



JANUARY 2009

# STRAIGHT TALK

*"We ought to obey God rather than men!"*

– The Apostle Peter, Acts 5:29

## A VOICE FROM THE PAST ON PATRIOTISM

### ON PATRIOTISM –1894

Patriotism today is the cruel tradition of an outlived period, which exists not merely by its inertia, but because the governments and ruling classes, aware that not their power only, but their very existence, depends upon it, persistently excite and maintain it among the people, both by cunning and violence.

For a long while there has not been and cannot be any reason for dissension between Christian nations. It is even impossible to imagine, how and for what, Russian and German workmen, peacefully and conjointly working on the frontiers or in the capitals, should quarrel.

It is the same between French, German, and Italian workmen. And it would be even ridiculous to speak of the possibility of a quarrel between men of science, art, and letters of different nationalities, who have the same objects of common interest independent of nationalities or of governments.

But the various governments cannot leave the nations in peace, because the chief, if not the sole, justification for the existence of governments is the pacification of nations, and the settlement of their hostile relationships. Hence governments evoke such hostile relationships under the aspect of patriotism, in order to exhibit their powers of pacification. Somewhat like a gypsy who, having put some pepper under a horse's tail, and beaten it in its stall, brings it out, and hanging on to the reins, pretends that he can hardly control the excited animal.

We are told that governments are very careful to maintain peace between nations. But how do they maintain it? People live on the Rhine in peaceful communication with one another. Suddenly, owing to certain quarrels and intrigues between kings and emperors, a war commences; and we learn that the French government has considered it necessary to claim this peaceful people as Frenchmen. Centuries pass, the population has become accustomed to their position, when animosity again begins amongst the governments of the great nations, and a war is started upon the most empty pretext, because the German government

considers it necessary to claim this population as Germans: and between all Frenchmen and Germans is kindled a mutual feeling of ill-will.

Or else Germans and Russians live in a friendly fashion on their frontiers, pacifically exchanging the results of their labor; when all of a sudden those same institutions, which "only exist to maintain the peace of nations," begin to quarrel, are guilty of one stupidity after another, and finally are unable to invent anything better than a most childish method of self-punishment in order to have their own way, and do a bad turn to their opponent -which in this case is especially easy, as those who arrange a war of tariffs are not the sufferers from it; it is others who suffer - and so arrange such a war of tariffs as took place not long ago between Russia and Germany. And so between Russians and Germans a feeling of animosity is fostered, which is still more inflamed by the Franco-Russian festivities, and may lead at one moment or another to a bloody war.

I have mentioned these last two examples of the influence of a government over the people used to excite their animosity against another people, because they have occurred in our times: but in all history there is no war which was not hatched by the governments, the governments alone, independent of the interests of the people, to whom war is always pernicious even when successful.

The government assures the people that they are in danger from the invasion of another nation, or from foes in their midst, and that the only way to escape this danger is by the slavish obedience of the people to their government. This fact is seen most prominently during revolutions and dictatorships, but it exists always and everywhere that the power of the government exists. Every government explains its existence, and justifies its deeds of violence, by the argument that if it did not exist the condition of things would be very much worse. After assuring the people of its danger the government subordinates it to control, and when in this condition compels it to attack some other nation. And thus the assurance of the government is corroborated in the eyes of the people, as to the danger of attack from other nations.

Patriotism in its simplest, clearest, and most indubitable signification is nothing else but a means of obtaining for the rulers their ambitions and covetous desires, and for the ruled the abdication of human dignity, reason, and conscience, and a slavish enthrallment to those in power. And as such it is recommended wherever it is preached.

Patriotism is slavery. The nations of our time have reached the period of reasonableness, have no animosity toward one another, and might decide their differences in a peaceful fashion. But this argument applies only so far as it has reference to the people, and only to the people who are not under the control of a government. But the people that subordinate themselves to a government cannot be reasonable, because the subordination is in itself a sign of a want of reason.

How can we speak of the reasonableness of men who promise in advance to accomplish everything, including murder, that the government (that is, certain men who have attained a certain position) may command? People who can accept such things, and resignedly subordinate themselves to anything that may be prescribed by men unknown to them in Petersburg, Vienna, Berlin, Paris, cannot be considered reasonable; and the government, that is, those who are in possession of such power, can still less be considered reasonable, and cannot but misuse it, and become dazed by such insane and dreadful power.

