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## The American People Want an Economy





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# The American People Want an Economy

## **EDITORIAL**

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# The American People Want an Economy

Nov. 7—A first look at the election results shows that what was most important was not the shift in control of the House, which had been prediscussed, but that Americans demand a full-fledged economic recovery and growth policy. Democrats who took over formerly-Republican House seats tended to win, not based on demands to impeach Trump, but on economic concerns such as healthcare.

This also indicates that voters insist that Democratic legislators stick to their duty of governing the country alongside the elected President, rather than devoting all their time to press leaks against him. From all indications, President Trump will push the same point, making himself wide-open to collaboration with Democrats on issues where they agree—largely economic issues.

All this also portends an increasing tendency towards a split in the Democratic Party between the iden-

tity-politics cum impeachment group which has dominated the fake-news media on the one side, versus those in or returning towards Franklin Roosevelt's embrace of the forgotten man and woman, including blue-collar workers and farmers.

The policy demanded is Lyndon LaRouche's policy which would recreate Franklin Roosevelt's New Deal in the United States and internationally, as updated and improved for the 21st Century—Lyndon LaRouche's policy of the Four Laws for economic recovery, and an international New Bretton Woods system for global development.

These are the policies of LaRouche PAC supported candidates Kesha Rogers of Texas and Ron Wiczorek in South Dakota. These policies won vastly-increased support among leaders across the country during the campaign. Now is the time to push them through to victory.

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A welder.



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*EIR* staff member Douglas DeGroot passed away unexpectedly on Wednesday, October 31, at the age of 75. Doug was associated with *EIR* as an Africa specialist since before its first issue in 1974, and later as an editor. Before joining *EIR*, he had lived and taught in Cameroon as part of President Kennedy's Peace Corps. In the LaRouche movement, Doug was a political organizer, intelligence expert, writer, and teacher.

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## I. LaRouche's New Bretton Woods System and Implications

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# LaRouche's New Bretton Woods, Or Keynesian Fascism?

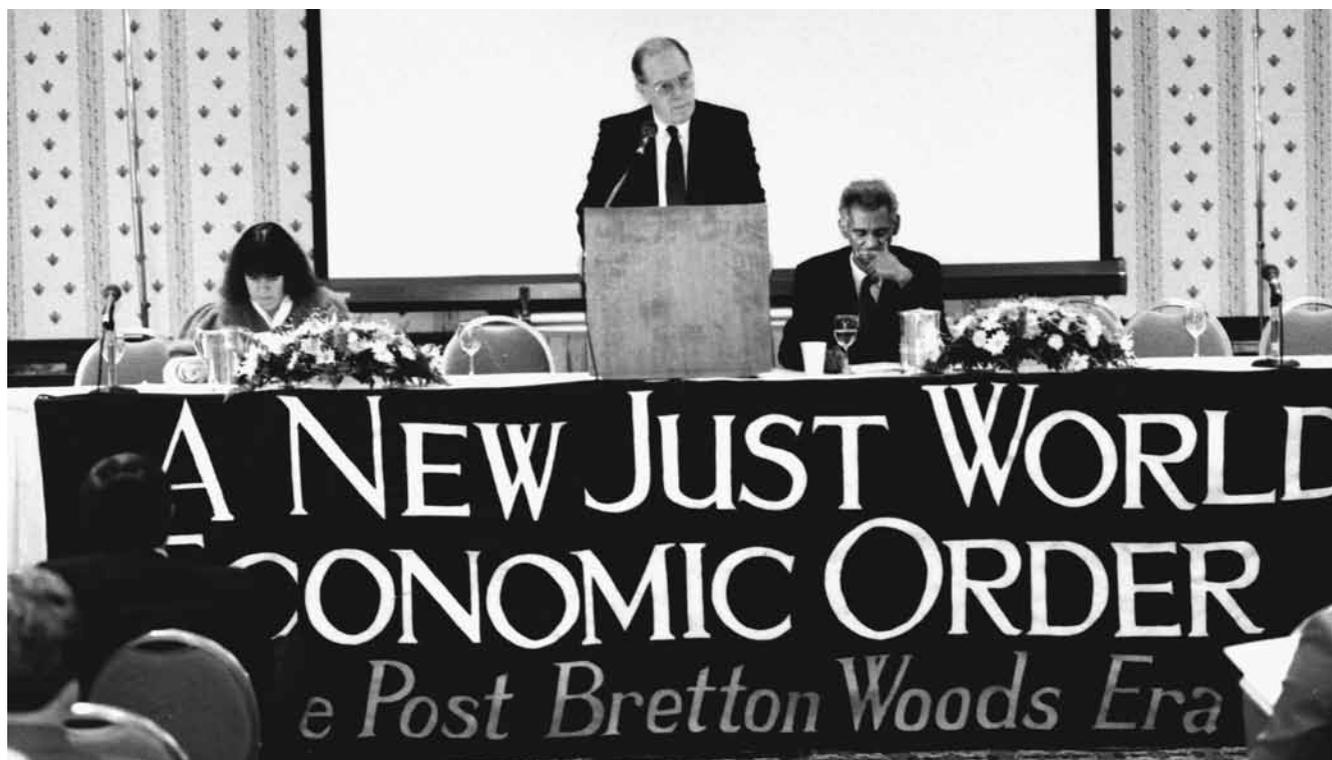
by William Wertz

*This is an edited transcript of remarks delivered by William Wertz to the [November 3, 2018 Manhattan Project meeting](#) in New York City.*

What I'm going to present is the distinction between Lyndon LaRouche's conception of a New Bretton Woods system, and what you might call a "Delphic" or phony view of a New Bretton Woods, which is deliberately put forward to try to counter LaRouche's view of a New Bretton Woods. The reason this is so important is that one of the driving forces behind the danger of

war is the current fragility and bankruptcy of the London based, Wall Street based, trans Atlantic monetary system. This system has gone through a series of measures, particularly since Nixon abandoned the Bretton Woods system in August of 1971, including the introduction of floating exchange rates and the abandonment of the gold reserve system that had been set up under the original Bretton Woods conception of Roosevelt and his aide, Harry Dexter White.

After August 1971, you had the floating exchange rate as opposed to a fixed exchange rate policy. Then, in



EIRNS/Philip Ulanowsky

*Helga Zepp-LaRouche (left), Lyndon LaRouche (center) and former Foreign Affairs Minister of Guyana Frederick Wills at a 1998 Schiller Institute Conference.*

the 1970s, you had the introduction by Paul Volcker, the Federal Reserve Bank Chairman under the Carter administration, of something called the policy of “controlled disintegration.” You had the introduction of massive outsourcing of manufacturing jobs, in particular from the United States and also from Europe, to cheap labor locations, to China, Mexico, and other nations, which was not to the benefit of either the United States or those nations.

This whole process resulted in a de industrialization of much of the advanced sector economies under the guise of globalization. A post industrial society was the conception put forward, dominated by limits to growth, dominated by a conception of entropy, dominated by the notion of climate change—that somehow man’s devotion and commitment to science and technological development—to industrialization—is the cause for the destruction of nature. Therefore, we should stop industrializing; we should stop developing nuclear energy; we should not be thinking about going to space. We should merely put solar panels on the roof of our houses, and somehow ignore what’s happening in the world; ignore the poverty which results from that kind of policy.

Lyndon LaRouche proposed to deal with the problems of the financial system that were brought about as a result of this process through a conception of a New Bretton Woods—going back to the original conception of Franklin Roosevelt and Harry Dexter White.

For instance, in his campaign for President in the year 2000, his campaign was called LaRouche’s Committee for a New Bretton Woods. Over the years, however, particularly after the financial crisis broke out in 2008, there have been various efforts put forward which essentially advocated a completely different conception of the New Bretton Woods from Mr. LaRouche’s.



Paul Volcker

I’ll come back to some of those, but the one I want to stress is the most recent effort in this respect put forward by Yanis Varoufakis, the former Finance Minister of Greece. Varoufakis was educated in Great Britain at the University of Essex and the University of Birmingham. He then moved to the University of Sydney, Australia. To give you a sense of his sense of identity, he acquired Australian citizenship while he was there.

### The British Empire’s ‘New Bretton Woods’

Over the last two years, Varoufakis, who is no longer Finance Minister of Greece, has put forward a new conception of Bretton Woods, which really isn’t all that new. In fact, what he put forward was the British conception backed by the British government at the original Bretton Woods conference, that advocated by John Maynard Keynes. There is a very significant pattern of such advocacy of the Keynesian approach today.

To make this clear, I will read to you from an English translation of an article written by Varoufakis. This is dated May 4, 2016, and it appeared in the *Guardian* newspaper. He wrote as follows:



cc/Chatham House

Yanis Varoufakis

The 1944 Bretton Woods conference featured a clash of two men and their visions: Harry Dexter White, President Franklin Roosevelt’s representative, and John Maynard Keynes, representing a fading British Empire.

This is already an indication of how dishonest he is, because of course the British Empire is the only empire which continues to exist on the planet Earth.

The new post war system provided the foundation for capitalism’s finest hour—until ... White’s arrangement collapsed.

Well, White's arrangement, as we will see, did not collapse. What happened was that after Roosevelt's death, White's conception was distorted by the combination of Churchill and Harry S Truman, and then finally President Nixon abandoned what was left of White's conception. All of the problems that we've had since then are a result of the policies that I just mentioned, implemented over the last number of decades. Varoufakis continues:

Would Keynes's discarded plan be more appropriate for our post 2008 multipolar world?

Zhou Xiaochuan, the governor of China's central bank, suggested so in early 2009, lamenting that Bretton Woods had not embraced Keynes's proposal. Two years later, Dominique Strauss Kahn, then Managing Director of the International Monetary Fund, was asked what he thought the IMF's post 2008 role ought to be. He replied: "Keynes, 60 years ago, already foresaw what was needed: but it was too early. Now is the time to do it."

Keynes' solution was an international clearing union (ICU)... Members would agree to denominate all payments in a common accounting unit, which Keynes named the "Bancor," and to clear all international payments through the ICU.

