If you turn it up on end, it's 9 stories of piping. Well, it's wonderful, provided you can expand the economy enough to pay for it, and if you get enough of them, it will sink you.

We've been doing this day in and day out, and it has been hailed as an achievement. It has been pointed to with pride that the free enterprise system of United States could do what nobody else has done. They are correct. Everybody else in the world has tried to imitate them and made a rotten failure of it, thank heavens for that. We've moved 45 million human beings out into the suburbs. We've grabbed off land adjacent to urban centers — beautiful farmland — and now we are running out of land. Why? That's evident today in your house costs, because your land cost in the sales price per home today is hitting 25%. For over 80 years, it was between 8% and 10%. Oh, not that there isn't land out in Nevada or the Mohave, the wilds of Colorado or Montana, yes, but we are running out of land adjacent to urban centers.

Go on down the line — 11 to 12 million homes, 14 million refrigerators, 54 million automobiles — all these things are now touted as achievement, and we have claimed world leadership. Well, the claim is rather baseless today. Let's go back and look at it. United States Steel, since 1903, has produced millions and millions of tons of steel. It has made billions. So has the General Motors, Ford, and others; yet the United States Steel has never made a single contribution to the technology of ferrous metallurgy in its existence.

General Motors has yet to make any contribution of original design to automotive transportation. Ford, Chrysler, and all the rest are in the same category. They have made money. They have produced something that could be merchandised at a profit, and we have built up more billion-dollar corporations than all the rest of the world. Well, we've got it. We're souped up, we're chromed up, and we've got swept wings front and rear.

Our railroads have been sliding downhill for years. Well, when did the railroads ever make a fundamental innovation? Westinghouse Air Brakes, MCB coupler, girder frame, valve gear, go on down the line — not a single one has ever been contributed in the last sixty years by the railroad industry. Something's wrong, isn't it? We have fashion boys and we have promotion and advertising boys. They can produce the most beautiful and wonderful advertising copy the world has ever seen. Look on your TV and what's it filled with? A conglomeration of how to approach the sucker consumer. If you don't get him one way, approach him from the rear and sandbag him. All of this has been so. What has been the result?

We've raised wages, we've raised prices, we've raised commissions; we've raised taxes, we've raised rates, and we thought we were going someplace. Now we find out that the railroads aren't carrying the passengers, they aren't carrying the freight, and they're going broke.

Stop and think a moment that in United States today, 500 corporations produce 68% of the total production of United States, and 150 of that 500 dominate the 500. In agriculture, 56% of the total farms produce 9% of the total agricultural output. On the other hand, 26% of the farms produce 74% of the total agricultural output. Last year, 1,800,000 Americans left the farms — the greatest number in all history — but 56% of the farms that produce only 9% of the agricultural output — that's over 2 million — 4.9 persons per farm. and they are due to leave the farms very shortly.

The coal miners are going to be reduced. So is the new steel process. We were the big boys of the world in steel, weren't we? At the present rate of operating the steel industry in United States, the Russians will produce more steel in U.S.S.R. in 1958 than we do in the U.S.A. if we continue at the same rate.

Something's happened to us, hasn't it, ladies and gentlemen? You're damned right it has. We're not behind one eight ball — we're behind three eight balls. We wouldn't do a job of designing on our railroad system. Go back and look up Abraham Lincoln's AMERICANA, and you will find that he wanted to build the Union Pacific Railroad three feet wide That's stated over his own signature. After all, Abe Lincoln was a darned good railroad attorney and a politician, but he didn't know anything about operating railroads. The Erie Railroad used to be six feet wide. Southern railroads were wide roads and weren't changed over to standard gauge — 4' 8-1/2" — until some years after the Civil War. Now we find what? That at 4' 8-1/2" you can't design a railway train. It's impossible no matter what you do with it, because in order to carry a load, you have to go up in the air and you have to lengthen it out. When you go up in the air and lengthen it out and you try to hit any speed, it whips, and every time it whips, it pounds the rail bed, the rail joints, the trucks, and the bolsters.

