

EIR Strategic Outlook

We are at the end of an epoch

by Lyndon H. LaRouche, Jr.

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What I'm going to do today, will be something of a *tour de force*. Some of the points may not always be clear to you, in particular because some of them are fairly complex and important points. However, we are backing up what I'm saying today, with a number of other reports.

My function is to put together a number of different elements to show *exactly what it is* that humanity faces during the coming weeks and months. That is, during the coming weeks and months, this planet will go through the most profound crisis in about 500 years. The crisis in which we are now *presently living*, already, even though many people pretend it isn't happening, is *worse* in its implications, than the crisis which immediately preceded either of the two world wars of this century.

There is a threat of more warfare, more deaths, more famine, more epidemics, higher death rates, greater decreases in longevity and life-expectancy, and a general depopulation far greater than was experienced during either of the two world wars, or their aftermath. That is all presently a *process in progress*. It is not a series of isolated events, any more than a bubonic plague epidemic is a collection of individual cases, each with a separate cause.

Globally, the culture of this planet is disintegrating. We are coming to a point of discontinuity in the process of disintegration. Beyond that point, the present cultural arrangement, the present governmental structures, especially the present financial, monetary, and economic structures of this planet, will cease to exist in the form they have existed over

the preceding decades. And, that is all happening now.

There are two problems here. First of all, I imagine that when the *Titanic* was sinking, there were certain passengers who rushed to take some of the better staterooms. And, there are people today who simply are engaged in what is called, in psychology, "denial," a refusal to face the reality of what's happening: something so terrifying to them, or so confusing, that they refuse to admit that it's happening. The ship is sinking. It will soon be under water. *It's all over*. I can name governments around the world, most of them, in fact, which deny this reality.

For example, the present government of France, is in a state of denial. The government of Jacques Chirac, the new President, with the first government of Alain Juppé in France, came in with a great deal of hoopla, a few weeks of popularity and authority. And, now the government of France is disintegrating. It is imposing upon the people of France an austerity which it would not have imposed, if it had learned the lesson of Newt Gingrich's downfall in the United States, that fascism is not popular on this planet, with this people.

Seventy percent to eighty percent of the people of the United States reject fascism in the form of Gingrich and what he represents. We have a similar process; we have Gingriches in France. We saw a man, Juppé, transform himself into a Gingrich, before the astonished eyes of the French population. We saw a Chirac government, or a Chirac regime, disintegrate in its authority over the French people. And even when it became clear to the government, that the people of France had *rejected* this austerity program, the government stubbornly said, "No, we're sticking to it." And they're sticking to it like a famous variety of grain called buckwheat, which, when faced with a windstorm, rather than bending, breaks.



Lyndon LaRouche and Helga Zepp LaRouche at the Schiller Institute's conference in Eltville, Germany.

We have, in Germany, a similar situation. The government of Germany lives in a world of unreality. We see the return of the Socialist Unity Party (SED) [otherwise known as the communist party of East Germany], in the form of a unification of [Social Democratic Party (SPD) leader Oskar] Lafontaine and [former East German leader Gregor] Gysi. We see the discrediting of all the anti-communist governments which came up in eastern Europe during the post-1989 period, beginning with Poland. Why are they discredited? Because they believed in the policies of Margaret Thatcher and George Bush. They believed in what is called "the reform"; and, the reform has turned out to be fascism, and they don't like it any more. The parties which had tolerated, embraced, defended what is called "democracy" and "the market," in the name of reform, those parties today, throughout eastern Europe, are discredited, including that part of eastern Europe which is now known as Germany.

Germany betrayed the people of East Germany in the reunification, under British pressure, and the people of East Germany have turned, hatefully, against what has happened to them under the Treuhand agreement [the Treuhand is responsible for reorganizing East German state firms]. And now the people of East Germany are saying, "Well, you dumped us in the West. All we know is how to take power. There's no more communism, we agree; but we can still take power." And they're moving to take an old asset of the G.D.R. [East Germany], Lafontaine, to take over the SPD, combine the Greenies and the SPD, and themselves—all

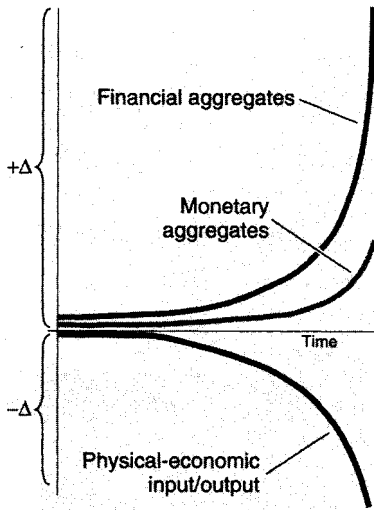
controlled, by the way, from London—to take over various states in Germany, and thus have veto-power to take over Germany as a whole. And the Kohl government is doing *everything* to turn Germany over to that new power, by its stubborn refusal to face reality. [Finance Minister Theo] Waigel's refusal to accept the reality of derivatives. The fact that the German banking system, which, up until 1990, was one of the most stable in the world, the banking system of the famous Hermann Abs, the Abs who had a rule for all bankers: "*Keine Kasinogesellschaft!*" ["No casino society!"]. That's exactly what these new bankers did; they turned the German banking system into a casino, a gambling casino. And the German banking system is doomed, just as the Japanese banking system is less doomed, but also doomed. Just as the entire banking and financial system of France is doomed.

So, that's the situation around the world: denial. They talk about growth. For reasons I'll indicate to you, generally speaking and overall, *there has been no economic growth on this planet, since the end of the 1960s*. None; if you measure in the right magnitudes.

If you measure in magnitudes per capita of labor force, per household, per square kilometer of used land area: If you measure in those terms, the physical product which is consumed either by households, consumed by productive industry, or consumed in the form of maintaining infrastructure or improving it, those components, and you measure them in these per-capita, per-household, per-square-kilome-

FIGURE 1

A typical collapse function



This graph, which also appears on the cover of this magazine, shows the hyperbolic rate of growth of financial and monetary aggregates, and the corresponding decline of physical production. Most of the graphics used by Mr. LaRouche in his speech are also printed in the color section (pages A1-A32), where additional analysis of them appears.

ter terms, you then find, as in the case of the United States, for example, in those terms, in comparing a market basket of consumption for households, for agriculture and industry, for infrastructure in the last years of the 1960s with the same market basket standard in the 1990s, the American people produce *half as much* as they did 25 years ago, and consume about half as much, for various reasons.

That is a pattern around the world. There has been a secular tendency toward a 2 to 3% annual contraction in economy around the world, with some variations in that, over the past quarter-century. The system is collapsing.

A functional view of global collapse

We have here **Figure 1** (we'll come back to this figure again). Now, the bottom line is not an actual mathematical calculation. This figure is a summary of three curves which are characteristic of the process of monetary and financial disintegration of the world economy. And a great part of what I'll say today, focusses upon this problem, to make this problem clear.

The bottom of the three lines represents the decline in productivity, in physical terms: that is, physical product. It also includes things which are essential, as services, to physical productivity.

Obviously, education. Those aspects of education which are *essential* to maintain the cultural level and productivity of the population. It's a *physical value*, even though it's intangible, intangible in the sense of being a service.

Then, we have health care. The demographic characteristics of a population, the sickness rates, the mortality rates, the birth rates, the longevity. These characteristics are determined by health, which consist of sanitation, as well as health

care. That's essential.

We could not maintain the present population of any part of this world, without a continuation of investment in capital-intensive, power-intensive forms of scientific and technological progress. It is actually, in point of fact, the introduction of the Green Revolution (the bad one, that is), in 1964, the so-called Greenie movement, that has done more than any single factor in policy, to destroy the world's economy. There is no greater enemy of human life, than environmentalism. And, I'll indicate that, and we can discuss it if some people want to get into the details.

But, without an increasing investment in scientific and technological progress, without increasing power per capita in production and in life, without increasing capital-intensity, without the educational process and so forth to manage this, you cannot maintain any existing population on this planet. Without improving that investment in productivity and technology, without advances in technology, you cannot maintain the population of this planet.

As a matter of fact, if we do what Prince Philip of England, the Duke of Edinburgh, and his World Wildlife Fund and his Gaia Foundation and so forth wish to do, within the coming generation and a half, the population of this planet will collapse through famine, epidemic, and related causes, from the present 5-plus billion, to Middle-Ages levels around this planet, of several hundred million: the greatest holocaust in the known history and prehistory of mankind.

If we don't get rid of the greenie revolution, there is no hope for anything on this planet; and, belief and opinion are not worth anything on that question. Either you get rid of it, or you don't survive. Either you get off the sinking ship, or you drown.

So, partly as a result of that post-industrial utopianism, the so-called "information society," these kinds of insanity and outright lunacy, we have this curve: decline. There are other causes which I'll address.

Now the second of the three curves, although the per-capita output, physical output, and consumption around the world have declined over the period of the past 25 years, *especially* the past 25 years, there has been an *increase* in per-capita monetary turnover, monetary emission. The money supply has been growing while the physical output and consumption per capita in all the categories—production, infrastructure, and households—have been declining.

At the same time, a new process has entered in, which is the growth of financial turnover relative to monetary turnover. That is, central banks and similar institutions emit money which is put into circulation through lending in the form of loans emitted by banks cooperating with central banks. Central banks incur an implicit or actual debt obligation, as a result of the emission of that money under present terms. That's the largest part of the debt that governments incur, especially the government of the United States.

The debt is incurred *not* by government spending. The

deficit growth is largely incurred as a result of a collapse in the tax revenue base, as a result of a collapse in the economy, and also an increase of debt to cause money to grow, to cause the money supply to grow faster than production. Thus, while production is declining, the money supply is *growing*. That's your main, primary driver, at that level, of *monetary inflation*. It's not that there's too much money in circulation; there's not enough of it being invested in production. And, therefore, your money supply is inflationary.

But, the worst part is the financial one (the top-most of the three curves). If we include the best estimates on the off-balance-sheet portion of financial turnover, the financial turnover of this planet per day, now, is probably around \$3 trillion a day. We're getting toward \$600-700 trillion a year now, in terms of financial turnover. If we were to continue this system for another year or so, on the present trend, we would be going to about \$1 quadrillion value of financial turnover per year.

Now, financial turnover also incurs financial obligations, which translates into various forms of indebtedness. However, in order to pay debt, you must pay it, ultimately, out of physical production. You must resolve the debt, finally, in physical production. Both the monetary debt or the debt related to monetary circulation, and the debt related to financial circulation.

Now, what you're seeing here, in the peculiar shape of this curve, and in the ratio of the financial curve to the monetary curve, are accurate representations of what the process looks like. Here, in the relationship between curves for monetary and for physical output, you get a tendency, in the past three years, toward a hyperbolic rate of growth of monetary emission to physical output. You get a more pronounced hyperbolic growth of financial obligations from the relationship between financial turnover and that of monetary aggregates.

That is, you pay financial debt in money terms. There's a ratio of financial obligations being generated to money being generated. You settle monetary debt in real terms, as by taxation of firms and persons and so forth. Therefore, the rate at which wealth is being generated, in respect to the rate at which money is generated, is another crucial value. The two values which are crucial: financial debt to the monetary debt, these two ratios here depicted, are the crux of the crisis. And, as I shall indicate, whenever a process such as this, this three-phase process, goes into a hyperbolic ascent, which is what's happening on the financial side now, in any kind of process, what you would have to say is we are entering a *phase shift*. We are entering a *discontinuity*.

The very fact that these ratios are changing the way they are, individually, and with respect to one another, indicates that the whole system has now reached the edge of the cliff. It is going to *end*. That does not mean that it's going to fall off the cliff. It *could* fall off the cliff, if we don't do the right thing.

So, the question is, will society continue past the death of the International Monetary Fund? Because the IMF is finished. It is dead. It cannot be saved. It is the *Titanic*, the "unsinkable *Titanic*," which is still booking passengers in many countries, when the ship is sinking. That's typical business these days: Try to get the last passenger on board before the ship actually sinks. But the question is: Do the people and countries have to go down the drain with the IMF, that is, the system which has these two characteristics: the international monetary system, which is a composite of the monetary systems of various countries; the international financial system, which is the sickness, the cancer of the IMF system?

Can nations exist beyond that point? Yes, they can. No reason they can't. *Get rid of the IMF system, get rid of the monetary system, and also get rid of the characteristics of policy-making which allowed us to get into this mess 25-30 years ago*. Under those conditions, the world can survive, the nations can survive. But unless we do that, civilization is doomed.

Now, this is not an unusual problem in history; it's just *bigger* than usual. The record of human history is mostly a record of failures. Most civilizations have *failed*. They are the subject of the archaeologists, who go out there trying to find traces of former civilizations in the dust. Most civilizations, whatever their achievements were, *died* as tragedies. Virtually every culture which has existed on this planet, prior to the present European culture, has *failed*—contrary to what the cultural anthropologists try to tell you.

You know, the "good little old cultures." Like the Aztecs. There are some people who admire the Aztecs. Now, if there's one thing worse than slavery, it's cannibalism. And the Aztecs were cannibals. Millions of subject people, subject to the Aztecs, were taken in tens and hundreds of thousands over short periods of time, and had their hearts cut out in mass rituals of thousands of people, in order to conduct a religious celebration in the area of what's called Mexico City today.

Also, there was mass cannibalism throughout the entire area. That is, prior to the so-called evangelization and colonization of that portion of the Americas, you had some of the worst and most degenerate and evil forms of culture that ever existed. And, the gift of European civilization to the Americas, was the greatest gift those Indian populations ever received.

Most cultures are *failures*. We'll get into that, in a moment.

The point is, that the failure of our culture, or the threatened failure of our *world-culture*, is not a surprising phenomenon if we understand world history, both archaeological prehistory, and known history. Mesopotamia was a source of nothing but *failures*. Every culture generated in Mesopotamia to this time has been a *failure*. Egyptian culture *failed*; but, it was a successful culture for part of this period. The

culture of South Asia was a *failure* at the time the British and Dutch and French found it. It had failed. Yet it had a high point earlier, in Central Asia, and the time it first went in to South Asia. While the people of Mesopotamia were still trying to learn what a pot was, in Central Asia the Indo-Europeans, as they're called, had already developed the solar astronomical calendars of considerable sophistication; a very advanced culture. But that, too, failed.

Now, there are two aspects from which to look at the cultural history of mankind. One, is you have failures which are not exactly failures. You have failures in which the existing system fails, but which, out of the same nations or the same groups of people, there emerges simultaneously a new, better system, which carries mankind to a higher level. There's also the benefit which cultures which were more successful transmitted to those which had been less successful. And thus you had the transmission of culture and knowledge across peoples, such that the progress of the human species has been that cultural development and transmission.

So, thus, we can say we can speak of cultures which were dead ends, and we can speak of cultures which were like species, which gave birth to a higher species.

In what is called European civilization, that is, modern European civilization, as it spread throughout the world, as a net result both of its successes and its cruelties over the past 500 years, is the highest form of culture which mankind has ever conceived. And there are certain principles which underlie that. This is not just an accident. There are certain principles which are eternal principles, which account for this success.

But, this culture, too, is the one which is now collapsing. It's collapsing in a form which is best represented by Classical tragedy, the Classical tragedies of Aeschylus or Sophocles, or the superior form of tragedy which was developed, first, by Shakespeare and Marlowe in the Sixteenth Century, in England (the case of *Hamlet*, of course, is the classic reference), or by Schiller, later, in Germany.