A new ICU, ... in place of the abstract bancor, ... would feature a common digital currency—say, *Kosmos*—to be issued and regulated by the IMF.

Suddenly, the world will have acquired ... a global sovereign wealth fund. This would enable the transition to a low carbon energy system to be financed on a global scale and in a manner that stabilizes the global economy through investments in research and development dedicated to green energy and sustainable technologies.

Keynes was ahead of his time... We ... have a desperate need for the global green transition fund that a Keynesian Bretton Woods would automatically create.

Now, Varoufakis has been engaged in an organizing process in Europe and elsewhere globally on behalf of this conception since that time. For instance, he works very closely with James Galbraith, the U.S. economist and son of John Kenneth Galbraith, who wrote the famous book on the 1929 Crash. They formed a movement, along with Noam Chomsky, called Democracy in

Europe Movement 2025. Varoufakis and James Galbraith put forward a questionnaire, a number of the questions of which give you a sense of exactly what they're thinking. I'll read those questions.

Does Europe need a formalized coordination mechanism involving all relevant central banks, e.g., a framework along the lines of Keynes' International Clearing Union (ICU) proposal at the Bretton Woods Conference?

Should the large, universal European banks be broken up? If so, should they be broken by size or by function—as in the enactment of a European Glass

Steagall Act?

What can monetary policy do to support Green investment, for instance by routing quantitative easing solely through the purchase of EIB (European Investment Bank) and other qualified investment bonds?

How can military budgets be converted to support a European Advanced Research Projects Agency for energy innovation, and a European Manhattan Project of the diffusion of sustainable technologies and the creation of Green Cities and a Green Countryside?

As you can see, the idea is to take such ideas as a New



Harry Dexter White (left) and John Maynard Keynes.

IMF

Deal and speak about an “International New Deal”—to speak in terms of a progressive New Bretton Woods; to speak about a European Glass Steagall Act; to speak about a Manhattan Project for the diffusion of sustainable Green technologies. *This is what is meant by a Delphic operation.* On September 13, 2018, Varoufakis wrote another op ed in the *Guardian*, this one titled, “Our New International Movement Will Fight a Rising Fascism and Globalists.” In it he says:



CC/Gage Skidmore

*U.S. Senator Bernie Sanders.*

Our Progressive International must propose an International Monetary Clearing Union, of the type John Maynard Keynes suggested during the Bretton Woods conference in 1944.

Happily, there is no shortage of potential initiators: Bernie Sanders’ “political revolution” in the U.S., Jeremy Corbyn’s Labour Party, our Democracy in Europe Movement, Mexico’s president elect, the progressive elements of the African National Congress, and various movements fighting against bigotry and austerity in India.

Following that op ed, on October 16, 2018, it was announced that Sanders and Varoufakis have created an alliance to craft a “Common Blueprint for an International New Deal.”

Varoufakis ... proposed the formation of a “common council that draws out a common blueprint for an International New Deal, a progressive New Bretton Woods.”

In addition to the forthcoming progressive alliance, which incoming Mexican president Andres Manuel López Obrador, or AMLO, will reportedly be invited to join ...

It goes on from there.

So, you can see, they’re targeting the incoming President of Mexico, López Obrador, to join this operation. Bernie Sanders is scheduled to hold a press conference, I think at the end of November in Vermont, announcing his participation in this operation. In New York, of course, you’ve got Alexandria Ocasio Cortez who has called for a “green New Deal.” She’s not the author of these concepts, but in fact, is reflecting this same kind of notion.

### **Sowing Seeds of Conflict**

Such efforts have been going on for some time. On August 18, 2001, Felix Rohatyn authored an article in the *Financial Times* of London titled, “Back to Bretton Woods,” in which he stated, “I strongly believe in the benefits of globalization and of modern capitalism.” He called for President George W. Bush, the Secretary General of the UN, representatives of the developing world and the developed world, and also representatives of non-government organizations (NGOs), and the private sector, to join together to essentially develop a New Bretton Woods, which would be nothing more than Keynes and a policy of globalization.



lopezobrador.org

*Andrés Manuel López Obrador, Mexican President-elect.*

At that time, Lyndon LaRouche challenged Rohatyn with a series of questions, demanding what exactly did he mean by this “Bretton Woods”? Did he disagree or agree with Lyndon LaRouche’s conception, which had been put forward earlier? I don’t think Rohatyn ever answered those questions.

In 2008, as the financial crisis was developing, there was a conference in Modena, Italy, organized by two former members of the LaRouche organization, whom Lyndon LaRouche denounced at the time. They brought together a number of elite figures from Russia, as well as Italy, and adopted a phony New Bretton Woods conception, which had a very negative impact upon some of the Russian elite.

They issued a declaration that included calling for “a new currency or basket of currencies (not necessarily limited to the U.S. dollar).” They were calling for a replacement of the U.S. dollar by a new currency or a basket of currencies, essentially the Keynesian approach. At the time, in 2008, Lyndon LaRouche made the following statement:

The Modena meeting had the global effect of temporarily misleading the Russian representatives to support that Modena scheme, since that hoax, pulled off there, disoriented the Russians’ outlook sufficiently to have impaired historical U.S. Russia relations significantly since that time, relations which are of presently crucial importance not only for Russia and the U.S.A., respectively, but the world as a whole.

These same former members of the LaRouche movement next held a conference in Brazil and later, a number of conferences in Mexico.

I want to focus on this period of 2008, because LaRouche also pointed out that what these former members of our association put forward was none other than the perspective of Gordon Brown, the former Chancellor of the Exchequer—finance minister—of Great Britain and then Prime Minister.

In this period, except for the influence of LaRouche’s conception, you had numerous international spokesmen calling for a “New Bretton Woods,” but the Keynesian approach. In September or October of 2008, the *Telegraph* reported that Gordon Brown had called for a continuation of globalization and free trade, as opposed to a return to a fixed exchange rate. He also called for reforming the IMF to become a “global central bank.” At the same time, the President of France, Nicolas Sarkozy, called for a “New Bretton Woods,” and actually they had some competition between them as to who was the first one to call for the return to a New Bretton Woods.

This Keynesian viewpoint also, at that time, influenced leading figures in China. If you think back to what I said earlier, in quoting from Varoufakis’ *Guardian* article on a New Bretton Woods, in 2016, he referenced the governor of the central bank of China Zhou Xiaochuan. On March 23, 2009, Zhou wrote an essay on reforming the international monetary system, and what he wrote is the following:



U.S. Dept. of the Treasury  
*Zhou Xiaochuan, former Governor of the People’s Bank of China.*

The desirable goal of reforming the international monetary system, therefore, is to create an international reserve currency that is disconnected from individual nations and is able to remain stable in the long run, thus removing the inherent deficiencies caused by using credit based national currencies.

Though the super sovereign reserve currency has long since been proposed, yet no substantive progress has been achieved to date. Back in the 1940s, Keynes had already proposed to introduce an international currency unit named “Bancor,” based on the value of 30 representative commodities. Unfortunately, the proposal was not accepted. The collapse of the Bretton Woods system, which was based on the White approach, indicates that the Keynesian approach may have been more farsighted.

So, with that statement—I have no idea whether this individual continues to hold that view—you see the susceptibility to the Keynesian point of view, in terms of one of the major countries that must be included in the Four Powers Agreement. And this individual was very influential: He was the longest serving head of the People’s Bank of China, from 2002 until this year, 2018, when he retired.

If we look at John Maynard Keynes’ proposal, as reported in the *Guardian* of Nov. 18, 2008:

He proposed a global bank, which he called the

International Clearing Union. The bank would issue its own currency—the bancor—which was exchangeable with national currencies at fixed rates of exchange. The bancor would become the unit of account between nations, which means it would be used to measure a country's trade deficit or trade surplus.



John Maynard Keynes



Harry Dexter White

Keynes put forward an accounting measure which would essentially tax countries which had a deficit *and* countries which had a surplus, prevent or insist upon the export of capital, depending on whether they had a surplus or a deficit; and if they had a surplus, to basically expropriate the surplus at the end of the year.

This was a real policing mechanism of globalization that Keynes was putting forward, and this was thoroughly rejected by Roosevelt at Bretton Woods. It should also be noted, that Keynes's position, as I said earlier, fully endorsed by the British government at the time, was that the two founding states of a Bretton Woods system would be Britain and the United States. So, from the very beginning, the Brits wanted to maintain control over the world monetary system through their Keynesian conception of the Bretton Woods system. This was thoroughly rejected by FDR.

After Roosevelt's death, and after a campaign of slander against Harry Dexter White, although the Bretton Woods system was put into motion and had many very positive aspects, its functioning became increasingly distorted.

I want to make it very clear that Keynes was a fascist, and a supporter of Nazi Germany. This is what we're talking about in terms of the Keynesian proposal. The German edition of Keynes's *General Theory of Employment, Interest, and Money* was published in Berlin in 1936, when Hitler was in power. And I'll just read from the Introduction, written by Keynes himself, to the German edition:

For I confess that much of the following book is

illustrated and expounded mainly with reference to the conditions existing in the Anglo Saxon countries. Nevertheless, the theory of output as a whole, which is what the following book purports to provide, is much more easily adapted to the conditions of a totalitarian state [the German for that is *totaler Staat*—wfw], than is the theory of the production and distribution of a given output produced under conditions of free competition and a large measure of *laissez faire*.

He also continues to say that this policy of his is “applicable to situations in which national leadership [*staatliche Führung*] is more pronounced.” Of course, Hitler was called *der Führer*, so this is what he was referring to.

Not necessarily known by people who are advocating a Keynesian approach, is the actual fascist nature of Keynes's monetarist policy, which is basically an empire, an imperialist policy.

We also have a further complication, particularly under conditions, such as now, of sanctions. There's a great tendency in Russia—and LaRouche addressed this in respect to the Modena conference—where the idea was to abandon the dollar and to create a new currency or a basket of currencies. You have a certain kind of reaction among certain circles in Russia, against the idea of going back to the kind of New Bretton Woods proposal that Lyndon LaRouche has put forth. For in-



stance, Yuri Skidanov who writes for *Pravda*, wrote an article appearing Oct. 8, 2013, “Dollar Era Drawing to Its End.” I’ll just quote from this as indicative of the problem. He writes:

At the G-20 summit in St. Petersburg... the first steps were made to rid the banking and financial system of the dictatorship of the U.S. dollar as the world reserve currency.

