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http://www.huffingtonpost.com/william-k-black/the-two-documents-everyon_b_169813.html

The Two Documents Everyone Should Read to Better Understand the Crisis

By William K. Black

As a white-collar criminologist and former financial regulator much of my research studies what causes financial markets to become profoundly dysfunctional. The FBI has been warning of an "epidemic" of mortgage fraud since September 2004. It also reports that lenders initiated 80% of these frauds. When the person that controls a seemingly legitimate business or government agency uses it as a "weapon" to defraud we categorize it as a "control fraud" ("The Organization as 'Weapon' in White Collar Crime." Wheeler & Rothman 1982; *The Best Way to Rob a Bank is to Own One*. Black 2005). Financial control frauds' "weapon of choice" is accounting. Control frauds cause greater financial losses than all other forms of property crime -- combined. Control fraud epidemics can arise when financial deregulation and desupervision and perverse compensation systems create a "criminogenic environment" (*Big Money Crime*. Calavita, Pontell & Tillman 1997.)

The FBI correctly identified the epidemic of mortgage control fraud at such an early point that the financial crisis could have been averted had the Bush administration acted with even minimal competence. To understand the crisis we have to focus on how the mortgage fraud epidemic produced widespread accounting fraud.

Don't ask; don't tell: book profits, "earn" bonuses and closet your losses

The first document everyone should read is by S&P, the largest of the rating agencies. The context of the document is that a professional credit rater has told his superiors that he needs to examine the mortgage loan files to evaluate the risk of a complex financial derivative whose risk and market value depend on the credit quality of the nonprime mortgages "underlying" the derivative. A senior manager sends a blistering reply with this forceful punctuation:

Any request for loan level tapes is TOTALLY UNREASONABLE!!! Most investors don't have it and can't provide it. [W]e MUST produce a credit estimate. It is your responsibility to provide those credit estimates and your responsibility to devise some method for doing so.

Fraud is the principal credit risk of nonprime mortgage lending. It is impossible to detect fraud without reviewing a sample of the loan files. Paper loan files are bulky, so they are photographed and the images are stored on computer tapes. Unfortunately, "most investors" (the large commercial and investment banks that purchased nonprime loans and pooled them to create financial derivatives) did not review the loan files before purchasing nonprime loans and did not even require the lender to provide loan tapes.

The rating agencies never reviewed samples of loan files before giving AAA ratings to nonprime mortgage financial derivatives. The "AAA" rating is supposed to indicate that there is virtually no credit risk -- the risk is equivalent to U.S. government bonds, which finance refers to as "risk-free." We know that the rating agencies attained their lucrative profits because they gave AAA ratings to nonprime financial derivatives exposed to staggering default risk. A graph of their profits in this era rises like a stairway to heaven. We also know that turning a blind eye to the mortgage fraud epidemic was the only way the rating agencies could hope to attain those profits. If they had reviewed even

small samples of nonprime loans they would have had only two choices: (1) rating them as toxic waste, which would have made it impossible to sell the nonprime financial derivatives or (2) documenting that they were committing, and aiding and abetting, accounting control fraud.

Worse, the S&P document demonstrates that the investment and commercial banks that purchased nonprime loans, pooled them to create financial derivatives, and sold them to others engaged in the same willful blindness. They did not review samples of loan files because doing so would have exposed the toxic nature of the assets they were buying and selling. **The entire business was premised on a massive lie -- that fraudulent, toxic nonprime mortgage loans were virtually risk-free. The lie was so blatant that the banks even pooled loans that were known in the trade as "liar's loans" and obtained AAA ratings despite FBI warnings that mortgage fraud was "epidemic."** The supposedly most financially sophisticated entities in the world -- in the core of their expertise, evaluating credit risk -- did not undertake the most basic and essential step to evaluate the most dangerous credit risk. They did not review the loan files. In the short and intermediate-term this optimized their accounting fraud but it was also certain to destroy the corporation if it purchased or retained significant nonprime paper.