This culture is suffering a tragedy. Like Hamlet, if it continues to behave the way it's behaving, if it continues the way that Chirac is thinking, the way that Kohl is thinking, this entire, global civilization is *doomed*. It is doomed to go the way of the most obscure, forgotten relic of culture in any prehistory of mankind.

But on the other hand, it is the highest form of culture which has ever existed. It has within it, conceptually, physically, the means to produce new successes beyond anything that most people could imagine today. So, like Hamlet, the old culture is finished, the old monetary-financial system, especially.

The past 25 years' economic policies, or the changes in policy, especially the Greenpeace version of that, all has to go. Get rid of Greenpeace or you have no grandchildren. Or if you have them, they won't live very long.

If we get rid of those problems, we have the basis, in a

residue, for creating a new political-economic culture on this planet, which can lift mankind to the highest level mankind has ever lived, higher than anyone, perhaps, except a few today, would imagine.

So, this is a tragedy. Hamlet said, in his second famous soliloquy, that the fear of the unknown compelled him to cling, fatally, terminally, to generally accepted ideas, which he knew would lead to doom. The essence of tragedy, is that people, particularly the so-called heroes, the designated heroes, the people who have power, authority, responsibility, confronted with a crisis of society, become so afraid of changing the way they think and they behave, that, even when they know continuing what they're doing, like Chirac in France today, like Kohl in Germany, or the Kohl government in Germany today, that even though they have the means to know that the policies they are following, the practices they're following, lead to extinction of their society, they are so afraid of what for them is the unknown, the unfamiliar, the new, the strange, that they will walk to their *doom* rather than embrace a new alternative idea, by which they might survive.

That's the problem we address today. We have to deal with the harsh realities of human history. So, let's go, next, to a few of the brighter aspects and harsher aspects of the same thing, these two things in succession, first one, and then two. We'll come back to this later, after we've looked at some of the evidence.

The rise and fall of modern history

This table (on "Development of Human Population" [see color section, Table 1, p. A3]) is a representation of what the consensus is, among the professions of anthropology and population studies generally: a summation of what they believe. There are probably a lot of errors in it, but generally, this is what people believe, in the relevant professions today, about human population. The whole history of mankind, insofar as we know it. Prehistory and history.

You compare this with the apes, which is where we start. Because, you remember, Prince Philip, the Duke of Edinburgh, the man who supplied the genetic material for producing the present royal family, insists that he's a higher ape. That may explain some of the monkey business that's been going on with the British royal family.

But, if man were a higher ape, and given the ecological conditions which existed on this planet during the past 2 million years, approximately, then the human population could never have exceeded about 2 or 3 million persons. The life expectancy would have probably been, on the average, around 10 or 12 years of age for surviving infants of that type of man-ape, the Prince Philip type. Without people to support him and guide him around, he wouldn't have lived past his 12th birthday, which probably would have been a great boon to mankind, but that's another story.

So, from the most primitive conditions at the beginning,

that we know, man demonstrates an increase in longevity, an increase in survival of newborn infants, and so forth and so on. The so-called demographic characteristics of longevity, life expectancy, and health.

Also, mankind increases its ability to use land area. For example, a man-ape would require about 10 square kilometers per individual, merely to survive, on average, on this planet. That would give us a human population, or man-ape population, in the order of magnitude of 5, maybe 10 million individuals. By the time of the Middle Ages, or the time of the New Dark Age in the middle of the Fourteenth Century in Europe, the human population was about 300 million, about 100 times the maximum size of what an ape could have done. Today, the human population is about 5.3 billion, estimated. The greatest increase in population in all history, the greatest *rate* of increase.

Now, when we increase population density successfully in that way, this demonstrates that mankind has increased man's power over nature, that man is able to survive using less land, that is, to get more out of a unit of land area. This is necessarily accompanied by an increase in life expectancy, lowering of sickness rates for all levels of the population, more leisure, the introduction of universal education, which is one of the great causes for the growth of productivity in population in the past 500 years.

This means that each individual is a more powerful individual, than individuals of a society of a preceding period. This means that whereas no animal species, such as Prince Philip, could actually increase the range of potential population density, we human beings, unlike Prince Philip, have done it constantly over the known aspects of history and prehistory of mankind. And the greatest success in increasing the potential population density of mankind, has occurred, radiating out of Europe, during the past 550 years, minus the last 25, which have been pretty much a disaster on this account.

So, a simple record of demographics. Then, in more recent times, you can make a comparison between industrialized countries and non-industrialized countries. You'll find, in a country which is chronically poor, chronically desperately poor, there is very little infrastructure, few railroads, very little in the way of public works. Most things are left to *private initiative*, which is the mark of a poor or degenerating society. Public works have always been in the public sector, the state sector. Without them, we would never have had even privately owned railroads.

It was the governments which made possible private railroads. The Constitution of the United States was formed on the imperative of having public works. Under the Articles of Confederation between 1783, the period of the Paris Treaty, and 1789, there were virtually no railroads, canals, roads, and other things across state lines in the United States. This was a disaster. The included purpose of the U.S. Federal Constitution, was to base a modern economy on government

responsibility for public works. And public works generally mean infrastructure. It's water management, both for human use and industrial use, and also transportation. Railway systems, highway systems, airline systems, warehouse systems, power generation and distribution, sanitation in general. Land reclamation, land habilitation, to take desert land and make it into fertile land for human habitation and production. All of these things are things which can be done *only by government*, not the so-called private sector.

So, these are the characteristics that separate a developed country or an industrialized country, a healthy country economically, before 25 years ago, from a poor country, an underdeveloped country.

Take the developing sector generally. What did the colonialists leave behind in Africa, the colonial powers, with some exceptions in the case of the French, in the case of the Brazza policy? In general, the Dutch and the British left behind disaster. They left behind a few ports, large cities, which, like Alexandria or Cairo, are vast sewer systems more than cities.

And why do those cities grow in population? Why is the rest of Egypt, for example, not developed? Or the same thing has happened in Indonesia; or the same thing happened in every country that was colonized in South Asia. The same thing is characteristic of Africa, generally. You'll find a few cities which were maintained for the convenience and benefit and comfort and entertainment of the *pukka sahibs*, the British and the Dutch colonists, and their investments. And there, a small amount of infrastructure was provided for the convenience of the *pukka sahibs*. But for the mass of people for the inland? No. You would have a railroad that would go to a mine. You would have a road that would go to a plantation. A population's native agriculture was destroyed, generally. Instead, you had plantation agriculture to produce and export product for the convenience of the colonial masters.

The curse of most areas that were colonized during the period of the Eighteenth into the Twentieth Century, is that they are still suffering from colonialism. Not only do they have the *legacy* of colonialism in the lack of infrastructural development, but, they still are controlled from London or the Netherlands, or, to some degree, France. Their finances are controlled from London. The puppet-strings of intellectual assumption which control the movements of their mind, are determined by British education. They're not free in any sense. What was called "freedom," was merely to take the financial responsibility for the cost of government, to save the British money. The orders on how to run the economy were controlled by London. The choicest natural resources were controlled from London, by direct or indirect means. The export potential, the marketability of their products, the availability of credit for development; all controlled from London and similar places. Colonialism persisted.

You get, in the late 1960s studies which we did, a clear indication of the difference between a country like China

or India, which we used as paradigms, which were non-industrialized countries, and countries which were industrialized countries. Where you had non-industrialized countries like China or India, development was *hopeless*.

It is hopeless, on paper, to continue the policies that India had in the 1960s and China had in the 1960s or '70s, and expect development. You will not have it. Because a minority of the population lived in the sector where industrialization was occurring, in the few sectors where infrastructure was developed, however poorly; but the vast area of the population lived *outside* modern society, were looted outside of society.

If you do not bring political and social equality, in principle, to the Indian peasant, you will never have an Indian nation. India is not a nation. It's an *intent* to have a nation, a nice intent. Nehru was a nice fellow. Mrs. Gandhi was a very lovable woman, a great woman. Many patriots of India are good people. But, although they have the *intent* of creating a nation, they have not yet done it. The railroads are a legacy of British colonialism, and they're breaking down. The areas of development are chiefly, with few exceptions, those which the British colonials left after them. The problems of India, are those which are left behind by the British colonials.

China, a somewhat similar situation: lack of infrastructure and development. China is two nations. In a sense, it's unthinkable in Europe. Twenty percent of the Chinese population is one nation, the top. Eighty percent of the Chinese population is a second nation, the bottom. The fight in China, with Mao, in particular, was the question of whether you were going to allow the peasant to become a member of modern society. There's still a fight to that effect. Are you going to allow the peasant to become part of modern society, or are you going to keep him a traditional "Middle Kingdom" peasant, who is essentially cattle?

Go back to Russia, say, in the Nineteenth Century, or Eighteenth Century, under serfdom. Go to Gogol, *Dead Souls*. Under feudalism, there was no nation. There were no nations before the middle of the Fifteenth Century in Europe, no nation-states existed. The word "nation" had a different meaning. There's a famous, or it should be famous, book by a friend of ours, recently deceased, Prof. Freiherr von der Heydte, on the hour of birth of the modern sovereign nation-state, which should be consulted.

Politically, legally, *there were no nation-states prior to the middle of the Fifteenth Century, prior to the revolution which occurred in France under Louis XI*. Nation-states didn't exist: because of feudalism.

Think of the social relations under feudalism, think of the problem of China and India today, for a comparable problem in the developing sector. The peasant was the *property*, the political property of the landlord. He was cattle, he was *human cattle*. The land area belonged to the landlord. The landlord belonged to an overlord. The overlords belonged to an emperor. That's the imperial system.

In Europe, this imperial system was established just before Constantine. It was established, actually, in the Balkans, before there was a Croat or a Serb there, at the time that the Balkans was divided between Serb and Croat, before a single Serb lived there: when the Emperor Diocletian lived there, and drew a line called the Drina River, which separated the Eastern Empire from the Western Empire.

He set out a code, called the Code of Diocletian, which was like Prince Philip's code: zero technological growth. Every man must follow in his father's professional footsteps, his vocation. If you were a slave, he must be a slave. If the father was a shoemaker, he must be a shoemaker. And so forth: the Code of Diocletian. Which was why the population of the Eastern Empire collapsed. Because it was a degenerating system. It did not allow technological and scientific progress.

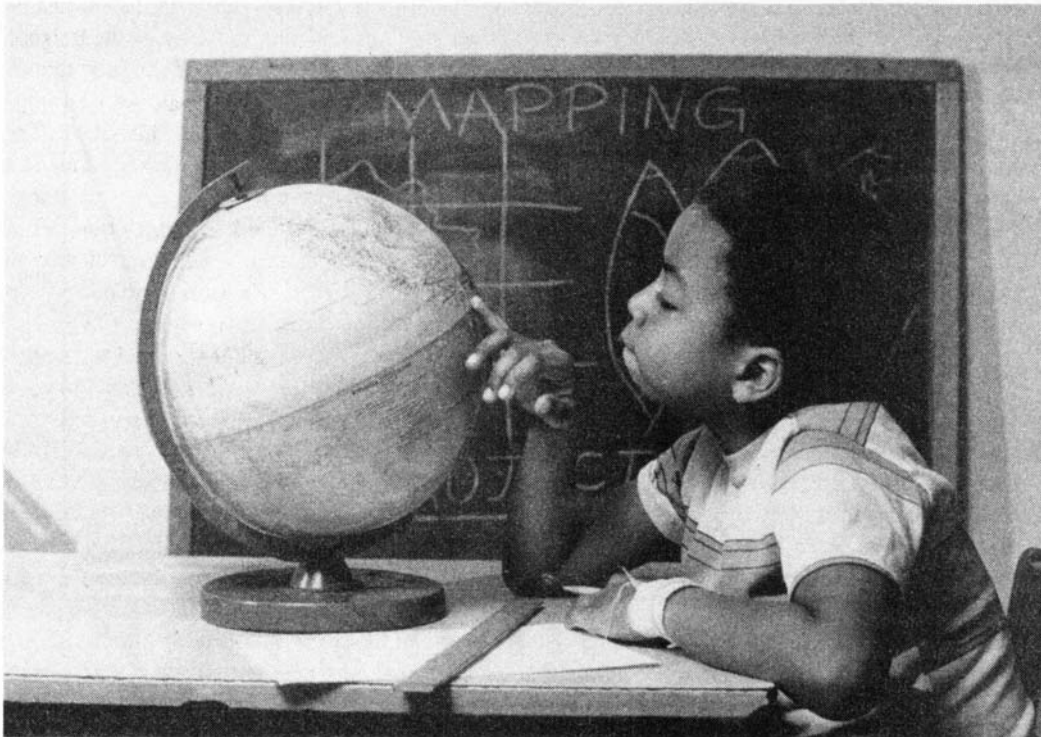
In the condition of mankind under feudalism, there were no nations. There was *property*, property in the feudal sense. You had in Russia, like the Vorontsov family, vast estates, larger than some nations in western Europe. And the people on them were serfs. They were property, *a human form of cattle*. The property was the property of the *boyar*, not the people.

And the Chinese peasant, traditionally, was in a similar condition, under a different system. The Chinese peasant was the property of the Middle Kingdom. The Chinese peasant is put on a rock. He defecates on the rock, and grows food! "China conquers the world by planting peasants, Chinese peasants, in every part of the world"; that's the conception: "We must not change the character of the peasant, we must keep him as a Chinese peasant who can grow food on a barren rock by defecating on it, and growing a crop. We must not let him change his nature. It would be a disaster: There would be no Middle Kingdom."

In India, you have racism, as we would call it in the United States. It affects the economy. When proposals are made by patriots in India, to develop the infrastructure of India in a certain way, *the line is drawn*, between the upper castes and the lower castes.

This was the condition of mankind. So, we made this great revolution. We created the institution of the modern nation-state, which was created by methods of the Renaissance, which broke the bonds of the peasantry, ended the peasant system, ended the human-cattle system. But, remember, prior to the Fifteenth Century, *95%, approximately, of the human race in every part of society in every part of this planet, lived like human cattle*. They were slaves or they were serfs, or they were in conditions of the Indians who were slaughtered and eaten by the Aztecs, or something of the sort.

Taught history has been largely a fraud, because most of the people in history have not been considered people. It is the top 3-5% of the population which was called the nation, or which was called the state, which was called the culture.



"A breakthrough, an insight, into a valid principle of discovery, is often described as a light going on in the personality. It's a distinct emotional quality and intellectual quality of experience, one that leaps chasms, leaps upward."

Most people didn't have time to be human. They were like the Chinese peasant. They were part of the under-nation, which is the problem that China is trying to deal with today, in the fight for internal infrastructural development.

So, this is the nature of man; but, look at the crucial thing which defined man in this way, through the Renaissance. What happened?

Certain religious and other orders, like the Brotherhood of the Common Life, began to take orphans and boys from poor families, and educate them in a form of education in which the child would relive the experience of discovery made by an original discoverer. And, of course, the emphasis was on the Classical Greek of the school of Plato, the Academy of Athens.

And, the child, by reliving the act of discovery, of original discovery (not learning, but reliving the act of discovery), would recognize in his or her own mind, those powers of creativity which had been responsible for all of the great discoveries of mankind known to us at that time.

Thus, by this kind of education, particularly at what we'd call the secondary level, from the age of about 7 to 16 or 17, this form of education, given to a significant number of orphans or other boys from poor families, as well as other persons, the so-called Christian humanist form of education (which is now banned in school systems in Germany, as elsewhere, as a result of the Brandt reforms) produced an educated population, a literate population with developed creative potential among adolescents and post-adolescents from the ranks of the poor. So the secret of Louis XI's success

in France, was that he was able to draw upon what I call a national intelligentsia, an urban, national intelligentsia, of products of this kind of revolution in education, which transformed the poor, from a cattle-like condition, into citizens.