All international transactions are made in dollars... All known attempts to get rid of the dollar leash have failed... In St. Petersburg, Russia signed a series of agreements that undermine this monopoly. On the first day of the summit, Gazprom and the Chinese state oil company signed an agreement... It is imperative that the currency of the agreement is the yuan or ruble...

Another unprecedented step toward getting rid of the monopoly of the dollar is the creation of a stabilization fund of the BRICS countries and the Development Bank.

This is a definite problem, because the key to Lyndon LaRouche’s conception is that there is no New Bretton Woods, unless you have the cooperation of the four powers—the United States, Russia, China, and India—as the initiating body. And you can’t really address the problem in the world’s financial system, if you think that you can avoid an agreement with the United States, since the international reserve currency is the dollar, and if you just avoid that issue, you’re courting disaster—and you’re playing into the hands of the British.

Recently, at the Valdai Conference in Sochi, Russia,

President Putin was questioned about this overall issue. He addressed the problem of the U.S. sanctions and said this is a problem of empire. Putin said that he does not desire to undermine the dollar and explained that Russia was forced to move into transactions using national currencies, out of self defense. While that’s understandable, it would have been actually better had he made a distinction between the British Empire, and what he himself knows is the positive history of the United States, particularly under President Franklin Roosevelt. That, in a certain sense, is what Lyndon LaRouche has emphasized throughout the last decade—that distinction between the British system, which is an imperialist, monetary system, and the American system, which operates on different principles altogether.

### LaRouche’s New Bretton Woods: Key Concepts

I would stress that there are a number of key concepts behind Lyndon LaRouche’s notion of a New Bretton Woods:

The first is national sovereignty. What he is proposing is not a system based upon a global central bank with a currency which is not a national currency. So, the first point is national sovereignty.

The second point is the Treaty of Westphalia, which implies the cooperation of nation states, in making treaty agreements to the mutual benefit of all of humanity—not just the four powers, but all of humanity. From that standpoint, you cannot have a situation where the United States is excluded from this process. It won’t really work in the long run. And it doesn’t address the danger of war; it doesn’t address the danger of financial collapse in the trans Atlantic system.

Third, which is implicit in the concept of national sovereignty, is that this must be based on national credit systems. The error that was made in the proposal to reform the IMF by Zhou Xiaochuan, the former Governor of the People’s Bank of China, is his opposition to using credit based national currencies.

Finally—and this goes to Lyndon LaRouche’s Four Laws—the concept must be of extending credit for the purpose of increasing the potential relative population-density through investment in capital intensive forms of technology, and this must be an anti entropic process, as opposed to the Green concept which is based upon the false notion of universal entropy.

Look at the proposal by Varoufakis and Chomsky and Galbraith and Sanders—they are calling for a European Glass Steagall, a so-called “progressive New Bretton Woods,” and a falsely named “International New Deal.” Their policies are, in fact, based upon “green” technology, which means that there’s no increase in the potential relative population-density; there’s no investment in capital intensive forms of technology, including nuclear energy; and there’s no investment in space or in fusion power, which are the future of mankind.

### **The Role of the United States**

In 2008 and 2009, Lyndon LaRouche wrote a series of articles published in *Executive Intelligence Review*, spelling out his conception, particularly in the aftermath of the Modena conference that I mentioned. Let me just read from a number of his writings at that time.

The first is from an article titled, “New Bretton Woods: Russia’s Role in a Recovery” (*EIR*, Aug. 20, 2008):

While it were desirable that any among Russia, China, India and other nations would press the United States to initiate the New Bretton Woods reform which I have proposed, it is absolutely indispensable that that reform in international institutions actually be initiated as a proffer from the U.S.A. The reasons for that indispensable role of the U.S.A. lie, not only in the fact that “dollar” means “the big debt of the world system,” it also means, that only the U.S.A. Constitution provides the mechanism readily at hand by which a needed quality of New Bretton Woods system could be actually launched as an international treaty organization. . . .

The campaign for a “new Bretton Woods,” is one of those battles, like that of a great war already in progress, in which no acceptable choice but that either a Westphalian victory in policy is adopted, or the planet has already entered a new dark age. Sometimes, as in physical scientific practice, nature itself confronts us with choices like that.

In a second article, actually predating what I just quoted from, “Free Trade vs. National Interest: The Economics Debate about Russia” (*EIR* June 12, 2008), he writes:

What must occur soon, if a horror which would be worse than Europe’s Fourteenth-Century so-called “New Dark Age” is to be averted, must be the formation of an initial organizing committee composed of the governments of the U.S.A., Russia, China, and India, a committee whose agreement to what needs to be adopted as certain common principles of reform, principles which will serve as the needed catalyst for a general, more or less global agreement to a reform committed to certain principles of global cooperation among a majority of the world’s nation-states.

And then he says—and this is the distinction that he makes in terms of the constitutional principle of the United States—the ability to create credit as an implied power of the sovereign nation state:

There are two relevant, exemplary ways in which Constitutional money and related Federal credit can be generated by the U.S.A. The first, by consent of Congress. . . to authorize the U.S. Presidency (e.g., the Secretary of the Treasury) to utter credit which can be legally monetized.

The second way, is through the Congressional affirmation of draft treaties of the U.S. government. . . . The establishing of a network of such treaty agreements with the U.S., would challenge, and eliminate the present, hyperinflationary, floating exchange rate system. . . . That would be sufficient to establish a functioning form of new Bretton Woods system, not in the likeness of the monetarist schemes associated, through policies of the U.S. Truman Administration, with Keynes, but the original 1944 intention of President Franklin Roosevelt.

In an earlier article, “The New Bretton Woods System: Framework for a New, Just World Economic Order” (*EIR*, January 15, 2001), LaRouche wrote:

What Must Be Done—First, we must restore the characteristics of the old Bretton Woods system of the immediate post war decades. That means, a system of fixed exchange rates, capital controls, currency controls and financial controls, and global growth fostered by the same methods employed through institutions such as Germany’s Kreditanstalt für Wiederaufbau [Credit In-

stitute for Reconstruction], to promote large scale development of basic economic infrastructure, and to use the market potential generated by that infrastructural development, as the base of creating a still larger rate of growth in the development of agriculture and industry.

Second, we must do as President Roosevelt had intended: all sovereign nations must be, on principle, full partners in the new international monetary system. This is the fundamental difference between the old Bretton Woods system, and what must happen now. We cannot have a system which is going to work, which does not treat the majority of the human race as full partners in the system. Otherwise, it won't work.

Third, we must rely chiefly on credit created by the authority of perfectly sovereign nation state governments, to generate the medium to long term, domestic and international trade agreements on which the economic recovery and expansion will be centered.

In August 2008, in an article already cited, “New Bretton Woods: Russia’s Role in the Recovery,” he makes the following point:

What is required is a submission to a common universal principle, as it were to be conceived as an adopted principle of nature, as was that Peace of Westphalia. It must become a new, refreshed body of anti monetarist, natural, international law of economy, binding together a system of respectively perfectly sovereign nation states by a common, universal principle adopted in the likeness of a universal physical principle.

LaRouche elaborates on the two aspects of credit policy according to the U.S. Constitution—the ability, with the consent of Congress, through the Treasury, to issue credit, as in the case of Lincoln’s Greenback policy; and secondly, the capacity to form treaty organizations with the initiating group of the United States, Russia, China, and India, to extend credit for export of capital goods.

These two aspects were included, for instance, in an early 1990s proposal by Lyndon LaRouche for nationalizing the Federal Reserve: That is, credit for domestic use for productive purposes, and also credit extension for exports, in treaty agreements with additional countries. So, you could have a treaty agreement among the

United States, China, Russia, and India, in order to extend credit for exports to other countries; and of course, this would put the United States into a situation where it would be collaborating with the Chinese, the Russians, the Indians, on such projects as the One Belt, One Road policy.

And just to conclude, in an article in 2009, “The Real ‘New Bretton Woods’: A Dollar Based Global Recovery” (*EIR*, May 1, 2009), LaRouche makes this point in terms of the relationship of a new system among nations:

A fraternal system of Hamiltonian credit systems: the replacement for the present world monetary system must be a credit system modeled upon the U.S. Constitution as understood by Alexander Hamilton as opposed to British imperialist monetarist systems.

We are at a critical moment now, coming out of these midterm elections and going forward—with major summits scheduled between the United States and Russia, and between the United States and China. It’s recently been stated that the Trump Putin meeting in Paris will be brief, but there will be a full scale summit between Putin and Trump in Argentina, as well as a summit between Trump and Xi in Argentina. And of course, Prime Minister Modi of India and others, including Prime Minister Abe of Japan, will be there, as well.

If we’re going to actually bring the world back from the precipice, we need a very clear conception of the New Bretton Woods as I’ve just indicated. It’s very important that we get this conception across to President Trump. Trump has various handlers and managers, but they are really not the decisive element, here. In the recent week Trump has polemicized against “handlers,” and in a reference to the World Series, polemicized against the manager of the Dodgers. The basic point is that he is his own man on these matters. But we have to make sure that he actually understands this conception of a fraternal Hamiltonian system, involving national credit extension through treaty agreements, to develop the world—which will, in addition to developing other nations, also result in a vast gear up of our economy in the United States.

We also have to make sure that countries such as Russia, which out of self defense have a tendency to move away from the dollar, overcome that defensiveness. The same is true with China, where you also have a susceptibility to British ideology, as I’ve indicated in

terms of Keynes and the former Governor of the People's Bank of China. The same is true with India, as well.

We have to create a situation where the distinction between a Keynesian British Imperialist System and an American Credit System is clear, and that the latter is the concept that's adopted. Lyndon LaRouche goes through this in quite a bit of detail, but unfortunately, most Americans, and certainly most people in Russia, China, and India, among other nations throughout the world, do not understand the history involved here.