This is why peace between nations cannot be attained by reasonable means, by conversations, by arbitration, as long as the subordination of the people to the government continues, a condition always unreasonable and always pernicious. But the subordination of people to governments will exist as long as patriotism exists, because all governmental authority is founded upon patriotism, that is, upon the readiness of people to subordinate themselves to authority in order to defend their nation, country, or state from dangers which are supposed to threaten. The power of the French kings over their people before the Revolution was founded on patriotism; upon it too was based the power of the Committee of Public Welfare after the Revolution; upon it was erected the power of Napoleon, both as consul and as emperor; upon it, after the downfall of Napoleon, was based the power of the Bourbons, then that of the Republic, Louis Philippe, and again of the Republic; then of Napoleon III, and again of the Republic, and upon it finally rested the power of M. Boulanger.

It is dreadful to say so, but there is not, nor has there been, any conjoint violence of one people against another which was not accomplished in the name of patriotism. In its name the Russians fought the French, and the French the Russians; in its name Russians and French are preparing to fight the Germans, and the Germans to wage war on two frontiers. And such is the case not only with wars. In the name of patriotism the Russians stifle the Poles, the Germans persecute the Slavonians, the men of the Commune killed those of Versailles, and those of Versailles the men of the Commune.

IT WOULD seem that, owing to the spread of educa-

tion, of speedier locomotion, of greater intercourse between different nations, to the widening of literature, and chiefly to the decrease of danger from other nations, the fraud of patriotism ought daily to become more difficult and at length impossible to practise

But the truth is that these very means of general external education, facilitated locomotion and intercourse, and especially the spread of literature, being captured and constantly more and more controlled by government, confer on the latter such possibilities of exciting a feeling of mutual animosity between nations, that in degree as the uselessness and harmfulness of patriotism have become manifest, so also has increased the power of the government and ruling class to excite patriotism among the people.

The difference between that which was and that which is consists solely in the fact that now a much larger number of men participate in the advantages which patriotism confers on the upper classes, hence a much larger number of men are employed in spreading and sustaining this astounding superstition.

The more difficult the government finds it to retain its power, the more numerous are the men who share it. In former times a small band of rulers held the reins of power, emperors, kings, dukes, their soldiers and assistants; whereas now the power and its profits are shared not only by the government officials and by the clergy, but by capitalists - great and small, landowners, bankers, members of parliament, professors, village officials, men of science, and even artists, but particularly by authors and journalists.

And all these people, consciously or unconsciously, spread the deceit of patriotism, which is indispensable to them if the profits of their position are to be preserved. And the fraud, thanks to the means of its propagation, and to the participation in it of a much larger number of people, having become more powerful, is continued so successfully, that, notwithstanding the increased difficulty of deceiving, the extent to which the people are deceived is the same as ever.

A hundred years ago the uneducated classes, who had no idea of what composed their government, or by what nations they were surrounded, blindly obeyed the local government officials and nobles by whom they were enslaved, and it was sufficient for the government, by bribes and rewards, to remain on good terms with these nobles and officials, in order to squeeze from the people all that was required. Whereas now, when the people can, for the most part, read, know more or less of what their government consists, and what nations surround them; when workingmen constantly and easily move from place to place, bringing back information of what is happening in the world - the simple demand that the orders of the government must be accomplished is not sufficient; it is needful as well to cloud those true ideas about life which the people have, and to inculcate unnatural ideas as to the condition of their existence, and the relationship to it of other nations. And so, thanks to the development of literature, reading, and the facilities of travel, governments which have their agents everywhere, by means of statutes, sermons, schools, and

the press, inculcate everywhere upon the people the most barbarous and erroneous ideas as to their advantages, the relationship of nations, their qualities and intentions; and the people, so crushed by labor that they have neither the time nor the power to understand the significance or test the truth of the ideas which are forced upon them or of the demands made upon them in the name of their welfare, put themselves uncomplainingly under the yoke.

Whereas workmen who have freed themselves from unremitting labor and become educated, and who have, therefore, it might be supposed, the power of seeing through the fraud which is practised upon them, are subjected to such a coercion of threats, bribes, and all the hypnotic influence of governments, that, almost without exception, they desert to the side of the government, and by entering some well-paid and profitable employment, as priest, schoolmaster, officer, or functionary, become participators in spreading the deceit which is destroying their comrades. It is as if nets were laid at the entrances to education, in which those who by some means or other escape from the masses bowed down by labor, are inevitably caught.