Louis XI relied upon this urban intelligentsia, which admittedly came from various strata of society, but also a base in the poor, or the children of the poor. We had, therefore, as a result of the success of France (and it was largely the military success that impressed people at the time), an emphasis on imitating the successes of France, and of other nations which imitated Louis XI's France.

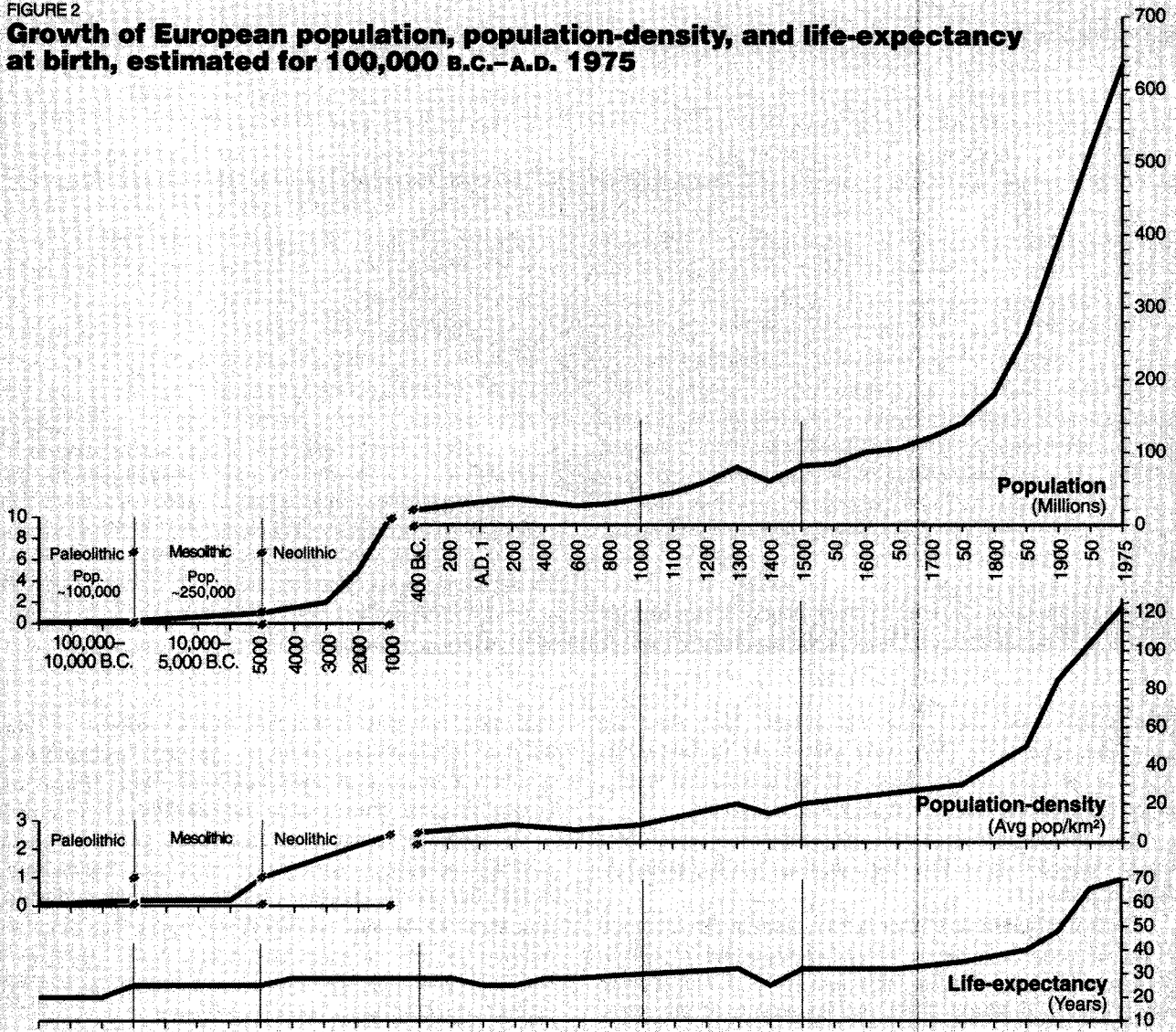
We, thus, had progress toward two things: toward universal education of this type for boys from all kinds of families. Not the whole society, not really universal, but in that direction. We also had a policy of utilizing the fact that we had a more skilled, educated, urban population for introducing scientific and technological progress as a regular part of the life of nations.

Now let's take **Figure 2**, on the growth of European population. And, thus we had this kind of rising population curve, right after the Middle Ages collapse. You see the recovery of the European population from Middle Ages conditions; and, then, a seemingly quasi-hyperbolic curve of upward growth of population, until about the middle of the 1970s. You see what happened on population density: Of course, that's obvious. But, also, more significant, an increase in life expectancy.

This is the greatest revolution in the history of mankind, launched from Italy throughout western Europe and beyond,

FIGURE 2

Growth of European population, population-density, and life-expectancy at birth, estimated for 100,000 B.C.–A.D. 1975



All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources for Figure 1: For population and population-density, Colin McEvedy and Richard Jones, *Atlas of World Population History*; for life-expectancy, various studies in historical demography including Gy. Acsádi and J. Nemeskéri, *History of Human Life Span and Mortality* (1970); Peter R. Cox, *Demography* (1976); Jacques Dupâquier, *La population rurale du Bassin parisien à l'époque de Louis XIV* (1979); Jacques Dupâquier, *Introduction à la démographie historique* (1974); D.V. Glass and D.E.C. Eversley, eds., *Population in History* (1965); T.H. Hollingswoirth, *Historical Demography* (1965); Roger Mols, S.J., *Introduction à la démographie historique des villes d'Europe du XIVe au XVIIe siècle*, (1955); Henry S. Shryock et al., *The Methods and Materials of Demography* (1976); E.A. Wrigley, *Population and History* (1967); E.A. Wrigley and R.S. Schofield, *The Population History of England, 1541-1871* (1981). Note breaks and changes in scales.

in the middle of the Fifteenth Century. It was a revolution which was based on transforming people in society, from human cattle, into emergence as a body of citizens, citizens who became citizens through universal education of this humanist form. Not learning how to do something, the way you teach a dog to do tricks, which is what, largely, our education

has become today: But, education through the act of taking a child and saying, "Now, today, you are going to be Archimedes. Today you're going to be Plato. You are going to relive the experience of discovery of all the greatest discoveries in the history of mankind. And when you, child, complete this education, you're going to have a base in which you have

relived the mental experience of great original discoveries upon which culture depends. Not only will you *know* these things, as opposed to merely learning how to do them as tricks. They will come from your own mind, not because you've imitated somebody without understanding; but, you will have recognized that you have in you, as a human being, a quality which no form of animal life has: *the quality of creative reason.*"

No animal can change its behavior. Take, for example, a dog. Many people in Germany have dogs. But generally, everybody has dogs. Or everybody knows about dogs. And we speak of a race of dogs as having certain characteristics.

When you get that kind of dog and you check it for characteristics, or that kind of horse and check it for characteristics, that dog and that horse will behave *to the end of its life* in that way: Its behavior is fixed by its genotype, or variety, as in the race of dog.

People are not dogs. People are not horses. People are not cattle. People are not subjects of ecology. When you apply ecology to mankind, you are committing the greatest crime of all against humanity, because you're denying everybody their humanity. A human being is not subject to what we call ecology, because a human being does not have a biologically predetermined behavioral disposition, in the sense that we can apply the term of type of behavior to dog, horse, etc., or race of dogs. That's what it means when a society "goes to the dogs," that they give up their creativity, they get subject to the Brandt educational reforms, or something like that. That's known as education going to the dogs.

Through the Renaissance kind of humanist education, creativity is not merely something which you gossip about. It's not a meaningless word which you try to interpret.

Yet, creativity is something which a student has experienced again and again and again. There's a distinct quality of mental life which is recognized by anybody who's studied the matter and gone through the experience, where you can distinguish between those mental states and the emotional quality of those mental states, which you may call the state of a valid discovery of principle. This occurs in the physical sciences, it occurs in Classical art forms such as music. It occurs in poetry.

And, this experience is recognizable. It's a distinct quality, a mental act, which has its own emotional quality, which is associated with the use of *agapē* from the Greek, in the term or the use of the emotion of love as used by St. Paul in, say, *I Corinthians*, as in *I Corinthians:13*.

This emotion is distinctive. We speak sometimes in the vernacular, of a child in the act of discovery of this type, this educational experience. Someone will speak of the light going on in the child's personality. A breakthrough, an insight, into a valid principle of discovery, is often described as a light going on in the personality. It's a distinct emotional quality and intellectual quality of experience, one that leaps chasms, leaps upward, always, chasms.

Now, a *valid* emotional act of discovery, is something that a child can learn, *only by reliving discovery.*

We have a record of those discoveries by great people, and some not so great, which were contributed to the stock of human knowledge at various points in thousands of years before us. If we include those in education, and ask the child to relive the conditions, the preconditions, and the experience of making that discovery over again *inside his or her own mind*, that child now learns, again and again, from these repeated experiences, what kind of a mental state he or she must call into play in his or her own mind, in order to do valid problem-solving in this way.

So you have people who are a true intelligentsia in the sense that they have an understanding of what it is that man is. This is man. *The human species is its creativity.*

Creativity has two aspects.

Creativity is what enables man to supersede the higher ape. It has enabled man to come from a species of a population potential of several million, at most, to today's population potential; or, if we used technology we had in the 1960s, we could sustain a population of 25 billion on this planet quite comfortably, at a standard of living comparable to that of the United States in the 1970s.

That was made possible by nothing other than this quality which distinguishes man from the ape. So, this is not only the means by which mankind solves its problem of existence, maintains the race, maintains the human species; but this is the most natural condition of a human being. Creativity is the natural state of mind of any human being.

Now this may not be obvious to you, when you limit yourself to mathematical physics or similar areas. But it should become more obvious when you look at Classical poetry, or when you look at Classical music.

Example: 'musical memory'

Let me just reference the idea of *musical memory*.

We have a dear friend, and I understand some of his tape is going to be shown here, from the session at Dolna Krupa, which is the Brunswick estate, now a national music museum in Slovakia, where Beethoven used to spend summers, where he did some of his composition, and where he fell in love with one of the daughters or cousins or something of this family.

We had a conference down there, at which this friend of mine, Norbert Brainin, conducted a master class. Norbert is significant as one of the few people in music, among leading musicians today, who understands this principle of composition; and he and I converged on it. He had looked at it from the musical standpoint of Haydn and Mozart originally, and Beethoven; and I looked at his discovery from a similar position, but from a different starting point: motivic thorough-composition.

And, those who like Romantic or Modernist music, don't understand music, because they *don't understand* what music

is. They don't understand music *from a human standpoint*; they may understand it from a dancing-bear standpoint, but not a human standpoint. It's true, because: What is music? Music is a product of Classical strophic poetry.

For example, take the case of the famous Vedic hymns which have been transmitted from Central Asia. Some of them are originally as old as, say, 8,000 years, or something of that sort. And these Vedic hymns were transmitted with what we are able to prove is fidelity; because, some of the content, for example, the astronomical content of some of these hymns, indicates that they were written at a time when the constellations were in certain configurations. So you can date the hymn by its internal content.

And the hymns were transmitted by people, chanters, who did not know, often, what they were saying. They simply recited these hymns, without knowing what the words signified. But they had learned to do this faithfully.

Now, the way they did this, is that the ancient Indo-European language, in particular, was not spoken in the way we speak the language today, but it was *freely sung*. And therefore, the *musicality* which is associated with the enunciation of Classical poetry as early as 8,000 years ago and older, obviously, that musicality was a device which is of some importance for the preservation of these hymns and the accuracy of their content.

Out of this chanting of strophic forms of poetic composition, came music.

In any great composition of thorough-composition, in order to perform the composition, you must know the complete composition. You cannot sit down with a musical score, and, in any possible way, play note by note, measure by measure, and come up with Classical music; you come up with something else. In order to perform the first note, and the second note, on the score of any composition, *you must first know, thoroughly, the composition as a whole*. You must know *the completed composition*, before you can play any part.

This is the way Plato described music and memory. You must know, in a certain sense, the end-result, in order to know how to deal with the detail. That is, you do not know things by going by past experience, and letting the past guide you in your approach to the future. You must know something about the future, in order to live efficiently in the present. You must know how it is going to turn out, in order to choose a course of action. Those who say, "You must let the market decide for you," obviously don't know anything about human beings, or about the way the universe is organized.

We understand the way the universe is organized by *principles* which are reflected in the forms called *axioms* in geometry. There are certain principles which we know are characteristic of certain results. Therefore, we determine what we do to *change the future*, by applying the guidance of axioms to guide our behavior in the present. And, thus, we shape the

present, by knowing something about the future, just as when you get the idea of a composition in music as a whole idea.

Or, strophic poetry: You don't know the concept of a poem, until you know the last line of a poem. And, the meaning of the poem is not located in the last line. As a matter of fact, the meaning of a poem is *never stated* in a poem, not a good one. The meaning of a poem is the idea which it forces upon the creative powers of mind, by creating paradoxes. And the *final paradox* of the poem, is the aspect which *forces the mind, which has gone through the preceding strophes, to recognize what the joke is*. It's the punch-line of the joke. And the punch-line is *not* the joke, it's the key to the joke, but not the joke itself.

And so you can't tell a joke, unless you know the punch-line, can you? But, just reciting the punch-line, is not the joke. You have to know *how it goes together, to lead the mind to a certain sense of irony, of paradox, so that the creative powers of the mind then turn the paradox into recognition of an idea*.

Remember that every idea that's discovered, *had no name at the time it's discovered*. So, you will never find an idea by deduction. You will never find a new idea in the dictionary. Grammarians are no good at teaching ideas. Ideas are things we give names to, *after* we have discovered them. The process of discovering an idea, is not a matter of deduction. It's a matter of metaphor.

And, this is the most normal aspect of human beings: metaphor. We are not creatures of words. We're not phonograph records. We're not talking machines (though we have a few politicians who might qualify for that). We are people of metaphor. We are people of poetry. We are people of music. We are people of discovery. We are people of creative reason.

Creative reason is what enables us to create the state, which is an art form; to create scientific discoveries; to go beyond Earth, to conquer the Moon, to colonize Mars; to go out in the galaxy and find other places of residence and conquest for man. It is reason that enables us to do this. It is *metaphor* that enables us to do this.

Every scientific principle is a metaphor. The great Riemann, in his habilitation dissertation, describes what most mathematicians can't understand. Mathematicians have problems, you know; they don't believe in physical reality. They go to the blackboard and write formulas, and decide if the Moon can exist. Or, they have the professor going to the blackboard, and saying, "I don't know if human life can exist. I don't know if life is mathematically possible."

But, all of the ideas that we have, come to us in the form of metaphor. So the two aspects, are play: a form of play which is suitable to us as human beings, which is a form suitable to creative reason. So, therefore, we have *play*. We call it drama. We call it great paintings. We call it poetry. We call it architecture, in part, which has also a functional use.

But, this play is not only an expression of our nature as human beings, as not-animals. It also is a way in which we develop our mental powers: by playing, as a child plays. Children don't develop by playing football. They develop by playing Shakespeare. (Kick that one around for a while.) And, that's how this happened.

