

OUR U.S.A. NEEDS A REAL CANDIDATE!

## Let There Be a Time Of Thanksgiving

by Lyndon H. LaRouche, Jr.

*With no less than the humility with which the author presents this report to the deserving, intended next President of our United States,*

*I present him, or her the following.*

November 22, 2007

*Since approximately July 25th of this year, the world as a whole has been gripped by what survivors of this present calamity would probably remember, as what was in the process of becoming the greatest, global, financial, chain-reaction collapse in modern history. We could escape the worst of those effects, even now, if we were prepared to end the Babel of the presently bankrupt, globalized monetary-financial system, and to adopt, immediately, an appropriate form of a new world system composed of, respectively, perfectly sovereign nation-states. The measures needed to rescue society from the presently ongoing general collapse, are knowable; the question is: "Will society have both the knowledge and the will needed to make the change: a change from the policies of what has become, up to this point, more than three, disastrous recent decades of terribly wrong decisions contrary to the original intention of the Bretton Woods system?"*

*So far, none—I repeat: none!—among the visible pre-candidacies for the U.S. Presidency, has shown even a meager sign of commitment to competent policies for leading this republic out of, and away from the continuing causes for the presently onrushing breakdown-crisis of the planet. That lack of the competent policies which should have been adopted by those candidates, is a key contributing element in the planet's presently accelerating plunge toward a "new dark age." To restate that crucial fact, our proper task now, is to prevent a "dark age" which would be*

*of several future generations' duration in its immediate effects, were it permitted to continue its present course.*

*To begin to understand our republic's present predicament, we should recognize that we are, thus, now, gripped, globally, by a crisis which has no comparable precedent in modern European history, not since the infamous, medieval, 14th-Century "New Dark Age."*

*We in the U.S.A. could still, and must now, act immediately to arrest the present, mid-stream onrush of that oncoming catastrophe. Admittedly, for this purpose, we do have one or two capable personalities from among the current roster of candidates; but—alas!—none of them have presently qualified themselves for this extraordinary mission, unless he, or she were to change his, or her present candidacy in ways which could be supplied only as beneficial guidance from some relevant intervention, as it were delivered from above.*

*We must not blame all of those candidates too much for their shortcoming on this account; but we must, nonetheless, blame them vigorously. The relevant fact is that they represent, largely, a generation born, usually, between 1945 and 1958, to become part of a specifically "white collar" tradition, the "68er" tradition of the children of the 1950s "white collar" and "organization man" generation, in most of Europe as in the U.S.A. It is a generation of "68ers" which has been educated in hostility to any competent view of the social elements of economic processes; worse, if they have any comprehension of economics at all, it has been indoctrination from a press and academia as ignorant, or even more ignorant than they are. All, candidates, academia, and press alike, are currently expressing the kinds of absurd, but widespread beliefs which are largely responsible for the mess in which the virtually doomed*

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*The media-orchestrated campaign debates have been given the character of childish spats, rarely discussing the serious business that will face the next President. Here, John Edwards, Hillary Clinton, and Barack Obama on a YouTube/CNN debate. Who will step forward to accept LaRouche's guidance in economics and related matters?*

*present civilization finds itself today.*

*My mission here, is, hopefully, to enable at least one such prospective Presidential candidate, but hopefully more, to become capable not only of understanding this challenge, but capable of taking up the unprecedented, specific kind of job of leadership which needs to be provided immediately, now.*

*Consider all of the candidates who are either in the race now, or the "third man," "independent" candidacy, of New York Mayor Bloomberg, who is apparently waiting for a timely moment to launch an intended threat to Senator Hillary Clinton's presently probable candidacy, as Ross Perot did against George H.W. Bush, in 1992. The job to be done must be by a candidate who would be electable, and would consent to be guided into becoming a competent and decent choice for the future of our nation and the world.*

*Both our republic, and the world as a whole, are in the present grip of a Classically, globally tragic situation. But for my age, I would be the only possible candidate who could actually be presently considered intellectually competent for the role which the next U.S. President must per-*

*form under these present, historically extraordinary conditions. So far, none of the present candidates has shown any grasp of the crucial, specific strategic quality of tasks of leadership, on which not only our republic, but on which civilization as a whole would depend, if the world as a whole were not already fated to be plunged, very, very soon, into a deep, and prolonged new dark age.*

*Therefore, apart from the fact that the mass-media orchestrated campaign debates have been given more of the character of childish spats, than serious attention to the actual business at hand, the choice of potentially credible prospective candidates is limited to less than a handful who are intellectually and emotionally capable of changing their present habits, by absorbing the guidance in economic expertise and related matters which they presently lack, but which I would give freely to each, or all of them, as I do here.*

*Specifically, most of the campaigning by the candidates so far, has either expressed simple ignorance of the actual policies on which our republic's survival urgently depends, or, the candidate is a victim of his, or her disqualifying habit, of avoiding those issues which "the big campaign financiers," who*

*seem to own most of the candidates, might consider unpleasant. A candidate who fails to change what has been heretofore that prevalent failure shared among all visible leading candidates, would be remembered chiefly for his, or her part in bringing on that monstrous both national, and global tragedy for which our people would suffer for generations to come.*

*So, the time has passed for society's continuing to tolerate recent decades' customary games of populist Sophistry. The world can no longer tolerate those petty, schoolyard-like games of childishly competitive political sports, into which our republic's principal pre-candidates have been lured in this campaign thus far.*

### **What We Must Demand**

*For scientifically grounded reasons which will be provided within this report, we must reject any candidate who fails to rely upon reawakening the seemingly already lost, but unique, historical advantage which we still have as a nation. We must reject summarily any candidate who does not rely, without swerving into other ways, on that specific*

intention of our Federal Constitution which provides the uniquely appropriate premise for crafting a remedy for the present, terrible economic threat to our world as a whole. The essence of that needed option, for which the original founding of our republic's history provides us guidance, lies principally in a recognition of three, historically defined, crucial points of principle, as follows:

1. That, in all truly successful forms of nation-state government since the 1648 Peace of Westphalia, the morally acceptable design for the modern, sovereign form of nation-republic, has been defined by the principle of **agapē**, as that named principle is traced to such ancient precedents as Plato and the Christian apostles John and Paul. This is the same notion as expressed by Gottfried Leibniz's denunciation of John Locke, as Leibniz affirmed the notion of the principled right of people to "the pursuit of happiness." That treatment of the concept of **agapē**, by Leibniz, was not only central to our 1776 Declaration of Independence; it was elaborated as the functional, ruling principle of our constitutional law, as the Preamble of our Federal Constitution.

This already abused, indispensable principle of U.S. constitutional law adopted from Leibniz, has been virtually obliterated from national practice under the horribly tragic Administration of President George W. Bush, Jr. and his accomplices. It has also been the trend of tragic behavior, by the complicit majority on each side of the aisle, in much of the attempted law-making during the terms of the 2001-2007 Bush Administration, and also, usually, the Congress itself, especially so since February 2006. (As for the effect of the incumbency of the current President and his Vice-President, that can be fairly described as comparable to a situation in which science-fiction's "Pod People" had taken power.)

2. That, in all successful forms of nation-state governments during the interval since the 1648 Peace of Westphalia, **agapē** has been expressed in international affairs as the obligation of each society to be governed by the principle of each being bound by the obligation of affording "the advantage of the other." By that standard, much of our so-called political class's putative leadership is presently behaving as a pack of self-doomed barbarians.

3. That, the mode of government must now become, again, our electorate's adherence to the fact that

the superiority of the design of the U.S. republic as an economy, is lodged in the Constitutional preference for a **credit system**, in opposition to that implicitly imperialist character which is intrinsic in the practice of usury under an Anglo-Dutch Liberal **monetary system**. We must rid ourselves of the most reckless, the most evil, the most destructive, most usurious, present form of a monetarist system: a so-called "free trade" system.

There are, in turn, three—again "three"—leading moral and other crucial, historical advantages subsumed by the foregoing, threefold constitutional characteristic of the U.S. system, moral and intellectual advantages over, for example, the current, morally wretched, Fabian system of government of Great Britain. These advantages include:

a.) That "protectionist" feature of the settlement of what became the U.S. Federal Constitution, the feature which, chiefly, has made our republic so vastly, morally and otherwise superior to the Sophist's system of the United Kingdom. This advantage was then, and remains the influence of those settlers who shaped our immigrant patriots' character, those settlers who emigrated from Europe with the intention to bring the best of the Classical culture of Europe to a North America which had been located then at a relatively advantageous distance from the reach of the European legacy of usury and aristocracy.<sup>1</sup>

b.) The significance of the establishment of the United Kingdom under King George I, as successor to England's Queen Anne, was that his accession embodied the defeat of the cause of the patriotic party in England, a party which had leaned toward the option of choosing Leibniz's assistance, a party whose defeat had worked in favor of that pro-imperialist Anglo-Dutch Liberalism whose power was consoli-

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1. This was the explicit motive which Christopher Columbus adopted from his study of certain writings of Cardinal Nicholas of Cusa, and which prompted the moral, as distinct from the depraved settlers from Spain, into Central and South America. It was the takeover of England under James I, a James I whose circles of depraved creatures, such as Sir Francis Bacon, were under the influence of the "New Venice" Liberalism of Paolo Sarpi, and under the legacy which Sarpi's personal lackey, Galileo, induced in Thomas Hobbes, Locke, Bernard Mandeville, et al. This disgusting situation in Europe, prompted the role of those American circles whose intellectual and moral superiority, as expressed by the Winthrops, Mathers, and Benjamin Franklin, did the most to make the U.S.A. a republic with the kind of Federal Constitution which our own contemporary Liberals in the Anglo-Dutch Liberal tradition have hated, and worked to subvert and destroy, from that time, up to the present day.

*dated under William of Orange's Hannoverian protégé, King George I.<sup>2</sup> When Britain reached out, with the 1763 Peace of Paris, to take away our liberties, our patriots revolted, in defense of a civilized form of life.*

*Under the leadership of President Franklin Roosevelt, our republic had returned, one more time, to the impulse of our dedication to those principles. The work done then, in that direction, was not completed; but, it was under way. With President Franklin Roosevelt's untimely death, the process of progress was aborted under his immediate successor. The same betrayal of principle was carried out, to a worse degree, with the Sophistry of the "1968ers" in both Europe and the Americas.*

*So, with the assassination of President John F. Kennedy, what had been the partly shackled devils of our destruction were abruptly unleashed; we were stricken by the prolonged virtual imitation of each of a long series of wars like the Peloponnesian War of a self-doomed ancient Greece. These have been wars launched during the interval 1964-2007 to date, by repeated consent of the majorities of the U.S. Congress, and, most emphatically, by outright, implicitly treasonous fraud of forces controlling the administration of the presently incumbent President. Those foolish wars have been an emblematic feature of a series of global developments which have brought both our own ruined republic, and the world at large, into the onset of what will soon become, unless stopped, a global, new dark age roughly comparable to that of Europe's 14th Century. The worst of these wars have been those promoted under what President Dwight Eisenhower denounced as "a military-industrial complex," or the same complex named by others a "revolution in military affairs," as this was associated with Samuel P. Huntington's *The Soldier and the State*, or under London's Fabian-sponsored, brutish U.S. Vice-President Cheney, and Cheney's London-linked U.S. protectors George Shultz and Middlebury, Vermont's wretched Felix Rohatyn.*

*c.) The original economic policy which had made the U.S.'s constitutionally defined economic policy morally and otherwise superior to that of the United Kingdom, is expressed as our patriots' constitutional abhorrence of a "free trade" system. The Anglo-Dutch Liberal model, called "monetarism" today, is axiomatically a financial-oligarchical, and, inherently imperialist system of government.<sup>3</sup> **Our patriots' system,***

2. Cf. H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987).

3. The 1971-1972 break-up, by the Richard Nixon Administration, of what President Franklin Roosevelt had launched as the Bretton Woods system of

*under which the power to create and regulate currency, is under the control and direction of the institutions of our Federal government, was established, thus, as a credit system, as distinct from, and opposed to the implicitly imperialist form of economic tyranny known as a "monetary system."<sup>4</sup>*

*To be able, now, to meet the specific challenges thus posed to humanity as a whole, we must commit ourselves, according to these specific principles, to act in concert with certain other leading nations, to bring the world as a whole, not to paradise, but to a durable condition of safety and prosperity. To accomplish that, our government, with our support, must revive the set of crucial principles, cited here above, upon which our remarkable occasions of past greatness were formerly premised, as under Abraham Lincoln and Franklin Roosevelt.*

*To that end, a special approach must be taken to escape from the grave hazard expressed by the lack of certain crucial qualities in the visible pre-candidacies.*

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## Introduction: For the Record

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For obvious reasons, much of what I present, within the subsequent, main body of this report, on matters of scientific principle, must be prefaced here, by pointing to the experience of my repeatedly proven, virtually unique advantage of authority in long-term economic forecasting.

For example, it would be reasonable for a reader to ask: "Just how good is LaRouche's forecasting?" Or, "What is the record of LaRouche's performance?" Therefore, I introduce the body of this report with a review of relevant highlights of that record: I identify the most essential of the scientific premises on which my notable special skills, discoveries of prin-

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fixed exchange-rates, had the effect of returning the U.S.A. to a more and more subordinate role, as a mere subject of the British imperial "free trade" system. In addition to the fact that this was a clearly treasonous violation of the intent of our Constitution, this 1971-1972 swindle lured us into the waiting trap of the post-industrial-society design of Bertrand Russell, H.G. Wells, et al. The combination of "free trade" and "globalization," has lately degraded our U.S.A. to a mere satrapy of a world-wide empire of the Anglo-Dutch Liberal financier rule, in which the British and Netherlands monarchies themselves were presently merely instruments of a neo-Venetian financier tyranny.

4. We are, therefore, primarily a *physical economy* whose money-system is organized around a constitutional form of credit-system, rather than a monetarist economy, rather than a monetary system. Since the 1763 Peace of Paris, to the present instant, the British East India Company (*not the British monarchy as such*), and that Company's successors as Sarpi-style, Liberal, financier tyrannies, have been the reigning, neo-Venetian style of world empire reigning under the style of "globalization" and "free trade."



EIRNS/Stuart Lewis

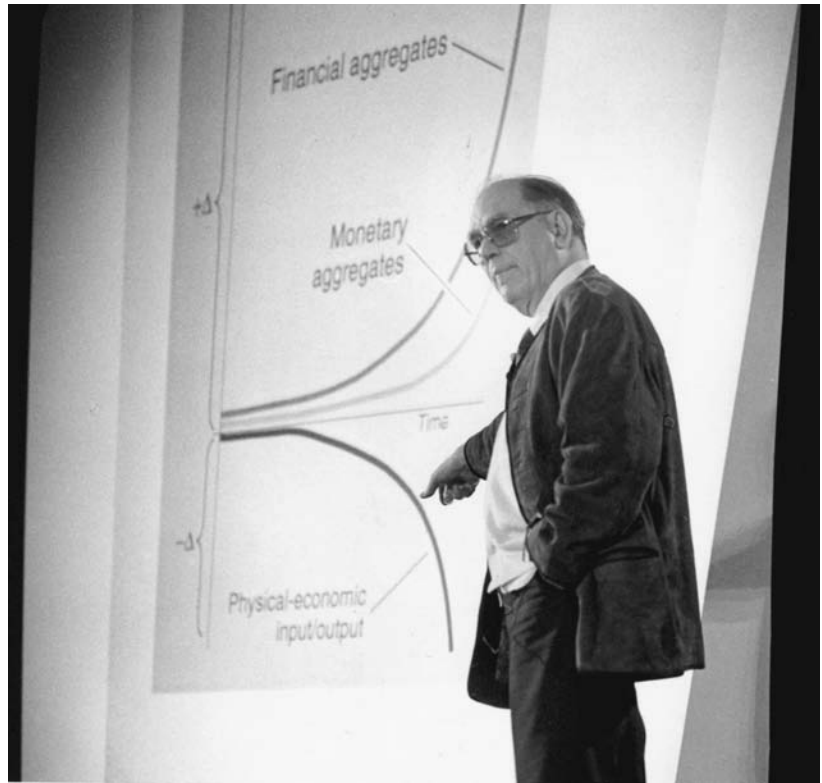
*“Just how good is LaRouche’s forecasting?” the reader may ask. His 50-year history includes such moments as his April 1988 nationally televised half-hour broadcast (above), in which he described the behavior of the financial-monetary system as like a bouncing ball, in which the trajectory now is down, down, down; and his development of the “Triple Curve” collapse function, which he illustrates here (right) in a presentation in 1998.*

ciples, and other relevant accomplishments have depended over the interval 1956 to the present day.