At first, when one understands the cruelty of all this deceit, one feels indignant in spite of oneself against those who from personal ambition or greedy advantage propagate this cruel fraud which destroys the souls as well as the bodies of men, and one feels inclined to accuse them of a sly craftiness; but the fact is that they are deceitful with no wish to deceive, but because they cannot be otherwise. And they deceive, not like Machiavellians, but with no consciousness of their deceit, and usually with the naive assurance that they are doing something excellent and elevated, a view in which they are persistently encouraged by the sympathy and approval of all who surround them.

Thus emperors, kings, and their ministers, with all their coronations, maneuvers, reviews, visiting one another, dressing up in various uniforms, going from place to place, and deliberating with serious faces as to how they may keep peace between nations supposed to be inimical to each other - nations who would never dream of quarrelling - feel quite sure that what they are doing is very reasonable and useful.

In the same way the various ministers, diplomats, and functionaries - dressed up in uniforms, with all sorts of ribbons and crosses, writing and docketing with great care, upon the best paper, their hazy, involved, altogether needless communications, advices, projects - are quite assured that, without their activity, the entire existence of nations would halt or become deranged. In the same manner military men, got up in ridiculous costumes, arguing seriously with what rifle or cannon men can be most expeditiously destroyed, are quite certain that their field-days and reviews are most important and essential to the people. So likewise the priests, journalists, writers of patriotic songs and class-books; who preach patriotism and receive liberal remuneration, are equally satisfied.

And no doubt the organizers of festivities - like the Franco-Russian fêtes - are sincerely affected while pronouncing their patriotic speeches and toasts.

All these people do what they are doing unconsciously, because they must, all their life being founded upon deceit, and because they know not how to do anything else; and coincidentally these same acts call forth the sympathy and approbation of all the people amongst whom they are done. Moreover, being all linked together, they approve and justify one another's acts - emperors and kings those of the soldiers, functionaries, and clergymen; and soldiers, functionaries, and clergymen the acts of emperors and kings, while the populace, and especially the town populace, seeing nothing comprehensible in what is done by all these men, unwittingly ascribe to them a special, almost a supernatural, significance.

The people see, for instance, that a triumphal arch is erected; that men bedeck themselves with crowns, uniforms, robes; that fireworks are let off, cannons fired, bells rung, regiments paraded with their bands; that papers and telegrams and messengers fly from place to place, and that strangely arrayed men are busily engaged in hurrying from place to place and much is said and written; and the throng being unable to believe that all this is done (as is indeed the case) without the slightest necessity, attribute to it all a special mysterious significance, and gaze with shouts and hilarity or with silent awe. And on the other hand, this hilarity or silent awe confirms the assurance of those people who are responsible for all these foolish deeds.

Thus, for instance, not long ago, Wilhelm II ordered a new throne for himself, with some special kind of ornamentation, and having dressed up in a white uniform, with a cuirass, tight breeches, and a helmet with a bird on the top, and enveloped himself in a red mantle, came out to his subjects, and sat down on this new throne, perfectly assured that his act was most necessary and important; and his subjects not only saw nothing ridiculous in it, but thought the sight most imposing.

FOR SOME TIME the power of the government over the people has not been maintained by force, as was the case when one nation conquered another and ruled it by force of arms, or when the rulers of an unarmed people had separate legions of janissaries or guards.

The power of the government has for some time been maintained by what is termed public opinion.

It is public opinion that patriotism is a fine moral sentiment, and that it is right and our duty to regard one's own nation, one's own state, as the best in the world; and flowing naturally from this public opinion is another, namely, that it is right and our duty to acquiesce in the control of a government over ourselves, to subordinate ourselves to it, to serve in the army and submit ourselves to discipline, to give our earnings to the government in the form of taxes, to submit to the decisions of the law-courts, and to consider the edicts of the government as divinely right. And when such public opinion exists, a strong governmental power is formed possessing milliards of money, an organized mechanism of administration, the postal service, telegraphs, telephones, disciplined armies, law-courts, police, submissive clergy, schools, even the press; and this power maintains the public opinion which it finds necessary.

The power of the government is maintained by public opinion, and with this power the government, by means of its organs - its officials, law-courts, schools, churches, even the press - can always maintain the public opinion which they need. Public opinion produces the power, and the power produces public opinion. And there appears to be no escape from this position. Nor indeed would there be, if public opinion were something fixed, unchangeable, and governments were able to manufacture the public opinion they needed. But, fortunately, such is not the case; and public opinion is not, to begin with, permanent, unchangeable, stationary; but, on the contrary, is constantly changing, moving with the advance of humanity; and public opinion not only cannot be produced at will by a government, but is that which produces governments and gives them power, or deprives them of it.