General Motors and others used to make big claims about their diesel locomotives. Now they are kind of silent, because the biggest locomotives are not in the United States — the most powerful. I mean, French locomotives are over 14,000 hp each. Do you have any like that in United States? I'm talking about a single unit, ladies and gentlemen, not a question of hooking up a whole lot of them. They hit a speed of 214 miles an hour. We're reaching all our engine speeds on our railroads, because we are trying to save money for the railroad company. We are cutting out trains all over. You have cities in the United States that have no rail transportation, and the bus companies are abandoning their charters. They having nothing left but the automobile.

The United States railroads could have designed a railroad system years ago. They didn't. They didn't even want to think about it. You take a railroad system of 3 meters wide, that is, 3 meters gauge instead of 4 feet 8-1/2 inches — that would be 9 feet 10-1/10 inches. Your passenger car would be more than 16 feet wide, inside measurement. You could hit 150 miles an hour continuous speed to 200 miles an hour. In other words, it would only be 5-1/2 hours from New York to Chicago, but do you think you could afford to run an airline with the airfields 25 miles out in each case? No, you'd be there before the plane got there. Additional details given in response to a question asked during the **Q & A Period**, which follows every lecture: Your present RR gauge 4'8-1/2 " between rails. What's the matter with it? No matter what you do, the moment you put your truck and bolster on, the only way you can carry a load is run your car up in height and length — your center of gravity is way up here, and moment you start to hit speed, she starts to whip and she pounds the roadbed and the rails and the tracks. Now Technocracy's design of a railroad system is a 3-meter gauge—9' 10-1/2" between the rails. Your cars are over 16" wide inside. They are pedestal suspension, that is, they

don't rest on a bolster: they are hung from up here inside—you wouldn't see it. The bottom is smooth like a boat four inches above the rail. The center of gravity is where? Down on the rail. When you round the curve, does the top lean out? No the bottom comes out and, the glass of water remains vertical and you don't spill a drop. Five to six hours between New York and Chicago. Can you afford to run an airline twenty miles out in each case? No, you couldn't afford air transportation, because the other would be better and cheaper.

Our national transportation — there's no solution under this setup; neither is there any solution to our water problems or sewerage pollution. There are over 1,000 cities in United States that have passed legislation by laws restricting the use of water, and yet across the country you have an anarchic battle of who is going to get what water first; and when they do get it, they don't know where the devil they are going to put it. New York is even talking about coming up to Lake Erie and taking water out of Lake Erie. Some people tell me that even Akron is considering a little project like that.

The Fox River Commission wants 900 million gallons a day from the Metropolitan Water District of Chicago pumped over the Fox River Divide. Everybody is at it, and there is no plan, no design, for the entirety. A terrific number of little piecemeal townships, counties, states, and municipalities all going at it in their own particular way. There's no policy for the whole, there's no direction, and there's no design.

Up until now, we managed to get by with it, but the order of magnitude has changed. We have some 55 million automobiles and over 52 million telephones. We are not back in Andrew Jackson's day anymore. We're in the days of high speed production. The question is where are you going with it all? Are you going to elect a Democratic Administration come this fall or a Republican one? Well, what difference is there between them? Technocracy's position is that it is the difference between two smells: you can choose your own stink, whichever you like best.

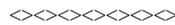
As for leadership, what leadership have you in the Democratic or Republican Parties or in Wall Street or in any local state? After all, Franklin Delano Roosevelt couldn't use his legs, Harry couldn't use his head. "Ikie" swallows Nixon and gets ileitis and hasn't any guts and can't make a decision. After all, West Point made him a gentleman, Franklin Delano Roosevelt made him a general, and God only made him a second lieutenant. Quit kidding yourselves — you're not going anyplace with a political party under this kind of a setup, because there are problems today that none of them can solve. It has to be done on a nationwide basis, and it has to be done on a technological basis. You can elect them — no matter whom you elect, it doesn't make any difference. Oh, they may favor a local water bond issue or a local school bond issue, but what difference does that make when you have 52,000 school districts in United States, each with their own little school board. 12,000 of those districts have 84% of the 32+ million students in our public and high schools. There is no uniformity, no direction, no standard curriculum, no countrywide policy, and you are going to train scientists and technologists and engineers with that kind of a setup? No, you're not. You're not going to get anywhere. You're just going to continue to have more of the same. Can you imagine any one of those school boards voluntarily relinquishing the beautiful little local position they have of local importance? They are not going to do it. They are going to stay there until they're thrown out.