This introduction is also supplied here as indispensable for understanding the root-causes of the tragic, systemic incompetence shown, thus far, in matters of economics and grand strategy generally, among all presently leading official pre-candidates for the 2008 Presidential campaigns and general election. Without taking this matter of forecasting into account, there could be no competent insight into the matter of curing the relative demerits which the notable candidacies have, in fact, exhibited, so generously, thus far.

Therefore, look back to 1956. My first forecast for the U.S. national economy, was a short-term affair, made then, modestly, as part of my specific executive function at that time, a function bearing on supplying needed measures of quality control over that firm’s consulting practice. The subject of that report, was my forecast of a crucial change in what I reported as then already in progress, a qualitative change in the marketing conditions in which competent management consulting firms must begin to operate during the immediate years from 1957 onward.

That forecast, which was presented at the beginning of the last quarter of 1956, emphasized the fact of an oncoming, deep recession then in progress, a threat which I had warned would cycle to the surface about February-March 1957. My forecast was focussed, chiefly, on the radiated effects of increasingly reckless major corporate and related speculation, that under the system then associated with Arthur Burns et al. These sources of failure in U.S. economic performance were, most notably, the effects expressed in the operations of firms in the fields of automotive and other hard-goods categories of consumer “capital goods.”



The collapse foreseen in that relatively short-term forecast of mine, not only arrived on my estimated time-table; closer examination of the effects of a deepening recession throughout 1957-1958, prompted my first, subsequent attempt at a long-range forecast. That longer-range forecast was begun, with successful results, during middle through late 1958, an effort which was continued, as my private endeavor, with significant refinements, into a rounded development of the theses I adopted, and publicized more widely, during 1960.<sup>5</sup>

My long-range forecasting had some, initially limited public circulation through a time from 1961 until the middle of that decade. The circulation of that forecast was accelerated during the latter half of the 1960s, and into the 1970s. The leading among the presently more relevant features of that report were the following.

I had forecast that *if* the continuing trend in executed U.S. national economic policy of practice which had been expressed, under specialist Arthur Burns, in the aftermath of the U.S. Korean War, were to be continued, into the medium and long term, through the middle of the 1960s, a menacing trend

5. My standpoint in all of these and related later developments, was the Riemannian principle of *dynamics*, as opposed to Cartesian mechanistic-statistical methods, a Riemannian view which I had firmly adopted, from early 1953 on, as the basis for treating the phenomena of social systems. Notably, there were certain complications in my professional career during this period, complications arising, then as also later, from my repeated refusal to accept a proposition presented to me by a certain nasty element within the U.S. Department of Justice at that and some later times.

in developments must be expected to emerge during the second half of the 1960s, leading toward a threatened breakdown of the Bretton Woods fixed-exchange-rate monetary system. In none of these publicized reports was I ever mistaken. The collapse of August 1971, and the ensuing, celebrated Queens College debate between me and Professor Abba Lerner, mark the forecast result.<sup>6</sup>

### The Science of ‘If’: Dynamics

By the time President Dwight Eisenhower completed his terms in office, and despite the attempted reforms by President John F. Kennedy, the most widely taught and practiced modern academic and business-practice traditions in the customary university teaching, and practice of forecasting of developments in economy, had become thoroughly, intrinsically incompetent. In my adult lifetime, all but a diminishing few of my possible intellectual rivals among the leading, and younger academic, business, and related long-range forecasters, in the Americas, or in western and central Europe, have always been wrong, and that more or less disastrously, in their outlook on the subject of so-called “business cycles.”

This incompetence has principally three leading aspects.

Firstly, generally, in the U.S.A. and western and central Europe prior to and since 1971-1972, the tendency which has been carried, more and more, to lunatic extremes, has been to rely upon more radically monetarist assumptions, assumptions which assume that all success depends upon making the “financial community” happy over the span of the relatively short to medium term. The assumption is, that the secret of economics is to make “the suckers,” such as typical Wall Street investors, happy. The critics of that sort of nonsense have become a rapidly diminishing few.

Contrary to prevalent delusions in circles of governments and academia, it is not the financial market, but the physical economy which is real: it is the rate of increase of the physical standard of living, per capita and per square kilometer, which determines the actual health, and stability of the economy over the medium to long term: as in the U.S.A. presently, contrary to the foolish President George W. Bush, Jr.: “How good is your pension, and your cost of actually available and good health-care, when the time comes to retire?” The proper question is: *What is the rate of increase (or decrease) of the potential relative population-density, per capita, and per square ki-*



*What is the difference between the methods for forecasting the weather, and forecasting human behavior?*

*lometer, of each and all regions of the nation, over the course of a generation or more? On this account, the U.S. economy has been experiencing a physical net decline in output, per capita and per square kilometer, over the course of (approximately) 1968-2007 to date, especially since the awful bungle of the 2000, Gore-Lieberman Democrats’ Presidential campaign.*

The second principal consideration, is the difference between the methods for forecasting weather and forecasting human behavior.

If we put the role of human behavior to one side, forecasting physical trends in the planet, and our Solar System, can produce useful results, but not mechanically predetermined results. Forecasting can be made successful, to the degree our science has been successfully developed for that purpose. In attempting to forecast human mass behavior, we are confronted with an additional, completely different challenge. For forecasting developments within social processes as such, we must emphasize attention to a voluntary capability unique to the human individual, a factor which does not exist in either inanimate processes, or living processes other than mankind.

This distinction of human, from plant and animal behavior, has two aspects, one ordinary, the other critical. There is the factor of somewhat animal-like, ordinary choice; but, there is also the crucial factor, which does not exist among lower forms of life, the power to change our societies’ characteristic powers as a species, through the individual, original human thinker’s discovery, or re-discovery of universal physical principles, as principles are typified for modern science by Johannes Kepler’s uniquely original discovery of

6. Unfortunately, most people have yet to recognize the difference between a forecast and a “prediction.” Anyone who thinks that we could predict a crucial turn on a certain exact date, is claiming to be a statistician, which is sufficient evidence that he or she thinks either in mechanistic, statistical terms, or is practicing voodoo, as Myron Scholes has done, and is therefore incompetent in economics.

universal gravitation.<sup>7</sup> These discoveries of principle have an effect comparable to what might be considered as akin, in effect, to mankind's virtually willful evolution into a higher species, through fundamental and related scientific progress of the type which was forbidden by both the Olympian Zeus of Aeschylus' *Prometheus Bound*, and the present-day, neo-Malthusian dupes of London's "68er" and swindler Al Gore.

Thirdly, what I am stressing here, is the following point. To achieve a competent form of insight into these two factors which I have just listed, we must take a third qualitative consideration into account. No actual form of physical, or mental process can be competently represented by the kinds of Euclidean, Cartesian, or neo-Cartesian methods of the mechanistic-statistical forecasting used by the more typical modern economists. Real economic processes are not mechanistic-statistical, not empiricist processes, but are *dynamic*. Unfortunately, in the Americas or Europe today, virtually no leading politician, and very few among those trained in the subject of economics, have any competent conception of what the term "dynamic" means for the qualified scientist.

This use of the term *dynamic* is to be traced by any competent economist, or physical scientist otherwise, from the remarkable *quadrivium* of the Pythagorean science of *Sphaerics*, from which all *a priori* presumptions, such as the later Sophistry of Euclid, were banned; the relevant original term for the method of valid science, was *dynamis*.

The most famous example of the relevant application of *Sphaerics* was the proof of the construction of the doubling of a cube by the friend and collaborator of Plato, the Pythagorean Archytas of Tarentum. The revival of the use of the concept of *dynamis*, under the name of *dynamics*, was introduced, by name, to modern science by Gottfried Leibniz, in Leibniz's 1692-1695 exposure of the fraudulent, mechanistic-statistical character of the same method of Descartes from which the degenerated practice of quacks such as John von Neumann,<sup>8</sup> and forecasters such as LTCM's Myron Scholes was derived.

However, the modern revival of the Platonic form of *Sphaerics* was actually begun, first, prior to Leibniz's work, by Cardinal Nicholas of Cusa's *De Docta Ignorantia*; but it was Leibniz who made the crucial connection to the concept of *dynamis*. Cusa's method was that, combined with Cusa's follower Leonardo da Vinci, from which we have proximate origins of the entirety of the work of Johannes Kepler, the first fully competent modern mathematical physicist after Leo-

nardo da Vinci, and, as Albert Einstein has emphasized, the principal figure on which all competent science since, has depended.<sup>9</sup>

Therefore, all competent practice of economics today, depends upon a Riemannian insight into the principles of *physical economy*, as opposed to intrinsically usurious, monetarist schemes. This notion of physical economy includes a recognition of the inherently fraudulent and immoral character of the form of practice of usury known as *monetarism*, and demands an absolute contempt for Cartesian, or neo-Cartesian, statistical modes of so-called "economic forecasting."

### Since President John F. Kennedy

Bear the implications of this, just said, in mind, as we proceed. At this point in this report, for the moment, it is sufficient, to take into account the worthwhile approximations of good economic science encountered in the work of Presidents Franklin Roosevelt and the John F. Kennedy whose assassination cleared the way for the steps leading up to the wrecking of the foundations of what had been the successful U.S. economy. This change, after Kennedy's death, led to the policies of continued wrecking to become entrenched under the later, successive stages of wrecking actions under Presidents Nixon, Ford, and Carter.

The administration of President Kennedy had attempted serious, and extremely beneficial changes in U.S. economic policies; but, that excellent effort implicitly ended with his assassination in November 1963. His had been a worthwhile legacy which was soon suffocated by a lie, a lie like that of Prime Minister Tony Blair and his accomplice Dick Cheney later, a lie used to push the fear-stricken, corrupted U.S. Congress of 1964 into launching the folly of a U.S. long, wasting war in Indo-China.

Thus, the assassination of President Kennedy cleared the way for what has proven, since, to have been the kind of effect which I had projected as probable for the second half of the 1960s. This effect came fully to the surface during 1967-1968, first expressed as the collapse of the United Kingdom's economy under the wrecking conducted by the first Harold Wilson government, in late 1967, and the consequent, first U.S. steps, during February-March 1968, toward disintegration of the Bretton Woods monetary system.

So, I repeated my earlier warnings of my long-range fore-

7. By this use of "physical" I do not intend to exclude certain principles of Classical artistic composition which also have the quality of effect associated with what we might consider as universal physical principles. I shall clarify that point at a later point in this report.

8. John von Neumann and Oskar Morgenstern, *The Theory of Games and Economic Behavior* (Princeton: 1953). Von Neumann, like the crank Norbert Wiener, was a creature of Bertrand Russell, and like von Neumann, Wiener was expelled from Göttingen for "damned good" scientific and other reasons.

9. This attribution of the origins of a comprehensive form of competent modern physical science, to its origins in the discoveries of Kepler, was made by Academician V.I. Vernadsky, and Albert Einstein, respectively. Vernadsky emphasized the role of Bernhard Riemann; Einstein located all competent modern physical science within the development of modern physical science from roots in the discoveries of Kepler into the work of Riemann. The hatred of Nicholas of Cusa and his Fifteenth-Century followers by both the modern feudal reactionaries and the irrational, so-called Liberal followers of Paolo Sarpi, is contrasted with the scientific respect for Cusa in Russia, where he is known as Nikolai Kuzansky.



John F. Kennedy Library

*President Kennedy's administration attempted serious and beneficial changes in U.S. economic policies, including notably the initiation of the space program. But his assassination cut those efforts short. Here, he inspects the "Friendship 7" space capsule at Cape Canaveral, Fla., with Col. John Glenn, Jr. to his right.*

cast more forcefully, and more widely during the late 1960s, and into 1971. On August 15-16, 1971, U.S. President Nixon, acting under influences including that of George Shultz, "floated" the U.S. dollar, a measure Nixon had taken under the pretext of his publicly avowed devotion to the traditional enemy of U.S. independence, Lord Shelburne's lackey Adam Smith. At the beginning of 1972, George Shultz was entrusted with the task of formally destroying the remains of the Bretton Woods system.

During that time, I was the only notable, published economist who had forecast that looming outcome of the 1960s. The crucial feature of my forecast, was not that I had forecast merely the threatened breakdown of the Bretton Woods system; but, I had warned that such a breakdown would lead quickly toward a shift into approximations of a new fascist system of the type which we are now experiencing in a rather matured form under the model which the Bush-Cheney Administration has copied from the German author of Adolf Hitler's dictatorship, Carl Schmitt. That is the Schmitt who was also the inspiration for the current U.S. Federalist Society, and was the original sponsor of the man who became the model

for Chicago University's Professor Leo Strauss.<sup>10</sup>

However, Shultz's role during 1971-1972 was not simply an arbitrary decision by Nixon, made under the influence of Shultz et al. It was the culmination of a process of attempted wrecking of the Bretton Woods system, an attempt which had been launched already under President Harry S Truman, which has been always steered, as under Truman, by President Franklin Roosevelt's enemies in official London, and promoted by those who took greater control over the U.S.A. under the conditions of widespread terror engendered by the assassination of President John F. Kennedy. Without that manifold process of intended wrecking, over the 1945-1971 interval, President Nixon's unconstitutional sabotage would not have become possible.

Now, as the 1997-1998 case of toleration for the unfortunate Myron Scholes, only illustrates today's prevalent delusions, the usual leading economists of today's age of Alan Greenspan have become vastly less competent than even the usual cases from the late 1960s and into the early 1970s age of Paul Volcker. This has been a leading factor in shaping the characteristic incompetence on nearly all crucial issues of economic policy, until now, of all presently leading pre-candidates

for the Presidential nominations of the two parties (and also, that of, apparently, Mayor Bloomberg).

Since those events, to the present date, the world as a whole has been constantly on an economic march toward monetary, and financial, globalized, fascist "Hell." This has been a course of development which had now pushed the entire world to the wobbly brink of a total, global collapse into a presently threatened "new dark age."

When every forecast which I have publicized, from the late 1950s, to the present, is considered in exactly those terms I have specified for my own forecasting (as distinct from malicious, or simply foolish misrepresentations of my forecasts by some others), the evidence today is, that I have never been mistaken, where, in each instance, my putative rivals, and also merely captious critics, have been consistently wrong, as dur-

10. It was my celebrated 1971 defeat of the leading Keynesian economist, Professor Sidney Hook's protégé Professor Abba Lerner, which marked me for what became the bitterest of hatred against me personally from leading empiricist, and implicitly treasonous circles within the U.S. Department of Justice, and also London circles, from that date to the present day.



ing the period of service of Presidents George H.W. Bush, Bill Clinton, and George Shultz's and Dick Cheney's patsy, George W. Bush, Jr.<sup>11</sup>

## The Subject of Dynamics

That difference in respect to competence, is essentially a matter of two things. First, as I have already emphasized, earlier in this introduction, the difference is a matter of method: my method is, essentially, a matter of *dynamics* in the sense given by Gottfried Leibniz and Bernhard Riemann, as opposed to the silly, mechanistic, neo-Cartesian forecasting methods which are customary among today's usual economists and political leaders, as by university professors of, and graduates in economics generally.

The intrinsically incompetent method of today's usual economist, or relevant university figures generally, on the subject, is a reliance upon the intrinsically incompetent, *mechanistic-statistical method* of "statistical projections" and emphasis on "exact numbers" methods and practices derived from the model of the bungler René Descartes and his cultish devotees. The example of the work of Myron Scholes, as in the matter of the 1998 crash of LTCM, is to be blamed, essentially, on the foolishness of those who trusted the work of Scholes and his like, in driving the hereditary irrelevance of the mechanistic-statistical methods of Descartes to a positivist's wild-eyed extreme.<sup>12</sup>

Now, review the concept underlying my forecasting of developments since 1972. Consider the summary comparison of change of ratios of monetary, financial, and net physical output over the course of the 1972-2007 interval, especially the "post-Soviet" interval 1992-2007 (**Figure 1**).

That forecast has shown exactly the pathway of choices which relevant events have followed, since 1996 to the present time.

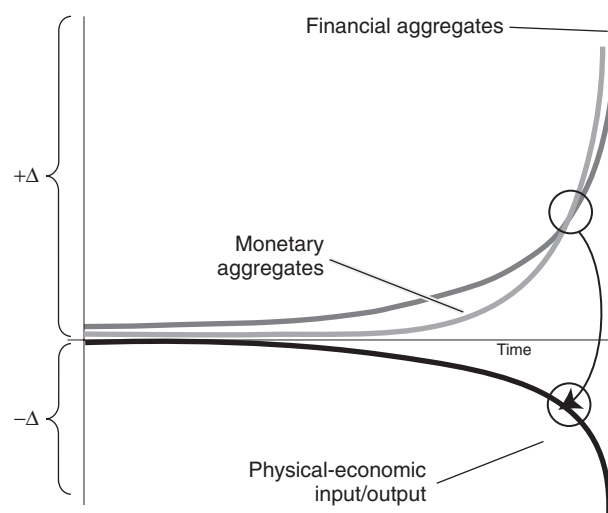
The point to be made in these prefatory remarks, is not simply that I have been right in these matters, where presumed rival authorities, and sundry commentators have been persistently wrong. The crucial point to be considered, is the fact that my work has been premised on a correct principle of science, where my putative rivals have relied upon scientifically incompetent premises. The issue thus posed, is that of *dynam-*

11. The common problem with which I have had to contend, is that foolish fellows insist on proposing: "In other words, you are predicting...." I do not make statistical "predictions;" I define boundary conditions for dynamically determined processes.