But we need only take public opinion in its relation to the life of mankind to see that, as with the day or the year, it is never stagnant, but always proceeds along the way by which all humanity advances, as, notwithstanding delays and hesitations, the day or the spring advances by the same path as the sun.

So that, although, judging from external appearances, the position of European nations today is almost as it was fifty years ago, the relationship of the nations to these appearances is quite different from what it was then. Though now, the same as then, exist rulers, troops, taxes, luxury and poverty, Catholicism, orthodoxy, Lutheranism, in former times these existed because public opinion demanded them, whereas now they exist only because the governments artificially maintain what was once a vital public opinion.

The means which these people can control are immense; but as public opinion is constantly pouring in upon them their efforts must in the end be in vain: the old falls into decrepitude, the new grows.

The longer the manifestation of nascent public opinion is restrained, the more it accumulates, the more energetically will it burst forth.

Governments and ruling classes try with all their strength to conserve that old public opinion of patriotism upon which their power rests, and to smother the expression of the new, which would destroy it. But to preserve the old and to check the new is possible only up to a certain point; just as, only to a certain extent, is it possible to check running water with a dam.

Patriotism promises men nothing but a terrible future, but the brotherhood of nations represents an ideal which is becoming ever more intelligible and more desirable to humanity. Hence the progress of mankind from the old outworn opinion to the new must inevitably take place. This progression is as inevitable as the falling in the spring of the last dry leaves and the appearance of the new from swollen buds.

And the longer this transition is delayed, the more inevitable it becomes, and the more evident its necessity.

And indeed, one has only to remember what we profess, both as Christians and merely as men of our day,

those fundamental moralities by which we are directed in our social, family, and personal existence, and the position in which we place ourselves in the name of patriotism, in order to see what a degree of contradiction we have placed between our conscience and what, thanks to an energetic government influence in this direction, we regard as our public opinion.

One has only thoughtfully to examine the most ordinary demands of patriotism, which are expected of us as the most simple and natural affair, in order to understand to what extent these requirements are at variance with that real public opinion which we already share. We all regard ourselves as free, educated, humane men, or even as Christians, and yet we are all in such a position that were Wilhelm tomorrow to take offence against Alexander, or Mr. N. to write a lively article on the Eastern Question, or Prince So-and-so to plunder some Bulgarians or Serbians, or some queen or empress to be put out by something or other, all we educated humane Christians must go and kill people of whom we have no knowledge, and toward whom we are as amicably disposed as to the rest of the world.

And if such an event has not come to pass, it is owing, we are assured, to the love of peace which controls Alexander, or because Nikolai Alexandrovitch has married the granddaughter of Victoria.

But if another happened to be in the place of Alexander, or if the disposition of Alexander himself were to alter, or if Nicholas the son of Alexander had married Amalia instead of Alice, we should rush at each other like wild beasts, and rip up each other's bellies.

Such is the supposed public opinion of our time, and such arguments are coolly repeated in every liberal and advanced organ of the press.

If we, Christians of a thousand years' standing, have not already cut one another's throats, it is merely because Alexander III does not permit us to do so.

But this is awful (nonsense)!

NO FEATS OF heroism are needed to achieve the greatest and most important changes in the existence of humanity; neither the armament of millions of soldiers, nor the construction of new roads and machines, nor the arrangement of exhibitions, nor the organization of workmen's unions, nor revolutions, nor barricades, nor explosions, nor the perfection of aerial navigation; but a change in public opinion. And to accomplish this change no exertions of the mind are needed, nor the refutation of anything in existence, nor the invention of any extraordinary novelty; it is only needful that we should not succumb to the erroneous, already defunct, public opinion of the past, which governments have induced artificially; it is only needful that each individual should say what he really feels or thinks, or at least that he should not say what he does not think. And if only a small body of the people were to do so at once, of their own accord, outworn public opinion would fall off us of itself, and anew, living, real opinion would assert itself. And when public opinion should thus have changed without the slightest effort, the internal condition of men's lives which so torments them would change likewise of its own accord.

One is ashamed to say how little is needed for all men to be delivered from those calamities which now oppress them; it is only needful not to lie.

Let people only be superior to the falsehood which is instilled into them, let them decline to say what they neither feel nor think, and at once such a revolution of all the organization of our life will take place as could not be attained by all the efforts of revolutionists during centuries, even were complete power within their hands.

If people would only believe that strength is not in force but in truth, would only not shrink from it either in world or deed, not say what they do not think, not do what they regard as foolish and as wrong!