We entered into a period of play, in which, in Florence, in the early Fifteenth Century, cantos of the *Divine Comedy* of Dante Alighieri were read daily in the streets of Florence, to the population, which is how you got a literate form of Tuscan Italian. It came from Dante. He created it for you, pulling together a lot of good elements from the work of others: This kind of play in the population, play in the discovery.

Look at the case of Leonardo da Vinci, the most serious and most playful scientist in history, comparable only to Leibniz and to Kepler in this fashion. The characteristic feature of Leonardo da Vinci, of Johannes Kepler, and Leibniz, is *play*. They play all the time; their play is discovery. Look at any of the notebooks of Leonardo. Read Kepler's jokes; he can't tell a joke without discovering a scientific principle. Leibniz is playful. Look at his original: He's writing in about six or seven languages at any time. In any given sentence, two or three languages are probably operating. He's playing, constantly. And that's our nature, this new vitality of mankind.

Man plays, because it's his nature. Man's nature is to create. It is against human nature to have a society which is divided between 20%, one China, and 80%, another. It is contrary to human nature. It is necessary to human nature, to us all, that we have a society in which everybody plays, on the basis of creativity.

And, that's the good part.

How the U.S. economy died

Now let's skip ahead, beyond this (we'll come back to this at the end), to what has happened in the United States in the recent period.

This next series of graphs, is simply an indication of some of the things that have happened in the physical economy of the United States over the postwar period. What we did, is: We took the physically productive sector of the population and the rest of the population: just a very simple illustration; that is just one division (**Figure 3**). The darker part is "*productive*," the rest is "*other*." This means essentially "*physically productive*," it means essentially physical goods, infrastructure improvements, and things of that sort.

Actually, this is the numbers in millions of persons. You



see, the labor force has grown: But, while the labor force has grown over this period, the size of the labor force employed in productive occupations, has remained approximately constant. And, actually, since about the middle of the 1970s, the productivity of that labor force, in physical terms, has decreased, of that productive portion of the labor force.

Therefore, we in the U.S.A. developed a large ration of non-productive labor force, which includes unemployed, which includes Wall Street secondary brokers who are totally useless. It includes whole lots of services which are totally useless, and even parasitical. So, that's what's happened to our society.

As a result of this and other conditions, we have a development in agriculture which is somewhat complex (**Figure 4**). But, let's take the first part, up to about 1970, after 1967 on. In the postwar period, U.S. agriculture boomed. I had a lot of friends in the military service, some of whom were farmers; and, these farmers, returning to the United States after the war, had two advantages over their fathers and grandfathers.

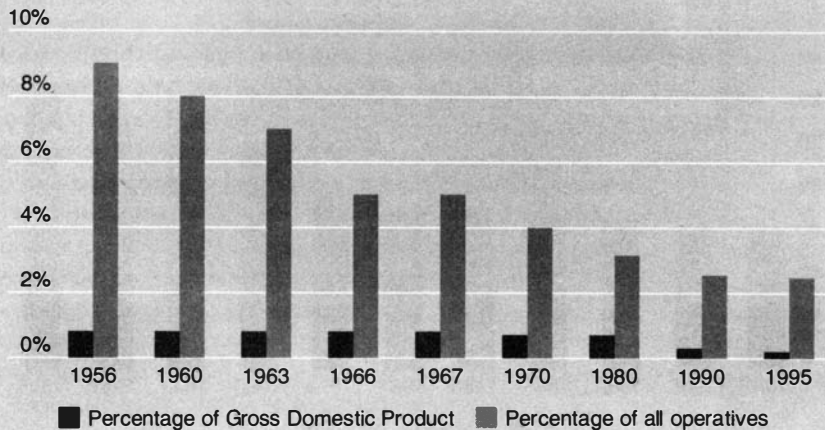
Roosevelt, during the 1930s, had put into effect what was called a rural electrification program. This brought electricity services to the farmer in rural areas. The bringing of electricity to America's farms, increased the potential productivity greatly.

Also, Roosevelt had what is called a "subsidy" of agriculture. It was not a subsidy. In point of fact, when somebody tells you that the United States has been "subsidizing" agriculture, that's not true. It's a lie, in fact.

In agriculture, you have a cost, which includes the infrastructure and land improvement costs (capital costs, for example), which goes into producing a bushel of wheat, or anything else. This cost varies with the productivity of the land, the fertility of the land, and other conditions. In the U.S. system, we came up with a calculation we call "parity"

FIGURE 4

Agriculture investment and employment



calculations. That is, given a national security yardstick, that is, how much food do we have to produce in the United States to feed our own people, and food of a given quality? So, we say, "How many acres of farming do we require to do this? How many farmers do we require? How many farms, of whatever size," because there's a certain average size of farm that is economic for a certain type of farming? If it's larger, it's too big for the farmer to handle; if it's smaller, it's not enough to utilize his labor efficiently.

So, we came up with what we call "parity" estimates. Now, parity means the price which the farmer must earn per unit of product sold, in order to remain a farmer, not to go bankrupt. That's the price the farmer must get, in order to stay in business as a productive person.

But, what has happened since the 1967 period, but especially since the middle of the 1970s, is farmers were getting a price for their product which is far less than this parity value. You'll say, "Why didn't they go out of business immediately?" Well, they did a number of things. First of all, they didn't improve the land any more, or they used up past improvements in land. They used up capital investments, like tractors and machinery and so forth, which were used up in farming.

They would mortgage their land to a banker, and as the speculative value of land prices increased, the farmer would get more money for the mortgage. And it was called "mortgaging out." The farmer was *going out of business*. And the farmer would plan, if the farmer was, say, in his 50s, the farmer would say, "Well, I'm going to mortgage out, and I'll have to sell the place by the time I'm 65 or 70, because we won't be able to do this anymore. But, by that time, Mother and I will be retired. So, what we'll do, is, as long as we can work the farm, we'll keep it. Then, when we're retiring, we'll sell off, or what we can, we'll take the money, and we'll retire, or we'll die."

That's what happened to the American farmer. You'll find that the young farmers in these families don't exist. Children who were raised to be farmers, *aren't* farmers, because there's no money in it, there's no future in it.

So, you had two processes.

First of all, you had a change in the operative percentile, which is the number of workers in farms, which decreased, especially relative to population, because of improvements in productivity, both technological improvements, and labor-productivity improvements, land improvements.

Second, however, you had a bad part, which is shown in the GDP percentile (in part). You had a *decline* in the income of farms, because the farmers were being paid *less* than it cost farmers to produce the product.

Now, around the world, you have a worldwide food shortage, which is largely a result of that kind of mentality, in which we say everybody must compete with the cheapest source of food in supplying food, that we must allow the market to control food. As a result, we have the *worst food shortage in the world, since the end of the war*. As a matter of fact, in many respects, *worse* than the food shortage in the middle to late 1940s, as a result of economic policy, which, in the name of the market, is systematically destroying agriculture and destroying farms, and has thrown whole nations into a position where a nation's national economic security, its very existence is threatened, by the fact that it produces, perhaps, between 20% and 40% of its own food supply. And, if you produce only 20-40% of your food supply, and you're not exporting something which is indispensable, *you don't have national sovereignty*.

Egypt does not have national sovereignty, for example. Egypt produces about 40% of its required food supply. When Egypt tried to *increase* the percentile of the food supply that it produced for itself, the United States in 1982 said, "Don't do that, or we'll cut off your food supply." Henry Kissinger used to delight in doing that to countries. When Sudan said, "We're going to grow our own food so we're not food-short," the IMF said, "We're going to shut you down."

So, there's a deliberate policy of destroying nations and national sovereignty by these policies.

You see the same kind of situation in manufacturing (Figure 5). Look particularly at the collapse of manufacturing since about 1967, in the United States. This is a reflection of the fact, in part, but not the worst part, that the United States is no longer an industrial economy; it is a *formerly* industrial economy. We are destroying the economy. We are in a post-industrial society; it's also called an "information society."

FIGURE 5
Manufacturing investment and employment

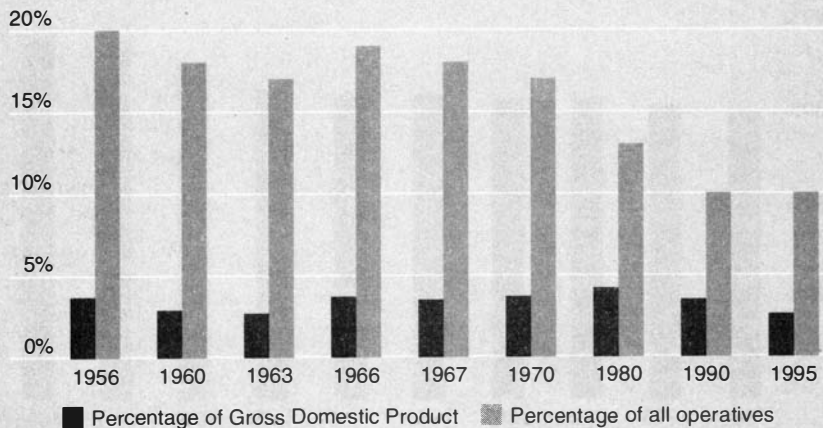


FIGURE 6
Mining investment and employment

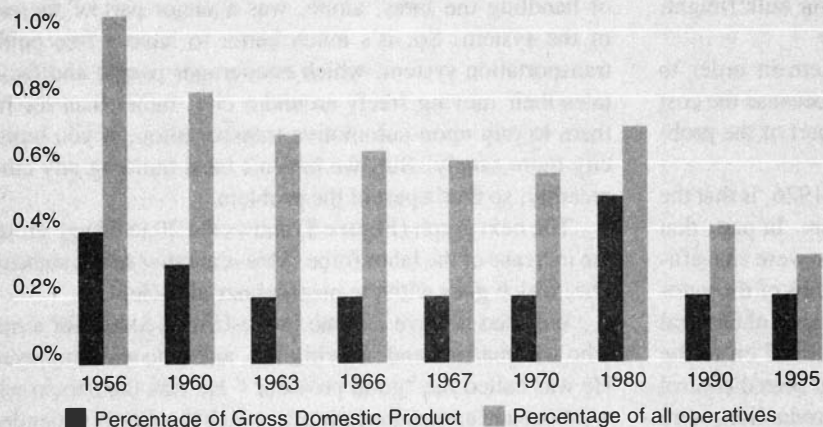
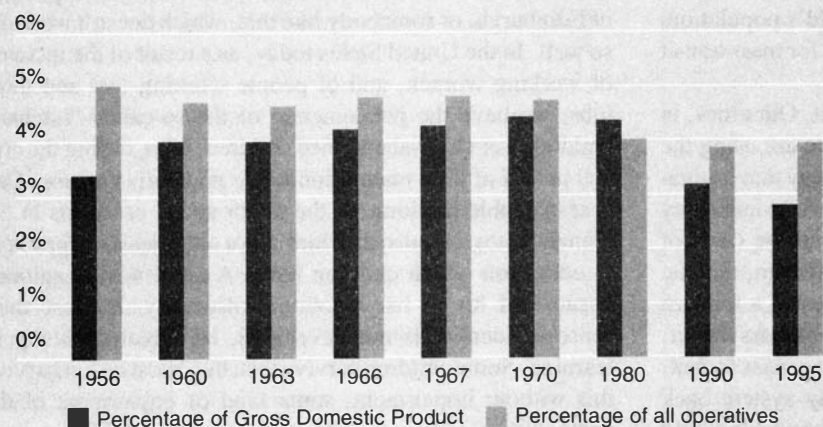


FIGURE 7
Transportation investment and employment



Instead of getting something to eat, you get the information that you don't have anything to eat. That's what the graph reflects.

Go on to mining (Figure 6). Of course, this includes petroleum and other things as well, so you have a blip in the early 1980 period, which is largely due to increased petroleum production.

Let's go on to transportation (Figure 7): a similar thing here. And again, this is destroyed, because the cheapest method of freight handling is water, waterborne freight, as you have in Central Europe. You have a system which is bequeathed to Europe since the time of Charlemagne, of inland waterways, ports, and so forth, about which the economy of Europe traditionally, even before modern society, developed in the use of the rivers like the Rhine, the Elbe, and so forth, which were used as internal waterways, which made possible economical development of economy. We saw the Hansa system, for example, was based on that operation. So, that's the best for bulk freight; and, if you have a very highly dense population, then you can use water for a lot of things.

The problem of water-transport is, that it's slow. I mean, water has characteristics: You cannot go running around with heavy loads in canals, at 60 kilometers, 100 kilometers per hour. You will destroy the canal if you do that. So, therefore, waterborne freight has the problem of being slow, which means that something is going to be in the transportation pipeline for an extended period of time, and that's a cost.

It has the advantage, that if you have a very low price-per-ton goods, that it's very cheap. Therefore, if you're willing to accept slow delivery on bulk freight, the use of waterborne inland freight for steel, for grain, for other bulk commodities of that type, is actually a basis for the economy.

For one of the problems in eastern Europe, you look at the map, the map of railroads. You look east of Berlin: You find a paucity of development of inland waterways and rails. And that itself creates a crisis for all of the econo-

mies in the former Comecon sector, today. The lack of infrastructure development.

In the United States, we have the distortion, that we've destroyed the rail system. Look at our population density. Compare Japan, which actually has one of the highest population densities, higher than Belgium, if you take into account the fact that most land in Japan is not usable for agriculture, for industry, or for residence. Japan has a good railway system.

Take Germany, which is in between. Germany still has something of a railway system. The United States destroyed its railways. *Look at the density of our population;* compare the cost of moving a ton of freight by rail, with the cost of moving a ton of freight by automobile, by truck. It will kill you. Therefore, for long-haul freight of all classes, rail is the most efficient. Unless you have, for bulk freight, waterborne freight. But, rail is indispensable.

You should *never* destroy the rail system in order to build a highway truck system: It's insanity, because the cost differences are enormous. And that's what part of the problem is.

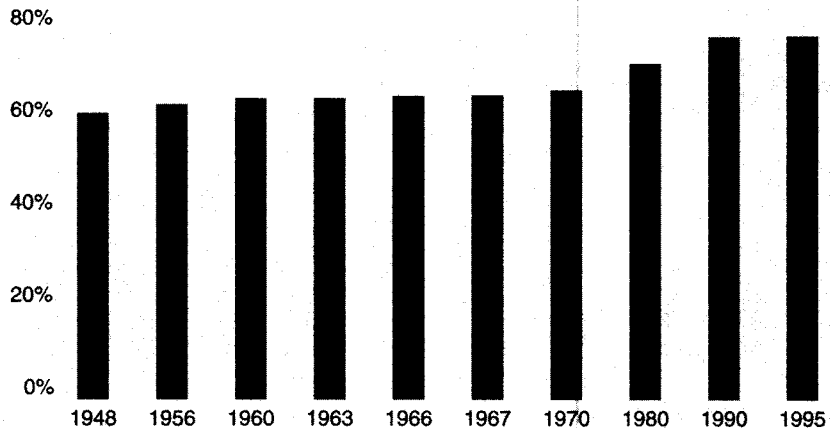
What happened between about 1924 and 1926, is that the United States began to contract its rail system. In part, that was admissible, because certain short hauls were not efficient; but, the contraction was largely the result of the automobile, not the result of Henry Ford, but the result of General Motors. The Wall Street interests, which moved on to the automobiles and which at the same time had seized control of the London market over world petroleum production, were determined to make a killing, a financial killing as well, in the markets, by eliminating rail, or reducing it greatly, in order to push the automobile, in order to sell gasoline, petroleum, and so forth, and to sell automobiles.