Stress this: stress tests are useless against the nonprime problems

What commentators have missed is that the big banks often do not have the vital nonprime loan files now. That means that neither they nor the Treasury know their asset quality. It also means that Geithner's "stress tests" can't "test" assets when they don't have the essential information to "stress." No files means the vital data are unavailable, which means no meaningful stress tests are possible of the nonprime assets that are causing the greatest losses.

- the FBI accurately described mortgage fraud as "epidemic"
- nonprime lenders are overwhelmingly responsible for the epidemic
- the fraud was so endemic that it would have been easy to spot if anyone looked
- the lenders, the banks that created nonprime derivatives, the rating agencies, and the buyers all operated on a "don't ask; don't tell" policy
- willful blindness was essential to originate, sell, pool and resell the loans
- willful blindness was the pretext for not posting loss reserves
- both forms of blindness made high (fictional) profits certain when the bubble was expanding rapidly and massive (real) losses certain when it collapsed
- the worse the nonprime loan quality the higher the fees and interest rates, and the faster the growth in nonprime lending and pooling the greater the immediate fictional profits and (eventual) real losses
- the greater the destruction of wealth, the greater the (fictional) profits, bonuses, and stock appreciation
- many of the big banks are deeply insolvent due to severe credit losses
- those big banks and Treasury don't know how insolvent they are because they didn't even have the loan files
- a "stress test" can't remedy the banks' problem -- they do not have the loan files

Antarctic Glaciers Melting Faster than Thought

By ELAINE ENGELER - February 25, 2009

GENEVA – Glaciers in Antarctica are melting faster and across a much wider area than previously thought, a development that threatens to raise sea levels worldwide and force millions of people to flee low-lying areas, scientists said Wednesday... Researchers once believed that the melting was limited to the Antarctic Peninsula, a narrow tongue of land pointing toward South America. But satellite data and automated weather stations now indicate it is more widespread. The melting "also extends all the way down to what is called west Antarctica," said Colin Summerhayes, executive director of the Britain-based Scientific Committee on Antarctic Research. "That's unusual and unexpected," he told The Associated Press in an interview.

By the end of the century, the accelerated melting could cause sea levels to climb by 3 to 5 feet — levels substantially higher than predicted by a major scientific group just two years ago... Making matters worse, scientists said, the ice shelves that hold the glaciers back from the sea are also weakening... The report Wednesday from Geneva was a broad summary of two years of research by scientists from 60 countries. Some of the findings were released in earlier reports. In Washington, as part of an overall update on global warming, top researchers on Wednesday sounded a similar warning to the U.S. Senate about rising temperatures in the Antarctic.

The head of the Intergovernmental Panel on Climate Change, a group set up by the United Nations, told lawmakers on the Environment and Public Works Committee that ***Earth has about six more years at current rates of carbon dioxide pollution before it is locked into a future of severe global warming.***

For years, the continent at the bottom of the world seemed to be the only place on the planet not experiencing climate change. Previous research indicated that temperatures across much of Antarctica were staying the same or slightly cooling.

The report Wednesday was compiled as part of the 2007-2008 International Polar Year, an effort by scientists to conduct intense Arctic and Antarctic research over the past two Antarctic summers... The big surprise was exactly how much glaciers are melting in western Antarctica, a vast land mass on the Pacific Ocean side of the continent that is next to the South Pole and includes the Antarctic Peninsula.

The biggest of the western glaciers, the Pine Island Glacier, is moving 40 percent faster than it was in the 1970s, discharging water and ice more rapidly into the ocean, said Summerhayes, a member of International Polar Year's steering committee.

The Smith Glacier, also in west Antarctica, is moving 83 percent faster than in 1992, he said.

The glaciers are slipping into the sea faster because the floating ice shelf that would normally stop them — usually 650 to 980 feet thick — is melting. And the glaciers' discharge is making a significant contribution to increasing sea levels.

Some people "fear that this is the first signs of an incipient collapse of the west Antarctic ice sheet," Summerhayes said. "If the west Antarctica sheet collapses, then we're looking at a sea level rise of between 3 feet, 4 inches, to nearly 5 feet."