"But what is there so gravely serious in shouting Vive la France! or, Hurrah for some emperor, king, or conqueror; in putting on a uniform and a court decoration and going and waiting in a anteroom and bowing low and calling men by strange titles and then giving the young and uncultured to understand that all this sort of thing is very praiseworthy?"

Or, "Why is the writing of an article in defence of the Franco-Russian alliance, or of the war of tariffs, or in condemnation of Germans, Russians, or Englishmen, of such moment?"

Or, "What harm is there in attendance at some patriotic festivity, or in drinking the health and making a speech in favor of people whom one does not love, and with whom one has no business?"

Or, "What is of such importance in admitting the use and excellence of treaties and alliances, or in keeping silence when one's own nation is lauded in one's hearing, and other nations are abused and maligned; or when Catholicism, Orthodoxy, and Lutheranism are lauded; or some hero of war, as Napoleon, Peter, Boulanger, or Skobelev, is admired?"

All these things seem so unimportant. Yet in these ways which seem unimportant to us, in our refraining from them, in our proving, as far as we can, the unreasonableness that is apparent to us, in this is our chief, our irresistible might, of which that unconquerable force is composed which constitutes real genuine public opinion, that opinion which, while itself advancing, moves all humanity.

The governments know this, and tremble before this force, and strive in every way they can to counteract or become possessed of it. They know that strength is not in force, but in thought and in clear expression of it, and, therefore, they are more afraid of the expression of independent thought than of armies; hence they institute censorship, bribe the press, and monopolize the control of religion and of the schools. But the spiritual force which moves the world eludes them; it is neither in books nor in papers; it cannot be trapped, and is always free; it is in the depths of consciousness of mankind. The most powerful and untrammelled force of freedom is that which asserts itself in the soul of man when he is alone, and in the sole presence of himself reflects on the facts of the universe, and then naturally communicates his thoughts to wife, brother, friend, with all those with whom he comes in contact, and from whom he would regard it as sinful to conceal the truth.

No milliards of roubles, no millions of troops, no organization, no wars or revolutions will produce what the simple expression of a free man may, on what he regards as just, independently of what exists or was instilled into him. One free man will say with truth what he thinks and feels amongst thousands of men who by their acts and words attest exactly the opposite. It would seem that he who sincerely expressed his thought must remain alone, whereas it generally happens that everyone else, or the majority at least, have been thinking and feeling the same things but without expressing them.

And that which yesterday was the novel opinion of one man, today becomes the general opinion of the majority

And as soon as this opinion is established, immediately by imperceptible degrees, but beyond power of frustration, the conduct of mankind begins to alter.

Whereas at present, every man, even, if free, asks himself, "What can I do alone against all this ocean of evil and deceit which overwhelms us? Why should I express my opinion? Why indeed possess one? It is better not to reflect on these misty and involved questions. Perhaps these contradictions are an inevitable condition of our existence. And why should I struggle alone with all the evil in the world? Is it not better to go with the stream which carries me along? If anything can be done, it must be done not alone but in company with others."

And leaving the most powerful of weapons - thought and its expression - which move the world, each man employs the weapon of social activity, not noticing that every social activity is based on the very foundations against which he is bound to fight, and that upon entering the social activity which exists in our world every man is obliged, if only in part, to deviate from the truth and to make concessions which destroy the force of the powerful weapon which should assist him in the struggle. It is as if a man, who was given a blade so marvelously keen that it would sever anything, should use its edge for driving in nails.

We all complain of the senseless order of life, which is at variance with our being, and yet we refuse to use the unique and powerful weapon within our hands - the consciousness of truth and its expression; but on the contrary, under the pretext of struggling with evil, we destroy the weapon, and sacrifice it to the exigencies of an imaginary conflict.

One man does not assert the truth which he knows, because he feels himself bound to the people with whom he is engaged; another, because the truth might deprive him of the profitable position by which he maintains his family; a third, because he desires to attain reputation and authority, and then use them in the service of mankind; a fourth, because he does not wish to destroy old sacred traditions; a fifth, because he has no desire to offend people; a sixth, because the expression of the truth would arouse persecution, and disturb the excellent social activity to which he has devoted himself.

One serves as emperor, king, minister, government functionary, or soldier, and assures himself and others that the deviation from truth indispensable to his condition is

redeemed by the good he does. Another, who fulfils the duties of a spiritual pastor, does not in the depths of his soul believe all he teaches, but permits the deviation from truth in view of the good he does. A third instructs men by means of literature, and notwithstanding the silence he must observe with regard to the whole truth, in order not to stir up the government and society against himself, has no doubt as to the good he does. A fourth struggles resolutely with the existing order as revolutionist or anarchist, and is quite assured that the aims he pursues are so beneficial that the neglect of the truth, or even of the falsehood, by silence, indispensable to the success of his activity, does not destroy the utility of his work.