12. The typical method of the incompetent forecaster, is to choose an exact time and condition for the proposed event. That approach ignores what can be loosely identified as "the factor of free will." That Cartesian or kindred method of "exact numbers," permits no reference to actually universal, lawful principles. Competent forecasting defines the approach to boundary conditions, an approach which might remind us of the famous story of "An Appointment in Samarra." Whenever, or by what choice of route, you reach Hell, if you are seeking that destination, that destination will gobble you up in its own choice of time and place.

FIGURE 1

## The Collapse Reaches a Critical Point of Instability



*The combined effect of the radical changes in U.S. economic policy and practice introduced under the 1969-1981 U.S. Presidencies, produced a curve of accelerating decline in net U.S. physical output per capita and per square kilometer, but accompanied by a relatively accelerating rate of growth of monetary and financial emission, which, by its nature, must converge ultimately, if continued, on something like the 1923 Weimar hyperinflation. This is precisely that current state of affairs in which a predominantly fictitious mass of speculative financial-monetary assets is now collapsing catastrophically.*

*ics*, as opposed to the incompetence of the systems of *mechanistic-statistical extrapolations* on which the empiricist and positivist number-mechanics rely.

I explain this matter of principle to which I have pointed above, as follows.

## The Modern Historical Background

Put aside the cases of opinions expressed by wishful dreamers, self-anointed, but illiterate know-it-alls, and many other people who are simply ignorant of competent professional considerations in the matter of the history of modern economy. By modern economy, I mean the period of globally extended European statecraft launched by the A.D. 1439 great ecumenical Council of Florence. Competent historians and economists will contrast modern European civilization, from approximately A.D. 1439 onward, to that earlier form of European society which was collapsed into a prolonged, medieval "New Dark Age" of civilization, an over-ripe collapse triggered by the epoch-making, calamitous, famous Fourteenth-Century bankruptcy of the Lombard banking house of Bardi.

Excepting the types of reforms associated with models of reference provided by such as Solon of Athens and Charlemagne, in all known ancient and medieval European and near-Eastern societies, the organization of society was modelled on the prescription which Aeschylus' *Prometheus Bound* associates with the Delphic cult's model for Lycurgus' Sparta, the latter a model in which the great mass of the population was bestialized under a system of virtual slavery such as serfdom.

The essential distinction to be emphasized here, is that modern European civilization, as the definition was introduced earlier by the work of Dante Alighieri, was later defined systematically by the combination of a crucial set of two pioneering works of Cardinal Nicholas of Cusa: his *Concordancia Catholica*, defining the principle of the modern European sovereign nation-state republic from which our own U.S. republic was derived, and his *De Docta Ignorantia*, which laid down the foundations for all competent expressions of modern European physical and related science. When we apply the essential principle of physical science from *De Docta Ignorantia* to the domain of Classical artistic composition, we have touched, in the outcome of the work of Cusa, that crucial aspect of modern European civilization which separates the foundations of our U.S. constitutional republic from all known ancient and medieval cultures. That is the principle which is otherwise expressed as the only unique distinction of man from beasts.<sup>13</sup>

For the purposes of the modern statesman and economist, the crucial developments which separated the new form of society launched by that Florence Council, from what might have been considered a mere revival of something like an earlier (e.g., "feudal") form of European society, were expressed in those two contributions by the man known to history as Cardinal Nicholas of Cusa, the founder of both the principle of *the modern sovereign nation-state*<sup>14</sup> and of *modern physical science*.<sup>15</sup>

In respect to the history of the quality of European civilization, the poet, dramatist, and historian Friedrich Schiller, defined the issue of that civilization as exemplified by the conflict between the evil legacy of Lycurgus of Sparta, and the benefit typified by the work of Solon of Athens. As a matter of fact, the great English Classical poet Percy Shelley paralleled historian Schiller's thesis, by, for example, contrasting the mission of the fabled Prometheus with the evil of the Delphic Olympian Zeus and (implicitly) Delphi's

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13. I.e., Academician V.I. Vernadsky's concept of the Noösphere.

14. *Concordancia Catholica*, the "model" echoed by Cardinal Mazarin's role in founding the 1648 Peace of Westphalia.

15. E.g., *De Docta Ignorantia*. The actual launching of modern physical science as practiced science was accomplished, uniquely, by Johannes Kepler. Kepler's discoveries were accomplishments premised chiefly on Cusa's exposure of the fallacy of Archimedes' presumption that a circle, or parabola could be truly generated by methods akin to those of Euclidean geometry.

Apollo-Dionysus cult. Heinrich Heine located decadence in the emergence of the Nineteenth-Century cult of Kantian and related expressions of Romanticism. I agree with the views of the matter by Schiller, Shelley, and Heine, as far as each goes; my work in the science of physical economy has depended upon my going deeper into the matter than these have done, as I do here, in the remainder of this prefatory section of my report. I begin with a crucial, specific discovery by Cusa.

## Science & Statecraft

In a brief review: Cusa's broader significance for modern physical science and economy, is his central role in reviving the largely lost knowledge of competent science, a discovery which he made in the course of his attention to the Classical Greek archives of Byzantium. What proved to have been his most crucial practical contribution to the founding of modern science, was his emphasis on correcting a systemic error in the work of Archimedes, Archimedes' mistaken claim to have solved the problem of defining the generation of the circle and parabola from the standpoint of a notion of quadrature (**Figure 2**). All of the distinct accomplishments in scientific method by modern physical science, from that time, to the present day, including economy, have depended for their earned authority upon the realization of the implications of Cusa's insight into that error by Archimedes.

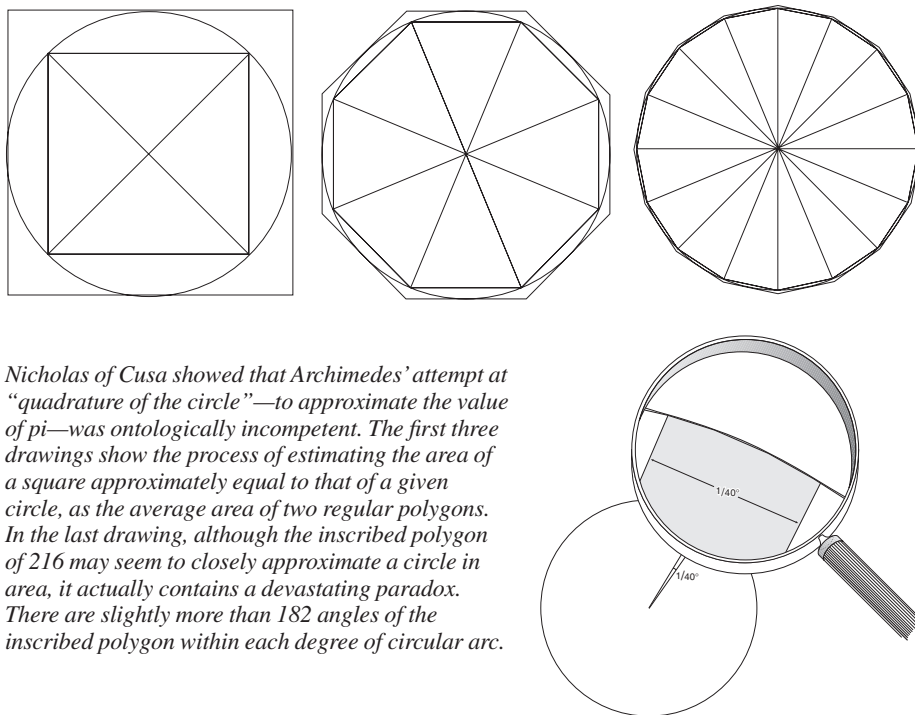
This specific contribution by Cusa provided the basis for those discoveries by Johannes Kepler on which, as Albert Einstein emphasized, all competent practice of modern physical science depends. Kepler himself defined the principle of these discoveries in two, interdependent contributions which we have come to enjoy from Kepler's discovery of universal gravitation: as what was to become Gottfried Leibniz's uniquely original discovery of the elementary principle of the calculus (the essentially transcendental infinitesimal),<sup>16</sup> and as the development of the concept of physical-elliptical, and higher order transcendental functions by Carl F. Gauss, Bernhard Riemann, and others. These same discoveries are crucially indispensable for the competent understanding and practice of modern political economy.

To grasp the importance of these conceptions from *dynamics* for a science of physical economy, it is essential to recognize that a competent modern practice of economy as a science, depends absolutely on modern European science's foundations in the work of such outstanding followers of Cusa as Leonardo da Vinci and Kepler, and such outstanding followers of these modern geniuses as Fermat, Leibniz, Jean Bernouilli, Abraham Kästner, Gauss, Abel, Dirichlet, and Riemann. Without a grasp of these matters, no competent

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16. As explicitly and absolutely contrary to the incompetent underlying assumptions of such haters of Kepler, Leibniz, et al., as A. de Moivre, D'Alembert, Leonhard Euler, Lagrange, Laplace, Cauchy, Clausius, Grassmann, Lord Kelvin, et al.

FIGURE 2  
**Quadrature of the Circle**



Nicholas of Cusa showed that Archimedes' attempt at "quadrature of the circle"—to approximate the value of  $\pi$ —was ontologically incompetent. The first three drawings show the process of estimating the area of a square approximately equal to that of a given circle, as the average area of two regular polygons. In the last drawing, although the inscribed polygon of 216 may seem to closely approximate a circle in area, it actually contains a devastating paradox. There are slightly more than 182 angles of the inscribed polygon within each degree of circular arc.



EIRNS/Ulla Cicconi

A replica of the tomb of Nicholas of Cusa in Bernkastel-Kues, Germany.

working grasp of the principles of modern economy, such as our own constitutional form, were possible. The concept of the infinitesimal, as Leibniz derived that from the work of Kepler, provides the crucial relevant connections.

The concept of the *physical infinitesimal*, as Cusa exposed the indicated error of Archimedes, is what contrasts the uniquely original discoveries by Kepler to the honest failures of Copernicus and Brahe. Kepler recognized Cusa's principled argument against Archimedes in two successive, qualitative phases of Kepler's own absolutely original discoveries in astronomy.

1. Kepler's strenuously rigorous proof of the falseness of assuming the function of an *equant* in the Earth's and Mars' Solar orbit, led Kepler to the concept of "equal areas, equal times" of an elliptical Solar orbit. This discovery defined the efficient existence of the true physical infinitesimal (a *physical transcendental*) as an expression of a universal physical principle of gravitation.
2. Kepler's discovery of a mathematical-physical function for gravitation, which depended upon combining the ironical co-function of two senses, vision and hearing, provided the foundation for all competent approaches to the notion of universals in modern physical science, including a science of

physical economy. It defines the efficient form of physical meaning of the term "infinitesimal" for all physical science, and, also, all that which defines the difference of the potential creative powers of the mind of the human individual, from the nature of the beast.

*It is those creative powers, so defined, which define any competent attribution of meaning to the notion of those social functions of economy which are of crucial importance for the reshaping of the policy-making of the U.S.A. now.*

As Academician V.I. Vernadsky and Albert Einstein have defined this matter, so, in the case of Kepler's discovery of the universal physical principle of gravitation, all valid discoveries of any universal physical principle, are expressed in the form of a unique, *transcendental* quality of experimental proof of the existence of a universally efficient physical principle.<sup>17</sup> This argument is, of course, contrary to the academic classroom and other dogmas of ancient and modern Sophists, such as the empiricists and positivists, but so what? All competent use of the term "universal physical principle" has precisely the required meaning I have just stated here.

17. Vernadsky's uniquely original discovery of the principles of the Biosphere and Noösphere, are instances of this.

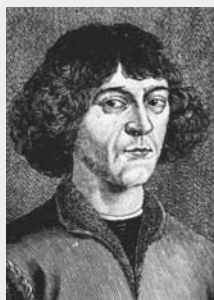
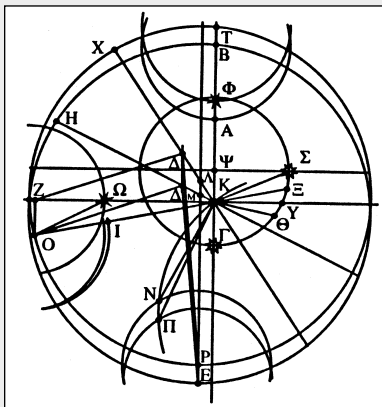
## The Keplerian Revolution

*In pathological mathematical methods, such as those used by the followers of Ptolemy, Copernicus, and Tycho Brahe, physical processes are merely described by the method of connecting observed points (“dots”) in ways which presume that all observed processes can be explained mathematically, as if at the blackboard. The diagrams shown here are from Kepler’s New Astronomy.*



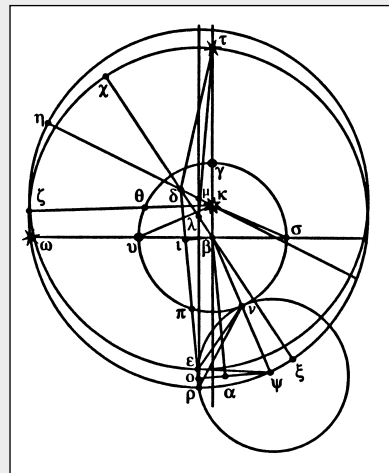
**Claudius Ptolemy**  
(2nd Century A.D.)

*The diagram is Kepler’s representation of Ptolemy’s geocentric worldview. The Earth is at point K; the Greek letters show the paths of the apparent motion of the Sun and other heavenly bodies, travelling around in epicycles. These were purely geometrical constructs, required to “save the appearances”—or permit prediction of astronomical phenomena. Ptolemy made no claim to describe the physical reality which would make such bizarre movements possible.*



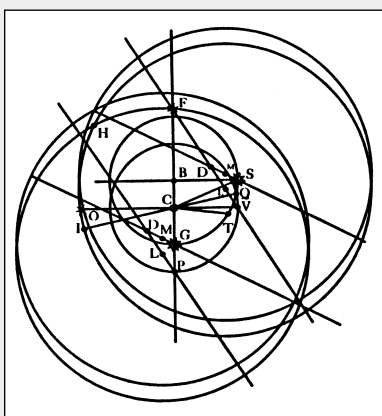
**Nicolaus Copernicus**  
(1473-1543)

*His model of the cosmos moved the Sun to the center (at K), but still required a plethora of epicycles in order to “save the appearances,” because it was not based upon understanding of the physical causes of the motion of the heavenly bodies.*



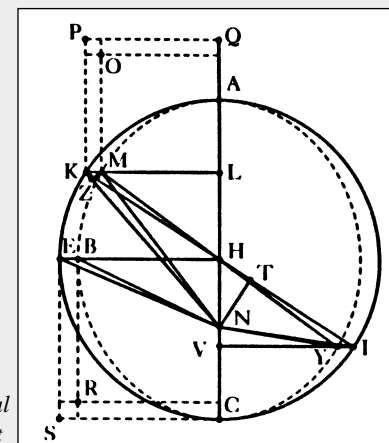
**Tycho Brahe**  
(1546-1601)

*Tycho’s construct was an attempt at a compromise between the Ptolemaic and Copernican models. The stationary Earth is at C. The Sun (S) revolves around the Earth, as do the “outer” planets (Mars, Jupiter, Saturn); the “inner” planets (Mercury, Venus) revolve around the Sun.*



**Johannes Kepler**  
(1571-1630)

*For Kepler, the trajectory of action is determined by universal physical principles, not by “connecting the dots.” This diagram is one of many in the New Astronomy, by which he charts his discovery of the elliptical orbits and the principle of universal gravitation.*



### Finite Physical Space-Time

Since the ancient Sophist Euclid, drooling and other credulous students of secondary and higher indoctrination, have been brainwashed into assuming such fairy tales as the notion that scientific thinking requires us to believe that competent mathematical thinking means accepting the Sophist’s voodoo of Euclidean or kindred sorts of “self-evident” definitions, ax-

ioms, and postulates. The most radical, and most vicious expression of this sort of practice of academic witchcraft, is met today among the dupes of such miserable creatures as the pro-Satanic Bertrand Russell, as in Russell’s *Principia Mathematica*, or the wickedly demented products of such Russell devotees as the late Professor Norbert Wiener (i.e., “information theory”) and the *Theory of Games* of John von Neumann,

or of the infernal wickedness of Russell's avowedly fascist accomplice H.G. Wells.<sup>18</sup>

All competent instruction of the young in the foundations of scientific thinking, requires the exclusion of the Sophist dogma of *a priori* set of definitions, axioms, and postulates. In other words, only a physical geometry such as that of the Pythagoreans and Plato, or modern Riemannian physical geometry, can be justified for the crafting of the scientific potential of the young mind.