Together, all the glaciers in west Antarctica are losing a total of around 114 billion tons per year because the melting is much greater than the new snowfall, he said. "That's equivalent to the current mass loss from the whole of the Greenland ice sheet," Summerhayes said. Looked at another way, it's more weight than 312,000 Empire State Buildings. "We didn't realize it was moving that fast," he said Summerhayes said sea levels will climb higher than predicted by the Intergovernmental Panel on Climate Change...A 2007 report by the IPCC predicted a sea level rise of 7 to 23 inches by the end of the century, which could flood low-lying areas and force millions of people to relocate...The group said an additional 3.9- to 7.8-inch increase in sea levels was possible if the recent, surprising melting of polar ice sheets continues.

New research published this month in the journal *Geophysical Research Letters* found that melting glaciers will add at least 7 inches to the world's sea level — and that's if carbon dioxide pollution is quickly capped and then reduced... Far more likely is an increase of at least 15 inches and probably more just from melting glaciers, the journal said.... Until recently, scientists debated whether Antarctica was warming... But a January study in the journal *Nature* found that Antarctica's average annual temperature has increased by about 1 degree Fahrenheit since 1957, but is still 50 degrees below zero...The report also determined that autumn temperatures in east Antarctica were cooling over the long term.

International Polar Year researchers found that the southern ocean around Antarctica has warmed about 0.36 degrees Fahrenheit in the past decade, double the average warming of the rest of the Earth's oceans over the past 30 years.

Associated Press Science Writer Seth Borenstein in Washington contributed to this report.

Scientific American – April 2009 – Pg. 16... Melting Mess New details are emerging on how the melting poles could raise ocean heights [see "The Unquiet Ice"; **SciAm**, February 2008]. Researchers at the University of Toronto and Oregon State University suggest that the sea levels rise could be uneven around the world. They examined the West Antarctic ice sheet, which contains enough grounded ice to boost global sea levels by five meters if it splashed into the water. But such a huge redistribution of mass in Antarctica would reduce the gravitational pull in the area and shift the earth's rotation axes by 500 meters. Taking these and other factors into account, they figure that the sea will drop near Antarctica but rise in the Northern Hemisphere by an additional one or two meters above previous estimates...

Corporate America's giants crumbling - *The Washington Post* - March 6, 2009 ***Corporate giants, long thought too big to fail, now at risk...***

By Steven Mufson

WASHINGTON - The truisms have been familiar to generations of Americans: As General Motors goes, so goes the nation; Citigroup is too big to fail; General Electric, one of the 12 original companies in the Dow Jones industrial average in 1896, brings good things to life... But the giants that only recently seemed like the unshakable foundations of the economy are faltering one after another. The girth that once seemed a source of strength now appears to be undermining them.

'Turning back to bite them hard'

"The big surprise is that large companies that we thought were well-capitalized with abundant access to credit and that could access the global market, none of that is helping them," said Ed Yardeni, president of Yardeni Research, an investment research firm. "But a lot of these issues that we thought of as positive are turning back to bite them hard."... ***Analysts point to two key reasons why***

some of the nation's largest companies have unraveled in the current downturn. One is that they had come to rely on providing financing to their customers, lending money for sales of their own products. When the credit markets ground to a halt in mid-September, it set off chain reaction of pain, hurting consumers and manufacturers alike.

The second is their exposure to global markets. Once regarded as a way to spread risks, the diversification exacerbated a drop in sales as foreign countries grapple with more severe downturns.

"The reality is that size doesn't seem to matter much," Yardeni said.

In retrospect, Yardeni said, the business model was essentially flawed. When companies like GM and GE financed customers, the loans must have been cheaper than what the customers could get elsewhere and must have meant that the risk of lending to them wasn't being reflected in the loan rates... GE shows how quickly things have changed. On Dec. 12, 2006, GE chief executive Jeffrey Immelt said: "If you think about the world today, there is infinite capital. That wasn't true five years ago, wasn't true 10 years ago, may not be true five years from now." Now GE, like many companies, is being forced to pump cash into its ailing finance arms, while the finance arms cut back on lending, hurting sales.

"Self-financing is inherently a dangerous game," Yardeni said. "You're biased. You want to convince yourself that the borrower is good for it, and you want to make the sale. You're not going to be an objective lender. That may be one of the problems here."