### The Issue Before Us

Lyndon LaRouche, in many of his articles on the New Bretton Woods, goes back to the role of Nicholas of Cusa, during the Renaissance, particularly to three books by Nicholas of Cusa: *Concordantia Catholica*, where he developed the concept of the nation state, *De Pace Fidei* (On the Peace of Faith), an original expression of the concept of the Treaty of Westphalia; and *De Docta Ignorantia* (On Learned Ignorance), in which he develops an anti entropic conception of economic development and man's role in the living image of the Creator in further developing the physical universe as a whole—which is what we do with the space program, what we would do with the development of fusion power, among other things.

Recently it was announced that we've had an increase in manufacturing jobs. In the month of October, I think, it was 32,000 more manufacturing jobs created in the United States—1,000 per day; and over the 22 months that President Trump has been in office, we've had approximately 450,000 manufacturing jobs created. But one of the really shocking figures, is that even with this increase, we only now have a total of about 12.5 million manufacturing jobs, whereas in June 1979, we had 19.5 million manufacturing jobs!

So, we have a long way to go: We would have to create 7 million more manufacturing jobs in this country just to get to the level we had 40 years ago. And that is just a quantitative picture.

The real issue is: What is the nature of these manufacturing jobs? Are we on the forefront of science, or are we just going back to the same old manufacturing practices that we've had for decades? Are we really moving forward, for instance, with magnetic levitation trains? Do we have the capacity to build nuclear power



Bellefonte nuclear site, near Scottsboro, Alabama.

TVA

plants? Are we developing fusion power? Are we developing high grade metals for these processes, special types of steel and so forth? Do we have the capacity to produce the shells for nuclear power plants? Do we have the capacity to work together with other nations, to really expand our efforts in space? All of this will increase the potential relative population-density of not only our own population, but also of the world.

We need a revolution in the economic platform we have in this country, and which the world has globally. That requires cooperation. The only way to do that is with Lyndon LaRouche's very clear conception of a New Bretton Woods system, and a *clear rejection* of the Keynesian/Malthusian—that is, *green* policy that's being put forward, which would mean the doom of humanity, whether it's through nuclear war as a result of the geopolitical policies of the British Empire, or through financial collapse, or through deliberate depopulation by moving toward enforcing green technology as the only future for humanity.

That's the issue before us. That's the issue before us in Kesha Rogers' campaign in Texas, and Ron Wiczorek's campaign in South Dakota right now, and in many other locations around the country. That's what is at stake, not only this Tuesday, but also in the period following Tuesday, with these summits coming up. Remember, after Argentina (Nov. 30-Dec. 1), President Putin has been invited to Washington, D.C. by President Trump. So, we have a potential, if we speak with a certain trumpet and with clarity, for the alternative for humanity.

# John Maynard Keynes: Magic & Mass Murder

by Robert Ingraham

Nov. 5—In November of 1715, in the first letter of what is known today as the *Leibniz-Clarke Correspondence*, Gottfried Leibniz declares to Isaac Newton's stand-in, Samuel Clarke, "Natural Religion itself seems to decay in England very much. . . ." From that opening incision, Leibniz proceeds to lay bare two uncomfortable truths which the British oligarchy refuses to admit to this present day: the moral and cultural degeneration which accompanied the ongoing oligarchical takeover of the British state in the wake of the 1688 Dutch invasion; and the superstitious, occultish, anti-scientific nature of Isaac Newton's fraudulent methodology.

Only in the most implausible realm of what is sometimes called "black humor" could we find ourselves in a world where a Newton or a Keynes is considered a serious thinker, let alone a "scientist," or an "economist." They, like others in their genus such as John Locke, Jeremy Bentham, Bertrand Russell and H.G. Wells, were all servants of the British Empire—mere propagandists for the outlook, anti-morality, and geopolitical interests of that empire. They were all genetically devoted to continued British Rule, and everything they wrote and did throughout their lifetimes was in the service of that Empire.

From infancy to their breeding, their education, their training, and eventually their promotion to positions of influence, all of these individuals imbibed from the cup of oligarchical values. Each in his own way was groomed to serve the British Crown, at a time when the British Empire was engaged in killing more people than Adolf Hitler ever dreamed of. Only a gullible nincompoop of the highest order can seriously engage in an

academic "ivory tower" analysis of Keynes', Newton's or Russell's writings and judge the merits or demerits of their words divorced from the reality of their combined devotion to the continuation of oligarchical rule. Only a fool believes that morality can be separated from science or economics.

In reality, John Maynard Keynes was a diseased soul, one whose economic theories were based in fraud and occultism, and one who professed loyalty to the British Empire and profoundly anti-human Malthusian views throughout his life.



John Maynard Keynes

## Double, Double Toil and Trouble

Among his many writings, John Maynard Keynes is primarily known today for his 1930 *Treatise on Money*, his 1933 *The Means to Prosperity*, and his 1936 (so-called *magnum opus*) *The General Theory of Employment, Interest and Money*. Yet, prior to those "economic" writings, in 1921 Keynes authored *A Treatise on Probability*, and the methodology of all of Keynes' later works has its axiomatic origin in his work on "probability," a subject he had intensively studied from his university days

all the way through the first World War.

In his 1921 work, Keynes asserts that knowable truth is impossible. The closest one can come to the truth is through what he calls "Direct Knowledge," which according to Keynes comes entirely from either the senses or experience. Everything else falls within the category of "Indirect Knowledge," which cannot be truly known but only approached, and ultimately guessed at. Keynes is explicit that neither Direct nor Indirect Knowledge represents the actual truth about



Painting by Jan Matejko, 1867

*Alchemist Sendivogius (1566-1636).*

anything. Therefore, one has to develop means to determine what might be “probable.”

The method Keynes employs—while intended to be intimidating to non-mathematicians—is in reality remarkably similar to that of the life insurance company, calculating the profit or loss of the imminent death of a client with an actuarial table. Keynes creates categories, such as “*p*,” probable belief—primary proposition; “*α*,” degree of probability; “*h*,” evidence on which we base our belief; and “*q*,” what we know—secondary proposition; all of which are designed to lead one toward some possible prediction of what *might* happen as a result of one’s actions.

Keynes spends a great deal of time discussing his proposed “Principle of Indifference,” which he insists must define the approach to solving any problem where there are equal degrees of probability. It is also worth noting, since Keynes is actually writing about mathematics and not economics, that he states in Part II of his book, “Fundamental Theories,” that the method he employs throughout this section is derived entirely from Bertrand Russell’s *Principia Mathematica*.

In the real world of the science of Kepler, Leibniz, Gauss and Riemann, what Keynes is engaged in is not science, not economics, and not really even mathematics—it is *Fortuna*. Take away all the bows and ribbons and what is left is the gambling theories of Galileo Galilei, Giralamo Cardano and Abraham de Moivre, and what is revealed is that the “economics” of Keynes resembles nothing so much as John Law at the gambling tables of Venice’s *Ridotto*. Nothing is known for certain. It is all chance; and it is all about money.

Far more important is that there is absolutely nothing

in Keynes’ writings which deals with the question of the advancement of the human condition. Nothing about science, nothing about revolutionary inventions, nothing about increased human productivity or human creativity. It is entirely monetarist and entirely mathematical. Keynes has only one real concern: securing the stability and hegemony of British monetary institutions and maintaining rule by the British Empire—and like many failed gamblers before him, it is all about devising logical mathematical rules which will keep the flow of loot coming.

Keynes’ motivation is crystal clear, as expressed in his 1919 *The Economic Consequences of the Peace*, wherein he criticizes the harsh reparations payments which were imposed on Germany at the end of World War I. Keynes’ concern was not that people might suffer or starve; rather, that the severity of the scheduled debt payments was so onerous that Germany might default, thus threatening the creditor banks in London and elsewhere, and undermining the security of the British Empire at the very moment when it was emerging victorious from the hellish war it had instigated.

### **Black Magic**

Before turning to Keynes’ career, it is useful to delve a little further into the question of the occult. Keynes and others of his type deserve no respect, not even of the type, “I know he is wrong, but he is very intelligent.” Let us dispense with that nonsense.

On July 13, 1936, at Sotheby’s auction house in London, John Maynard Keynes submitted the winning bid and took possession of a remarkable trophy: a metal chest full of Isaac Newton’s private, hand-written papers and lab books, almost three hundred years old, most never published. Keynes was shocked to discover that the chest was stuffed with writings by Newton on black magic, the transmutation of gold, and various occult practices.

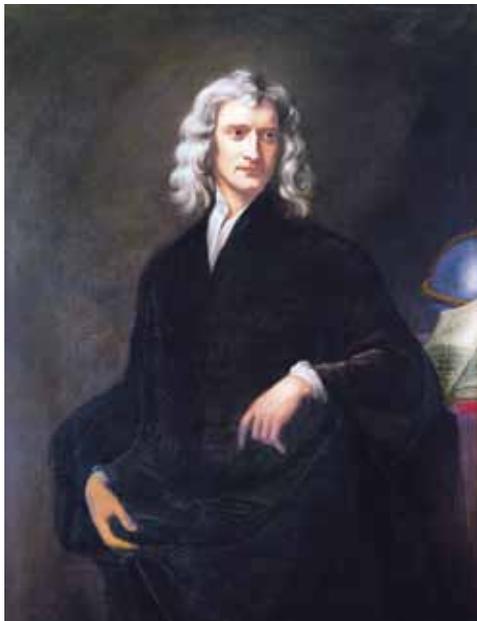
Subsequent to that discovery, it has come to light that Newton was devoted to the occult for the entirety of his adult life, and that this pursuit of his became a near obsession in his later years, precisely at the time he was both Master of the Mint (1699-1726) for the British Crown and simultaneously engaged in a ruthless cam-

paign to libel and destroy Gottfried Leibniz—all of this occurring, of course, in the wake of the 1688 “Glorious Revolution” which led to the creation of the predatory Anglo-Dutch Empire.