The most significant root of the human errors about scientific knowledge, is the presumption which is central to the inherent, systemic fallacies of notions of sense-certainty associated with a literal reading of the apparent evidence of our senses. The correct view of this matter, is the recognition of the fact that what we think we see, literally, or hear literally, is not the merely apparent, not the actual form of that whose existence our sense-organs report to our brains. Thus, ignorant popular opinion imagines, wrongly, as the teaching of Euclidean or Cartesian geometry insists, that space is simply extended *infinitely*: the real universe is very large, yes; but, infinitely extended, never.

The truth about sense-certainty is presented to us in the clearest, and relatively simplest way, by Johannes Kepler's uniquely original discoveries of the universal principle of gravitation. In the first instance, Kepler proves the existence of gravitation in terms of an elliptical function; in the second instance, he defines the measure of gravitation within the Solar System as a functional expression of the principle of organization, gravitation, of the Solar planetary system. As Albert Einstein was to emphasize, the fact that the universe is organized according to the principle of gravitation, illustrates the demonstration that the universe, while very large, is, nonetheless finite, because it is *enveloped ontologically, bounded*, by a universal principle of gravitation, and, in other expressions of the universe's existence as a unified physical field.<sup>19</sup>

The same kind of general conclusion was reached, in a refined way, for chemistry, by Academician V.I. Vernadsky's proofs of the partition of the universe into three physical-chemically distinct phase-spaces, including the Biosphere and Noösphere.

So, experimental physical science demonstrates that our universe is bounded, as finite, by what unique methods of experiment identify as an efficiently functioning universe of physical principles. This does not imply that the universe is of a fixed size, but, is, rather, developing and expanding relatively, but, nonetheless, remains finite, and is anti-entropic, rather

than what is falsely presumed, by ignorant believers, to be entropic.

The corollary of these considerations, is that we must never esteem our sense-perceptual processes as "self-evidently true." Rather, we must regard our senses as we regard any other scientific instruments, biological, or man-made, and, as limited in the authority of their findings in the same way as any instrument we create to complement those sense-perceptual powers which are delivered, so to speak, with the baby.

The latter conclusion was delivered to modern science through Johannes Kepler's discovery of the quantification of a universal physical principle of gravitation from study of the organization of a cluster of the planets of the Solar System. This same principle was clarified for the asteroid orbits by Carl F. Gauss. It was not sufficient to rely upon spatial evidence in the form of vision; without including the harmonics of what we associate with the sense of hearing, the measurable, "wavicle" quantum principle of gravitation could not have been discovered.

So, we must think about the proper, practical meaning of terms such as science and education, if we are to recover our seemingly lost penchant for national progress.

## How Our Nation Was Ruined

The crucial difference with which civilization as a whole is confronted in our selection of a new President, is that civilization has reached a great breaking-point in the history of our planet considered as a whole. For what we face now, there is no precedent in the actual experience of any person presently living on this planet. The planet as a whole is now gripped by a general physical-economic crisis which has no precedent since times when new dark ages were heralded by the disintegration of earlier, past forms of once great empires.

Therefore: "Who is the devil which has taken over the minds of the leading typical representatives of our own, as many other nations?" The most crucial of all of the top-down problems of our society today, is that our once-great republic, like the people of the nations of the Ancient Greek, Shakespeare, and Schiller tragedies, has been taken over by the type of reigning mental disease which gripped the generation of Rome's Caesars, Norman England, and the great religious warfare during most of the 1492-1648 interval in Europe.

In particular, since the death of President Franklin Roosevelt, the planet as a whole has been gripped by a long wave of degeneration in the essential features of the morality and culture of the planet considered as a functionally unified whole process.

What I have just summarized in that way, presents a terrible problem to the believer in what is called empiricism. *Empiricism*, otherwise known as *Liberalism*, was introduced to modern society by the Venetian Paolo Sarpi and Sarpi's personal lackey Galileo Galilei. *Empiricism*, or *Liberalism*, was cooked up by Sarpi as a trick for solving a Sixteenth-

18. E.g. Russell ally H.G. Wells' followers of the "Wikipedia" hoax.

19. If the reader wishes proof of these features of Kepler's work, he or she will find more than adequate, and, in fact, incomparably good elaboration on these points in the published work of the LaRouche Youth Movement (LYM) on its website. Ignore the largely silly, attempted plagiarism published after the presentation of the LYM's work.

Century political problem identified in the writings on modern strategy by Niccolò Machiavelli. The problem, as Sarpi defined it, was to permit some of the kinds of innovation in technology which made Cardinal Nicholas of Cusa's definition of the sovereign nation-state's science, strategically superior to Venice's efforts to turn back the clock to the feudal system of imperial world-rule by usury. Sarpi's point was to allow some technological and other innovation, where the older faction of Venice wished to stop progress altogether. So, Sarpi intended to create a new form of financier imperialism, called Anglo-Dutch Liberalism today, which would permit some innovations, but would, nonetheless, deny the existence of universal physical principles to be known to typical members of society. In principle, Sarpi took the same position on the "discovery of fire" as the Delphic Olympian Zeus. To copy a new technique (in some cases) was permitted; but, it was not permitted to allow knowledge of the universal principle on which that technique's use had depended.

Thus, Sarpi rejected the strict "zero growth" ideology of the Sophists Aristotle and Euclid, but adopted the utter irrationality of the medieval madman William of Ockham. Sarpi's outlawing of the acknowledgment of the existence of discoverable universal physical principles, is what is to be known as philosophical Liberalism— *Anglo-Dutch Liberalism*—in matters of both science and morality.

That denial of actually knowable truth of universal principle in science, is known, as I have just said, as *Liberalism*, or, in its more radical expressions, as *positivism*, or *existentialism*. The variant of that doctrine, to the same effect, is typified by the fraudulent positivist dogma of the fanatical Ernst Mach, by the *Principia Mathematica* of Bertrand Russell, and by such depraved cult-followers of Russell as Norbert Wiener ("information theory") and John von Neumann ("artificial intelligence").

Therefore Sarpi and his followers, who are chiefly known, variously, as empiricists, positivists, or Liberals, do not accept the actual existence of universal physical principles, except as mere "footprints," such as mathematical formulas used to describe an effect. The method of René Descartes is a typical product of the methods of Sarpi and Galileo, as also of modern empiricists and positivists generally. All Anglo-Dutch "economic" doctrine, such as that of Bernard Mandeville, François Quesnay, and that plagiarist (of Quesnay and Turgot) Adam Smith, and their ideological followers, is premised on the same Liberals' hoax by modern European forms of Sophistry.

Modern philosophical Liberalism, is, therefore, a modern extension of the ancient Sophistry (and related superstitions) familiar to scholars from that decadence of ancient Classical Greece leading into the hoax associated with the name of Euclid. The decline of the U.S.A., from its recovery under the leadership of President Franklin Roosevelt, and the U.S.'s decline, since the death of President John F. Kennedy, into the pile of the neo-Malthusian, post-industrial rubbish which it, like western and central Europe, has become today, is an echo



Paramount Pictures, "An Inconvenient Truth"

*The decline of the United States into "the pile of the neo-Malthusian, post-industrial rubbish which it, like western and central Europe, has become today," is an echo of the Sophistry that destroyed Athens. Al Gore's squawking about "global warming" is a prime example.*

of the same principle of moral degeneracy, known as Sophistry, which destroyed ancient Classical Athens. The typical moral and intellectual disorientation which usually characterizes the "white collar Baby Boomer" today, is, clinically, a modern echo of the same moral disorder which led ancient Athens to its self-destruction through its adoption of the same form of corruption, then known as Sophistry, and now as Paolo Sarpi's and Galileo's Liberalism.

The leading source of dysfunction among the white-collar middle-class stratum in the age-interval 50-65 today (the so-called "68ers"), which has been the principal, leading source of self-inflicted incompetence of our nation and western and central Europe, its decadence, today, is just that. It is exactly that ideological corruption which has led our republic down the same pathway of ruinous long wars, under the "68er" influence, as ancient Athens' self-destruction through the Peloponnesian War then, today.

It has been the substitution of Liberalism, and its popularized, degenerated forms of culture and recreation, for the efforts to maintain a Classical culture in education, science, art, and physical economy, which is responsible for all of the degeneracy in which our own economy and that of western and central Europe have been plunged during the recent forty-odd years. The hatred of science associated with grossly perverse

figures such as former Vice-President Al Gore, is typical of the moral and intellectual decadence, and outright fraud, which is carrying our republic, and the world generally, toward absolute ruin today.

What has ruined us so severely, and increasingly, since the murder of President John F. Kennedy, and what had already weakened us morally since the death of President Franklin Roosevelt, is the decadence which the leading white-collar edge of the generation of returning World War II veterans permitted to be done to our culture with the accession of Winston Churchill's admirer, Harry S Truman. It was the orchestrated conflicts, between Classical and Popular, and between "blue collar" and "white collar," which have divided and now almost destroyed us since my generation's White Collar children were victimized by a new Liberalism, children then, who grew up to become the leading edge of the "anti-Blue Collar" Liberals of the 68er generation.

Without the "White Collar" generation born between 1945 and 1958, we would not have had the "68ers" in the Americas and Europe, and we would not have had that cult of "post-industrial" utopias which has brought the world at large to the verge of the deepest, longest, and worst dark age in the history of known European civilization.

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## I. The World's Presently Onrushing Breakdown-Crisis

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The one-page "Leaders" editorial for the November 17-23, 2007 edition of Britain's *Economist*,<sup>20</sup> gloated over the current folly of our United States of America, in the following terms:

"In 1929, days after the stock-market crash, the Harvard Economic Society reassured its subscribers: "A severe depression is outside the range of probability." In a survey in March 2001, 95% of American economists said there would not be a recession, even though one had already started. Today, most economists do not forecast a recession in America, but the profession's pitiful forecasting record offers little comfort."

That far, that *Economist* editorial statement was nearly right, at least formally accurate in its choice of language. However, the same paragraph concludes:

"Our latest assessment [see page 80] suggests that the United States may well be heading for recession."<sup>21</sup>

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20. Page 13.

21. The relevant items on page 80 ff. are two. The first, "Getting worried downtown," is utter rubbish. The kindest thing to be said about the second, "Dizzy in Boomtown," is that it might appear sane comment, but only briefly, that only as a moment of relief from the first. Neither casts any useful light on



*The Dec. 1-7 issue of the London Economist cheers what they hope will be the end of the U.S. experiment in republican government—and the collapse of the dollar.*

Suddenly, with that sentence added, the *Economist* was wrong. In fact, it is the United Kingdom in its present form, which is now, apparently foredoomed to a dirtier and quicker disaster than that which now, admittedly, threatens the U.S.A. Northern Rock, for example, is no Gibraltar. Those in London, and London's dupes elsewhere, who dream of a triumphant London-ruled western and central Europe, risen Phoenix-like from the ashes of a doomed U.S.A., should be classed in the legacy of fools whose chosen destiny is akin to that of the backward-looking, Biblical "Lot's Wife." "More salt, Mrs. Lot?"

Actually, the U.S. economy had been in a long wave of physical-economic recession in net *physical* capital formation, in basic economic infrastructure and related, net physical capital-goods, and monetary accounts, since as early as the rather brutal cuts during the term of U.S. Federal fiscal year 1967-1968, a U.S. recession which had been triggered, in

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the seriously relevant subject of the editorial statement on page 13. The essential point to be made on the *Economist's* coverage, is that the underlying features of the entire U.S. financial-monetary and economic processes since October 1987 have been dominated by former Chairman Greenspan's hyper-inflationary trickery, which turned really nasty with the sharp 2000 downturn in the Y2K bubble, and the lunatic surge in hyper-inflationary trickery under Dick Cheney puppet George W. Bush, Jr.

1967, by the essentially incredible first Harold Wilson U.K. government's collapse of Sterling. The effect of these 1967-68 developments was later echoed, and accelerated by the inauguration of U.S. President Richard Nixon, especially Nixon's August 15-16, 1971, virtually treasonous actions in bringing down the Bretton Woods monetary agreements.

Since that time, through the January 1981 inauguration of President Ronald Reagan, the U.S. economy underwent two successive phases of steep downturn, and, despite much, soaring, monetary-financial inflation, has never actually enjoyed a *net physical recovery* since then, up to the approximately July 25, 2007 outbreak of what is now threatened to be the steepest, global, and most deadly physical-economic and monetary depression in the nation's history. However, taking the fact of accelerated, already wild-eyed monetary inflation into account, contrary to the *Economist* editorial of November 17th, the imperial economy of the U.K. at home is already plunging, into an even steeper depression than the U.S., and is bringing most of Euro-dominated Europe down with it. Like the poor old prostitute she really is at heart, the City of London is running out of her aging financial tricks.

A proper understanding of these developments requires some remarks on the nature of the collapsing Anglo-Dutch Liberal world system's role and character as the planet's still leading position as a failed, global imperial power.

### **That Brutish Empire!**

The most misleading feature of the book which Lord Shelburne's lackey Gibbon presented to him as *The Decline and Fall of the Roman Empire*, is the suggestion that the British Empire which had been virtually established by the 1763 Peace of Paris, was to become a copy of the empire of the Roman Caesars, or, as Gibbon recommended to Shelburne, the adopted model of the Byzantine reform of the Roman Empire by Julian the Apostate. By and large, that recommendation of the model of Julian the Apostate has been carried forward in actual practice. Nonetheless, the suggestion that Queen Elizabeth II reigns in the manner of Augustus, Tiberius, or Nero would be gravely misleading.

With certain adjustments taken into account, the Anglo-Dutch Liberals' empire, which was established according to the intention of Venetian Party reformer Paolo Sarpi, is essentially, still today, that medieval Venetian empire, usually mislabeled as the system of the Norman crusaders. It was Venice's financier oligarchy which actually ruled the crusading imperial domain of that time, managing, while looting the same empire itself, through exhausting the Norman chivalry either with what were euphemistically termed "crusades," as through tiresome, ultimately fruitless expeditions into nearby Asia, or Byzantium, or simply preoccupying the armored Norman beasts with the pleasures of making wars upon one another, always financed by loans at usurious Venetian or Lombard rates.

What became known as the British empire-in-fact, since



*There is very little difference between the essential character of the Anglo-Dutch Liberal financier class and its North American financier offshoots today, and the pirates (such as Bluebeard, shown here) who Liberally infested the Caribbean in past centuries.*

the February 1763 Peace of Paris, has actually been the empire dominated by an Anglo-Dutch Liberal financier class, one created by the strategically motivated migration of financier and kindred elements of the New Venetian party of Paolo Sarpi, into the maritime districts of the northern seacoasts of Europe, chiefly today's Netherlands and the United Kingdom. There is really very little difference in their deplorable essential character, still today, between the actually reigning Anglo-Dutch Liberal financier class and its present North American financier offshoots, on the one side of the relevant history, and, on the other, the notorious pirates who Liberally infested the Caribbean of Cayman Islands notoriety during the course of the Sixteenth, Seventeenth, and Eighteenth Centuries.

It is to be recalled, that that British empire-in-fact established in February 1763, under the already rising leadership of Lord Shelburne, conducted the early phases of its attempted global rule largely through the private armies and maritime forces of, principally, the British East India Company. For much of its earlier history, the reigning monarch of the United Kingdom was essentially a public convenience of the Company, with much of the actual power passed down from chief thug Shelburne, to his Foreign Office creature Jeremy Ben-



tham, and, in turn, to Bentham's trained successor Lord Palmerston. It was when a U.S.A. led by President Abraham Lincoln defeated both Palmerston's own treasonous American Confederacy, and launched the defeat of the combined forces rallied against President Benito Juárez's Mexico, by London, Napoleon III's France, the Habsburg monarchy, and London's wholly owned Spanish slave-traffickers in Mexico, that London recognized the U.S.A. of Lincoln's heritage as being the ponderable force which must be subverted and destroyed for the advantage of Britain. London made arrangements, such as two Twentieth-Century "world wars," in the effort to eradicate the once-growing American influence on the continent of Europe, and in Asia, once and for all.