So, they made the population of the world more *automobile-dependent*, as a way of looting the world's population; and, the result is we have a crippled potential for mass transit around the world.

Look at this in terms of urban mass transit. Our cities, in Europe and the United States, are insane. We are using the automobile for inner-city transportation in a way that is lunatic. Look at the cost of the automobile transport, in inner-city travel, measured in pollution, measured in all the costs of maintaining a highway system and support system, and the impact on society. When, if we rebuilt cities in a modern way, we would build in much more in the way of mass transit. And, we would make it free transit, a fare-free mass transit. Actually, in New York City, in the subway system back during the 1960s, a study was done which showed it would

FIGURE 8

Participation rate of persons age 20-64 in the labor force



cost less to operate the New York City subway system, if it was operated without fares, than it cost with fares. The cost of handling the fares, alone, was a major part of the cost of the system. So, it's much better to have a free public transportation system, which encourages people and facilitates their moving freely around a city, rather than forcing them to rely upon automotive transportation, if you built a city more sanely. But, we haven't been building any cities recently, so that's part of the problem.

The next graph (Figure 8) shows the 20 to 65 age group, the increase of the labor force. This is another social catastrophe, which goes with the post-industrial society.

We used to have a name in the United States for a man who was married and had children, and who was employed. He was called the "good provider." He was the person who went out and earned the living on which the family depended. His role as the good provider, in addition to providing an income for the family, also enabled us to have a family structure in which there was parental nurture of children.

Now, parental nurture of children is vitally important to their mental health. Unless the nurturer is Prince Philip, Duke of Edinburgh, or somebody like that, which doesn't work out so well. In the United States today, as a result of the increase of working women, and of people working two and three jobs, we have the phenomenon of the so-called "latchkey children," or quasi-abandoned children, who, during the crucial period of their maturation, *have no family nurture*. This is responsible for some of the major social problems in the United States. It's also the chief cause of the learning problem in education which children have. A child who is agitated because of his or her emotional insecurity, because their sense of identity is not developed, has great difficulty in learning. Some children survive this; but, most do not survive this without impairment, some kind of impairment of the personality.

FIGURE 9

Employment of operatives as percentage of actual requirement

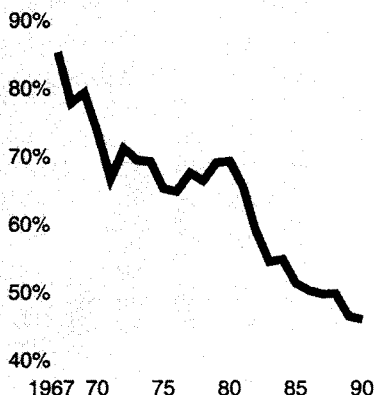
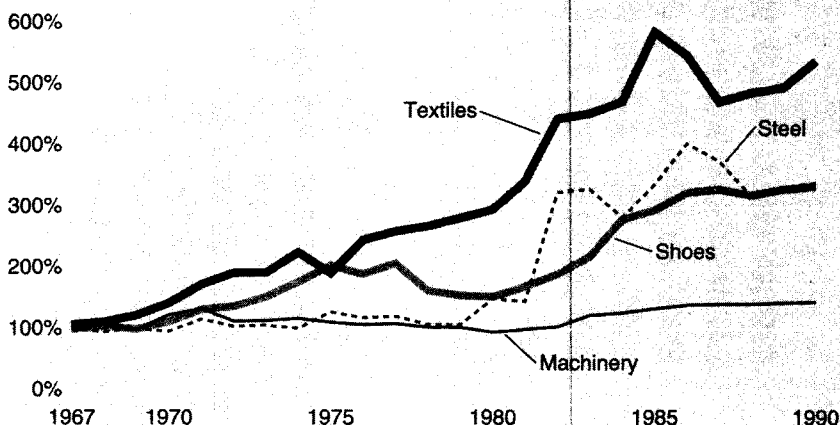


FIGURE 10

Percentage of actual workforce required to produce 1967-style market basket



So, this growth of the labor force as a percentage of adults of working age, reflects a sickness in the U.S. society.

[Figures 9 and 10 provide further illustrations of the decline of the productivity of the U.S. labor force since the mid-1970s. Taking as a standard, the market basket of consumers' and producers' goods produced in the United States in 1967, we can see what a small percentage of workers in the 1990s is involved in producing the essential goods that were produced 30 years ago. For more on the market basket analysis, see article in the color section, p. A5.]

Decoupling the U.S. economy

What I'll turn to next, is to fill out what I indicated with the opening chart (Figure 1), on the three curves: just to give you some figures which correspond roughly to that chart.

In Figure 11, you can see that between 1956 and 1966, and into 1970, actually, for every dollar of foreign exchange turnover of the United States, between 60% and 80%, but generally about 70%, was accounted for by financial transactions involving import or export of merchandise. In other words, *physical product*.

By 1976, this had fallen to 23% of the foreign exchange turnover. After the Volcker measures under President Carter, it had fallen to 5%, by 1982. By 1992, under George Bush, it had fallen to 2%. Today, it is less than 0.5%.

Now look at the same thing, not just from the standpoint of foreign trade, import-export trade; look at it from the standpoint of Gross Domestic Product, as calculated officially Figure 12. You see a similar process, but this is clearer. As a result of measures begun in 1954, actually, begun under the influence of Arthur Burns, during the Eisenhower administration, there was a de-emphasis on technological progress

and investment in technological progress, which covered the period of the 1957-59 recession, which flattened out and continued until about 1961-63. So, actually there's a dip in there which is not reflected in this chart; it's not quite as smooth a descent as it might appear to be.

There was a recovery under Kennedy, continuing into 1966-67. The greatest contribution to the growth under Kennedy, was twofold. One was the space program. For every penny the United States government spent on aerospace investment, the United States received back, through economic-technological spillovers, an estimated 14¢ during the 1960s. Investment in space technology is the most profitable investment which exists, known to man on this planet today. And nations that aren't doing it, are being foolish.

But, what's happened, as Figure 12 shows, is that you're getting the impact of a decline under growing monetarist influence during the 1950s, as typified by the influence of monetarists, such as Arthur Burns, on the Eisenhower administration policy. You have it not indicated here because it's buried in the figures: an upturn which Kennedy's program started, first of all the space program, and, secondly, the investment tax credit program—of tax benefits to people who would invest in creating productive industrial jobs.

But, after that, after 1966, the United States went into a full-scale, post-industrial mode. In 1969-70, there was introduced the so-called "ecological movement," which utterly destroyed the U.S. economy and the world economy.

I must say on this, that every benefit in the United States, every major benefit in improvement of the environment, sanitation, and so forth, comes from a program which was established before ecology was popularized. Every major argument in policy made on the basis of an ecologist argument,

FIGURE 11
Mercantile trade as percent of foreign exchange

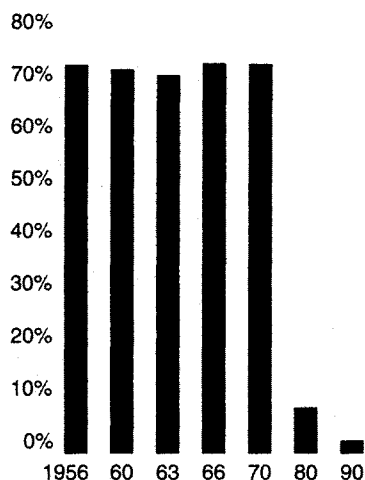


FIGURE 12
Gross Domestic Product as a percentage of annual financial turnover

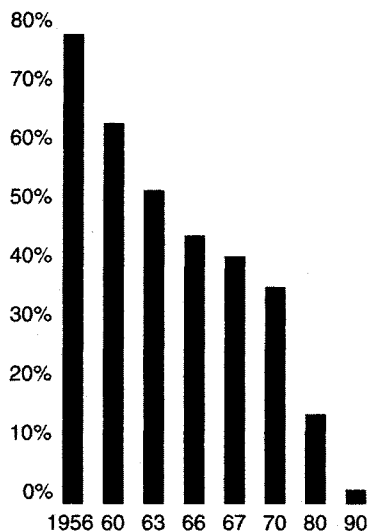
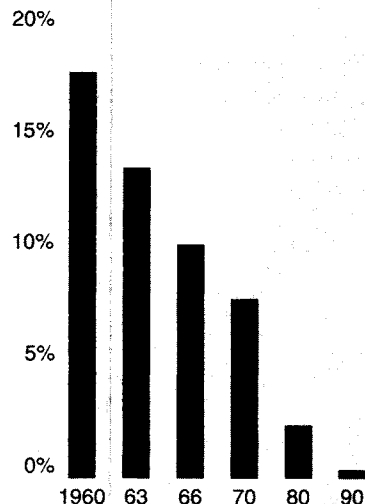


FIGURE 13
M1 as percent of financial turnover



is a fraud. Let me just indicate some of that, because some don't know that.

The first major public relations campaign for the environmental movement, so-called, came under the influence of Prince Philip, the Duke of Edinburgh, in his co-founding of the World Wildlife Fund in 1961, with a former member of the Nazi SS called Prince Bernhard of the Netherlands. They don't talk about that Nazi past any more, because he married a monarch and they want to cover that little embarrassment up. But anyway, this was the outgrowth of something that started earlier.

The first major publicity stunt done for the ecology movement in the United States, was done by a woman called Rachel Carson, who wrote a book called *Silent Spring*. The book is a *total fraud*. It targetted specifically DDT. Now, DDT had saved a lot of lives in the postwar period. It's a very good substance. It should be used copiously today. It's one of the cheapest and most effective ways of controlling mosquito-borne diseases, things of that sort, of which we have a growing epidemic around the world today; and, particularly, when you get into some of the hemorrhagics, they're particularly nasty. That was a fraud.

But, in 1970, William Ruckelshaus, a member of the Nixon administration, held hearings on the proposal to ban DDT, which was accused of breaking the eggshells of various kinds of duckhawks and things like that, of killing the birds. Now, the scientific evidence which was presented at these hearings, every scientist involved showed that this was a complete fraud. There was no correlation between any of these effects and DDT. Ruckelshaus, in making his decision toward the *banning* of DDT, said, that although all the scientific evidence agreed that there was no problem from DDT, it

was necessary to impose the ban, solely for *political* reasons.

A few years later, an employee of NASA, who recently received the Nobel Prize for fraud, F. Sherwood Rowland, sat at a computer and developed a mathematical model which was chemically incompetent. The mathematical model tried to prove, or assumed, that the increase in production and leakage of chlorofluorocarbons—the kinds of things we use these days for refrigeration and so forth—would go up to the stratosphere or toward the stratosphere, and that the halogens which were emitted by the decay of these CFCs (chiefly chlorine, fluorine, bromine, and so forth), would eat up the good little ozone molecules up there, or the ozone radicals, and, that this would cause an increase in cancer.

Well, there are a lot of things wrong with that. First of all, they *don't* go up to the stratosphere, or very few do. Most of these CFCs go to the ground, and they're decomposed in the ground. Second, the greatest source of halogens in the upper atmosphere comes from the oceans. The oceans are generating chlorine which goes into the upper atmosphere at a great rate. Man's production of chlorine is negligible, compared to the oceans. It's a natural phenomenon. Mother Nature is the one that's doing this.

The second great source of chlorine or halogens into the upper atmosphere, is volcanoes. And the worst offender of all these volcanoes, is one in the middle of Antarctica, called Mt. Erebus, which emits great quantities of this stuff at all times of the year. So, that was a fraud on that account.

Then, in 1983-85, a gentleman from Oxford University (and you know they lie a lot) claimed to have discovered an "ozone hole" in the Antarctic. This is a complete fraud.

Up the street, so to speak, from Oxford, at Cambridge, a short distance away, back in the 1950s, there was a postwar

scientist by the name of Gordon Dobson. And Dobson had been studying changes in the atmosphere as a part of the postwar activities of that time, the composition of the upper atmosphere. It became of interest to many people for many reasons. And, he invented a device for measuring the variability in ozone in the medium-upper atmosphere. This is a unit where you compare two parts of a spectrum. You compare the radiation you're getting from one part of the spectrum, with another part, and by comparing these two parts, you find out what part of the spectrum is being blocked out by the presence of a chemical substance in the upper atmosphere. This is called a Dobson unit, the units of measurement, on this scaling.

Then, he measured some of these effects in the Arctic, where they occur. The ozone is produced in the summertime, mostly. In the wintertime, in the polar regions of the Earth, you get less sunlight, and therefore you get less production of ozone, and, therefore, the ozone concentrations are less, and, the ozone concentrations are highest near the equator. Obvious stuff.

He discovered there were certain tendencies to have pockets of reduced ozone, during the winter months and the immediate post-winter months, in the Arctic region. And the idea came: Well, let's go down to Antarctica, and see what it looks like there, since Antarctica is more interesting, because except for Greenland and a few islands, the Arctic region is not a continent: There's a limited amount of shelf ice, there's mostly ocean ice, floating ice on the ocean.

In Antarctica, you've got an interesting thing. You've got shelf ice which is on the sea, but you've also got one of the greatest glaciers on this planet. So you can have temperature differences of 50°F a few yards from each other, which means a great shear effect, which means that Antarctica's sort of a self-contained area, in terms of its ecology.

So, he, in 1956-57, as part of the International Geophysical Year, not only measured the ozone depletion effects during the wintertime in Antarctica, but he found that because of the extreme turbulence associated with these shear effects, that there were concentrations of this ozone variability in the upper atmosphere over Antarctica. So, he found a wiggly little worm, so to speak, in the upper atmosphere, of less ozone, which you could detect in Dobson units, and this would change from year to year.

Since this is measured in Dobson units, the argument from Oxford is interesting. Here's a man, Dobson, from Cambridge University, who in 1956-57 had measured the winter ozone depletion in the Antarctic region, and come up with an ozone phenomenon, a worm in the stratosphere. Very marginal kind of stuff.

You have a fraud from Cambridge, tacking on to Sherwood Rowland's argument, saying, "I've discovered an ozone hole! Rowland is right! I just discovered it!"

Hey, buddy, what about 1956 and Dobson? Complete fraud!

Also not mentioned, is the fact that in the spring, the ozone level in Antarctica goes back to normal. So obviously, this is not a result of anything emanating from the surface of the Earth. And to top it off, it has been recently noted that the radiation associated with the ozone screening has nothing to do with skin cancer.

The whole thing is a fraud. It's the use of "virtual reality."

I cite only these two examples, to indicate that *everything that is said in the name of the ecology movement, as distinct from what we've said about sanitation in the air, water, and so forth, prior to the 1970 period, is a fraud.*

The effect is, as we've noted in this ozone business, that without CFCs, we're going to kill a lot of people. We're going to murder people. That is the main effect of banning CFCs, the mass murder of people, especially poor people, especially people in the developing sector. Because without efficient refrigeration, people are going to die of contaminated food. Or no food at all. This is population control. This is mass murder, pure and simple.

But these effects have begun: no technology. The space program was cut back in 1967. Mass layoffs in the space industry. Our best scientists, in large part, or our best future scientists, were laid off. By the 1970s, NASA was becoming a joke. There were still good people in there, but the NASA program as a whole was a joke, with people like F. Sherwood Rowland coming into it. By 1975-76, absolute insanity took over all technology policies in the United States; and, that's what this reflects.

Let's go to **Figure 13**: the same phenomenon here. M1 is the primary money supply, money in circulation in the United States. The ratio: In 1960, slightly less than 20% of the financial turnover was accounted for by money supply. That's more than five times spin on money in circulation. Now it's dropping down to less than 1%, about 0.5%. About 100 times spin, 200 times spin of the calculated GDP.