Newton had spent decades in pursuit of the “Philosopher’s Stone,” a delusory occult substance allegedly able to turn base metals into gold. Newton translated the “Emerald Tablet” (*Tabula Smaragdina*) from Latin into English—a work by the mythological Hermes Trismegistus, which purportedly held the secret for the transmutation of metals. What is most revealing is that in the Newtonian view, as expressed in the *Leibniz-Clarke Correspondence*, as well as in such other things as Newton’s concept of “Action at a Distance,” what is put forth—as science!—is the hermetic occultism of the “Emerald Tablet.” At a time when Leibniz, the student of Johannes Kepler, was pursuing Kepler’s approach to discovering lawful principles which govern the physical universe, Newton, guided by the occult, propounded a mixture of fixed mathematical rules combined with gremlins below the floorboards empowered with magical powers.

Is this not also the case with Keynes? He is both unconcerned and at a loss to explain the physical development of the human species. The *noëtic* power which enabled mankind to advance from a hunter-gatherer society of only several million to a global civilization with advanced Arts and Sciences is not something he cares to discuss. He can’t account for it, because if he did, he would have to admit the evil nature of oligarchical empire.

Befitting a true student of Bertrand Russell, Keynes accepts the existence of the oligarchically-controlled private Central Banking System as an axiomatic given. The subject of a Hamiltonian sovereign Credit System—the most successful economic system in human history—is nowhere to be found in his writings. Thus, it is no exaggeration to say that Keynes completely ignores reality. He simply cannot discuss or deal with scientific discov-



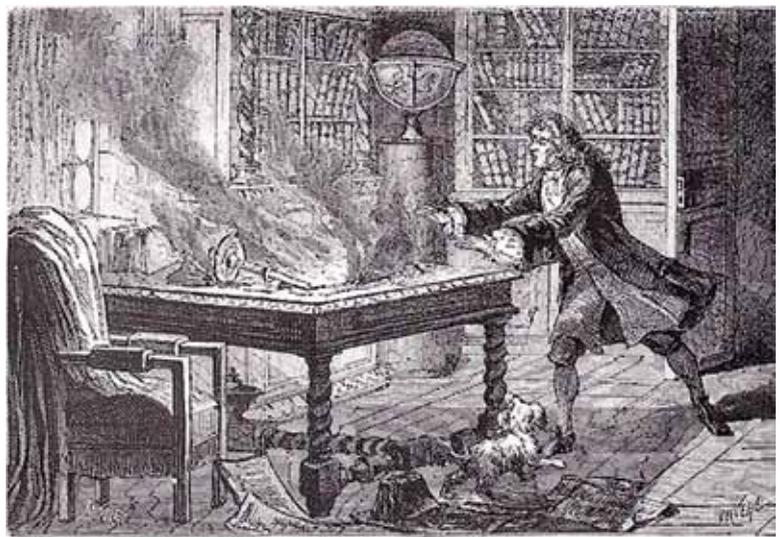
Isaac Newton

ery, increases in technologically-intensive human productivity, or the proven success of Hamiltonian Credit.

Instead, he lives in a make-believe world, a world governed by magic, where money and the ability to slyly manipulate money, reign supreme. Slightly cleverer than Newton, he does not insist on fixed laws, but instead proposes that if certain mathematical procedures are followed, then a certain outcome is “probable.” If that probable outcome does not come to pass, then new computations, i.e., “incantations,” must be made to produce a better result. Pure magic! And all of this, as also in the case with Newton, is to perpetuate rule by the British Empire.

### Molding a Homicidal Mind

From the moment that he entered Eton at the age of 14, Keynes was placed on a fast track for service to the British Empire. After a brief stint at Cambridge, in 1906 Keynes joined the Civil Service as an official in the India Office. In 1911 he published his first book, *Indian Currency and Finance*, and at the conclusion of World War I, he was appointed financial representative for the Treasury to the 1919 Versailles peace conference. During this period, he was also admitted as a member



Engraving from 1874

Newton’s dog burns his writings on alchemy in 1693.



wikipedia

*Government famine relief, c. 1901, Ahmedabad, India.*

of both the British Order of the Bath and the Belgian Order of Leopold, feudal orders headed by the respective Monarchs of those countries.

It was during this period that Keynes also began a voracious sexual career. In his diary he lists homosexual encounters with 130 different men between 1909 and 1911.

To understand the species-nature of Keynes' moral turpitude, it is useful to look at the circumstances surrounding the publication of *Indian Currency and Finance*. Between 1896 and 1900 two devastating famines swept through British-controlled India. Somewhere between 5 million and 12 million people died. As with the Great Famine of 1876-1878 in India, as well as the earlier Irish "Potato Famine," these famines were a direct result of British colonial policy and can only be accurately categorized as willful genocide. In response to this British-instigated mass murder, the Congress Party was formed in India, and by 1905 many leaders of the Congress began to agitate for independence from Britain. In 1915, Mahatma Gandhi returned to India from South Africa and soon took over the leadership of the Congress Party.

This was also the period when Sun Yat-sen began sharply polemicizing against the British Empire and

what he called British "Cosmopolitanism," i.e., the subservience of nation-states to supra-national British monetary power.

In his 1911 book, Keynes—supposedly an economist—ignores all of this. Famine and starvation are never mentioned. Science, living standards and education are never mentioned. Indian leaders demanding freedom from British oppression are never mentioned. Instead, his topic is reform of the Indian currency and banking system, so as to integrate Indian finances more fully into the London-based global financial system, to make India a more functional—and subservient—member of the British monetary empire.

This was always Keynes' singular focus—in 1911 with India, in 1919 at Versailles, in 1930-33 with the crisis of the British Pound, and in 1944 at Bretton Woods—defending and furthering the functioning and the power of British imperial monetary interests.

In his presentation to the [November 3, 2018 LaRouche PAC Manhattan meeting](#), Will Wertz spoke about Keynes' admiration for Nazi Germany. Keynes was also a passionate proponent

of eugenics. He served as director of the British Eugenics Society from 1937 to 1944. As late as 1946, shortly before his death, in his Galton Lecture to the Eugenics Society, Keynes declared eugenics to be "the most important, significant and, I would add, genuine branch of sociology which exists." This, of course, is very relevant to the speech delivered by Megan Beets to the [October 20, 2018 LaRouche PAC Manhattan meeting](#) on the British sponsorship of racist eugenics.

After 1933, Keynes attempted, largely unsuccessfully, to infect the Roosevelt administration with his ideas and policy proposals, but FDR's commitment to a Hamilton Public Credit approach for uplifting the productivity of the nation took America in a different direction. The story of Keynes' role at Bretton Woods—as reported by Will Wertz—is a testimony to the lifelong commitment of Keynes to the hegemony of British monetary rule and British Malthusian policy.

The Greek god Prometheus defied Zeus and gave mankind fire and science. The modern-day proponents of Keynes, such as Yanis Varoufakis and Bernie Sanders, have only proven—by their worship of Keynes and their loyalty to a British Malthusian "green" agenda—that they prefer groveling servitude at the feet of the London-based Zeus.

# What Is Our Future?

This is the edited transcript of a [presentation by Ben Deniston](#), a member of the LaRouche PAC Science Research Team, to the LaRouche PAC's Manhattan Project meeting in New York City on October 27, 2018. Deniston's presentation followed that of Barbara Boyd, featured in the November 2 issue of EIR.

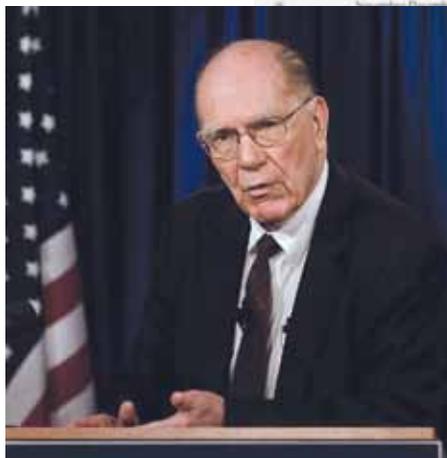
What will the future look like if we succeed? What can be done with a Four Powers Agreement—that is, if we can get the United States, Russia, China, India to come together to form an alliance to end geopolitics and thereby ensuring that the global community no longer has to worry about geopolitical conflicts, proxy wars, trade wars, all this crazy stuff, and focus on the common, shared advancement of mankind. This is embodied in the Schiller Institute's petition for a New Bretton Woods conference—calling on the leaders of these four powers to initiate that.

## The Science to Colonize Moon, Mars

I was asked to discuss today mankind's future from the standpoint of mankind's future in space. I'll start by referencing an excellent 1986 [paper](#) by Lyndon LaRouche, "The Science and Technology Needed to Colonize Mars." [Figure 1] At that time, LaRouche was emphatically pushing a Moon-Mars colonization space program as the premier economic and science driver globally.

He had picked up on this approach somewhat earlier but, coming out of his collaboration with Krafft Ehrlicke, and his work on the Strategic Defense Initiative, by the mid-1980s, he was really putting a lot of work into this. By the mid-1980s, LaRouche had realized that mankind had come to a point in its development for not just visiting space, but economically developing and colonizing nearby space, bringing man into becoming a controlling, active force in the Solar system. LaRouche was convinced that a Moon-Mars colonization effort

FIGURE 1



Fusion magazine  
Title page of 1986 article by Lyndon LaRouche (left).

would drive the greatest progress, the greatest technological development and would underpin new scientific revolutions.

Therefore, he wrote, Moon-Mars needed to be our mission driver. At the same time that we are developing the world, bringing infrastructure to all the formerly colonized nations, ending poverty, completing the World Land-

Bridge, we need to simultaneously pursue space exploration and settlement, to continue to drive the frontiers farther. LaRouche's paper is an excellent presentation of his perspective. Some of the specifics may have

changed to some degree, but the basic thesis he presents there is as accurate today as it was then.

I was always struck—and I think this is an important element to separate LaRouche's perspective on space from many others—by how he organizes his conception of the necessity of this Moon-Mars colonization program. In this paper, you'll see he discusses in significant detail how to get to the point of having human colonies on Mars.