Some, admittedly very silly Americans have exhibited their own lack of intelligence by considering that British empire our oldest and dearest ally.<sup>22</sup> The views expressed somewhat gently in the cited *Economist's* editorial, are neither recent nor accidental. After all, it was the Old Lady of Threadneedle Street which created and installed Germany's dictator Adolf Hitler, with help from the Basel of the Hjalmar Schacht who was, on London's behalf, the virtual sponsor of Adolf Hitler's rise to power. This was, at a relevant time, the same Schacht who had been the protégé of the Bank for International Settlements, and a protégé of the one-time head of the Bank of England, the Montagu Norman associated with New York City's Brown Brothers, Harriman. These were the British circles of Winston Churchill, which, like the awful, and thoroughly anti-African racist Field Marshal Montgomery of El Alamein, never really forgave President Franklin Roosevelt for causing Adolf Hitler to be defeated "prematurely."

After all, there is nothing really inconsistent in Fabian London's promotion of the careers of its agents Mr. and Mrs. Lynne Cheney, this done against the most vital interests of our U.S.A. Puppet Dick Cheney's role in the British-designed scheme for a "revolution in military affairs," and the antics and profits of BAE to which he has been linked politically, have successfully destroyed the power and reputation of the U.S.A. more extensively and profoundly than any outside power could have done without the Cheneys' assistance.

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22. The U.S.A., had been usually allied (against our traditional enemy in London) with friends on continental Europe, until the assassination of U.S. President William McKinley, when the U.S. switched sides under two faithful heirs of the treasonous Confederacy, Presidents Theodore Roosevelt (nephew and protégé of the London-based Confederacy spy Bulloch) and the Ku Klux Klan figure Woodrow Wilson. Coolidge and Hoover were no significant improvement. Putting Presidents Taft and the mysteriously poisoned Harding to one side, the U.S.A. did not recover its earlier patriotic tradition of McKinley et al., until the inauguration of the President Franklin Roosevelt whom British interests have hated and whose patriotic tradition London and our own present American Tories and Fabians had sought to exterminate since the day of Franklin Roosevelt's death. Our republic's patriotic traditions have often been better served by private associations, such as the Society of the Cincinnati, during those times when London actually controlled our incumbent government.

Those who defend Cheney's incumbency still today, may be properly considered in that light.

The British Empire is, essentially, a joint-stock company representing financier partners, and also predatory rivals, of many ancestries and political vintages. Betwixt and between the pleasures of cutting one another's throats for profit, the joint-stock company of that emotionally childish brutish, infernal financial rabble, requires a certain kind of "nanny," a political instrument of government, an instrument lodged chiefly in the monarchy and parliaments of the Anglo-Dutch Liberal system, to regulate its predatory affairs.

The British monarch is no emperor, but a sort of corporate functionary, whose role is required to keep some semblance of order among a thieving, murdering, predatory financier-oligarchical rabble, the latter a special kind of financial slime-mold, which appears to please itself to spell night-hood with a prefixed "k."

### Why Be So Very Brutish?

In the meantime, the only relatively healthy economies still to be found in the world at large, are, for the moment, in the East Asian bloc of China, Japan, and Korea, with Britain's enemy Russia still too dependent on fuel exports to be more than a very interesting runner-up, and India's hopeful nuclear-power prospects notable. However, even in those locations, the rate of current collapse in the new world depression now hitting the Americas and western and central Europe, is a clear, increasingly infectious menace to the well-being of even the relatively healthier East Asia industrializing bloc. If the U.S.A. continues to go down, as it has been doing since about this recent July 25th, it will take down the economy of the entire planet with it.

For example: Throughout the trans-Atlantic community in general, the presently onrushing, deep, world, physical-economic depression-process, is not merely a depression in the sense of 1929-1933; it also mimics that hyper-inflationary bubble, this time on broader than a trans-Atlantic scale, which struck Weimar Germany with full force during the second half of 1923. The world at large is thus presently gripped by waves of breakdown crises of national and international systems, a breakdown-crisis whose nearest precedent was what became known as "The New Dark Age" of Europe's mid-Fourteenth Century.

I emphasize. This onrushing breakdown-crisis of the present world monetary-financial system, does doom the present world "Anglo-Saxon" (i.e., Anglo-Dutch Liberal) monetary-financial system itself. If nations persist in clinging to the effort to rescue that virtually globalized monetary-financial system, the physical economies of the world will be dragged down into a general breakdown-crisis worse than that experienced under the collapse of the 14th-Century Lombard banking system. However, if we are prepared to dump that hopelessly doomed, Anglo-Dutch Liberal form of financial-monetary system itself, the physical economy of

leading nations could be put through an accelerating process of recovery.

Those leading circles which disagree with me on that point, should be either herded, by growing popular assent, out of leading political postings, or, in the alternative, placed under appropriately civilized forms of protective supervision and peaceful, diversionary recreation, all for their own, and our nation's safety, and for the good grace of our souls.

Essentially, the necessary measures will take the form of placing all monetary-financial systems of the world, at least the leading ones which choose to survive, into receivership-in-bankruptcy, Franklin Roosevelt-style, by their respective, sovereign national governments. Globalization and kindred echoes of the Tower of Babel, must be summarily scrapped, and fully protectionist forms of national sovereignty reestablished, forms echoing the Bretton Woods reform of President Franklin Roosevelt, to the effect prescribed by the Preamble of the U.S. Federal Constitution and the principles of the 1648 Peace of Westphalia.

Yet, before taking up the point of the available option for economic recovery, we have some essential other matters of business to take into account.

### My 'Triple Curve'<sup>23</sup>

As reported here earlier, at the beginning of 1996, I published the first of what were to become two successive versions of what I entitled a "Triple Curve" schematic representation of the general, global breakdown-crisis of the world monetary system which was, then, already in motion. This was circulated widely as a leading feature of my 1996 campaign for the Democratic Presidential nomination. When the deep recession-phase of the run-up to the present world breakdown-crisis hit, during approximately Spring 2000, I was prompted, thus, to produce a slightly revised version of the "Triple Curve" scheme, to reflect the crucial change in composition of the three curves which had just manifested itself at about that time.

This "Triple Curve" did not purport to show exact numbers; no competent economist relies on "exact numbers"—after all, they are only numbers, and usually, these days, especially, exact numbers involve a considerable amount of either official or other fraud, or the delusions of the credulous. As the onrush and aftermath of the August-October phase of the LTCM crisis illustrates this point, no competent forecasting, or related studies, will focus on exact numbers (which are customarily wrong, willfully or otherwise, by their very nature). It will be focussed on interactive trend-relationships (dynamics) within an economic process considered as a dynamic whole; this method of reporting, in use by me since (actually) the closing weeks of 1995, has remained valid, in its two successive forms, respectively, since that time.

Under the Enron-like, leveraged U.S. internal financial

23. See page 12.



In EIR's Jan. 1, 1996 issue, we first highlighted LaRouche's "Typical Collapse Function," a schematic representation of the breakdown of the world monetary and economic system. In Spring 2000, developments prompted LaRouche to update the graphic, as Figure 1 shows.

"derivatives" and related swindles, which had already contributed significantly to the October 1987, "1929-style" collapse of the U.S. stock market, and since the entry of Alan Greenspan into the post of Federal Reserve Chairman, the character of the trans-Atlantic financial system has been, more and more, the leveraging of anticipated yields on investments into purely fictitious use of merely nominal "multiplier factors." These were, in turn, misrepresented, fraudulently, as newly generated, actual capital values. The present mass of nominal claims generated in the fashion of a "John Law Bubble," a fraudulent "Ponzi" or a "Pyramid Club" scheme, is a scheme which has now reached many, many times the total actual value of physical assets of the world as a whole, into an amount totalling to countless quadrillions of nominal equivalent of U.S. dollar value. The situation of nominal financial claims in today's world at large, now approaches that of the Weimar Reichsmark of late 1923.

This process has been characterized by, and complicated by what has become known as "out-sourcing." These are the effects of the transfer of physical production out from North America and western and central Europe, and into "cheap labor" markets in poorer nations, such as those of Central and

South America, Africa, and Asia. The effect of this pattern of out-sourcing, has produced a relative net decline, globally, in physical product per capita and per square kilometer, especially in nations which have abandoned more and more of their productive output, as a result of the cheapening of production in places where it occurs, this at the same time greatly increasing the amount of outstanding nominal debt of all nations.

The notable feature of this process of “out-sourcing,” is that the cheapness of labor in the nations to which production of Europe’s and North America’s requirements is transferred, is a result of not only the offsetting of the inferior productivity of labor in nations to whose cheap labor production is transferred, but the failure to meet environmental and other infrastructure and related capital improvements in both the nations from which production is exported, and within the nations to which production is exported.

So, notably, “out-sourcing” not only relied upon cheaper production labor in targetted supplier nations, and not only destroyed much of capital goods, infrastructure, and productive potential of the labor-force left behind, but, in this way, effected a significant margin of net lowering of the productive potential of the world as a whole. In effect, “out-sourcing” has lowered the net physical value of the potential relative population-density of the planet as a whole.

That effect is seen most clearly in the economies of North America and Europe, where the decline in the amount, and per-capita value of physical output, per-capita and per-square-kilometer, has been catastrophic. In Europe and North America, most emphatically, this is expressed in breakdown levels of contraction of essential infrastructure as much as, or even much more, in useful physical production and essential services such as health-care, education, and pensions.

At the same time, there has been a collapse, as in North America and Europe, in employment and investment in useful production and services, accompanied by a ruin of the class of productive investors, and the replacement of productive capital and productive capitalists by a fungus-like growth of parasitical, (temporarily) super-rich, and soon bankrupted speculators. The effect is worse than that of the John-Law-style “bubbles” of the early Eighteenth Century, and remarkably like that rise of the purely usurious power of wealth concentrated in Venice-orchestrated Lombard banking, which plunged Europe into the Fourteenth-Century New Dark Age.

The function intended, and provided by my introduction of the Triple Curve as a needed pedagogical device, was to equip politically and otherwise responsible people with a way of organizing the portrayal of observable trends in a way which would show the direction in which current policies of national practice were leading the most relevant nations of the present world system. It is not the simple amount, but the direction and rate of change, principally in physical, more than financial terms, which points the way matters have been going, and continue to plunge at a rapidly accelerating rate.

The most significant political effect of the trend so far exposed to view in that manner, has been the transfer of political power from the hands of both the general population and productively employed investment and management, to a purely parasitical political-financier oligarchy typified by the excrescence known as “hedge funds” and kindred, purely parasitical classes. The control of the leading candidacies for Presidential nominations, by competition for funds from the purely parasitical class of usurers, is the most notably pathological feature of the behavior of both the present U.S. Congress and the pre-Presidential candidacies. “Say, Merry Christmas, everyone! and, trust your choice of Presidential pre-candidate, if you, personally, can still afford to say so!”

*Dear would-be candidates:* Be more prudent. Instead of letting someone else’s money talk, and his paid slogan talk for you, learn, once again, to think, and to speak for yourself. However, when you talk, know what you are talking about. For a change: be a citizen, not the sucker you have been for now, more than eight years past.

## Measuring a Real Economy

The accelerating worthlessness of currencies today, should have warned us afresh, that money as such produces no real wealth, and (therefore) earns no profit by its own actions. Decent interest on loans is not properly a source of profit, but a lender’s risk-tax.<sup>24</sup> Sensible economies, which are essentially physical economies, support a money-system, which sane and honest governments create, and regulate as a monopoly by government. As our own Federal Constitution provides for this, money, or national credit, is uttered only by government, as *both a.) a medium of exchange* and, *b.) a system of credit*. As for the mythical beast, called “intrinsically honest money,” it, like Harry Potter, never actually existed, and never could.

There are, admittedly, some people who are either deluded into believing that money itself produces wealth, as through the practice of usury, or who find it convenient to cause their intended victims, such as the dupes of the childish myths of marginal utility, to believe that money itself actually produces wealth. There are also certain types of duped and deranged religious fanatics, who go so far off as to believe in the genesis of “a primeval hoard of money.”

Nonetheless, there are many foolish people today who believe, more or less desperately, in “the magic of money” and its “markets.”

In any given setting, any species of living creature, excepting mankind, has a presently, relatively fixed *range* of variable, potential relative population-density. The conditions which determine this estimable value are functionally complex, but they exist nonetheless. These values are conditional, and are set by dynamics, rather than statistical methods. The

24. When we consider the velocity of financial turnover on securities markets, to call the activity of this market an “investment,” is itself a kind of fraud in and of itself.

density of population of any species, or variety, varies, but only dynamically, with factors of competition among species and varieties, and with variability of the conditions which they inhabit.

Moreover, none of those conditions are simply competitive. I repeat: none are calculable in Cartesian terms; they are, in the final analysis, *dynamic*, as Leibniz denounced Descartes in Leibniz's own definition of *dynamic*, a conception which Leibniz had revived, during 1692-1695, as a translation of the Classical Greek *dynamis*, from the practice of the ancient Pythagoreans and Plato.<sup>25</sup>

During the course of the Twentieth Century, the application of *Riemannian dynamics* produced the discovery of two new, categorical types of phase-spaces, in addition to the phase-space defined as being a domain of non-living matter. These additional phase-spaces were the *Biosphere* and *Noösphere*, the former the domain of living processes and their specific residues, and the latter the domain of the cognitive potential of the human species and its specific residues.

Both of these added universal domains were defined for physical chemistry by Russia's Academician V.I. Vernadsky. During approximately the same general time-frame, Albert Einstein identified the evidence which showed that the known universe as a whole is also a dynamic process, rather than a mechanistic one. These discoveries eliminated all credible basis for continuing to promote the arbitrary assumption, and deliberate hoax, as by Clausius, Grassmann, and Kelvin, called a "second law of thermodynamics"; the universe which we inhabit is essentially an anti-entropic domain, from which both Aristotle's and Euclid's notions of a universe of space-time are to be excluded by minds which are both literate and sane.

The considerations which I have just identified, summarily, in the preceding two paragraphs, are the proper starting-point, today, for presenting a competent view of a science of physical economy.

In all sane experience of this real universe, money has no intrinsic value as an object-in-itself. All real values are defined by the measure of *universal anti-entropy* as the fundamental metrical principle of mankind's interaction with the universe which we inhabit. This value is expressed for society in terms of an effect called *potential relative population-density*. It is not necessary to have a different measure of actual value for economies, since the measure of value for the society as a whole defines the implied functional notion of value for the specific product, or particular action within that social process as a whole.

25. Gottfried Leibniz, *Specimen Dynamicum* (1695).



PRNewsFoto via Newscom

"There are many foolish people today who believe, more or less desperately, in 'the magic of money' and its 'markets.'" Here, striking it rich on "Wheel of Fortune."

In a sane society, money, so to speak, experiences a notion of its own relative value, according to the way in which it is circulated, and its circulation is regulated. Money never has any independent economic value, but only a relative one, one which is defined politically, by its function within the physical dynamics of a physical-economic process as a whole. Only an idiot, or virtually brainwashed dupe, could have believed that the wrecking of the Bretton Woods system, under President Nixon, and the Trilateral Commission's wrecking of the U.S. fair-trade system, under Zbigniew Brzezinski's influence on the President Carter Administration, was anything better than a product of either insanity, or virtual treason.

Contrary to the relevant impulses of Shultz, Brzezinski's Trilateral Commission, et al., in a sane and moral society all gambling and other forms of usury are regarded as crimes, since they corrupt the mental processes and morals of both the population and society's institutions, as in the case of the legalization of usury under the direction of the Trilateral Commission's Chairman Paul Volcker of the constitutionally dubious Federal Reserve System; it appeared that this had destroyed the economy and morals of the U.S.A., until the performance of Alan Greenspan provoked longing for the return of Volcker, as Paulson and Bernanke may be now sparking a wish for the return of even Alan Greenspan. It was no coincidence that the Trilateral Commission itself had pre-defined Chairman Volcker's action as a method dedicated to "the controlled disintegration of the economy."

The Trilateral Commission has nearly succeeded in its adopted mission; our economy has been virtually destroyed, as if this had been done by some evil intruder from outer space. What has been virtually destroyed in this fashion, must be restored, and the relevant practices reversed.

The principal scientific contribution which I have made to our knowledge of the workings of political economy, has been expressed in the manner in which I have defined both the notion of *potential relative population-density* and its application. At the present time, under present crisis-conditions, when money is no longer even an approximate standard of value, we must now turn to dig deeper into the roots of that modern conception of potential relative population-density to find our solution.

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## II. Science & National Cultures

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*There are no nations among the beasts.*

From close observation of the behavior of those who would pretend, successfully, or mistakenly, to be thinking and acting as “statesmen,” we should be able to recognize the function of contrasting qualities of passion in relevant decision-making. On this account, insight into the principles and implications of the development of artistic principles is crucial, especially under crisis-conditions. The world is presently gripped by increasingly intense crisis-conditions.