In order that the conditions of a life contrary to the consciousness of humanity should change and be replaced by one which is in accord with it, the outworn public opinion must be superseded by a new and living one. And in order that the old outworn opinion should yield its place to the new living one all who are conscious of the new requirements of existence should openly express them. And yet all those who are conscious of these new requirements, one in the name of one thing, and one in the name of another, not only pass them over in silence, but both by word and deed attest their exact opposites.

Only the truth and its expression can establish that new public opinion which will reform the ancient obsolete and pernicious order of life; and yet we not only do not express the truth we know, but often even distinctly give expression to what we ourselves regard as false. If only free men would not rely on that which has no power, and is always fettered-upon external aids; but would trust in that which is always powerful and free-the truth and its expression!

IT IS sufficient that people should understand that what is enunciated to them as public opinion, and maintained by such complex, energetic, and artificial means, is not public opinion, but only the lifeless outcome of what was once public opinion; and, what is more important, it is sufficient that they should have faith in themselves, that they should believe that what they are conscious of in the depths of their souls, what in every one is pressing for expression, and is only not expressed because it contradicts the public opinion supposed to exist, is the power which transforms the world, and to express which is the mission of mankind: it is sufficient to believe that truth is not what men talk of, but what is told by his own conscience, that is, by God - and at once the whole artificially maintained public opinion will disappear, and a new and true one be established in its place.

If people would only speak what they think, and not what they do not think, all the superstitions emanating from patriotism would at once drop away with the cruel feelings and violence founded upon it. The hatred and animosity between nations and peoples, fanned by their governments, would cease; the extolling of military heroism, that is of murder, would be at an end; and, what is of most importance, respect for authorities, abandonment to them of the fruits of one's labor, and subordination to them, would

cease, since there is no other reason for them but patriotism. And if merely this were to take place, that vast mass of feeble people who are controlled by externals - would sway at once to the side of the new public opinion, which should reign henceforth in place of the old.

Let the government keep the schools, Church, press, its milliards of money and millions of armed men transformed into machines: all this apparently terrible organization of brute force is as nothing compared to the consciousness of truth, which surges in the soul of one man who knows the power of truth, which is communicated from him to a second and a third, as one candle lights an innumerable quantity of others. The light needs only to be kindled, and, like wax in the face of fire, this organization, which seems so powerful, will melt, and be consumed. Only let men understand the vast power which is given them in the word which expresses truth: only let them refuse to sell their birthright for a mess of pottage: only let people use their power - and their rulers will not dare, as now, to threaten men with universal slaughter, to which, at their discretion, they may or may not subject them, not dare before the eyes of a peaceful populace to hold reviews and maneuvers of disciplined murderers; nor would the governments dare for their own profit and the advantage of their assistance to arrange and derange custom-house agreements, nor to collect from the people those millions of roubles which they distribute among their assistants, and by the help of which their murders are planned.

And such a transformation is not only possible, but it is as impossible that it should not be accomplished as that a lifeless, decaying tree should not fall, and a younger take its place.

*"Peace I leave with you; my peace I give unto you: not as the world giveth, give I unto you. Let not your heart be troubled, neither let it be afraid,"* said Christ.

And this peace is indeed among us, and depends on us for its attainment. If only the hearts of individuals would not be troubled by the seductions with which they are hourly seduced, nor afraid of those imaginary terrors by which they are intimidated; if people only knew wherein their chiefest, all-conquering power consists - a peace which men have always desired, not the peace offered by diplomatic negotiations, imperial or kingly progresses, dinners, speeches, fortresses, cannon, dynamite, and melinite, by the exhaustion of the people under taxes, and the abduction from labor of the flower of the population, but the peace attainable by a voluntary profession of the truth by every man, would long ago have been established in our midst.

— Lev Nikolajevic' Tolstoy

**THERE IT IS** ... written 120 years ago. Tolstoy said it better than I could say it. Based on the logic of his outstanding treatise, we seek leaders who reflect our own values. Thus, most Americans are obviously criminals and tyrants in their hearts ... which is reflected in their choices of political and religious leaders.

## OLMERT PULLS RICE UP SHORT

This week, Bush countermanded his own Secretary of State (Rice) and bowed to orders from Israel's Prime Minister Ehud Olmert. Every major newspaper and TV news program reported the story.