He says that's going to require an industrialization of the Moon first. We'll begin by constructing space ships, electronics, advanced materials, physical infrastructure on the Moon from resources provided from the Moon and other places in space. We'll not try to lift everything we'll need for Mars from the Earth, but we'll utilize that which we can make on the Moon from lunar resources. That's the way we'll put together flotillas of fusion-powered spacecraft that will carry many people to Mars and back at constant acceleration—ideally at one-gravity acceleration—to negate the effects of zero gravity during space travel, and vastly increase the speed of these trips. That would provide the basis to then populate Mars with eventually thousands of people.

It's around a 40-year program that LaRouche lays out and breaks down into stages, bringing a rather interesting reasoning to the program. He says the basis of a Moon-Mars program needs to be sufficient to support a relatively small number of scientists who are able to live in space and on the surfaces of the Moon and of Mars, who will operate and maintain the largest and most advanced telescopic system ever devised by mankind.

LaRouche lays out a fascinating proposal for populating the Mars orbit with a number of telescopic systems that can cover significant ranges of the electromagnetic spectrum. And that if you distribute them along the Mars orbit such that they orbit with Mars, but either before it or behind it, you will have in such an array an entire set of satellites orbiting around the Sun in the same orbit as Mars, but distributed out to make the full circle. You can then integrate all of those telescopic systems into effectively a single apparatus, and thereby give the coming generations of young scientists the most advanced, frontier capabilities to investigate the physical universe that they could ever dream of. That project should be the basis of the entire colonization of space; that goal should define the entire project.

So, potentially thousands of people living in space;

thousands of engineers, construction workers, people growing crops, the lunar colonization, all of this activity to support a relatively small number of people to operate this particular type of telescopic apparatus. That's a rather provocative driver for the entire program. As to why this should be, and how we need to think about ordering mankind's colonization of space, LaRouche says:

As physical science progresses, what was accepted as the best physics yesterday, seems to break down around the edges. Usually, when this first occurs, the physicists mumble the ugliest curse word in their scientific vocabularies—'anomalous'. At first, they look at the embarrassing experimental results suspiciously, thinking someone must have played a mean prank upon them. Sooner or later, some physicists warn, 'It's no good calling these embarrassing experimental results anomalies. We have to face scientific facts. There is something wrong with our existing scientific textbooks.' The history of anomalies is the history of fundamental progress in science.

### **Needed: Revolutionary Transformations**

You who are at all familiar with LaRouche's revolutionary work in economics, know where he's going with this line of thought: Fundamental revolutionary transformations in mankind's understanding of the organization of the universe, are the basis of humanity's advancement; it's the basis of technology. It's the basis of new infrastructure platforms; it's the basis for being able to increase the productive powers of labor; increasing living standards; it's LaRouche's metric for economic growth—potential relative population-density. We may have a lot of technologies, a lot of infrastructure, advanced material sciences, all of these things, but it is all bounded by, at the most fundamental level, our scientific understanding of the nature of the universe in its deepest fundamentals. Our breakthroughs in getting ever closer to those fundamentals are what enable us to pursue the kind of development and progress that only mankind can achieve.

In his vision of the space program, LaRouche discusses the necessity to colonize space, industrialize the Moon, colonize Mars, really develop all the potential technologies available to us today: nuclear technologies, fusion technologies, magnetic levitation, and the

FIGURE 2



*Phoenician ship bas-relief on a sarcophagus from the 2nd Century A.D.*

most advanced processing of resources. Utilize those technologies to the fullest extent, to our fullest ability. All are within mankind's capability now today, really.

That effort, when fully realized, will give us the ability to develop the entire planet, bring mankind into space, and begin its colonization. As we engage in that effort we will encounter the clues, the anomalies, the paradoxes for our next steps that will in turn lead us to the next revolutions in science, that will lead to the next classes of technologies, to the next platform of civilization as we look not just to the Solar System, but I would say to the galaxy at large.

So, that's LaRouche's thesis on how you need to think about scientific advancement and mankind's conquest of space. I now want to take a parallel track—resituating how to think about space development from the standpoint of a natural historical progression [Figure 2] of human evolution and development.

Unfortunately, a lot of damage has been done to our imaginations and minds by science fiction and various popularized views, such that many people today view space and space travel as some weird sci-fi thing. A few people get excited, but it doesn't mean anything for the vast majority.

### Physical-Economic Platforms

That view and that attitude could not be more wrong. We're talking here about the natural future of mankind, if we are to progress. I think that's best understood, again, in terms of LaRouche's work, and in particular his work on what he calls physical-economic platforms. If you want to understand human progress, if you want to understand economic development, you have to understand the role of infrastructure. If you want to understand the role of infrastructure and how that allows mankind to change his relation to the natural world, then we want to look at certain discrete phases of qualitative shifts in how mankind transformed his relationship to the natural world.

Let's begin by looking at the very ancient era, of the earliest times of trans-oceanic navigation; the very earliest of maritime cultures. The earliest seafaring cultures that could navigate the seas, depended upon certain fundamental discoveries about the stars and the star map; they depended upon an understanding of the stellar night-time sky. They mapped their position on the water, based on their readings of the positions and changes in the sky during both the daylight and night-time hours. LaRouche says that was really man's first infrastructure platform; those discoveries constituted the beginning of our being able to expand our natural environment, so to speak; to expand the domain in which societies could exist and develop coastal territories all over the planet. Our civilization was fundamentally transformed by our understanding of trans-oceanic navigation.

The next revolutionary steps [Figure 3] came with the development of inland river systems, and eventually by the construction of man-made canals and water-

FIGURE 3



*River systems and canals enable development.*



FIGURE 4



*Map of the U.S. transcontinental railroad.*

FIGURE 5



*Map projecting the extent of the future World Land-Bridge.*

ways to interconnect naturally existing river systems, allowing us to bring cities, society, and general economic development further inland along these waterways and river systems, and canals. These activities allowed mankind to begin populating completely new non-coastal territories. Again, this is mankind at work here, this is what's natural about human beings.

We go from the stage where we existed in certain parts of the planet, certain parts of the natural world, and through these kinds of creative advances and revolutions, we begin to exist and develop and populate completely new areas, which were inaccessible before, were undevelopable before, or unlivable before. Now, all of a sudden, they become livable, they become territories of regular habitation and development, as a function of mankind's activity and creative advancement.

We progressed further with the development of the initial transcontinental rail systems, [Figure 4] again, bringing new territories into economic access to the

point that what we're approaching today, is in a certain sense the full realization of global development based on the most advanced infrastructure available today: [Figure 5] the World Land-Bridge, as defined by Lyndon LaRouche and Helga Zepp-LaRouche, which will bring the entire territory of the planet up to the most advanced living standards and conditions of life, through the utilization of the most advanced infrastructure and technology systems available.

Take the case of California: Go back 100 years in California, before all the major irrigation systems were built.

What do you think the potential population-density of California was, especially Southern California, the Central Valley regions? It was hardly anything. With the construction of initial transportation systems and the water management systems, we turned a region that was prior to mankind's intervention scarcely habitable, into one of the most productive regions on the face of the planet, actually one of the most agriculturally productive on the planet. That's just one,

small example.

Taken to a global scale, that's the World Land-Bridge, especially when more advanced transportation systems are deployed, such as magnetic levitation technology, and even larger water management systems, such the Transaqua project to refill Lake Chad in Central Africa with water from the Congo River tributaries or the South Water North Project in China, or the North American Water and Power Alliance project for North America. These are the types of transformative programs that can make the potential of the entire territory of the planet—especially many of the interior regions of the continents where the population density and economic productivity is low—to be as productive, as capable, and as supportive as even the most advanced regions are today. Here we have mankind, shaping the potential of the entire territory of the planet.

And that is what's being pursued now—the completion of a new physical-economic platform that we're in the middle of developing.

## What's Next?

So, what's next? What comes as the next natural step? This is what makes mankind unique; it is our very nature, our destiny as a species, to continually pursue new types of creative development and expansion into the universe, whether it's the territories of the planet Earth, or now, as we're looking, beyond. [Figure 6] Space is not just a fantasy of some small section of science-fiction geeks. It is the natural future destiny of all mankind to navigate and settle, and it should be thought of as nothing less. The fact that every child today in the United States is not assuming that space exploration and settlement will become a regular part of life by the end of his or her life, is a tragedy. Because it should be and needs to be.

When you speak about space, again, think infrastructure, infrastructure platforms: What are the revolutionary changes in our infrastructure systems that will transform our relationship to space, as these prior infrastructure platforms transformed our relations to different regions of the planet? Think back again to the history of the United States. Travelling from the East Coast to the West Coast prior to the Transcontinental Railroad was an incredibly difficult, troublesome, harrowing experience, taking a covered wagon across the entire territory of the continent. Very few people attempted it, and fewer still got there alive; it was a huge expense; it was incredibly difficult and dangerous. What changed? Infrastructure: Rail systems.

Today, millions of people do it on a regular basis. What was, prior to a certain infrastructure platform, incredibly difficult, limited, if not impossible, has become a regular, everyday experience. With an infrastructure platform for space, space travel is similarly transformed. Figure 7 is an image of a document that Kesha Rogers and I collaborated on a couple of years ago now,

FIGURE 6



Near side of the Moon, imaged by Lunar Reconnaissance Orbiter, December 2010.

FIGURE 7



the “[Solar System Economic Platform](#),” takes off from the same thesis of LaRouche’s 1986 paper, which I cited at the beginning of this presentation. Rogers and I reviewed LaRouche’s thesis from the standpoint of some of the developments that had happened since he wrote it.