In the introduction to this present report, I have already pointed out, that not only was Nicholas of Cusa the principal author of the key principle of all competent modern science (as in his *De Docta Ignorantia*), but also the author of the concept of the modern sovereign form of nation-state (in his, earlier, ecumenical *Concordancia Catholica*). Now, we have come to the point of this report, of showing that these discoveries, those of modern science and the principle of the modern nation-state, share, like Kepler’s discovery of the general principle of organization of our Solar system, a common root in both physical-scientific principle with the passions which must be associated with Classical-artistic principle.

Without insight into the implications of what I have said in those words, it were extremely difficult for today’s leading political figures, even to begin to understand the nature of the required remedies for the presently onrushing threat of a planetary new dark age. The issues I have just posed, in preceding elements of this report, in this mode, especially the notion of the identity of *value* in economic processes, are the very same ideas on which a competent leadership, such as that of one qualified to head the government of our own United States amid today’s mounting, national and global disasters, might depend.

However, without an appropriate, accompanying passion for truth, formally true formulations in politics are impossible. Truth in national policy-shaping, is a matter of the effect which government and others produce for the future. On this account, the policies of our own government (in particular) have been increasingly incompetent, even in relatively short-term foresights, over the decades since the assassination of President John F. Kennedy, especially since

the trans-Atlantic, Dionysian tumult of 1968.<sup>26</sup>

Therefore, to emphasize the implications of taking the long view in such matters, I introduce this chapter’s content, with a few more or less indispensable, prefatory statements respecting what is the presently known, usual form of composition of extended European society leading into to the A.D. 1439 Council of Florence.

### The Historical Precedent

With certain important exceptions, as only typified by cases such as Solon’s reform of Athens and the system of Charlemagne, the presently known aspects of ancient and medieval cultures of the so-called Near East and Europe were premised on holding the majority of the human population in a condition either of slaves or serfs, an arrangement called then “the oligarchical model,” in which the majority of society was degraded to a status comparable to that of wild animals to be hunted down, either taken captive for slavery or serfdom, or killed, as the Spanish did much the same under the notorious aftermath of Torquemada’s legacy, and as their British and Dutch successors continued this practice, through, chiefly, London’s Nineteenth Century auxiliary, the Spanish monarchy. These royal criminals and their like, butchered populations of northerly west Africa, throughout the course of the period from the beginning of the Sixteenth Century, deep into the last half of the Nineteenth Century.

This was, essentially, that same condition imposed upon the relatively greater mass of humanity which the cult of Delphi supplied to the system of Sparta, the violation of humanity on behalf of which, the legendary figure of Aeschylus’ Olympian Zeus condemned Prometheus to perpetual, inquisitorial torment.

Those debased practices, are traced by European history from origins which were known to Europeans as the imperial and related systems of west Asia, systems of practice classified as the oligarchical model; these had been spread from Tyre and other locations, into expressions such as the emergence of the Roman and Byzantine empires, and, thence, the Venetian and neo-Venetian systems of the respective medieval and modern centuries. The Anglo-Dutch Liberal system is essentially the current continuation of that tradition of the inherently tragic “oligarchical model” typified by the Olympians represented in the performance of Aeschylus’ *Prometheus Bound*.

The echoes of Charlemagne’s relatively magnificent reforms were echoed later in the best efforts at reforms by the frustrated Hohenstaufen, against the Venetian medieval tyr-

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26. For example, were today’s politicians to succeed in promoting the wildly fraudulent, actually genocidal fascist “carbon” policies presented by former U.S. Vice-President Al Gore et al., surviving members of future generations would curse all such politicians bitterly in the hearing of their family’s descendants, by name, just as I denounce such persons for their stated as intended crimes today.

anny, as these needed reforms had been typified, intellectually, later, by great intellectual figures such as Abelard, and, still later, after the fall of the Hohenstaufen, in Dante Alighieri's design for a revival of the Italian language from Romantic (e.g., Venetian) captivity. It was in the environment of readings from Dante's *Commedia* delivered in the public streets of Florence, that the great Florentine Renaissance blossomed coincidentally with both Brunelleschi's catenary-formed cupola of Santa Maria del Fiore, and with the birth of modern European civilization.<sup>27</sup>

So, in mankind's known past, a pathway of development of cultures spans centuries, or even longer terms.

The key to all this, is something very elementary for modern physical science, which I have already pointed out in earlier parts of this report: Cusa's recognition of the crucial fallacy permeating Archimedes' attempt to define the circle and parabola in terms of the notion of quadrature. Here, in this chapter, we apply the same principle met in physical science in its aspect as the related principle of social relations.

The historical foundations for the emergence of what we now know as the concept of the nation-state, are to be recognized in the most essential human features of a language-culture: the same transcendental feature which separates a literate use of the English language's *comma* from the greatly inferior intellectual domain of the mechanical rules of *The New York Times* style-book. For this purpose, we require the same principle of the *Pythagorean comma*, from which to adduce *that breath of Classical irony* which separates the underlying, common intention of the well-supported Florentine *bel canto* singing of the Classical counterpoint of J.S. Bach and such of his followers as W. A. Mozart, Ludwig van Beethoven, and Franz Schubert (for

27. As Leibniz and Jean Bernouilli were to demonstrate in their crafting of the concept of a universal principle of physical least-action, their introduction of the catenary function was the first explicit recognition of the catenary as expressing a physical principle, since Bernouilli's use of it for the construction of the cupola.



Dante Alighieri (1265-1321) designed the revival of the Italian language. The environment of readings from his *Commedia* in the streets of Florence, coincided with the birth of modern European civilization. Dante is shown here in a fresco by Andrea del Castagno, ca. 1450.

example),<sup>28</sup> from Aristotelean or worse expressions of popularized human bestiality.

This principle is that which sets computer-programmed talking, automatic dolls, and also today's customary popular entertainments, apart from, and far beneath the thinking and the productions suited to the work of actual human beings. It is the same principle, expressed in the use of spoken and written language, which separates science from brutishness. *It is the transcendental principle of the comma.*

The issue of combat which this conception entails, is the same posed by the surviving middle portion of Aeschylus' *Prometheus* trilogy, *Prometheus Bound*. The transcendental breath of the *comma*, as with the Pythagoreans, corresponds, in an uttered mode of speech rich in cognitive ferment, to the expression of a thought from the same domain of human creativity which sets the potential of the individual human mind apart from the limited capabilities of the beasts, and from the aspirations of those brutalized persons, Wikipedians and others, who are

content to force others to live as slaves, serfs, or worse.

A clearer view of the relevant connections implied here thus far, is made available by contrasting the modalities of actual modern science (that of Cusa, Leonardo, Kepler, Leibniz, for example) with the bestiality rampant in the denial of the existence of human creativity by the cult-circles of Leibniz-haters such as Abbé Antonio Conti, Voltaire, Abraham de Moivre, D'Alembert, Leonhard Euler, Lagrange, Laplace, Cauchy, Clausius, Grassmann, Kelvin, and so on.<sup>29</sup> The issue

28. And, doubtless, Leonardo da Vinci of his largely mislaid *De Musica*.

29. Euler was not as stupid as his associations with the empiricist network of Conti, Voltaire, D'Alembert, Maupertuis, and his dupe Lagrange, imply. His break with the science of Leibniz and Jean Bernouilli, was simply a product of political opportunism, not science. With the followers of Mach and Bertrand Russell, and their Twentieth-Century followers, such as Norbert Wiener and John von Neumann, corruption has passed over, with the "Frankfurt School" existentialists, and with the likes of Fabians such as Mr. and Mrs. Lynne Cheney, into the domain of the overtly Satanic. Mrs. Cheney's pet brute, her husband, exemplifies the hatred which a brutish locker-room dolt expresses as the impulse to destroy anyone to whom he is vastly intellectually and morally inferior.

is to be recognized, in that specific physical-science context, as what is more commonly referenced as the principle of the Leibniz infinitesimal. That infinitesimal is, as I have already emphasized in this present location, the key to recognizing the fallacy underlying Archimedes' quadrature of the circle. Denying this principle of the so-called "infinitesimal," better named *the transcendental*, amounts, implicitly, to the same thing, ontologically, as a denial of the existence of the human soul. On Archimedes' part, such an offense would have been certainly unintentional.

This is the same quality identified as the principle of *Classical irony* for poetry, drama, and polyphony. It is that aspect of the use of language, for polyphony as more rigorously defined by Johann Sebastian Bach, as a vehicle for imparting such higher functions unique to the human mind, which points our attention to the indispensable role of the sovereign nation-state in the promotion and defense of true human freedom. I mean a defense against the efforts of those evil forces seeking now to impose a recreation of the Tower of Babel, or some alleged "universal language," a born-dead *lingua franca*, such as so-called Esperanto, upon which the hapless, brutalized victims of "globalization" might be foredoomed to depend.

The point being made as central to the subject of this present chapter, requires that we bring together what might appear to some as somewhat unrelated elements, as follows.

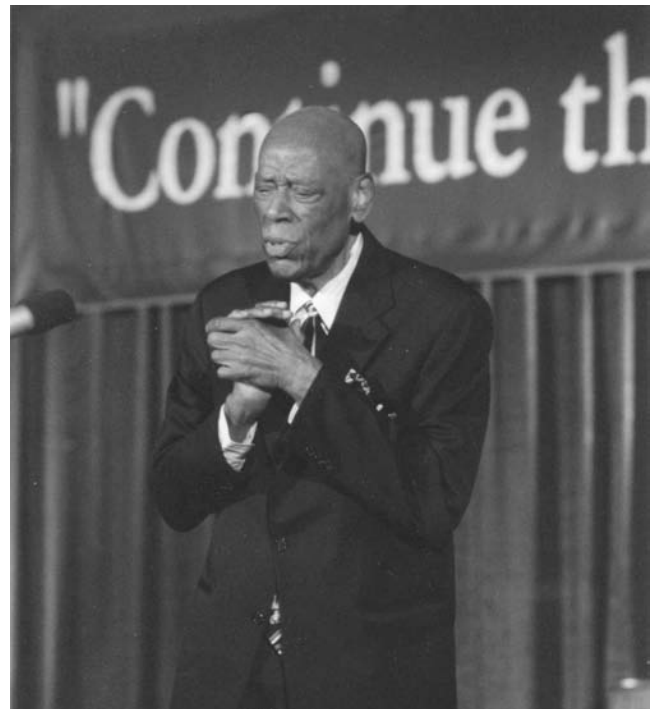
### Words of Wisdom: What Is Metaphor?

Like the rings of an ancient, legendary Sequoia, the "bole" of a culture expresses, under its outer surface, an ancient history of generations of the experience of the people who share the heritage of that language. For the English-speaking novice in study of such matters, William Empson's *Seven Types of Ambiguity*<sup>30</sup> would be a good beginning.

The generator of such a succession of concentric "rings" is the same principle of the human mind which we should associate with an "evolutionary" succession of discoveries of, and adjustments of discovered principle, changes which are passed from one generation to another, and also across "lines" of interaction, to similar effects, with other branches of culture. Unlike the succession of the cross-sections of the rings of the bole of a tree, the process is qualitatively evolutionary.

The principle of action which distinguishes this cultural-evolutionary transformation in human cultures, is to be recognized in the actions of the principle of irony, which is the same principle as actual human creativity. This principle is expressed, essentially, in its most clearly distinct form as metaphor, as a discovery of a universal physical principle is discovered, such that old words acquire new meanings, as in creative forms of punning. Here we would wish to point to Percy Shelley's passage from his *In Defence of Poetry*: "... profound and impassioned conceptions respecting man and

30. New York: Riverhead, 2004.



EIRNS/Stuart Lewis

*The late William Warfield, a world-renowned baritone and reciter of poetry, performs at a conference of the Schiller Institute, ca. 2003. His performances of Franz Schubert's setting of Goethe's "Erkönig" and Paul Lawrence Dunbar's poem "When Malindy Sings" were special favorites at Schiller Institute events.*

nature." The essential quality of this process is typified by the evolution of well-tempered counterpoint, from Bach's "48" through the influence of the van Swieten Vienna salon on the work of Haydn, Mozart, Beethoven, et al.

The literate user of a literate form of language uses and adds to the literate forms of development of a language steeped in a growing mass of such ironies. In this process, each irony partakes of the same role within the speaker's use of the language, which proceeds as the accumulation of discoveries by a creative scientist or poet. This is illustrated very well if we trace the development of emerging archetypes within musical composition from origins in Handel and Bach, most notably, from Bach's development, through Haydn, Mozart, Beethoven, and so on, especially Beethoven's own development through his last string quartets. Each composer quotes his predecessors, and their contemporaries, such that the accumulated material quotes itself in novel forms, as in a convention of gifted scientists meeting, from time to time, over the span of a generation or two of highly creative activity in discoveries.

Each of these discoveries embedded in the fabric of the user's language's development to date, has the function of a *comma*. This is the "location," so to speak of the function of human creativity, a function which exists in no known living creature but mankind. In that sense, the *New York Times* style-book practices inhumanity.

Such is a living language, as distinct from a synthesized language which is born dead, and will essentially remain so. It is the implicit aggregation of discoveries, each in the form of ironies expressing the Pythagorean function of the *comma*, which defines the richness of a well-developed language, and defines its uniqueness relative to other languages.

The true meaning of a European language, for example, is not discovered until we of modern times have also considered such exemplary cases as the use of a sung language in the compositions of Handel, J.S. Bach, and such among their faithful students as Haydn, Mozart, Beethoven, and Schubert, and the musical settings of poetry from Heinrich Heine by Schubert and Schumann. It is only in such music, or the kindred of that music in Classical poetry, that the creative potential of the spoken language is truly brought to life. It is such Classical modes in music and poetry which must teach prose how to think.

It is to be noted with great emphasis at this point, that creativity can be expressed through language only in this way which I have just indicated. It is the function of irony in the literate use of such language which adapts itself to that principle of creativity which flows through the greatest achievements of modern European science. It is the role of such irony in the use of language which defines truly human speech; it is a language rich in its accustomed ironies, and with the punctuation and such which such a use of language demands, which is a comma-rich form of language suited to the fostering of a creative people.

Languages may vary in respect to such specific attributes, but, since the findings of physical science are the same in terms of experimental demonstration for speakers of different sets of languages, we are assured that human creativity is a quality which is universal in the “design” of the human mind’s development; the underlying principle of human creativity, remains essentially the same, however its expression may differ in specific qualities, from case to case of one language or another.

A language has, thus, a certain, greater or lesser degree of rich immortality. As the language grows in its uses, new discoveries become interwoven with the preceding fabric, and each idea presented interacts with that fabric, and tends to modify it. The language is thus undergoing something comparable to genetic evolution. It is the ironical juxtaposition which is the relative richness of the language used, and the basis for the increase of the implicitly musical power “of imparting and receiving profound and impassioned conceptions respecting man and nature.”

This process of development of a language in use, is “genetic,” in the sense that the Kepler-Leibniz principle of the calculus is a means of an accretion of genetic powers. It is to that background that the language speaks. It is that background’s resonance which the creative thinker hears as he or she speaks.

## As in Kepler’s Case

So, Kepler’s discovery of the lawful internal organization of the Solar System, provided the foundation for all competent approaches to the language of modern physical science, and also to the place of science in song.

The lack, or degree of musical quality expressed in the use of a language is, in itself, a statement about the culture of the user, both performer and hearer.

It should be the standard for the definition and use of Metaphor, that it expresses the kind of ontological distinction we encounter otherwise in the transcendental expression of the principal astrophysical discoveries by Johannes Kepler, and in the closely related matter of the uniquely original discovery of the *ontologically transcendental* calculus by Gottfried Leibniz.

This notion of the *transcendental*, as defined by Nicholas of Cusa’s *De Docta Ignorantia*, and as expressed by Kepler’s uniquely original discovery of universal gravitation, points to the existence of ontologically real and efficient universal physical principles existing beyond their comprehension by sense-perception as such. Thus, each discovery of what is an authentically, experimentally demonstrable “law of our universe,” is expressed as a real power existing, as defiantly real, but outside the bounds of the simply experienced, observable causal connections up to the point that discovery of the transcendental principle was demonstrated to be a newly observed controllable feature of the power of some agency such as the human will.

The development of the role of the catenary, by the collaboration of Leibniz and Jean Bernouilli, in defining the principle of universal least action, is an excellent illustration of that point.

In this context, transcendental signifies an efficient intervention from outside the domain of what is otherwise known: like an “invisible force” in the universe, whose efficient existence is suddenly made known by what Bernhard Riemann defined as a *unique experiment*. Kepler’s discovery of gravitation, as efficient action from “outside the apparently finite,” is the most appropriate modern illustration. The most notable ancient illustration is the successful construction of the doubling of a cube by Plato’s friend and collaborator, the ancient Pythagorean Archytas. The principle expressed by Archytas’ discovery is precisely an example of the principle of the *comma*, as Pythagoras defined this.