JERUSALEM (AFP) – US Secretary of State Condoleezza Rice was left shame-faced after President George W. Bush ordered her to abstain in a key UN vote on the Gaza war, Israeli Prime Minister Ehud Olmert said on Monday.

*"She was left shamed. A resolution that she prepared and arranged, and in the end she did not vote in favour,"* Olmert said in a speech in the southern town of Ashkelon.

The UN Security Council passed a resolution last Thursday calling for an immediate ceasefire in the three-week-old conflict in the Gaza Strip and an Israeli withdrawal from Gaza where hundreds have been killed.

Fourteen of the council's 15 members voted in favour of the resolution, which was later rejected by Israel. The United States had initially been expected to vote in line with the other 14 but then Rice became the sole abstention.

*"In the night between Thursday and Friday, when the secretary of state wanted to lead the vote on a ceasefire at the Security Council, we did not want her to vote in favour,"* Olmert said.

*"I said 'get me President Bush on the phone'. They said he was in the middle of giving a speech in Philadelphia. I said I didn't care. 'I need to talk to him now'. He got off the podium and spoke to me.*

*"I told him the United States could not vote in favour of such a resolution. He immediately called the secretary of state and told her not to vote in favour."*

Who handles Bush (when Cheney and Rove are not around)? Israel!

## A TWIST IN THE MADOFF SCAM

When I began reading about the multi-billion-dollar Bernard Madoff scandal I got a big smile on my face ... because here was a unique scandal. According to the reports, a powerful Jew (Madoff) had swindled a bunch of rich fat cats - all of whom were Jews. This was reported to have happened over a period of 20 years. I had never heard of such a thing ... but the thought of it was cheerful for while.

Then I read the following reports, which, while probably unprovable (like Barbara Bush's true ancestry), are most likely true. Read them and judge for yourself. Which makes more sense – that Madoff pulled off an illegal scam for twenty years without anyone (even his own sons) noticing, or that the whole thing is a bank ripoff and an insurance fraud?

## THE MADOFF DOUBLE BLUFF

by Muhammad Rafeeq (18th-Dec-08)

At first sight it was extremely refreshing ... a white-collar financial crook raising his hands and pleading guilty to his financial crime. This has to be almost a first. Usually

financial criminals, when caught in the most obvious of wrongdoing, claim to be 'not guilty'. The criminal can be caught boarding the plane, with a suitcase containing US\$100mn of someone else's cash, with his mistress holding on to his arm ... he will look into the camera with his most genuine 'Tony Blair look of sincerity' and say "What we have here is a misunderstanding.... " You make up the rest of the excuse, there are a million of them.

So yes, an outright confession, "It was me, I chopped down the cherry tree"! This is so against the current socio-political culture it was almost too good to be true ... especially given the pedigree of this perp, the CEO of one of the busiest and most prominent financial exchanges in the world.

After his confession the world goes into shock, especially the Jewish world, since affluent members of this community had flocked to his door, seeking his world-famous high returns. Since his arrest, the press is full of people extolling his virtues as a decent human being and "who would ever of believed it?" It would be so easy for this man to deny any wrongdoing because he could bring out an army of good character witnesses and he could just point at some suspect-looking goy in his hedge fund organization to lay the blame on.

It was a truly heartwarming confession. And it was apparently made to his two sons, both of whom worked for the fund and had absolutely no idea that this fraud was being perpetrated, until this astounding confession.

But then I started to look more closely at the mix of investors who have lost money. About half of them are professional investing institutions. Look at this quote from the UK's Daily Mail newspaper

"Full details of the exact losses are yet to emerge. Hedge funds and banks have so far admitted to having around £16billion with Madoff - only half of the total that is reckoned to have been lost. Some of the biggest casualties are Swiss private banks, which have taken hits amounting to about £2.5billion. Spanish bank Santander had £2.1billion of client money with Madoff. HSBC has admitted to lending about £600million to funds who wanted to use debt to gear up their positions with Madoff. RAB capital, the hedge fund that lost huge sums on investing in Northern Rock, has revealed that it is exposed to Madoff to the tune of around £6million."

OK ... now the confession does not look right at all.

It is possible to accept the idea of a Ponzi scheme being played on members of the public who are ignorant of how such schemes are worked – in fact such schemes are targeted specifically at such people. Yet Madoff would have us believe that he managed to convince professional investment companies to put their funds with him without any due diligence being performed. This is clearly non-sense.