## Four Pillars of a Solar System Platform

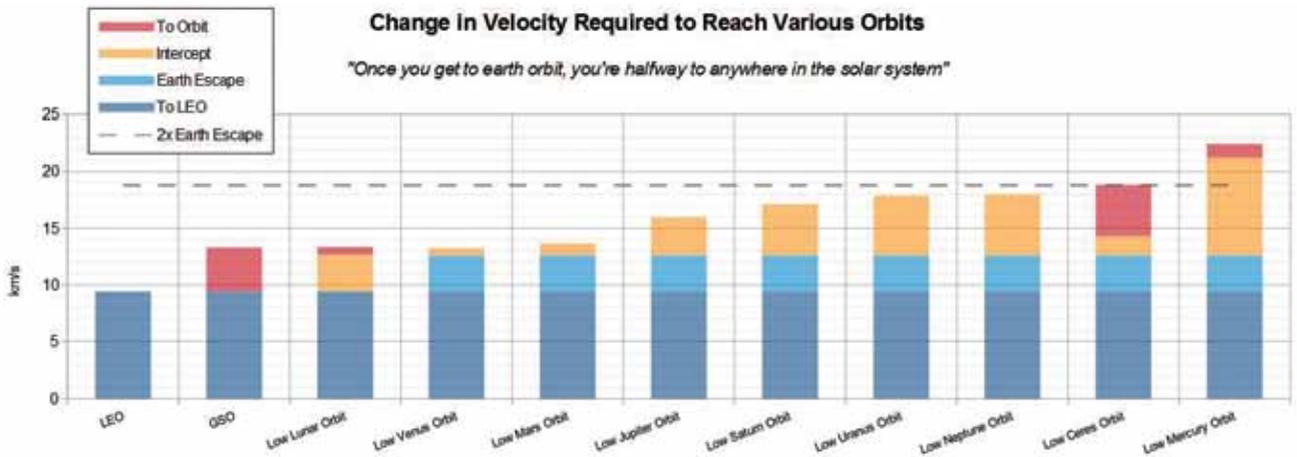
The title of our 2016 [paper](#), “The Principles and Boundary Conditions of a New Space Program: A Solar System Economic Platform,” looks at the boundary conditions that we’re coming up against to create a new platform.

We defined a few broad categories that should be distinguished, identified and pursued, if we’re going to create a platform that will give mankind a completely new relation to the Solar System. Those included:

- **Access to Space.** Getting from the Earth’s surface to Earth orbit. That’s a huge part of any kind of human activity in space. We’ll get into that in a little more detail.
- **Travel in Space.** Once in orbit, getting across vast distances, to the Moon, to Mars, to other bodies—travelling around in space.
- **Space Resource Development.** Creating the goods we need from the resources available in space, instead of having to bring up from Earth’s surface everything we will need—a very difficult and energy-intensive process. What can we source from the Moon, from near-Earth asteroids, from other bodies as we get farther and farther out? LaRouche discusses this in his 1986 paper, the industrialization of space—producing goods from the resources available to you in the Solar system.

• **Life Beyond the Biosphere.** More recently I’ve added a fourth point, which is not actually addressed in this article, but I think it’s also worth identifying, which is the broad category of life and biology beyond Earth’s biosphere—

FIGURE 8



certainly a very in-depth and involved topic, with many fascinating, exciting and important aspects, which are a little bit beyond what we can get into today.

These are the categories, then—the basic pillars of a Solar system platform that Rogers and I identify in our paper, plus one.

### Pillar 1: Access to Space

How many of you know how far away space is, from us here on Earth? I’ll assume everyone guessed the exact right answer, because everyone at our events is incredibly intelligent. It’s around some 200 km up, about 125 miles. That’s what people say is the beginning of space. So, for a rough figure, I’ll say about 125 miles—that’s not that far. That’s significantly closer, in simple distance terms, than I am to you in New Jersey right now. If you take a straight distance measurement from me to you, versus you to space, you are significantly closer to space than you are to me, right now.

How far is the Moon from Earth, then? Well, if the edge of space is less than a Washington to New York trip, less than half of that, really—how far away is the Moon? Well, the Moon is significantly farther, averaging almost 400,000 km (about 250,000 miles) in its elliptical orbit, about 2,000 times as far as the distance to space itself. How about to Mars? That’s even a larger jump: about 150 times farther than the Moon at its closest distance, or around 1,000 times farther than the Moon at its greatest distance. Going from Earth to space, and then going from Earth orbit to the Moon, and then going from the Moon to Mars—those are vast, vast distances, vast leaps in distance.

But this is significantly misleading. Because, getting into space is not simply about “getting up” 200 km. If you go up 200 km, straight up, what happens? You

just fall straight back down. It doesn’t bring you into space. The action that’s needed is what people in science call “change in velocity,” or *delta v*—“delta” meaning change and “v” meaning velocity.

To actually enter orbit, that is, to stay in space and not fall back to Earth, to get into low Earth orbit—this closest point of space accessible to us—you don’t just need to go up to 200 km, you also need to increase your speed from your resting speed on Earth to a speed of 34,000 km/hour. That’s pretty fast. For comparison, there are many pistols with a muzzle velocity of 1,500 feet per second—a little over 1,000 mph. To achieve low Earth orbit, therefore, requires accelerating to over 20 times the rate of a speeding bullet from a handgun.

To sum up, getting from Earth’s surface to low Earth orbit is not just about traversing a certain a distance, you actually have to change your velocity, such that you achieve orbit, and that requires you to move fast enough to maintain your position above the Earth in orbit.

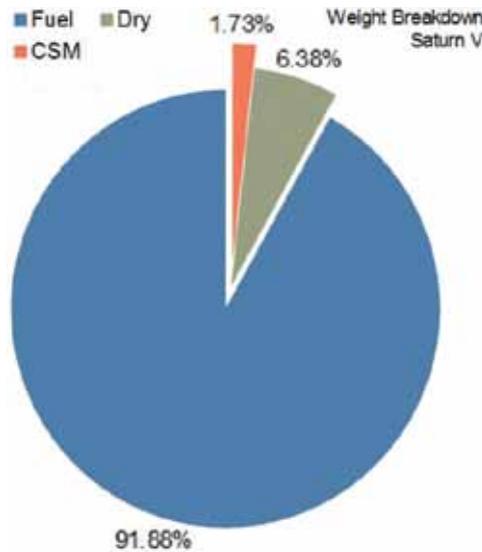
In terms of distance, then, the Moon is 2,000 times farther away than “space”; in terms of action. To get from Earth’s surface to Earth orbit, you need to achieve a velocity of 34,000 km/hr.

To reach orbit around the Moon, if you’re thinking only in terms of distances, getting there represents a 2,000-fold increase; however, to traverse that distance requires achieving a velocity of 48,000 km/hr, only 30% greater. So, if you’re talking about action, the energy requirement is really what it comes down to. Once you’re in low Earth orbit, you’re already more than two-thirds of the way (in energy requirements) to what it takes to get to lunar orbit. And as we’ll see, Mars itself is not that much “farther”—just 54,000 km/hr (about 33,500 mph).

**Figure 8** is a graphic representation of a number of



FIGURE 9



NASA

*Saturn V and its launch weight breakdown.*

planetary bodies in the Solar system, and the change in velocity, as we looked at the speed requirements to get to these orbits. Sometimes people say that once you reach Earth orbit, you're halfway to anywhere in the Solar system. The energy requirement to get from Earth's surface to Earth orbit is actually half the requirement for getting pretty much anywhere else in the Solar system, aside from maybe getting to Mercury, which happens to be one of the most difficult cases.

So, this first issue of our physical-economic space platform—getting from Earth's surface to Earth orbit—is really a major, major bottleneck for mankind's access to space.

One other very quick illustration: [Figure 9] is a breakdown of the weight of the Saturn V rocket, the rocket that took mankind to the Moon. The pie chart

FIGURE 10



NASA

*NASA's X-43A hypersonic scramjet demonstrator in 2004.*

shows that almost 92% of the entire weight of that rocket, was fuel. And most of that fuel was used just to lift off from the surface of the Earth and enter orbit around the Earth. About 6.5% of the total weight was the rocket itself (not counting the fuel), and less than 2% of the entire weight of that gigantic rocket was the tiny Lunar Module that landed on the Moon and the Command Module that brought our astronauts back to Earth. So, this is just another illustration of the challenges and difficulties involved in this first pillar, the first basis of mankind having access to space.

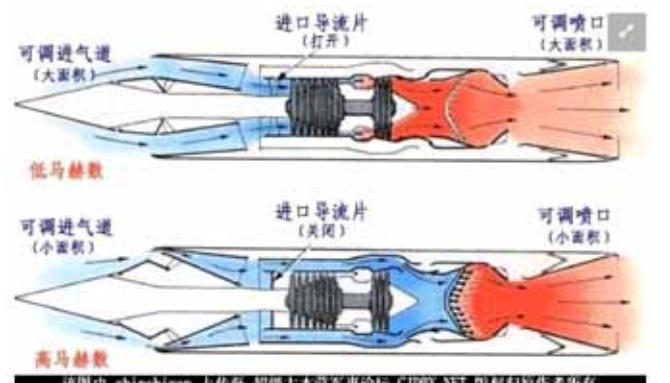
This is an area we need to tackle and overcome. A vast array of technologies currently exist or are being developed that can dramatically lower the cost, dramatically lower the energy requirements, and increase the ease of getting

people into space: [Figure 10] NASA has looked at scramjet (supersonic combustion ramjet) technologies, and space planes, as some people call them—engines that can continue burning atmospheric oxygen while accelerating to the extremely high speeds required to achieve orbit. These types of technologies are being pursued in the United States and in Europe; [Figure 11] China has had some recent breakthroughs in such technologies. Everyone knows that significantly increasing the thrust-to-weight ratio is a major advance that would, by any estimate, drop the cost by one to two orders of magnitude for putting payload and people into orbit.

So, this would be a huge game-changer in mankind's access to space.