None of our Powers that be in this country want to discuss population, sewerage, pollution, waste, energy conversion, transportation, or mass housing. The housing we should have gone into in this country should have been vertical housing and not horizontal. Venezuela — Caracas just put into operation a 58 story reinforced concrete structure, over 1-1/2 million square feet of apartment space, plus stores, dry cleaning, laundry, all downstairs—now, that's not a steel frame building. That's where the bearing walls hold the load. No such building exists in United States... Brazilians and Venezuelans today are fifty years ahead of anything in United States in concrete designing. Why we have we lagged behind? Because the steel boys were so good—United States Steel, Bethlehem, Jones & Laughlin, and all the rest, you'd slap up a steel frame, hang the floor on the columns, and hang the curtain walls on the side. You don't have to be a designer to do that—any moron can do it. You had the steel company make the drawings for you, and all you did was you slipped in your bid and they supplied the steel. Well, it's been wonderful. How is it that Venezuela and Brazil do this? Because steel was so high, they were compelled to go to a low-cost medium that could be made in their own country, and they have succeeded. The world's leading architect in reinforced concrete design, a Brazilian, was invited to Harvard last year for the honor lecture courses, \$25,000 for the term. The State Department refused him a visa because he had radical ideas. So the darned Brazilian went to Europe and got twice as much money.

This is happening all over in every single field. It doesn't make the slightest bit of difference. The day when the United States had the monopoly on lard, corn, wheat, steel, and other materials is gone. We no longer

have the iron ore, the petroleum the copper, lead, or zinc. We are a have-not nation. We squandered it around the world for corporate profits. All the ore we are mining in the United States today in copper is less than .8 of 1%. The Hanna Company up in Cleveland last year only mined a million more tons in United States than it did abroad in Canada. From now on our, it will be less and less in U.S.A. and more and more abroad. We've brought in 34 million tons of Iron Ore into U. S. from ten countries. Remember you cannot keep this up without increasing costs. You'll face higher costs, and right now, as you know, living costs are mounting and mounting, and some of your beef yesterday went to \$39 in Chicago—really going up. That's one of the conundrums and one of the dilemmas that we face. We've never organized our country except locally and in a minor form to see how fast we could chisel it out of the public, but on a long-range basis, we have refused to plan, we've refused to design anything, and we've refused to have any direction.

Something has gone wrong. Well, what's gone wrong? Merely private enterprise has come to the end of the road. Oh, you can stall it a little bit longer but not very much. On a long-term basis, you'll have to face it. You'll not only have to design a new transportation system, both water, rail, air, and highway, you'll have to design water systems, sewer systems, power systems galore, and you'll have to design a directional system to control all this. Well, we've never done that. We've gotten by with all this—48 states, 3,027 counties, 17,000= municipalities, and over 17,000 townships—well, it's wonderful, but they can all assess property, collect taxes and issue debentures, That is a beautiful example of anarchy running wild. You have no control and no direction. We're in that state today where we'll have to get direction or we will go down to a real disaster... Thank you.



Things Vanishing From America - AOL News 12/23/08

Chesapeake Bay Blue Crabs

Maryland's icon, the blue crab, has been fading away in Chesapeake Bay. In 2007, Maryland saw the lowest harvest (22 million pounds) since 1945. Just four decades ago the bay produced 96 million pounds. The population is down 70% since 1990, when they first did a formal count. There are only about 120 million crabs in the bay and they think they need 200 million for a sustainable population. Overfishing, pollution, invasive species and global warming get the blame.

Mumps & Measles

Despite what's been in the news lately, the measles and mumps actually, truly are disappearing from the United States. In 1964, 212,000 cases of mumps were reported in the U.S. By 1983, this figure had dropped to 3,000, thanks to a vigorous vaccination program. Prior to the introduction of the measles vaccine, approximately half a million cases of measles were reported in the U.S. annually, resulting in 450 deaths. In 2005, only 66 cases were recorded.

Honey Bees

Perhaps nothing on our list of disappearing America is so dire; plummeting so enormously; and so necessary to the survival of our food supply as the honey bee. 'Colony Collapse Disorder,' or CCD, has spread throughout the U.S. and Europe over the past few years, wiping out 50% to 90% of the colonies of many beekeepers -- and along with it, their livelihood.

Check out Bob Tuskin's **Technocracy Forum**: <http://technocracy-technate.co.cc/forum/>

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