The nation's amazing shrinking corporate giants are also suffering from global exposure, the very thing that was once thought to be an asset. The idea was that the international companies would fare relatively well in a downturn because foreign nations, fueled by their own fast-growing domestic markets, would largely avoid the impact of a U.S. recession. This theory was called decoupling.

But Tobias M. Levkovich, head of equity strategy at Citigroup, said decoupling was a "myth, right up there with the tooth fairy." He said that according to the Asian Development Bank, 79 percent of goods produced in Asia were sold outside of Asia. "So much for decoupling," he said.

The current downturn has upended many assumptions. Companies considered "defensive" -- less vulnerable to recession than "cyclical" companies -- have been hit. Utility stocks that have long been staples in the portfolios of the risk-averse have fallen a third to a half from their 52-week peaks. Kraft Foods — resilient maker of Kraft cheese, Oscar Mayer lunch meat and Planters nuts — has lost 40 percent of its value and predicts a drop in sales... Even oil companies, many of which are among the top U.S. firms, have been dented by the drop in oil and gas prices.

Change has been a constant feature of economy

A degree of change in the composition of America's biggest companies has been a feature of the U.S. economy for decades, even without wrenching recessions. "I'm sure the adding-machine companies thought they'd be around forever," Levkovich said. "If you bought Polaroid and held it, you'd regret it. There is always the risk of technological change. Even a drug company gets usurped by other drugs."

All that, he added, "makes it hard to buy a stock and sock it away. My dad will tell you that Pan Am didn't work out that well. Yet it was the company at the time." Pan American Airlines, the leading airline for more than three decades, went bankrupt in 1991.

As hard as the current downturn has been on big companies, some analysts say, small companies are still more vulnerable. Mark Zandi, chief economist of Moody's Economy.com, said that while big companies can turn to the bond market or even the government for financing, all smaller businesses

have "is their friendly banker." And if that banker isn't forthcoming, they fail. The number of bankruptcy filings is climbing rapidly, Zandi noted... "Every business from the smallest to the biggest is bending in this economic storm," Zandi said. "I don't think anyone has any shelter. The big companies are taking it on the chin, but most of them will survive. Many of the smaller companies won'.

<http://www.opednews.com/articles/Goodbye-farmers-markets-C-by-Linn-Cohen-Cole-090303-287.html>

Goodbye Farmer's Markets, CSAs, and Roadside Stands

By Linn Cohen-Cole - March 3, 2009

The "food safety" bills in Congress were written by Monsanto, Cargill, Tyson's, ADM, etc. All are associated with the opposite of food safety. What is this all about then?... In the simplest terms, organic food and a rebirth of farming were winning. Not in absolute numbers but in a deep and growing shift by the public toward understanding the connection between their food and their health, between good food and true social pleasures, between their own involvement in food and the improvement in their lives in general, between local food and a burgeoning local economy. Slow Food was right - limit your food to what comes from your region and from real farmers, and slow down to cook it and linger over it with friends and family, and the world begins to change for the better... And as we face an unprecedented economic crisis, and it is hard to be sure what has value, one thing that always does is food. This is why the corporations are after absolute control over it... But what obstacles to a complete lock on food do they face? All the people in this country who are "banking" on organic farming and urban gardens and most of all, everyone's deepening pleasure in and increasing involvement with everything about food.

Farmers markets. Local farmers. Real milk. Fresh eggs. Vegetable stands.

Those are things we not only all want, but things we are actively getting involved in, and things we very much need. And where they are truly good, [they are growing](#).

The international financial corporations which have wreaked havoc around the world with astounding nonsensical "solutions" that are destructive of everyone but them, are brothers to the international agribusiness giants (Monsanto, Cargill, Tyson's, ADM, etc.) which are just as aggressively after their own form of "taking." Just seeds, animals, water, land... And freedom... Because human beings are by in large good and by in large incredibly resilient and clever, and left to their own devices - that is, free - they would handle this gargantuan financial stupidity the corporations brought us with NAFTA, CAFTA, GATT and all other globalized schemes (which they hope to eventually top off with CODEX). How? By being productive in real ways and locally... And farming is the solid ground under that. Farmers produce something of real value (something we used to take for granted), and from that base, businesses grow up. Local markets, local food processors, local seed companies, local tool and supply companies, local stores ... and an economy based on reality and something truly good for us, too, begins to grow.