It is therefore notable for a competent understanding of Leibniz’s discovery, that the principal opponents of Leibniz, which include Euler and Lagrange, most emphatically, or Laplace, Cauchy, Clausius, Grassmann, and Lord Kelvin after them, were out-and-out hoaxsters, turncoat Euler quite wittingly so. This takes our attention on the matter here back to the matter of Cusa’s discovery of the error in Archimedes’ attempt to define the circle by quadrature. Meanwhile, Euler’s baldly incompetent attack, and its barefaced crudity in Euler’s sophistry in his 1761 *Letters to a German Princess*,





EIRNS/Chris Jadatz

*Members of the LaRouche Youth Movement in Los Angeles sing Mozart's "Ave Verum Corpus" on Nov. 24. Lyndon LaRouche is seated, on the right. LaRouche comments that the qualitative change that occurs in both performers and audience, through the development of the music, corresponds to the principle of dynamics in general.*

convicts Euler of fraud on the basis of the evidence of his own writing.

For example, in a classroom sense of first approximation, the term *transcendental*, as applied to the case of Leibniz's discovery of the calculus, has the same significance as Kepler's discovery of the principle of the planetary orbit as a form of action beyond its comprehension in terms of linear intervals. This is to be meant in the same sense as Cusa's rejection of Archimedes' erroneous use of quadrature as a form of approximation for defining the generation of the circle. The role of the catenary function in crafting the Leibniz-Bernoulli definition of a universal principle of physical least action, expresses the same distinction in an hereditary fashion.

*Without a solid grounding in this notion of the transcendental, there is no recognition of the competence of valid principles of economy.* In the practice of physical economy, it is the discovery of either universal physical principles, or of new ways of applying those principles practically, which is the *comma* of economic-scientific practice, just as the transcendental is the crucial principle of Cusa follower Leonardo da Vinci's discoveries in both physical science and his revolutionary escape from linear projection in Classical artistic composition.

### Science as Classical Art

To illustrate the same point: As I have treated this matter earlier in this report, in reference to the work of Vernadsky and Einstein, universal gravitation has the attributes of a transcendental, not merely a sense-phenomenon, since it acts efficiently upon the universe, in measurable effect, but is not a finite object *within the domain of sense-perception*.<sup>31</sup> In the

31. For what should be obvious reasons, scientific practice should always prefer the term *transcendental* to "infinitesimal." This must be done to avoid falling into the same error met in Archimedes' attempted definition of the circle.

matter which is momentarily at hand, we are to consider cognitive expressions mediated through the use of not only bare speech, but as sung speech, or speech made transcendental by being expressed in forms of expression reflecting the essential principles of song, preferably Florentine *bel canto* notions of song, rather than the bellowing and whining of Allegheny marital tragedies, or imported grunts from the sewers of Liverpool.

I had a recent occasion to refer to the essential principle involved, in a comment which I appended orally to a rehearsal of Wolfgang Mozart's *Ave Verum Corpus*. To assist the performance in "hanging together," that in the same sense the counsel could be delivered to the performance of a Classical drama on stage, a certain, transcendental, controlling sense of Classical irony must prevail. Ask: What is the subject of the occasion of the motet? What is in the mind of that body of mourners of the murdered Jesus Christ, mourners for which musicians of the chorus and the instrumentalists are surrogate on that occasion? Capture the real-life moment of the minds of those viewing the body of Christ; what is the transformation, the development which the Christians experience during the span of the performance of that composition? Let the transcendental sense of that setting be the controlling idea, *the enveloping dynamic*, which guides the chorus and its direction on the occasion of the musical performance. That is, implicitly, the required intention of the performance of a work of the reliably devoted composer such as Bach, Mozart, Beethoven, et al.

In the instance of Mozart's *Ave Verum Corpus*, it is Mozart's development of the unfolding composition by use of a series of what might appear to some to be dissonant Lydian intervals, which is crucial for the purpose which I have just indicated here. In Classical musical composition since J.S. Bach, most emphatically, it is shift from one quality of tonality to a next, which is the location of the necessary, *connecting* transcendental which conveys that "non-linear" ontological



*Giotto's fresco of "The Lamentation" (1304-06). The Classical artist, like the musician, seeks to "capture the real-life moment of the minds of those viewing the body of Christ; what is the transformation, the development which the Christians experience during the span of the performance of that composition?"*

development which moves the creative quality of passion in the performer and sensitive audience from one cognitive experience to the next. This type of qualitative change through development, corresponds, in music, to the principle of dynamics in general.

The concept which I have sought to express, as economically as seems possible, by the expression "hanging together," is a reflection of something essential to a successful composition and performance of a Classical drama, or of musical composition and its performance, something which is never expressed by the explicitly stated elements which that principle of "hanging together" subsumes.

It is the idea which must be expressed by the performance, but not stated "mechanically" by the voices of the performers, but which, like Kepler's discovery of universal gravitation, "is there," that *implicitly*, and in a very compelling way. The essential point to be grasped on this account, is the distinction of the transcendental, as this appears in the Classical work, from the animal, in both the intentionally and unintentionally "Romantic." The failure to grasp this con-

ception which I have pointed out here, would be an infallible source of intellectual failure on the part of the relevant performers, composers, teachers of arts, or critics, such as Romantics generally. The issue is the element of passion corresponding to the experience of cognitive creativity, as in a physical-scientific discovery of principle, as distinguished from animal-like excitement.

Or, from the domain of Classical tragedy, take the comparable type of case of the role of elementary irony in Classical drama, of Shakespeare's *Julius Caesar*, or the role of the ghost in *Hamlet*, or, the most brilliantly insightful intention of Friedrich Schiller in devoting the opening of the superbly tragic, historically exquisite *Wallenstein* trilogy to the subject of Wallenstein's camp.

Contrary to the Nineteenth-Century Romantics and their modern heirs, the tragic individual as such is not the essential subject in the competently performed Classical drama. For Shakespeare and Schiller, for example, or Eugene O'Neill's *The Iceman Cometh*, it is the society, not the individual member, which holds the tragedy's collective victim in its

grasp. To make this point, Shakespeare and Schiller sometimes introduce certain figures of reference within the tragedy. Typical are figures such as the Queen in Schiller's *Don Carlos*, who is outside the grip of the tragedy, but compelled to view it from on stage, that the audience might see it so, too. Schiller's synthesis of the two children in *Wallenstein*, performs that same function.

There are, otherwise, no heroes among the parts assigned to the main body of the actors in a tragedy; it is the society, *systemically*, not the individual, which is tragic. Tragedy is the membership of a foolish, self-doomed society, like the U.S. Senate and House of 2006-2007, in its process of "going along to get along," to get the nation itself into that living Hell which the greater mass of our population has been virtually consigned, top down, to inhabit today. Hear the voices of the Presidential pre-candidates: "But we needed the campaign money!" and, that said, they kept walking into the self-inflicted doom of our republic.

In this matter: as it is in the domain of the Classical theater, so it is in life generally. The proper task of the Classical stage is to impart the truth usually unseen by ordinary opinion, through the medium of Classical composition and its appropriate performance. It is the sense of looming tragedy, so defined, which identifies the necessary duty of the true statesman operating within the setting of a civilization's existential crisis, like that of today.

Take the case of the members of the U.S. Congress since no later than February 2006. There, in that pathetic exhibition of Sophistry, on that political stage, is a presently living tragedy for you to consider, and hopefully, to remedy before it is too late to do so!<sup>32</sup>

## Two Principles of Economics

There are principally two principled kinds of action which define the ongoing history of an economy. One is the application of the creative potential of the individual human mind to the physical task of progress as such. The other is the matter of employing the same quality of human intellectual potential for motivating appropriate actions, socially, by other members of society, or society as a whole (social action). Both modes of action are essentially transcendental.

The readers will tend, usually, to find the first class of economic action more readily understandable, if they are inclined to do so, as typically "anti-blue-collar" "Baby Boomers" today are not. It is the management of human behavior in society as such, which people are less able to consider, usually,

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32. In respect to the idea of the historical figure as *the* tragic individual, consider the real-life equivalent of Edward Arlington Robinson's "Miniver Cheevy" so much admired by President Theodore Roosevelt; it is the poet, not Miniver, who is tragic. The tragedy would be expressed, not by Miniver Cheevy, but by a political constituency silly, or wicked enough (like President Theodore Roosevelt) to make another ordinary selection of a Presidential candidate, as Theodore Roosevelt endorsed what became the White House's ranking Ku Klux Klan fanatic Woodrow Wilson.

chiefly, because it involves implied criticism of their own personal expressions of social behavior. "Getting others to obey me!" is usually the more readily accepted choice of solution for problems in human social behavior, by man or monkey alike.

Thus, for exactly such motives, the Nazi Party of Hermann Göring, Adolf Hitler, et al. were among the leading representatives of the "environmentalist" movement of the 1920s and later, as the so-called "greenies" of the recent three-and-half decades represent this problem. The, fervently anti-blue-collar followers of former Vice-President Al Gore, represent the most menacing such, top-down expressions of fascist potential on this planet today. During the course of the 1970s and 1980s, the "greenies" of West Germany emerged as the most deadly fascist-insurrectionary threat in Europe, a movement which reached the point of outrightly murderous insurrectionary violence beyond anything seen in Europe otherwise during those times.

However, the combination of today's followers of Al Gore and the growing terrorist movement, ripe for fascism, mobilized around an orchestrated (top down) organization of computerized killer-games, is presently emerging as an incoming outbreak of the trans-Atlantic complement to the terrorism of Southwest Asia.

Meanwhile, on happier choices of discussion:

## The Present Economic Situation

It would be fair, today, to estimate that the recovery, even the survival of the U.S. economy demands, an immediate policy under which about half of all capital investment would be as public investment in basic economic infrastructure, as distinct from production for human consumption otherwise. The principal investments will be in the order of a quarter- to a half-century net life as capital formation, chiefly in four categories: a.) mass transport of people and freight, with increasing emphasis upon magnetic levitation for transport of people and high-grade freight, this done as complete gridding of the national territory; b.) long-term investment in nuclear-fission power and related technologies of capital formation, including space-exploration and development; c.) development of management of water and rural territories; d.) new city and suburban development, with all that that implies.

The included requirement would be a reversal of the trend toward "out-sourcing" and post-industrial development, with increasing emphasis on capital intensity and increase of energy-flux density in modes of production and urban life.

In all of this the factor of rising human population of the planet, now requires an orientation away from drawing down relatively richer concentrations of so-called natural resources, by turning to emphasis on very high-energy-flux-density modes for global management of resources. It is time to end rape as a principle of economy, and shift the emphasis to modern "farming" of essential resources, as we should emphasize

increasing diversity of types of products of agriculture, forestry, and fisheries under conditions of high rates of gain in relevant technologies.

We must recognize the post-1967-1968 shift toward what has been called “post-industrial society,” as among the most lunatic sorts of wildly utopian schemes yet foisted upon mankind.

Since approximately 1967-68, in the global aftermath of the assassination of U.S. President John F. Kennedy, the rise of the anti-blue-collar fanaticism of the white-collar-bred Baby-Boomer generation, has produced a down-shift in the status of the lower eighty percentile of the family income-brackets of our population, a change for the worse, called by the Trilateral Commission a “controlled disintegration of our economy,” which was completed in its most essential features during the 1969-1980 administrations of Presidents Nixon, Ford, and Carter.

Over the course of the 1980s, as the Soviet Union declined under the wrecking policies of Andropov and Gorbachev, the trans-Atlantic partners, the U.S.A. and the United Kingdom, prepared the way for what would follow. I was the only notable economist who had publicly forecast the collapse of the Soviet Union under that Andropov-Gorbachev leadership “in about five years,” in 1983, and repeated this forecast over the remaining course of that decade. Indeed, on October 12, 1988, in Berlin, I announced the immediately impending collapse of the eastern European Comecon bloc, beginning with Poland, but I was the only notable public personality who had been confident of this even at that late time. The administration of President George H.W. Bush, for example, was caught flat-footed.

If the ordinary people of western or eastern Europe expected any lasting benefit from the fall of the Wall, they were soon informed to the contrary by reality. What was done to the people of the former East Germany, by the complicity of President Bush with the Thatcher and Mitterrand governments, was criminal, as the Germans on both the former eastern and western side were soon to discover, along with each and all of the states of the former Comecon. The result has been an increasing relative pauperization, by physical standards of life, of the lower eighty-percentile of the income-brackets on both sides of the Atlantic, combined with a collapsing of the farms and industries, but the soaring of the portion of total national wealth appropriated by parasitical classes in the nations on either side of the Atlantic.

In all this, as I have pointed out at an earlier point, here, the increase of the standard of living by a minority of the population in some nations, especially in East and South Asia, has become part of a general collapse of physical productivity and the physical standard of living of the net majority of the population world-wide. What is about to occur, next, on that account, will be suddenly catastrophic, unless November 2008 and beyond were to produce the effects to which this, my present report is dedicated.

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### III. Our Actual Options

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The nations of the U.S.A. and western and central Europe are presently bankrupt, without doubt; and, under any attempted continuation of the presently prevalent arrangements, hopelessly so. All applications of what have been installed as monetarist methods are not merely useless; their continued application to the patient now could be fatal to civilization as a whole. ***There is no possible remedy, which does not begin by placing the entire system into receivership, as bankrupt, on the initiative of a relevant coalition of the U.S. and other governments.***

I have already specified one of the needed provisions, that of supplying sweeping bankruptcy protection for mortgaged households, but also for the deserving quality of Federal- and state-chartered, regular banking institutions. However, that is only the essential first step. The necessary further, blanket actions must come, as I have recently proposed to a relevant international audience, through emergency negotiation between the U.S.A. and certain other governments, including Russia, China, and India, to freeze the relative values of the group of respective currencies at an adopted fixed parity among them.<sup>33</sup>

If these measures are not adopted and implemented very soon, there is little likelihood that civilization, in its present form, will continue to exist throughout this planet much longer. What is already in process, is the steepest and deepest collapse of an international monetary system, and its associated financial institutions, since Europe’s Fourteenth-Century “New Dark Age.” Pretending that that is not already the case, would be the role of the functional equivalent of behavior suited to virtual morons or lunatics.

After all, as one gifted intellect once spoke of the 1929-1933 financial crash, what is falling is “only money,” only paper, or, today, even more ephemeral stuff. Puff! And another dozen billions of dollars, there, yesterday, has been wiped off the books of account. Cough, and perhaps even hundreds of billions of the worthless stuff is simply blown away. Calm your fears; it is only money. Once you accept that fact, you have already moved a goodly distance in the direction of a solution.

“But, I promised my daughter a brand new Pierce-Arrow limousine for her high-school graduation!” Sorry, buddy; they don’t make Pierce-Arrow limousines any more.

We know, presently, that the world’s present financial-monetary stratosphere is, chiefly, less than worthless paper—just a few sparks removed from being less than nothing; but, we do require, urgently, a functioning monetary system, right

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33. Cf. Lyndon H. LaRouche, Jr., *The U.S.A., Russia, & China*, Los Angeles conference address. The conference, entitled “Forum on the U.S.-China Relationship and the Peaceful Reunification of China,” was sponsored by the Institute of Sino Strategic Studies, on Saturday, November 24, 2007. See *EIR*, Dec. 7, 2007.

now, today, to prevent a breakdown in the essential features of the world's physical economy. What do we do then?

At the start, there are two steps we must take. We must put all central banking systems into receivership, including the U.S. Federal Reserve System, and place all monetary and central banking authority directly under each nation's government, under what might be termed a "greenback policy." This eliminates existing central banking systems which now exert top-down authorities higher than governments, but, does this to the "bucket shops," without letting any *real* bank go under.

Second, we must stabilize currencies in international exchange and trade. If a group of leading nations, including the U.S.A., Russia, China, and India, agree to fix their currencies at some level proximate to the relative prices of some chosen date prior to July 25, 2007, we will have then planted the first cornerstone of a return to a global fixed-exchange-rate system. With that step, we will have stabilized prices and currencies relatively on a world market which will be dominated by a set of cooperating powers including the U.S.A., Russia, China, and India, and whoever besides is willing and qualified to join. For this purpose, the U.S.A. must be included in that arrangement, or, contrary to certain very silly Europeans, the entire global effort would collapse at the outset.

Our aim must be to establish a channel of international, hard-commodity trade, combined with long-term investment, at a base-line of between 1% and 2% per annum, above which the needed recovery would not be manageably stable at the outset.

At that point, further needed measures will include the requirement for some crucial agreements on outlines for principal flows of trade and investment during a period of not less than two generations ahead, a time-span of about fifty years, a lapse of time estimable as that required to work off the instabilities accumulated under the terrible mistakes in policy-shaping over the 1971-2007 interval to date. Here, the principles of physical economy, as distinguished from monetary thinking, come into full play.