The same thing seen in a different way. Just note what's happening here (**Figures 14-17**). An interesting little curve keeps coming up, this hyperbolic development. This is about 1992. This hyperbolic curve, is the relationship between production and money, and financial turnover which these charts illustrate, in the United States and worldwide: You can say that the monetary and financial processes of the planet have been increasingly decoupled from the economy. What happens in the financial markets, what happens in the money markets, what happens in the banking system, *has no relationship, positive relationship, positive correlation with the economy.*

The argument that the market is the decision-making place for the economy, is a fraud. Exactly the opposite is the case. The market has become decoupled from the economy. The relationship between the economy and these processes is summed up by the first figure we presented (Figure 1).

Think of the relationship of the gap between real-economy and monetary curves, and the gap between financial and

monetary curves, as a *decoupling* of the monetary process, the monetary emission and circulation process, as a decoupling of that from production, the real economy. Think of this as a decoupling of the financial system from the monetary process.

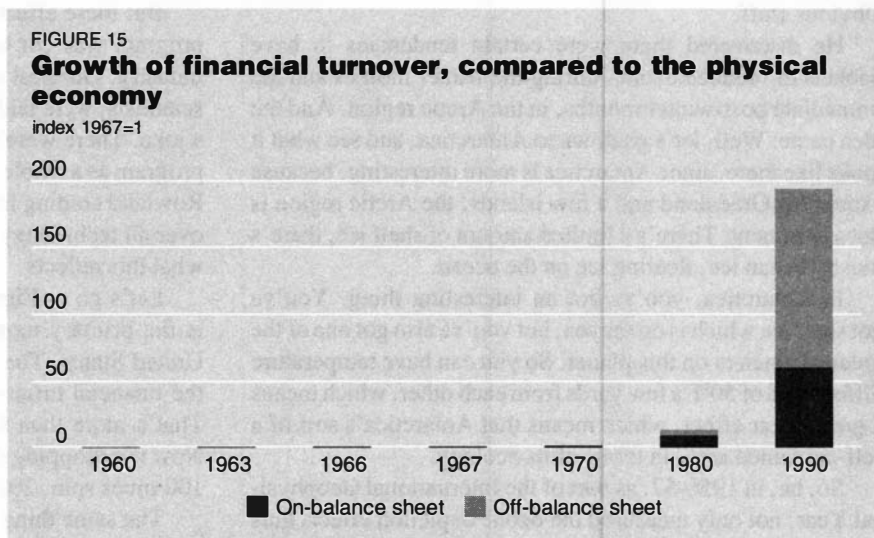
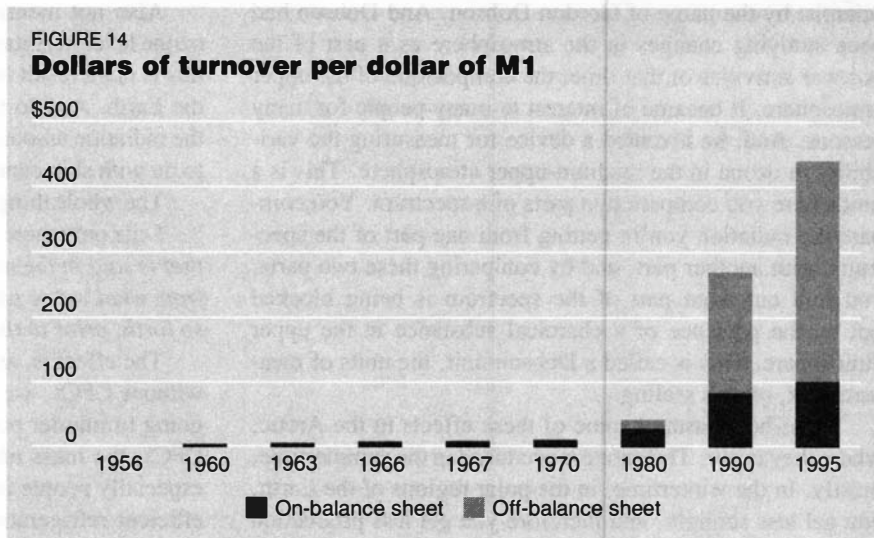
This is why banks are going bankrupt; because the banks loan money, chiefly into finance. The reason that this is growing, is because central banks are creating money, as in Germany, *not* for production, but in order to keep the speculators moving. The speculators require a certain quantity of money coming into the system of speculation, in order to enable them to keep the bubble growing; and, the banks, like Deutsche Bank, which has been most vocal on this subject, have been emitting credit from the German system into the wildest kinds of speculation—and, that's what banks generally are doing.

So, this two-fold process is a process of decoupling of the monetary and financial processes, from the real economic processes. The one thing the market has no positive relationship to, is production. The only relationship it has to production, in effect, is to loot it. Because, in order to pay off the bills for the banking system, the banking system generates debt, which is the way it issues money. The money generally becomes a debt which is put on the economy. It's put largely in the form of taxes and government debt, as Bundesbank-related debt here.

These bonds, or these debts are paid for out of tax revenues or other ways, in income which comes from the physical economy. So agriculture is looted. Wages are looted; that is, wage-goods are looted. Capital investment is looted, physical capital investment is looted. Infrastructure, such as rails, is looted, to provide payment of debt service on debt incurred through monetary expansion. That's your inflationary relationship.

In turn, in order to keep the speculative bubble going, which is largely betting, derivatives, which is not investment; that's betting: gambling, *Kasinosgesellschaft*—the monetary system is increasing the debt, its debt, in order to create a monetary supply which can be leveraged financially to fund the growth of this bubble.

In turn, this means an increase of the debt charged against the income stream of real production. There is no stimulant



to production or economic growth supplied by the financial growth, or by the monetary growth. No net increase. Therefore we say: The financial monetary system has become *decoupled* from the economy worldwide. And, that is the system that is going bankrupt.

The characteristic of this system, is the rate of increase, first of all, in the first approximation, in the hyperbolic growth, of financial aggregates to monetary aggregates. Being hyperbolic, means, that the obligations which are generated by financial turnover, are increasing more rapidly, at hyperbolic rates of increase, than the means of paying these obligations.

Second, as a result of the same process, the obligations of banking systems or the monetary system imposed upon the economy, are increasing more rapidly than the economy could possibly pay for those debts, to pay the debt service.

FIGURE 16

Business failures in the United States

thousands of failures

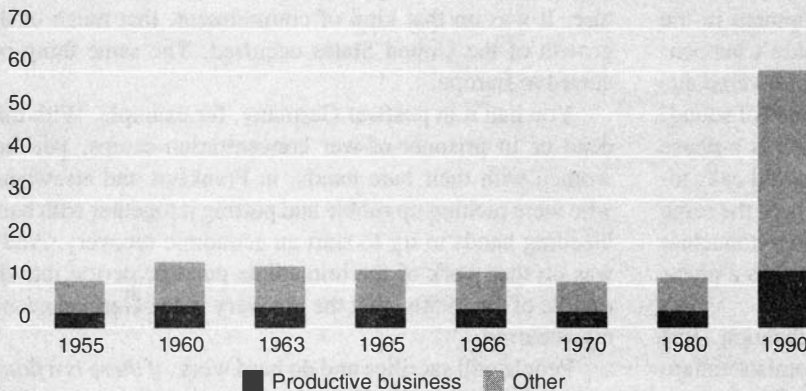
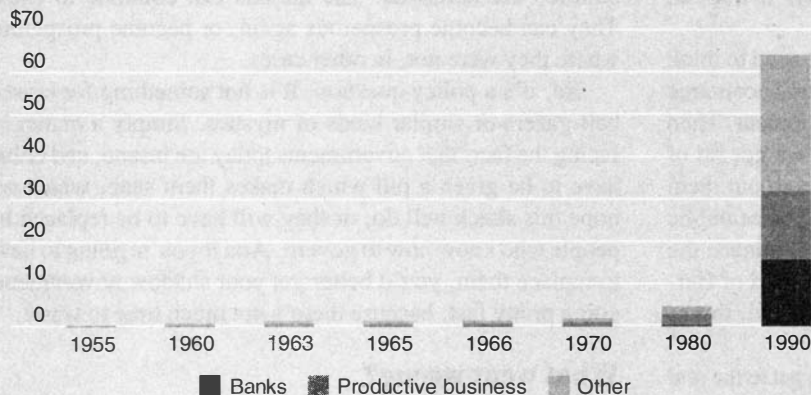


FIGURE 17

Liabilities of business failures

billions \$



That is the reason for the austerity programs of governments. It is not that the economies are out of whack, it's that the governments are funding the speculators through their debt, and they have to loot more and more of the citizens, and the industries and the farms, to pay off the debt they incur, in order to keep the speculative bubble growing.

Thus, the rate of growth of obligations in the financial-monetary system, is not only growing hyperbolically with respect to the monetary and physical baseline; *but*, any effort to prolong the life of this system, at this stage, has reached the point that by subsidizing the system, you do not prolong the life of the system any more. You shorten it.

That is, by increasing the intensity of the activity, what you do, in effect, is you shift your scale, shown in Figure 1, toward the right. That is, if I put more money in, increase the money rate, I will shift this curve in this direction. Now, this

curve is the curve that is determining the end of the life of the system; or, in physical terms, the *phase shift* in the system. Therefore, if I give the system added life, I shorten its life, because I bring it closer to its phase shift. And, that is the fool's way of seeking to prolong the life of the system.

So, what do you say of any economist who proposes that we must keep and defend the present system by subsidizing it? That's the end of the system. That's the phase shift. And, that's what's happening to us.

Thus, you come to a point which is typical in physics, although mathematicians don't like it very much; you come to a point at which there is no arithmetic calculation which can tell you what's going to happen. But, if you understand the function, that it's a phase-shift function, then you understand exactly what you're up against. And you can pinpoint exactly what's going to happen. Someone says, "On what day?" I say, "I can't tell you what day. But it will be very soon. Maybe next week. More probably, a couple of months. It could be the end of the year. It could be January. Could be for Christmas. St. Nicholas could be dropping it on your Christmas tree. Or somebody else's Christmas tree."

You know it's happening. It's like war. You may not know the date on which you're going to win or lose the war; but, you know if you're going to win or lose the war. And when you realize that, certain conclusions have to be drawn. Same thing now.

There's another example of this in physics, a famous one.

About 1858, Bernhard Riemann wrote a paper, the *Fortpflanzung* paper, "On the Propagation of Plane Air Waves of Finite Amplitude," which we call shock waves now. What Riemann did, was simply consider the effect of the continuous acceleration of a projectile in a confined cylinder of indefinite length. Obviously, what happens in that case, is, you get to the point that you reach and exceed the speed of sound. The question is: What happens then? What happens, is something like the hyperbolically upward sweep of curve shown in Figure 1: a phase shift.

Now, on the basis of this kind of phenomenon, all of the British-approved physicists such as Helmholtz or Clausius, Maxwell, Rayleigh, and so forth, all said this could never

happen. You had a famous fellow in the United States who was actually of Hungarian origin (though the Hungarians, I don't think, like to admit that), Theodor von Karman, who was an aviator in the Hungarian Air Force in World War I, who took over much of the Air Force development in the United States later on, who insisted this couldn't happen. People insisted that planes could not fly faster: Powered aircraft could never fly faster than the so-called speed of sound.

Riemann did not agree. Riemann says, this is a phase shift; therefore, you're getting into what we would call, today, a transsonic function. We have phase shifts of the same type in fusion ignition, that is, the ignition of a thermonuclear explosion, which is an isentropic compression. It's a phase shift; that's the way you do it.

So, what we're at, is not the *end* of civilization. Just because it's going to make some London economists unhappy, does not mean this is the end of civilization. It's a *phase shift* in which we have to recognize what's wrong. The decoupling of the monetary and financial system from the economy was *wrong*; it was a mistake. The Green Revolution was *wrong*; it was a mistake. The ecology movement is a *fraud* developed by the British monarchy, as part of its geopolitical operations; it's a fraud. "Post-industrial society" is a fraud; "information theory" is a fraud.

Get rid of those frauds, and look at what we used to think up to 1963, what governments considered a sound economic policy, that is, policy shaping economic development. Then we could see: "Yes, society could survive, if we got rid of the ecologists, the Greens, or their influence, and put them some place where they can't do any harm: maybe as public entertainers in cabarets, or whatever. But, eliminate the post-industrial-society idea, and go back to the idea of Hermann Abs, for example: no *Kasinogesellschaft*; and, things would function."

But, there's a problem there. Okay, now we get to the real point I want to get to; for that, the preceding was necessary.

In dealing today, in various countries, the first argument you have to address, is, that the system is coming to an end, and that the diagnosis is of the death of the system. You have to say, "Okay, we agree now the system is coming to an end. We also agree that this is not the apocalypse. This is a phase shift, which could have apocalyptic effects if we don't make the right decision."

Since it's only a phase shift, all we have to do to avoid the dark age, is to pick the right changes in policy, and perhaps we'll have to change a few ministers and Presidents and people like that, maybe a few political parties. But if you make those adjustments, the human race can quite nicely begin to improve. It may be a lot of sacrifice and work, but people generally don't mind work on the way up. It's been a characteristic of the human race, that people will sacrifice for the sake of their children's future and enjoy life in so doing. And, that's been a very good part of our history, of our culture, especially in the United States.

We had immigrants who would come into the United States from poorer countries in Europe, they would sacrifice for one or two generations, doing hard work, in order to provide for a better opportunity for their children in the future. It was on that kind of commitment, that much of the growth of the United States occurred. The same thing occurred in Europe.

You had it in postwar Germany, for example. With men dead or in prisoner-of-war concentration-camps, you had women with their bare hands, in Frankfurt and elsewhere, who were picking up rubble and putting it together with bare, bleeding hands to try to start an economic recovery. And it was on that work of the immediate postwar period into the middle of the 1950s, that the recovery in the German economy occurred.

People will sacrifice and do hard work, *if there is a future in it*. Again, the idea of the future must always control the present. Not the past.

So, the fact that we would have much hard work, and *much suffering, still*, of that kind, to get out of this mess we've created for ourselves by allowing this to happen, despite that fact, the future is in it. The children and the grandchildren are defended. The nations can continue to exist. They can become prosperous again, or become prosperous where they were not, in other cases.

So, it's a policy question. It is not something for crystal ball-gazers or similar kinds of mystics. Simply a matter of facing the fact, that governments today are insane, and either have to be given a pill which makes them sane, which we hope this shock will do, or they will have to be replaced by people who know how to govern. And if you're going to have to replace them, you'd better get your shadow governments going pretty fast, because there's not much time to waste.

What went wrong?

The question you have to ask, is this.

When you go into a firm that's bankrupt—that used to be my profession; as an economist, I used to make my living as a consultant. And consultants generally find, you've got two kinds of clients: ones who want an outsider to come in and tell them what they want to hear, and the other one is more serious, is a bankrupt firm or a firm about to go bankrupt, which reluctantly calls in an outsider to straighten them out, because "they realize," that nobody among them is ever going to solve the problem. If they're going to survive, they're going to have to have somebody come in with an idea that none of them were capable of generating, in order to do this.

The first thing you do when you get in a firm of that type: You look at it, and you say, "Well, this place is going bankrupt," obviously. My most frequent experience, would be to look at the figures. I used to be fairly good at that. I could generally tell in about two or three days what was going on. It was very simple. Whatever the client told you was *not*

Continued on page 25, following the color section



Women work to rebuild the war-ravaged city of Berlin, 1946. "People will sacrifice and do hard work, if there is a future in it. The idea of the future must always control the present. Not the past."