I have acted as a professional consultant to major EC and US financial institutions on corporate and institutional credit risk ... and the idea that any one person in HSBC or Santander could authorize large investment without the internal checks and controls being employed is almost

impossible. To try and believe that EVERY institution that invested in Madoff circumvented their internal control procedures IS impossible!

Why is this important? Simple. If someone approaches the HSBC credit risk team, for instance, with a view to making a loan or investing a sum as large as £600m to what is ultimately a single institution (therefore a single counterparty credit exposure) a significant number of hoops would have to be jumped through. Firstly there is the credit officer competence limit, which is the maximum amount that a single credit officer may be allowed to authorize. More than his/her limit must be referred up the credit approval food chain. In an institution like HSBC or Santander etc, £600bn or US\$1tn will have been referred to the very top of the food chain – the banks' credit committees at the board level. This is an enormous sum and no lackey is going to be able to approve this by themselves, ever.

When the credit committee is called together to review an application, everything is already prepared for them, so they can cut to the chase. The lower levels of the credit approval process will have prepared a summary of all the application documentation, included in the meeting bundle, with the strengths, weaknesses, and other important credit risk points. This application will usually contain a set of audited accounts going back a minimum of 3 years and most likely 5 years. There will be a full credit breakdown of the investment profile of the business, Madoff's hedge fund, looking at how the fund obtains its returns; investment assets and investment methodology. After the committee is satisfied that all the issues and concerns have been addressed they will vote on the approval or otherwise.

So there is NO WAY that Madoff could have been pulling a scam. It would have stood out as clear as day to professional financial analysts, whose only job in life is to examine the management of companies and their reports and accounts, to make sure that all is in order. Its their job. Its what they do. They are the world experts in spotting anomalies. The idea that all these professionals in all these companies were all duped is absolute nonsense. It is highly improbable that one such evaluation process could have been fooled ... but ALL of them? NEVER! A Ponzi scheme is easy to spot when you have the audited accounts and the full range of investment assets and investment methodologies employed.

Also, this scam avoided the attention of all the funds employees; accountants, traders, auditors and the US regulators, all of whom are also financial professionals.

This again is absolute nonsense. Any company that I have ever worked for would have known internally that such business was being done, because they are all involved. For instance, a trader goes on buying equities from the worlds stock exchanges that go down in price for 5 continuous years, but the company just keeps giving him more money to top up the trading, continues paying his salary and even annual bonus. Absolute rubbish!

But assuming this actually did happen, the market risk team would have been watching these losses, as would have the accountants. It is not possible to hide things like

this internally for very long, months at the most; 20+ years, NEVER.

So why plead guilty? The answer is simple. Look on the net and you will see that because this case is being labeled a fraud, it would appear that investors are going to be able to claim their investment back under the US government's financial fraud protection scheme. A judge has already given his approval in principle for compensation, without any evidence having been presented and financial fraud being demonstrated in a court of law. And it would appear that there will never be such a demonstration in a court of law. Why? It would appear that all the funds financial records are mostly "missing," and those few records that do survive are in a terrible mess.

However, since the guy has pleaded guilty we do not need to demonstrate the fraud, because he says he is guilty.

And look further on the net and you will see that these "victims" have also been told by the US tax authorities that they will probably also be entitled to claim back some taxes on these defrauded sums.

Rather than saying this hedge fund has gone bust, due to its choice of investment assets and investment methodologies, a scenario which is highly probable in the current financial paradigm, since all the professionals are predicting that at least 30% of all hedge funds are about to fail, more than 700 of them, the CEO chooses to fess up to fraud. If the CEO had merely allowed the fund to go bust, then all those wealthy members of the Jewish community get nothing. But if the CEO admits to fraud they get their money back as compensation from the US tax payer, just as they are also drawing money back from the tax payers with the other hand.

And, as can be seen at the Daily Mail above, the investors in this fund get to litigate the fund directors against Lloyds insurers in London for even more compensation. Done properly the compensation could end up paying out far more than the original fund returns.

Would that I could believe that Madoff were a good guy who slipped and then became repentant. But given the facts, this simply cannot be true.

## CONCLUSION

Sources say that the wealth from Madoff's scam has been fully transferred to Israel (via the NY branch of the Israel Discount Bank) and that "most if not all of the clients have been made aware" that their money is available to them in Israel.

The sources also say that the "victims" were told in advance by Madoff that their money was being transferred to Israel because the USA "was going down." Mike (US Attorney General) Mukasy's son is the lead lawyer for Madoff's key operative – so we are looking at 3-5yrs for Madoff, or possibly a paid-for pardon by Bush before he leaves office.

Truth is stranger than fiction.