Take some examples of this:

### **We Need Power!**

For example, there will be no workable remedies without a massive, accelerated shift to emphasis on high-energy-flux-density nuclear-fission and, hopefully, soon, thermonuclear-fusion reactors. This action will provide us the world's principal source of power for a long time to come. Contrary to some very silly, but, typically, nonetheless, rather widespread leading opinion, the importance of this emphasis lies not merely in quantities of power required, but, most emphatically, in the physical-chemical qualities of generated power—the required "energy-flux density" of power, needed for specific, crucially leading categories of application.

Petroleum is chiefly a chemical feed-stock. As the periodic table should suggest, nuclear power will dominate, in combination with a by-product of nuclear-power generated

hydrogen-based fuels for powered vehicles and related uses.

Very high energy-flux-density power is needed for its physical-chemical characteristics, that even more so than for the mere quantity of power needed. Typical is the case of the massive, and urgent need, including remedies for the continued, menacing, drawing down of fossil-water supplies being used up for human needs. We must now rely, widely, upon desalination of water for human consumption, and as part of the program for replacing present chemical fuels by hydrogen-based fuels generated "locally" through high-temperature gas-cooled and comparable nuclear reactors.<sup>34</sup>

We must green vast areas of present desert, although this would—brrr!—cool the climate significantly in many hot parts of the world, through generation of valid water-supplies, micro-climates, and related chlorophyll effects, but that will menace only presently hot, desert, and like regions.

Usable power of this sort, is the most effective of presently available modes for increasing the effective productive powers of labor per capita and per square kilometer of relevant territory, and for improving controls over the climate otherwise.

Such a program for power, carries with it a massive increase of the ration of investment in basic economic infrastructure generally; but, it also carries with it the means for rapid advances in productivity per capita and per square kilometer. This implies a fair estimate that over half of the total investment over the coming two generations will be concentrated in, principally, capital-intensive development of public categories of basic economic infrastructure. Petroleum must become, predominantly, a chemical feedstock, processed in locations in the vicinity of its extraction. Nuclear-fission and thermonuclear-fusion development is therefore crucial.<sup>35</sup>

### **Reverse Globalization Now!**

This perspective means, among other things, that the increase of physical productivity, per capita of the relevant portions of the adult populations, will soar, provided that we abandon "globalization," and turn to international cooperation among nations which are sovereign participants in a "protectionist" (e.g., "fair trade," rather than "free trade") modality. *The crucial issues here, include, as a leading consideration, the fact that "globalization" causes the equivalent of grave "brain damage" to the minds of affected populations and their labor-forces, through globalization's stupefying effects*

34. Instead of hauling low value-per-ton petroleum, at high costs of transport, great distances, and instead of permitting reliance on the petroleum to fall under the control of parasites of the spot market and similar neo-Venetian-style predatory interests, as presently.

35. Contrary to economic simpletons, the physical value of sources of power lies not in their countable calories as such, but their energy-flux density: their power to do the work of physical-chemical change on the universe we inhabit. One would suggest that simpletons study the Sun's operations, but for the fact that they would destroy their sight by taking our suggestion to mean that they should be staring at it for long hours.

on popular and related literacy-rates, that for reasons considered earlier in this report.

The mechanisms for organizing long-term investments, both within and across national borders, will be long-term treaty-agreements oriented chiefly to national and international development of basic economic infrastructure, within, and across national borders. These investments, buttressed by congruent long-term tariff and trade agreements, must shape the planet's life for the span of the coming initial two generations, and beyond.

## End Our Megasloppiness!

Since that public misfortune known as the reign of President Theodore Roosevelt, and from related causes, there has been virtually no *net productive* development of large areas of the available territory of North America, as we should recognize this long wave of the Twentieth-Century trend, since President Theodore Roosevelt and his confederates, in the territory of the U.S. between mid-America's western, proverbial twenty-inch rainfall-line and the Coastal range. Virtually none of the feasible and sorely needed development of the water system of North America, from Alaska and Canada, could occur as long as presently manifest mental states of variously predatory or simply stupid policy-shapers continue to shape policies.

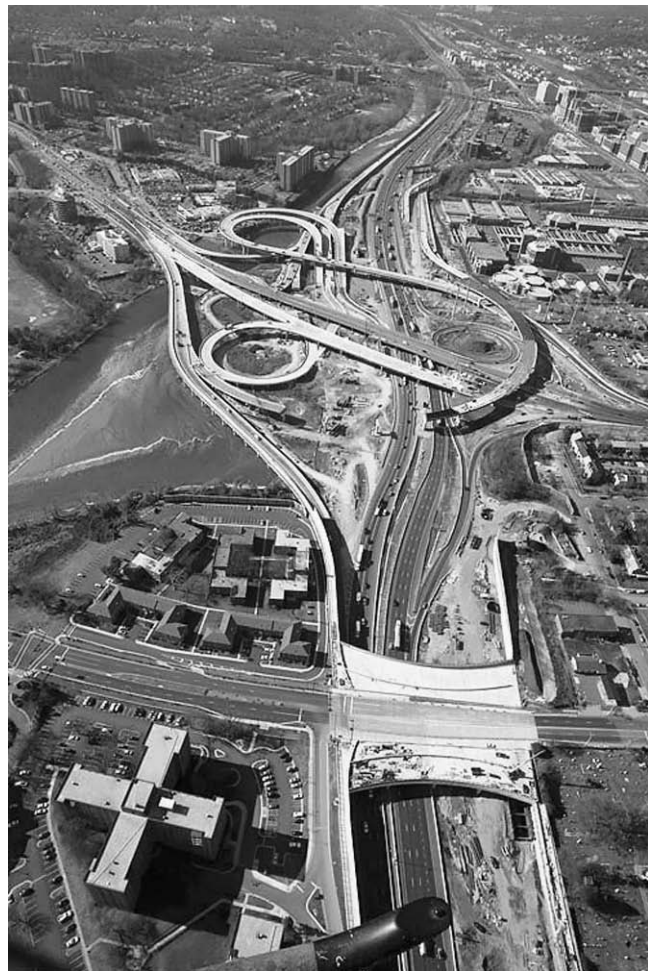
Charlemagne, viewing such a state of affairs from afar, would be rightly disgusted by the performance of our government on this account.

The slogan should be: In a sanely composed use of national territories, through aid of such benefits as improved public mass transportation, most households would reside within no more than between a quarter and half an hour's personal travel, each way, from the door of their residence to place of employment, or back, and in most other customary functions of the work-day week.

A few words on this issue of present habits and future policy should be sufficient to illustrate the point.

To illustrate that point, members of the U.S. Congress and relevant others, should study the lunacy of the configuration within an area defined by today's twenty-to-thirty-hours commuting, or more, each week, within the Washington, D.C. area of Maryland, Virginia, and West Virginia, as a capital example of the presently lunatic state of affairs. Emphasis must be shifted to medium-sized central urban areas, located within large areas of countryside used for agriculture and recreation, centered on regional "mother" cities of not more than a few millions inhabitants, and usually less: which would have been a healthy economic and environmental state of affairs, in contrast to the usurious mentalities which exploit what is curiously misnamed real-estate "development" during recent decades.

We must recognize the insanities of both locating principal concentrations of residences at an increasing distance from place of employment, and concentrating most of the employment centered in high-density areas of wealth among a very large ration of relatively very unskilled and poorly paid



Highway and Transportation History website

*How not to run an economy: The lunatic traffic configurations of the area around Washington, D.C. force residents to spend 20 to 30 hours per week commuting, some from as far away as West Virginia and Pennsylvania.*

"service workers." Whereas, skilled and better paid employees, excepting the wealthiest, must travel exorbitant distances, by commuting. People who impose such ridiculous conditions should not be considered competent in matters affecting the nation's economic development.<sup>36</sup>

Over the course of the post-World War II period, especially since about the time of the inauguration of President Richard Nixon, the evolution of U.S. public policy of practice, has destroyed the inherent potential productivity-rates throughout

36. Treasury Secretary Alexander Hamilton and his ally, and Franklin Roosevelt ancestor Isaac Roosevelt, could they speak to us now, might have doubts on placing a U.S. financial center, Manhattan, within reach of the paws of such among our nation's worst traitors, such as British agent Aaron Burr and his London-steered Bank of Manhattan, who placed in the U.S. Presidency a President Andrew "Trail of Tears" Jackson, who had been an Aaron Burr confederate, and served as President in the interest of then Burr political controller of 1837 Panic notoriety, and de facto Burr political heir, Martin van Buren.

the continental U.S.A. as a whole. The keys to these recent three-and-a-half decades of an insane trend in our nation's Federal policy of practice, have been correlated with the destruction of the institution of the scientifically and technologically advancing practice of the family, or multi-family farm of several hundred or more acres, and the small and medium-sized industries amid large regional areas of rural, suburban, agricultural, and reserve-land, functioning as satellites of reasonably large major cities of our Federal states. Good gravy! Look at Cleveland, Ohio, now, and as it used to be about the time of World War II and a bit later.

The spectacle we see, looking as if down from the skies above, as from satellites, and looking at this spectacle of change, as if by a half-century of lapsed-time aerial photography, should cause brave men and women to weep for our republic. This was insane! None of this was ever necessary! How could our people, and their governments, especially our Federal government, have been such awfully dumb, damned fools as to "go along to get along" with this virtually treasonous travesty?!

Damn the unnecessary, absolutely counterproductive proliferation of dependency upon those automobiles, after all! We now enjoy the awful fruit of a post-war policy of destroying our nation's former, and inherently safer and socially more efficient, high-speed long-range and medium-range rail (and, now, magnetic levitation) transport, for the sake of building up the sales and use of "carbon-burning" vehicular fuels, at a great increase of costs of all kinds to households and communities. As a result of policies negating decentralized dispersion of industries and of related destruction of constantly modernized mass rail and comparably superior ground-level transit of people and freight, all of this muddled by the sheer insanity of the reliance upon filthy and wasting automotive traffic in gasoline and diesel highway vehicles for long-distance transport or commuters, we have turned the organization of our national territory, and its role in the life and work of our people into an Orwellian nightmare which only a mad Englishman could honestly pretend to enjoy, or wish to cause to be inflicted upon us.

### **Our History of Unreal-Estate**

This insanity began in such places as along the national defense highway projects, as, for example, near Philadelphia, Pennsylvania, where the 1950s saw the idea of Levittowns adapted to integral residential and shopping communities as blobs of real-estate-speculation in the new suburban areas associated with the development of the national-defense-highway system.

The blobs which this produced in the new "suburban" areas similarly defined, also became the map of the interior of the mind of the progeny of that new "white collar," "organization man" class of the 1950s. The new "upper middle-class influentials," the forerunners of the recent decades' legendary "Soccer Moms" and "SUV Dads," became a self-reinforcing

suburbanite cult-life, of people fleeing from the smells and tax burdens of urban and rural blue-collar life, to become the seemingly "privileged" new upper- and middle-class constituency of the "68ers," bloated with that hatred of blue-collar ways of life and people which we should recall from the streets and riots of 1968 in both the U.S.A. and abroad at that time.

Sociologists such as Emile Durkheim, were they still alive today, would have been more than a little bit inclined to study and to report on these interlocking changes in the dominant trends among the middle to higher income-brackets of white-collar life, and their effects on the nation and its leading edge of economic and mass-political behavior, today. Our republic, among other places, has largely degenerated, intellectually and morally, over most of the period since the close of World War II. In the majority of our republic, the lower-ranking majority of our population has slipped down in actual status, from citizens to members of an Orwellian sort of underclass, to something out of the nightmare fables of Nazi-like H.G. Wells of *The Shape of Things To Come*.

It was systemic follies such as this, through their influence on economic, social, and ideological patterns of mass behavior, have tended to transform our national political and economic system, today, into something akin to the account, by Jonathan Swift, of Gulliver's travel to the Liberal England symbolized by *Laputa*.

Monstrously large industrial and other complexes functioning as places of employment, need not be banned, but they should be limited to necessary exceptions, while places of employment should be linked to local places of habitation by means of high-speed, low-cost mass-transit.

The thinking aspect of economic policies of practice must be kept closer to the aspects of management and design close to the machine-tool designers of the local production units, rather than financial speculators, and representatives of Wall Street and City of London finances whose personal interest in production and product as such is relatively minimal at most.

If our politicians had even minimal comprehension of the attributable life-cycle of a type of product of good quality and usefulness, often a decade or more, our nation would have insisted on the original Henry Ford approach to utility of product rather than Wall Street's re-orientation of the design of "new models" to the hectic standard of the New York, or Paris garment district.<sup>37</sup>

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37. Consider the case of Milan, Italy's transformation from prominence in engineering of quality engineering of industrial products, to the marketing of bulimic girls displaying contemptible rags of which a former time's Manhattan's garment district would have been greatly ashamed. Consider the present trend of the "fashion industry" to suggest, as the *New York Times* has lately reported, that garments are designed on the basis of a principle of nudity, but with a few bits of rag and trinket thrown upon the poor starved model to refute the evidence that the models used are, in fact, essentially naked. Measured, acre by acre, what is being merchandised is not clothing, but skin. How far from an actuality of starving prostitutes, and even slavery, is that industry now?



FDR Library

*Franklin D. Roosevelt during a 1932 Presidential campaign tour. Under Roosevelt's leadership, our republic returned to the impulse which had created the United States as a constitutional republic unique in world history. We can do the same again, but time is running very short.*

Generally, small to medium-sized industries and other essential places of employment, are to be encouraged for their tendency to promote entrepreneurial ingenuity, rather than corporate bureaucratization and “golden parachutes” as preferred modes of escape from reality. Give our land back to its people, by eradicating the folly of the degeneration of both our national land-use and social standards of living and breeding a new generation. Let us now declare the development of the Noösphere to be now, our national and our global policy.

## Agapē

The core of the process of moral degeneration which has gripped Europe and the Americas, in particular, since the death of U.S. President Franklin Roosevelt, is a migration of public morality, downward, from the peaks of political power, to the gutters of the streets below. From virtually the day President Franklin Roosevelt died, we as a nation, had moved abruptly away from our constitutional principle of *agapē* (“the pursuit of happiness,” “the general welfare,” of both ourselves and the mankind we swore to defend from fascism and its like), to precisely those qualities of strategic impulses which had characterized the passions of a pro-Satanic Torquemada and the whores of Paolo Sarpi’s Liberalism, in what had been the plunge of both Habsburg and Liberal Europe into the carnage of the Thirty Years’ War. These are today the same degraded passions which authored a U.S. Indo-China War launched by lies, and similar motives for the present wars, authored by a blend of lies and craven Congressional credulities, in Southwest Asia, and, now threatened, beyond, all in a Congress where “war, lies, and politicians, even some Presidential pre-candidates, owned by despicable usurers, are on the table.”

Are those avowedly devoted Christians and others who have supported these expressions of Satanic passions, to be considered what has been sometimes termed “a moral majority”? You tell me that such citizens of ours believe that “God loves me,” when I read them, more preying than praying, “God loves ME! And I shall prosper eternally, without pain, and rent-free.”

The special irony of all this and its like, is our present search for opportunities to define this or that nation on which we depended yesterday, as today’s “foreign enemy.” We brought Mexico’s poor and others from below our borders as virtual slave labor; but, now, degenerates in high political places are organizing

lynch-mob efforts against those we lured among us to be virtual slaves.

In all of this, we are destroying our own republic, for all of which, like pathetic “Miniver Cheevy,” we “have reasons.” And amid much of all this despicable moral filth occupying even much of our leading institutions, we insist that “our way of life” under a lying, depraved Vice-President, and a sick-minded President Bush, must not be allowed to become that of Venezuela’s President Chávez, who sought to become the “the decider” for life, or, in George Bush’s case, perhaps for death, for the world at large.

Does it not occur to the wiser ones among us, that we are *not* being destroyed by intruding “outsiders.” Rather, a real enemy, a principle of evil, akin to our republic’s ancient evil from London, has induced us to destroy ourselves.

In this state of affairs, we must see ourselves as situated like those assembled for what became known as the Peace of Westphalia, on the same principle of *Agapē*, *the benefit of the other*, on which our republic was founded. If we are to survive, we must now become what we were created by our founders to be: *A temple of liberty and beacon of hope for all mankind*. We must abandon the dirty politics which pervades still in our nation’s capital and elsewhere today, to return to a commitment, from our Constitution, which had been the promise of us to the world at large, when Franklin D. Roosevelt had been our President.

I swear to you, with all that I am or might become, that this change in policy could succeed, even now, with the right choice of President in the year to come, and policies which that future President must presently avow, in words and practice, now, if our republic, and also civilization on this planet, is to survive, for some generations still to come.