Continued from page 24

the problem in the firm, you knew was the problem. So look into that, immediately. Because, if they knew what they problem was, they'd have worked on it. The fact that the problem had been persisting, means that they had something wrong in their head. They refused to look at the thing that was their real problem. So look at what they refused to look at. That's the first place to look in any bankruptcy, whether of a government or a business firm, or, sometimes, a society.

So, how did this happen to us? Yes, we can explain what happened. We *know* what happened; but, why did we make the decision we made as a society, over the period from 1964 through 1972, when we went from a workable monetary system (not a good one, but a workable one), the so-called fixed exchange rate system, into one which cannot work, the floating exchange rate system, which was established in 1971-72?

Why did we do that stupid thing? Why did all the governments, at least all the leading ones, participate in that stupid mistake? Why did they ever buy "information theory," which is lunacy? That is, what is called information theory, the idea that there can be an "information society," is absolute, clinical lunacy, which only a psychotic mathematician could believe in, and a badly educated one at that.

Why did we do this? Why did we leave a perfectly good, proven system, with hundreds of years of experience—as a matter of fact, all history, to show that it was the best system ever devised; why did we go back to something like this,

pure Venetian-style, Phoenician-style, Mesopotamian-style, purely speculation-usury society?

So, therefore, we're talking about curing this problem: It's not enough to give the baby shoes; you have to teach the baby where to wear them. Otherwise, it's not going to solve the problem. Why did we make the mistake?

Well, let's go back, let's get nasty. I've been gentle all along; now, let me get nasty.

April 12, 1945. President Franklin Roosevelt died: And, everything, or nearly everything that Franklin Roosevelt planned to do, in opposition to Churchill, was overturned by an idiot named Harry Truman, the new President of the United States.

Harry Truman was an idiot who had no understanding of, or interest in foreign policy. Harry would have been happier if no nations existed outside the United States, and even parts of that he didn't like too much. Now, Harry Truman, being a fool, was controlled by a number of people in his administration.

One person who controlled him, who was most obvious, was a fellow called Jimmy Byrnes, who came from the Carolinas, who was Secretary of State; and, Byrnes was a complete toady and agent of Prime Minister Winston Churchill.

The second one, more profoundly influential in institutional terms, was the Secretary of War, Henry Stimson. Stimson was a complete British agent. He was part of the Harri-man crowd, which gave us Bush, also. Complete British agent.

E.H. Harriman was a supernumerary for the King of England in control of the Union Pacific Railroad. That's where his power came from. He was actually the front man, the mask, worn by the Prince of Wales, King Edward VII, at meetings of the Union Pacific Railway.

Stimson, with the assistance of a young Faust by the name of McGeorge Bundy, completely controlled Truman. Now, the United States, under Franklin Roosevelt, had decided that the British, French, and Dutch colonies would all

The argument of the World Federalists was that the only way to eliminate the nation-state was by making war so horrible, that nations will give up their sovereignty, rather than having to fight war on justified issues of warfare. They said that the only way to bring this about, is to introduce nuclear weapons as the new weapon of war.

be liberated, given independence at the end of the war. As a result of Winston Churchill's control over Truman, none of them were.

Europe was divided into two parts, East and West, not by Stalin, but by Churchill. China was destroyed in civil war, contrary to Roosevelt's intent, by Britain. They orchestrated the whole thing, with the help of Truman. Korea was divided into North and South. Germany was divided into East and West, contrary to Stalin's specific orders. Stalin wrote all kinds of notes at a couple of points during the 1950s, including the famous "Stalin Note." He was against the division of Germany. He would have liked to loot all of Germany, but he didn't want to divide it.

And another thing happened. I had a friend who was directly involved in this. In early 1945, the Emperor Hirohito of Japan was using diplomatic channels in Europe, including Switzerland and Sweden, and including direct approaches to Stalin, to attempt to negotiate capitulation of Japan to secure peace.

The terms which the Emperor proposed to the government of the United States and other governments, were the same terms which were imposed by the United States under Douglas MacArthur in the fall of 1945. The negotiations were conducted through the extraordinary secretariat of the Vatican Secretary of State, under Pius XII. The negotiator involved was Monsignor Montini, later known to us as Pope

Paul VI.

My friend, Max Corvo, was at that time the OSS field chief in Italy, and he was the OSS representative who was conducting, for the U.S. intelligence services on behalf of the President, the conducting of much of this documentation. Roosevelt was fully aware of this; Japan, obviously, was aware of it.

But at the end of the war, Churchill sent down two Americans, one of them the same American who killed Benito Mussolini to shut him up, so he wouldn't reveal the fact that Churchill had been behind him up until 1938. Mussolini had some papers that would implicate Churchill in causing World War II, and he wanted to blackmail Churchill for his own hide's sake. And, so, Churchill had the Americans assist him in getting Mussolini killed, and the papers taken safely to Churchill, so that the Americans couldn't blackmail Britain on the issues of postwar life.

So, they sent Allen Dulles down, who did that job. And they sent him down together with a fellow called James Jesus Angleton, who later brought in a guy called Jay Lovestone. And these are the people who shaped much of Italy's history, to the present time, in that period. Angleton later became sub-director of the CIA for Israeli affairs, for eastern European affairs, for Vatican relations, and control of Italy. He was a complete scoundrel.

What these fellows did: They acted immediately to attempt to discredit the Pope, and to discredit, especially, Montini, who came under Allied pressure to be withdrawn from his position, because he was a threat to the policies of the British, and a threat also to the policies of the incumbent President of the United States, Harry Truman, a British dupe.

The object of the thing was to bomb Japan; the nuclear bombing of Japan. Now, why?

If you go back to the British papers on this from the 1930s, the reason that the British, including Bertrand Russell, cooked up the idea of having the United States build nuclear weapons (and Russell was the guy who was actually on top of getting the United States to build the first nuclear weapons, Bertrand Russell. Russell's and H.G. Wells's and Churchill's intent, was geopolitical: balance of power), the purpose was to eliminate the existence of the nation-state.

Now, how can you eliminate the nation-state? There was a great deal of discussion of this by the World Federalist movement and others, during the early part of the century. Russell was in the leadership of this discussion. It was a fight which broke out within the Fabian Society, in particular.

Their argument was that the only way to eliminate the nation-state was by making war so horrible, that nations will give up their sovereignty, rather than having to fight war on justified issues of warfare. They said that the only way to bring this about, is to introduce nuclear weapons as the new weapon of war. To make war so horrible, that nations will surrender their sovereignty to international arbitration, rather than go to war.

The purpose of discrediting the Pope and especially Monsignor Montini, the purpose of dropping the two bombs on Japan, had nothing to do with the military situation in Japan. Japan was surrendering. Japan had to surrender. There was no possibility that Japan could continue the war. Not a fish could swim into the islands of Japan, without permission from the U.S. Navy submarines, or from aircraft (Japan depends entirely upon imported raw materials to survive), because the military blockade by the United States was totally effective. Virtually no fish could swim out without passing through a U.S. customs inspector. Japan's situation militarily was hopeless; it was going to surrender; if they didn't wish to surrender, they had a method of ritual suicide, which is the way you objected, in Japan, to these kinds of things. You put a little dagger in your belly, in a ceremonial ritual, and you die. That's the way you object to the Emperor's command.

They dropped the bombs on Japan in order to inaugurate the age of nuclear weapons, of nuclear conflict.

What was the issue? What was Roosevelt's policy toward the phenomenon of Stalin in the Soviet Union? What was Churchill's policy?

Churchill's concern, the British concern, was this: that if Roosevelt had lived, Roosevelt would have ensured that after the peace, the British Empire and the London financial market, *would never again control this planet*, that the British Empire would be dismantled, that a system of nation-states would exist on this planet, that colonialism would come to a screeching, immediate halt, and that we would use what Roosevelt described as American methods, opposed to British, Adam Smith methods, as a way of rebuilding an aching planet.

Germany was never going to build a weapon during the war. There may be some Germans who thought of building a nuclear weapon (a German fission weapon was scientifically possible), but the means did not exist to do so.

However, before that time, the Soviet Union was already embarked on a nuclear-weapons program. The Soviet nuclear program was first established about 1925, under V.I. Vernadsky, who was the first to propose this program of nuclear energy. It was Vernadsky who created the project for development of nuclear fission weapons in the Soviet Union in the 1940s. He was the person around whom Stalin built the so-called atom project, and Kurchatov was a professor who was a protégé of Vernadsky, whom Vernadsky recommended to Stalin to head up the program.

The only nation which was likely to be able to build a nuclear weapon in the immediate postwar period, was the Soviet Union. And everybody behind the scenes knew it. There are even records on the Rand Corporation discussions of this, that Vernadsky, was "the most dangerous man on this planet," because of his scientific capability, which was considered a threat. Even though Vernadsky personally was not a very threatening person.

So, what Britain did, was to enslave the entire planet to an orchestrated conflict, a nuclear conflict between two superpowers. This planet, from August 1946, through the fall of the Berlin Wall in 1989 and beyond, was subjected to the greatest horror which a general population has ever experienced in the history of mankind: the horror of total thermonuclear war.

The cultural paradigm-shift of 1964-72

This fear was used to orchestrate the creation of what became the counterculture in the United States and Europe in the 1960s. You may recall, some of you, how it happened.

Russell, in 1946, in the first edition of the *Bulletin of the Atomic Scientists*, published a proposal for the preventive nuclear bombardment of the Soviet Union, on account of which the Soviet press had very unpleasant things to say about Mr. Russell, until 1955.

The argument Russell made, was, that while the United States still has (this is 1946) a monopoly in nuclear weapons, the United States should use that monopoly to force Stalin to submit to world government, and that if Stalin did not agree, if the Soviet Union did not agree to world government, then the United States should bomb them into submission with nuclear weapons. You can guess what effect that had on Stalin. Stalin said, "The atom program goes ahead, full speed, at all priorities, no matter what it takes."

So that was Russell's policy. Russell said, "If we do not bomb Russia with nuclear weapons before they develop them themselves, we're going to have to come to a different kind of agreement on world government with the Soviet Union, in order to set up a world government under the United Nations, to replace and eliminate sovereign nation-state governments throughout this planet."

In 1955, Khrushchov sent four personal representatives to a meeting of Bertrand Russell's World Association of Parliamentarians for World Government conference in London. Khrushchov agreed to Russell's proposal for world government. That is, on the basis of a balance-of-power government, orchestrated by Britain, between two nuclear superpowers, the United States and the Soviet Union. That's what he agreed to. Khrushchov's agreement led to a number of things, including the so-called Camp David meeting with President Eisenhower.

But, some people back in the Soviet Union didn't like it. So, the U-2 affair and so forth caused a break in the agreement. Then, some ingenious character cooked up, in 1962, what became known as the Cuban Missile Crisis. For a few weeks, essentially two weeks, but a few weeks, the world was subjected, by the press and the popular imagination, to the belief that we were at the edge of a full-scale thermonuclear war. This was the greatest act of *Schrecklichkeit* the world has ever seen. Everything changed.

Now, Kennedy realized that this was wrong, and was taking steps to change it, because the first New Age war had

already been planned, by the British and others, in the wake of the so-called Cuban Missile Crisis. Remember: The Cuban Missile Crisis was negotiated by Bertrand Russell personally, from London. In order to bring about agreements which had been entered into with Khrushchov, in order to fulfill those agreements, it was decided to have the first New Age war, which was called the war in Vietnam. It came to be known as the war in Indochina.

The purpose of this war, was to orchestrate a diplomatic exercise, which ultimately came to be known as SALT I, the agreement with China, and the ABM Treaty. These policies had been established, under Russell's direction, by 1958, and they were first announced and agreed to tentatively by Khrushchov in the context of 1958, with the Second Quebec Pugwash conference of 1958, where Leo Szilard, a Russell agent, put forth these policies, the policies to which Henry Kissinger has dedicated what might be called his life.

So, these were adopted, in the form of the ABM and the SALT I treaties. This was done, together with the agreements with China, through the agreements on the Cuban Missile Crisis, and on the basis of the Vietnam War, as a bloody bargaining table, for three-way negotiations with the Soviet Union, and with China.

It was in this context, that the change occurred, to which we've referred. First of all, think of the baby-boomer generation of the United States. I was happening to describe this to some people last night. The baby-boomers in the United States, are essentially cowards. That's why they made such good anti-war activists. How did they become cowards? Well, because they're the children of my generation. My generation are the younger generation of those who went to World War II. And my generation was not particularly cowardly in warfare, but it was very cowardly in economics.

We would have all supported Roosevelt in his proposal for a non-colonial postwar world. We were of that disposition; until these fellows came back to the United States, which was being put *artificially* into a kind of depression under Truman; this was not a spontaneous depression, this was an artificial one, to take and prevent certain things from happening which the British didn't like. So, the American who had come out of the Depression of the 1930s, went back to the United States after a war, and found himself, once again, in Depression-like conditions. This broke the morale of most returning veterans. This produced McCarthyism, in the following way.

These fellows were, what do you call it—*Wendehals* types. They would not breathe unless they looked this way and that way, to make sure that they were not overheard saying something which might jeopardize their economic security, their personal economic or career security. They became the most cowardly bunch of swine I ever saw. And these were people with whom I had served in the military earlier, who I knew in the late 1940s and early '50s. And they'd all turned into, as the British would say, "bleeding

cowards."

These were the fathers and the mothers of the baby-boomer generation, the "no-pain generation," the "get me that toy, daddy," generation. The politically correct generation: Don't say or do anything that is not approved. Make sure that 50 people are running with you, before you walk down the street.

Take these people. Now, at the time of the missile crisis, they're becoming 14, 16, 17, and so forth, adolescents. A similar thing happened in Europe, but with different effects. You hit these people with this spectacle of terror: "The whole world is going to melt and go away in one big thermonuclear orgy, any minute now." You put them through that. You've got the greatest shell-shock case imaginable. What they used to call shell shock in war, where people would collapse of accumulated battle fatigue. That's what happened.

The myth was then created, that the military is technology. "Nuclear weapons are technology, they're military technology. War is bad. Nuclear weapons are impossible. Science is the enemy. Reason is the enemy. *Feeling* is what is important." A great revival of existentialism; and, thus, we produced a morally, intellectually defective generation of baby-boomers, by the combination of the economic cowardice, the political expression of economic cowardice of their parents, my generation, added to the impact of the Cuban Missile Crisis. That's what produced the counterculture. As I say, the effects were also in Europe. I'm reporting on what they were in the United States.

Under these conditions, the substitution of feeling, or the associative, feeling-emotional state, for the cognitive state of mind, you produce a culturally crippled population. That is the baby-boomer generation, which, like President Clinton, is coming into power in the United States today. That is the generation in Europe which is in power in Europe today, in political power, heads of corporations.

You go back to the people I knew, say, in Germany or France, in the 1970s, political leaders and others, and those who are in power today. It's almost like you are dealing with a *lower species* today! The generational gap of those who are influenced by one generation and the next generation. It's like a different species. They're *emotional*; they're not cognitive. They tend toward virtual reality.

For example, what you get from the official speakers of Deutsche Bank, or Waigel, on the economic-financial situation. This is not reality, this is *lunacy*! This is virtual reality. "I have a formula, I can write it on the board. That's the truth, that's what it is. That's the way it's happening. No, nothing else is happening." This is fanaticism, the fanaticism of a lunatic. In my generation, we weren't that bad. Such lunacy could not happen.