And it is all those things that threaten the corporations.... Which is why we now have these massive "fake food safety" bills in Congress. Everything is going under thanks to these fools, and they wish to be there like vultures to make sure that every drop of blood that can be sucked out of our resources and us, is theirs. To wit, they must get rid of such good and innocent things and yet truly powerful things as: Farmers markets. Local farmers. Real milk. Fresh eggs. Vegetable stands. And how will those who contaminate our country's food with pesticides, hormones, antibiotics and more, do that? Why, by setting standards for "food safety" that are so grotesquely and inappropriately and even cruelly applied to a local, independent farmers and ranchers that there is no way they can

manage. Imagine your being faced with a 100 page IRS form and facing a million dollar a day penalty for screwing up. That would be in the ball park of the impossible complexity mixed with threat facing our farmers. Imagine having the government and corporations deciding every single thing you can do and must do in your kitchen and backing that up with the threat of 10 years in prison for screwing up - though you have never made anyone sick, and those corporations have. Imagine being surveilled 24 hours a day by GPS tracking devices that feed into ... a corporate data bank, one they have now moved out of the country so no one here can have legal access to see what is in it.

Imagine the devil himself - or a whole boardrooms of them, dressed in suits - defining the only safe and healthy food in this country as dangerous and burdening hard working farmers with more work than anyone could bear, while his own, their own, food is so dangerous at this point that in the last 10 years alone, [diabetes has gone up 90%](#).

And how did they get this far with such a scheme to apply insane industrial standards to every farm in the country? Through fear of diseases and of outbreaks of food borne illnesses, both of which they cause themselves.

How it works: Tyson helps Bill Clinton get into office. Bill Clinton immediately and significantly lowers contamination standards for poultry as a thank you. And it is such contaminated waste from transnational poultry factories which is now implicated as [the source of bird flu](#). Then fortunes are made on that fear. And then poultry industry uses the crisis they created to [push out small farmers](#) and take greater control than ever. Their mantra? Biodiversity not only be damned but be eliminated. And get rid of those damn farmers who protect it while we're at it.

The bills would require such a burdensome complexity of rules, inspections, licensing, fees, and penalties for each farmer who wishes to sell locally - a fruit stand, at a farmers market - [no one could manage it](#). And THAT is the point. The whole dirty tricks point. The whole "be in tight control of everything needed for survival because it'll be worth a fortune" point.

So, if you like farmers markets, local farmers, fresh milk, fresh eggs, vegetables stands, and freedom, let your friends know that it's all on the line right now with those "fake food safety" bills brought to us with well-planned evil and more of it to come, by Monsanto, Cargill, Tyson's, ADM, etc.

Atomic construction yields punchier power store

15 March 2009 by Colin Barras - For similar stories, visit the Energy and Fuels Topic Guide "New Scientist"

Devices from electric cars to laptops could benefit from a new kind of capacitor, which combines the best features of conventional devices to store a large quantity of charge and release it rapidly. Electrostatic capacitors store charge on the surface of two conducting plates separated by an insulating layer. Their advantage is that they can store and release energy much faster than batteries.

That makes them ideal candidates to replace batteries in devices that require speedy discharge of power, such as electric cars. However, electric capacitors can hold only limited charge. Super-capacitors that store charge chemically as well as electrically have greater capacities, but perform only as well as the best batteries.

Now a prototype capacitor has been made that manages to store power as densely as a super-capacitor, but deliver it at speeds comparable with electrostatic capacitors.

Best of both worlds

It was made by chemist Gary Rubloff at the University of Maryland, with colleagues from the Korea Advanced Institute of Science and Technology... The secret to the prototype's performance is that it actually has 10 billion tiny capacitors, each just 50 nanometres across, crammed into every square

centimetre. Electrodes connect up the mini devices so they can function as a single unit.

The team starts the creation of such small capacitors by anodising – adding a surface layer of oxide – a sheet of aluminium foil to create a regularly spaced array of nanopores across its surface. Each pore is then filled with three nested, concentric layers of material that function as the traditional conductor-insulator-conductor arrangement of an electric capacitor.