Therefore, that's our problem. We have a *cultural* problem which, in part, dates back to the end of the last war: But, that's not the only cultural problem. Let's go back further. Let's go back to the two world wars.

The role of 'geopolitics'

Why was Hitler brought to power by the British in Germany? This is a tough problem in Germany, because Germans don't like to accept that. After you've been occupied twice, you don't like to say those things about the British any more.

Hitler was brought to power by the British, because the British wanted a total destruction of Russia and Germany. They wanted another war between Russia and Germany which would be severe enough to *eliminate* the possibility of a geopolitical threat from the continent of Eurasia again. That's why Churchill prolonged the war as long as he could. He wanted Germans and Russians to keep killing each other as long as possible. That was one of the fights between him and Roosevelt during the war.

But why did the British do that, at that time? For the same reason the British organized World War I. *Is there anyone who doesn't know the British have the sole responsibility for World War I, for its authorship, and that the German Kaiser and the Russian Czar were only fools, and that the Austro-Hungarian Emperor was a criminal fool, in that he had a degree of foolishness which went to criminality?* They were all only fools. The French were fools; the competent French were out of power; you had a bunch of British agents over there, in the form of Clemenceau, people like that. That's how the First World War was organized.

The Serbians, in the Balkan wars, and World War I, like the Balkan war we've just been through: It was organized by London. Why? To trigger a conflict on the basis of the Eastern Orthodox Church, the Serbian to the Russian Orthodox Church, to create, what was called euphemistically, a "pan-Slavic impulse," to tilt a certain part of the Russian military and church to influence the Czar to break his relationship with his cousin, the German Kaiser.

The Austro-Hungarian Emperor was a mess. Everybody knew that. The German Kaiser was a fool, and the Czar was a different problem; but, they were cousins; they had the same Uncle Bertie, King Edward VII of England. And so, Germany and Russia were put at each other's throats, by getting a war between Russia and Austro-Hungary over the Balkans, which was a Serbian war, organized by "Uncle Bertie," with the aid of French Freemasonic networks, Mazzinian networks.

Why did they do that? Because, in the 1890s, through the influence of Leo XIII, from before the time he was Pope, a cooperation had developed among France (under the heirs of Thiers, particularly Gabriel Hanotaux—Hanotaux's France, one might say, or the nationalist party in France, the forerunners of de Gaulle); the Germans, von Siemens, and so forth; Witte in Russia, people like that; the Sun Yat-sen movement in China; the Meiji Restoration faction in Japan; forces in the United States: to build a network of railroads from the Atlantic Coast of France, to the Indian Ocean, and to the Pacific Ocean, across from the mainland Eurasia, to the islands north of Japan, and down into Japan. The included object was to

get the British out of Asia, entirely.

The British organized World War I, for which they invented the word "geopolitics," in order to put Russia, France, and Germany at each other's throats, and to keep a bloody conflict among these countries, so that *never* would the continent of Eurasia be able to summon the will, the political will, to organize an economic development project which would build the Eurasian land mass as a center of gravity of the world economy, which would mean an end to the British Empire.

Now, some people think the British are a joke today, but they're not a joke.

What is the British Empire? First of all, it's not the people of England. They can't even read and write, so don't blame them for anything. They don't know what to do. They're as dumb as Harry Truman.

The British Empire is an empire in the sense we described earlier; it is in the sense of certain families who by their nature are imperial. "Imperial" does not mean a nation-state has an empire, colonies. That's not what an empire means. An empire means feudalism, essentially, or something like feudalism.

It means you have a system in which people are owned like human cattle, in which the land that people occupy is owned, not by a nation, but by a landlord. In which the landlord is owned by an overlord. And the system of overlords, is controlled by some executive agency, like a Doge, a Venetian



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Doge or an emperor. This is empire. This means "absence of nation-state." It means that, "Well, I'll give you this title, Duke of this; and, you get that land, you get these peasants as human cattle, you get all these things. They're yours!"

France was not a nation until Louis XI. France was divided. You had the Fronde. There were all these little parts. You had Burgundy. Different parts were owned by different people. This kept shifting. Britain owned half of France, or more than half of France. Because of the feudal structures. The people did not control their own nation. It was controlled

The British Empire is not the colonies of Great Britain. The British Empire is an international oligarchy whose pedigree is Venetian, a financier oligarchy, which is centered around about 5,000 personalities associated with the British monarchy, who are bankers, who are speculators, who are things like Royal Dutch Shell, which is a part of British intelligence.

by a feudal system.

So, you have an imperial system. The British Empire is not the colonies of Great Britain. The British Empire is an international oligarchy whose pedigree is Venetian, a financier oligarchy, which is centered around about 5,000 personalities associated with the British monarchy, who are bankers, who are speculators, who are things like Royal Dutch Shell, which is a part of British intelligence. It's British. It's Anglo-Dutch.

What do the British control? The British control (virtually) all of their former colonies. One of our problems we have, in trying to defend Nigeria from the British, in fact, is the fact that the British still exert a great deal of control over Nigeria, the largest nation in Africa. They educated them; they control this; they control that.

The British, in effect, still control India. It's a more complicated process, and it's done through the Indian bureaucracy, and through certain very powerful financial interests in India.

The British essentially control the entire former British Empire. The Queen is the head of state of 16 countries, and that's not ceremonial. She's the head of state. She has the power to dissolve the parliament. She controls the military and the intelligence services, as state functions. The intelligence services and military do not work for the British Parliament, they work for the British state. She is the head of state.

These are not elected governments; these are govern-

ments of a permanent bureaucracy. We have some of that introduced in the United States in the name of "civil service," as a reform. But a permanent bureaucracy which controls the elected government, is the characteristic of an empire. It's a tyranny. The people have no control over it. They say, "You can't fire him, he's a civil service bureaucrat. He's got a contract. He runs this part of the government for the rest of his life. Or he and his cronies. How can you get rid of them?"

It's a tyranny, in which the people have no power of recall over the agencies which govern them. The civil service of Britain, at least all the important parts, the intelligence services, the military, the administration, the financial system, is under the control of the Queen. There are 16 countries in this world, in which the Queen directly controls the state from the top down. And the government is kept like a zoo that you can go to visit on Saturdays. The real decisions are made by the state, not by the government. The state *orchestrates* the government. It's a con show.

The British control the Commonwealth system, which controls nearly 30% of the world's population. It controls one-quarter of the world's land area. It controls the overwhelming majority of international financial speculation through the London market and its auxiliaries. It controls over 60% of the world's precious metals trade. It has the controlling interest in world strategic minerals. It controls the most important part of international trade in food. It controls the major part of the world's petroleum trade. And it controls the culture of most nations.

It influences about half of each of the major parties of Germany. It controls the majority of the Socialist Party of France. It owned François Mitterrand 100%, or 110%. It appears to own Charles Pasqua. Paris is owned by the British, psychologically.

Italy is owned by the British today. I can tell you that the most intelligent members of government in the world are found in Italy; but, unfortunately, they have no power. Not that all the governments are good, but if you want to go into a country and find today the kind of intelligent politician who you would find in almost every country back in the 1970s and 1960s, Italy is the only place in Western Europe you'll find that. You'll find intelligent people, but they're out of government. They're in obscure places.

The institutions of society are no longer, organically, working with government. In Italy. Germany, less and less so. You have party bonzes and bureaucrats controlling nations. Not real political factions in the serious sense. Not factions which are related to institutions such as the trade union movement, the banks, the industries, and so forth, of society.

You have people in political power, party bonzes, who *can't think!* They're nothing but functionaries who take orders. They're like dogs that carry messages in their mouths, except, instead of having to take the message out of the dog's mouth, you just look at the dog, and the dog repeats it, like a parrot. So that's the nature of that particular problem.

So, we have to go back to geopolitics; we have to recog-

nize that the culture which has shaped the past 50 years, was the culture of thermonuclear balance of power, which came in two phases. From 1945-46, to 1962-63, the missile-crisis negotiations period, and the past 30-odd years, which was the period of post-industrial devolution of civilization. We have to recognize, that what happened in 1945-46 was a product of the same processes that determined two wars in this century.

Then, we ask ourselves a fundamental question.

The history of human rights

Look at Figure 2 again, the Europe chart. Ask a basic question. Wait a minute. Modern European civilization created the idea of human rights. They didn't exist. They existed in religious terms before then, but not in political terms, not in institutional political terms. Individual human rights *didn't exist* until the Fifteenth Century in Europe; because, there was a large part of the population that *didn't have* human rights. They had human-cattle rights.

Jefferson was such a pig, Thomas Jefferson, one-time President of the United States. He was against slavery, even though he enjoyed the sexual embraces of his female slaves; but, he didn't think that African-Americans were actually human. But, he argued, explicitly, that one's treatment of them must be humane, even though they're not quite fully human.

That's not human rights. Either a person's human, fully human, or not. And people who were treated as chattels, were not given full human rights. Under John Locke, under British law, under British tradition, there is no such thing as human rights. The British don't recognize human rights.

Locke's argument was that property is primary. Locke had no idea of human freedom. He was against it. He was against human rights. If a master had a slave, the slave was property, and the primary right inhered in property, to which Leibniz was opposed, and which the United States was founded *against*. The United States was *never* based on Locke, even though Jefferson was. The United States was based on Leibniz against Locke, on the issue of human happiness, as opposed to property. That's the difference between it and that Confederate Constitution whose Preamble says "property." The U.S. Constitution says the general welfare and posterity.

Why is it that a society which had this principle embodied in the idea of universal education, not to exclude people into a category of human cattle, such as serfs, the idea of the right to participation in scientific-technological progress and its benefits as a universal right, the development of urban society to free man from the idiocy of serfdom; how is it that such a society, with such success, the greatest rate of improvement in the condition of mankind in all human existence; the greatest culture mankind had ever conceived; how could this greatest of all cultures suddenly go into the cesspool, as it's done?

Very simply: Because when we made the revolution, we didn't get rid of something. We didn't eliminate a disease. The disease was oligarchism. Not just the oligarchism of the

feudal landed aristocracy. They were a minor problem: a pesky problem, an obnoxious problem, but a minor one. We had a more satanic evil in our midst, called Venice: usury, financier oligarchy.

There is no landed aristocracy to speak of in the world today. The Queen of England is a bourgeois monarch, a Venetian-style "Dogessa." She's not even really quite human, as her progeny tend to suggest the case might be. She's a bourgeois "Doge." The Queen of the Netherlands: bourgeois Doge. The oligarchs of Germany: They're relics! Quaint and nasty. Generally tied to the British. Very British interest. France, the same thing.

Where's your landed aristocracy? The landed aristocracy disappeared, essentially, in the process of the world wars of this century. That was the last relic of it. The landed aristocracy lost its power with Metternich, when the Holy Alliance was overthrown by Lord Palmerston, using his agent Mazzini and people like that. That was the end of the power of the landed aristocracy. Metternich was the last aristocrat of that type.

Since then, the power of the aristocracy is the financier aristocracy, and you have people with titles attached to their names, who are nothing but rewarmed financier aristocrats. *We didn't get rid of this evil of oligarchism*, the thing of which the revolution was supposed to purge itself. We did *not* establish a society which was based on the prohibition against usury, that is, against the domination of society by looting unearned income. We did not eliminate the control of currency by financier oligarchs. We talk about the private central banking system, which is sin itself.

We promoted usury, such as this decoupling of finance from economy illustrates. We allowed great power to be concentrated in the hands of these evil parasites, the oligarchs. The power was concentrated in England, in Britain. Not in the British people. The British people haven't been fully human since 1714, when the present monarchy was established, when the last Englishman who was fighting against this crap, was essentially defeated politically—Jonathan Swift, Daniel Defoe, and people like that.

The oligarchy made England the base for a new Venice, a new lagoon of Venice, in which the world's financial power was concentrated in a handful of oligarchs. You have people who are Italian who are not Italian; they're part of the British monarchy. People who are Dutch, Dutch oligarchs; they're not Dutch, but part of the oligarchy. In the United States, we have a whole class of wealthy people: They're British oligarchs, part of the British oligarchy. Australia, all throughout Europe, most of the wealthy people in the wealthy financial interests in the so-called developing countries: It's the same thing. They're known to us; this is a direct relationship.

So you have two societies, like a China society. On the top, less than a fraction of 1%: oligarchs, and their lackeys, who run their errands for them. On the bottom, the people. We have allowed London, through the victory of Britain, or

its participation in victory in wars, to become a sustained center for the perpetuation of this oligarchical principle.

We have allowed our countries to submit, whether by conquest, defeat, or what not. The most recent case, of course, is eastern Europe, where these countries were treated like conquered countries, occupied territories, where you could find some scoundrels to work for the occupying authorities. And, we allowed that to happen. And we now stand on the verge of what appears to be an apocalypse, the virtual end of civilization, if we don't change it.

The problem is, yes, the immediate problem of the past 30 years, the post-industrial turn. That problem is rooted in the policy of the bipolar world, the nuclear bipolar world, which is the birth of it, and the terror of 1962-63. That was rooted, in turn, in the geopolitical doctrine of the British, which gave us two world wars in this century. That, in turn, was rooted in the fact that we failed, in creating this good society, to rid it of a disease, the most ancient disease of mankind, political disease of mankind, oligarchism.

We failed to say, effectively, that every human being has a human right. And the first human right, is the right to be human. That is the right to be developed in a way which is consistent with the special nature of man as a creative being. To be playful in the way Leonardo da Vinci was playful.

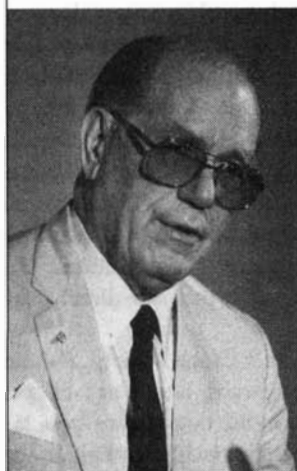
The second right, after the first right, is the right to be allowed to express that humanity; and to express it, means

not merely to enjoy doing something, but to recognize that life is short, and we're in a hurry, because we're going to die, sooner or later: And once we die, our entire life becomes like a great musical composition, at its best. The composition is everything good that went into the life, to make its end-result beneficial to mankind. It's like a great musical composition, at best. That's all we can aspire to be like. The composer dies; the music lives. The music lives to be a benefit to coming generations. Therefore, that person's life is meaningful. It has historic meaning for all generations to come, because it has contributed to the adding and transmission of knowledge to enable man to be more like man, to be more human.

Thus, our whole life, if we are wise, is to develop ourselves, and to face the challenges of life, in such a way that we make our whole life a composition, a good composition, in the sense of man's nature. And every human being must have the right, both to be recognized as human, and to be allowed to develop in the way which being human requires. The right to express oneself, by making one's process of living a Classical composition, which, when it comes to its close, is a good composition for the benefit of those who live after us.

If we establish that principle, let this terrible apocalypse confronting us be an object-lesson to us and those who come after us, that never again must we allow such mistakes as have led us to this point, to occur.

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Jakarta 0500*	Vancouver 1400
Jerusalem 2400	Vladivostok 0800*
Johannesburg 2400	Venice 2300
Karachi 0300*	Warsaw 2300
Kennebunkport 1700	Washington 1700
Kiev 2400	Wellington 1000*
Khartoum 2400	Wiesbaden 2300
Lagos 2300	Winnipeg 1700
Lima 1700	Yokohama 0700*
Lincoln 1600	Yorktown 1700
Lisbon 2300	

* Mondays