The conducting layers are made from titanium nitride, and the insulating layer from aluminium oxide. They are laid down with a highly precise way of depositing nanoscale structures called atomic layer deposition.

Atomic precision

That technique makes it possible to create thin layers of metals with unprecedented accuracy, says Rubloff: That is why the semiconductor industry is heavily pursuing atomic layer deposition to make a next generation of computer chips, he adds.

The resulting capacitor can deliver energy at a speed typical of electrostatic capacitors, at a rate that would allow a single kilogram to deliver one megawatt of power – enough to power 10,000 100-watt light bulbs. It can also store energy as densely as a supercapacitor, with 1 kg holding 2500 joules.

"Our primary target [for this technology] is as part of a hybrid battery-capacitor system for electric cars," says Rubloff. "But there are many [potential] small scale applications, [including] better electrical storage systems for cellphones or laptops."

The next step is to tweak the design to improve its performance – for instance, the team will experiment with deeper pores that can each hold bigger capacitors and thus store more energy.

Journal reference: Nature Nanotechnology (DOI: 10.1038/nnano.2009)

How to Destroy the Government in Three Easy Steps 19 March 2009

by: Joe Brewer, t r u t h o u t / Perspective

In eight short years, conservatives have effectively bankrupted many state governments and left the fed in shambles. And now citizens have to "make tough decisions" and share the suffering equally across the land (unless of course, you're part of that lucky 1 percent who co-opted the functions of government to serve their own ends ... they'll be cozy with their offshore bank accounts, golden parachutes and permanent tax holidays).

Are you a teacher who educates our future citizens? Too bad. You've got to tighten your belt and let that job go. Manual laborer? Sorry, but that job can earn more money for our shareholders if it's done in Micronesia. Need a college degree? Prepare for indentured servitude because you'll be working to pay us off for most of your adult life. Health care? Ha! That's just a Ponzi scheme dreamed up by a bunch of socialists... Ever wonder how conservatives did all this?... Well, here's your very own how-to manual for getting Big Government out of the way so you and your buddies can horde all the wealth to yourselves and build your empire.

Step 1: Blame the Individuals

Every battle has to have two sides, so you'll need to divide the people against each other. This means that you'll need to declare that "there's no such thing as society" and focus the entire debate on the faults of individuals... Enron screwed people over? That's just a few bad apples. The business news, a lap dog for corporate excess? That's just Jim Cramer doing his thing. The economy in a shambles? That's just George W leaving his legacy.

And of course the housing crisis is the fault of greedy buyers. Industry can't do right for us because of that welfare queen. And government can't serve the people because of that corrupt politician and his special-interest crony... Get the people talking about individuals and it'll be easy to blind them to the public infrastructure they depend on. You don't want anyone to make a peep when we gut the schools, defund public works and empty out the Treasury. Those problems will just be fodder to throw at the sorry Democrats we'll blame when the fit hits the fan.

Step 2: Cut Taxes

Now that you've gotten everyone bickering about each other (and ignoring us), you can get to work dismantling the government. All you have to do is cut taxes. Yes, it's that simple. One move and you get all the benefits of (1) weakening every social program; (2) making government services inadequate; (3) setting the stage for calling out "waste" and inefficiencies (more of that blame game!); (4) keeping your richest friends from ever having to pay for the infrastructure they exploit to make all that money; (5) getting nonprofits and opposition leaders in the government (progressives ... eck!!) to spend all their precious resources fighting to keep things in the budget, and (6) outsourcing government operations to your buddies in the corporate world so they can profit from them.

This one move is strategic. It does all the work for you...And when life starts looking dire, you get opportunities you never dreamed possible in a democracy.

Step 3: Exploit Disaster

If you've managed to accomplish steps 1 and 2, people will be in a panic. And we all know that panicky people make rash decisions. Now is your chance to push that unpopular agenda through the cracks - disaster capitalism at its best!

Remember how we tricked the populace into an illegal invasion and occupation of Iraq to secure oil revenues? That wouldn't have happened if people weren't scared out of their wits by the fright of terrorism. Think people would have gone for No Child Left Behind and allowed tests to replace learning in the classroom? We had to fabricate a crisis (which took years of hard work to create) to push that one through. And you know that there's no way we could take away so many civil liberties with the Patriot Act if the debate was drawn out for weeks under public scrutiny.

So there you have it. Three easy steps to destroy the government.

Joe Brewer is founder and director of [Cognitive Policy Works](#), an educational and research center devoted to the application of cognitive and behavioral sciences to politics. He is a former fellow of the [Rockridge Institute](#), a think tank founded by George Lakoff to analyze political discourse for the progressive movement. This is a moderated forum. It may take a little while for comments to go live.

Businessmen All – The Technocrat Magazine – August 1943

America has grown to be a great and powerful nation... It has exploited its vast wealth of natural resources, under the incentives of the chiseling practices of the Price system. We have learned how to produce and sell for profit. Our educators do a swell job of conditioning us to that mode of behavior while we are still children in school. In our arithmetic classes, we get problems like this: "If you have a cow, and the cow gives 10 quarts of milk a day and the milk sells for 10 cents per quart how much money will the milk bring? We are thus conditioned to the commercial values of the Price System. So, now, it would never occur to us to think like this: 'If a cow gives 10 quarts of milk a day, and one quart will feed one baby, how many babies will the cow feed?' No all we think of is 'How much will the milk sell for?'

THOUGHT PATTERNS

That is just one example. The worker in industry thinks like this: 'If I work 48 hours this week, at 80 cents per hour with overtime for 8 hours. I will make \$41.60 this week.' He seldom thinks in terms of how much he will produce in goods or services, nor how much his work will contribute to the general welfare. He was never conditioned to think that way, so it doesn't occur to him. He feels perfectly justified in 'striking' to gain his personal ends.

The Business man seldom thinks of his function in terms of aiding the people of his community to obtain goods and services, and thus facilitate their way of life. He is concerned first with 'turnover and profit'. If the goods do not move fast enough, or the margin of profit is too narrow, he doesn't handle them, no matter how much he might benefit the people of the community by doing so. He is not to be condemned. He has never been taught to think in any other way by our educational system.

No matter what the name our occupations go by, whether we are called a worker, a teacher, a doctor, a scientist, an engineer or a housewife, we are trained to be businessmen and businesswomen. Our function is merely incidental to the process of buying and selling.

When Americans sold scrap iron and aviation gasoline to Japan, they were not being traitors to the American way of life; they were practicing it as they had been trained to do: 'Sell what you have to whatever market will bring the greatest profits.' That is the American way which we have lived, and which the Price System leaders of America want to perpetuate. —Wilton Ivie

Technocracy Brief Vol. 1, #6 - 1946 (Timely Information)

Depressions: The tail end of which is JUST AROUND A CORNER where 2 CHICKENS IN EVERY POT and 2 CARS IN EVERY GARAGE awaits the ILL FED, ILL HOUSED, & ILL CLOTHED.

GRAFT: The No. 1 INCENTIVE of our AMERICAN WAY.

INFLATION: Instead of not having the money you HAVEN'T, you'd have twice as much, but it is worth only one-third of what you haven't got.

PROFITEERING: The MORE and SMOOTHER you do it, the quicker you gain the title of SUCCESSFUL BUSINESS MAN.

SWEAT SHOPS: A very delightful institution in which a human is expected to produce approximately one-tenth of a horsepower all day long.

Report on the "Z Day" event 15th of March. Even with the weather so unruly, alternating from rain to snow to rain and high winds early in the day, which surprisingly became sunny around 2pm... Well we stuck with it and benefited from a modest but very interested group of attendees. We should note that Travis Hall and his staff had a successful event in spite of the adverse conditions and should be complimented with the completion of a "job well done." ... Although Technocracy is not directly associated with the Zeitgeist Movement, the goals and proposed changes that we try to educate others about, are in sync with each other. Technocracy's scientific survey of North America and its design for functional governance would put in place the method in which the Zeitgeist proposals could be implemented.

My best to you all, George Wright CHQ - Technocracy Inc.