Let's take one step further and look at technologies like vacuum tube magnetic levitation systems [Figure

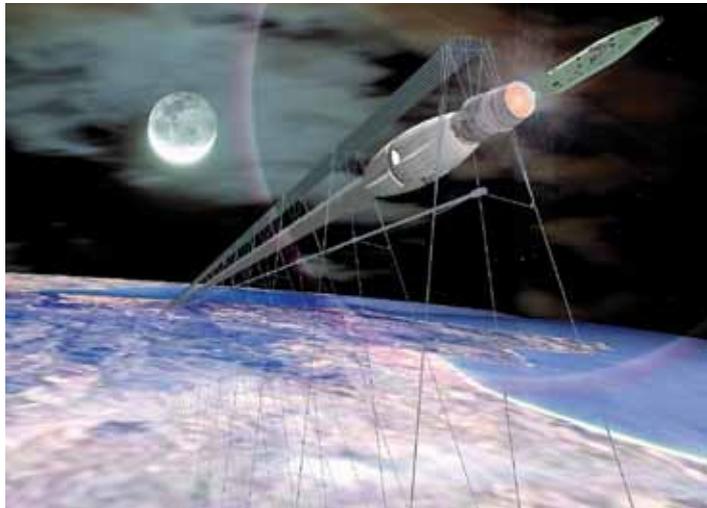
FIGURE 11



该图由 chinanews.com 上传至 中国太空网 网站, 版权归作者所有  
Chinese Aerospace Science and Technology Corporation

*Chinese blueprint for a combined cycle engine.*

FIGURE 12



Artist's impression of a StarTram Gen. 2 mag-lev space launcher. NASA

12] that are being researched and developed to launch cargo, and potentially even people (eventually) into orbit. Such technologies completely eliminate the need to carry fuel, and therefore the weight of fuel, to get you into orbit, because all of the energy requirement can be provided by the launch system itself.

To you give a sense of this, under NASA's Space Shuttle program, it's estimated that it cost around \$10,000 to put each pound of cargo into orbit. That's a lot of money! Some advances would lower it a little bit, but never by orders of magnitude.

Magnetic-levitation vacuum tube space launch technology is something many people have studied as a feasible option. People in China are looking at it, people in the United States at our national labs have looked at this. With a mag-lev launcher, it may be possible to lower the cost to insert cargo into low Earth orbit to around \$20/kg—a three orders of magnitude cost reduction—thereby dramatically increasing mankind's access to the Solar system.

This is similar to the role played by the railroad for the early transcontinental traveler. Making breakthroughs here will open up new potentials for much more efficient, much quicker, much easier, much larger access to the entire Solar system.

### Pillar 2: Travel in Space

Once in space, once in orbit, we'll need fusion propulsion. We need nuclear fission propulsion for certain cases, but if we want to really get around the Solar system, we'll need fusion propulsion. [Figure 13] This would revolutionize our access. Getting to Mars, for example, would

FIGURE 13



NASA/Pat Rawlings (SAIC)  
Artist's conception of a fusion rocket orbiting Mars.

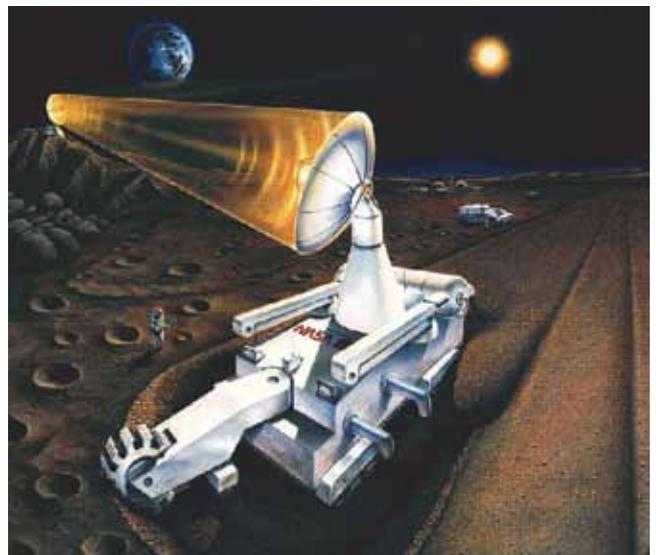
be a matter of weeks, compared to well over half a year with the current technologies. People could soon be ferrying back and forth from Mars—a complete revolution in our access to the Solar system. We'll need nuclear propulsion in space.

### Pillar 3: Space Resource Development

As to the development of resources—as LaRouche discussed in his article—probably the most important driving program for it would be mining the surface of the Moon for helium-3, [Figure 14] a fuel for fusion reactions that provides probably the best basis for sustained, long-term, advanced fusion power. Helium-3 is rare on Earth. You're not going to find any significant quantities on the Earth. But it covers the Moon. And mining the Moon for helium-3 could be the basis for an advanced fusion economy that could tackle all kinds of challenges in mankind's access to space, and in activities on Earth.

It would probably revolutionize our capabilities for

FIGURE 14



University of Wisconsin  
Design concept for a robot to extract helium-3 from the lunar soil.

mining and resource processing here on Earth. The ability to take something as dispersed and unconcentrated as the lunar soil, or regolith as it's called, and pull out the resources needed—helium-3 being one, but also oxygen, water, metals, all kinds of materials—to develop the technologies to process those resources on the Moon, will create a wide variety of spinoff technologies back here on Earth, as will all of these stages of development.

I will conclude with the same concept that LaRouche called for in his basic thesis: Creating a Solar system platform to provide mankind with the beginnings of the economic development and industrialization of space, must be the basis for pursuing the new revolutions in all areas of science. Doing so will not only transform and upgrade our understanding of the universe, but also transform our relationship to it.

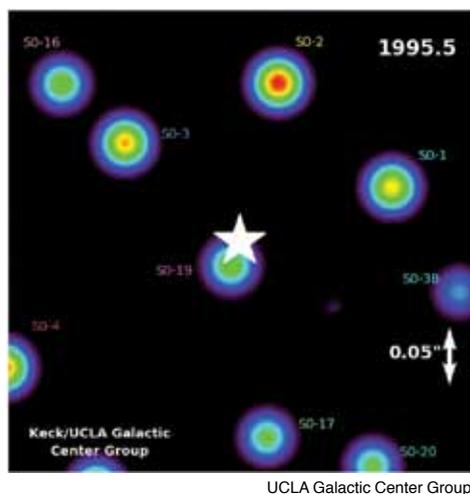
### An Outstanding Anomaly

**Figure 15** illustrates just one of many anomalies that are fascinating and call for much more work. I know it looks a little cartoonish, but this is actual data; these are representations of actual observations of entire stars—stars the size of our own Sun, orbiting around some point at the very center of our galaxy. Now, Earth, along with our entire Solar system, orbits the center of the Milky Way Galaxy on a scale estimated to be between 225 and 250 million Earth years. That's one galactic year for us—we're farther out in the outskirts of the Solar system.

But the stars in this figure are orbiting near the very center of our galaxy on a scale of decades! They're making entire orbits around this single, tiny location on the scale of decades. They're orbiting this point in space as if they were planets orbiting a star, but they themselves are stars. And what can be deduced from these orbits is that, obviously, an incredible amount of mass would be required at the center to cause entire stars to orbit it, with these nice, very clean ellipses, very clean Keplerian elliptical orbits. And it's been calculated to require, I believe, something on the order of 4 million times the mass of our Sun, concentrated in that small point in the center, in order to cause these stars to orbit around it at the rate they do.

The question is, when we observe that point around

FIGURE 15



*A still shot from an animation showing stars orbiting the center of the Milky Way Galaxy.*

which all these stars are orbiting, what do we see? Nothing! We don't see an incredibly massive star, we don't see some huge energetic object. We don't see anything! There's literally nothing that we can see. All that we have detected, so far, is a massive gravitational effect that's causing these entire stars to orbit as if they were planets.

This is one example of evidence for what some people call "black holes," which really is just a name for a place where our current understanding of physics completely breaks down. Here we have direct empirical evidence of phenomena in the universe for which

we have no understanding, that we don't currently understand at all. And there are all kinds of fascinating connections between these types of super-massive objects at the centers of galaxies, and some of the most energetic and intense activity that we see in the entire universe. These things seem to play a role regarding the structure and the nature of galaxies as whole.

### Prologue

Much more could be said about these frontier areas of science. I hope I have given you a taste of the sense that, as mankind pursues the colonization of space, the industrialization of the Moon, the Solar system platform, as I've been discussing it here, these technologies will transform mankind's relation to space, such that the space environment becomes just a regular, everyday part of the experience and activity of a growing proportion, and eventually of a majority of the human population.

As we pursue those technologies and our conquest of the Solar system, which is within our reach in the next couple of generations, we will also look beyond our Solar system to the farthest reaches of our galaxy, and the trillions of galaxies and galactic systems beyond, for the anomalies that will lead to ever new domains of science, of physics. The understandings of each of generation provide the basis for the next. Looking to 2100 to beyond, future generations will supersede what we have learned, with new arrays of technologies based on a completely new era of science.

That's the future! That's natural human progress! That's what we will inaugurate with the New Bretton Woods system and the Four Powers agreement.

# Will South Africa Lead? President Ramaphosa Has a Choice

by David Cherry and Ramasimong Phillip Tsokolibane

*We dedicate this article to the memory of our coworker Douglas DeGroot, who died unexpectedly while we were still writing.*

Nov. 3—At the summit of the Forum on China-Africa Cooperation (FOCAC) in Beijing in September, South African President Cyril Ramaphosa spoke as co-chair with China’s President Xi Jinping. The summit had brought together almost all African heads of state or government, and South Africa’s pre-eminent position as co-chair marked its importance in Africa. As the continent’s only full-set economy, South Africa has a special responsibility to function as the engine and gateway for Africa’s development.

South Africa has more scientists, engineers, and technical specialists per thousand of population than any other African country. South Africa’s rail grid is much denser than any other in Africa. It is the only country on the continent with a nuclear power plant.

President Ramaphosa, speaking for the African side at the FOCAC summit, said in part (combined excerpts):

We look to China as a valuable and committed partner in advancing [the African Union’s] Agenda 2063.... It is in pursuit of this vision that we embrace China’s ‘Belt and Road’ initiative.... We have observed with interest and admiration China’s remarkable economic ascendance... We applaud its achievements in social development, lifting millions of people out of poverty... There are many valuable lessons that Africa can learn from China’s impressive growth model and its approach to meeting the needs of



Cyril Ramaphosa, President of South Africa (left) and Xi Jinping, President of China, at the FOCAC summit, September 2018.

its people.... We welcome the fact that, in addition to trade, China has become a major investor in the continent.

President Ramaphosa spoke well as the representative of Africa’s governments. But did he, the President of South Africa, speak for his own government?

In the months since Ramaphosa became President on February 15, his government’s actions have been inconsistent with strong, enduring cooperation with China—the China that Ramaphosa had praised for its “impressive growth model and its approach to meeting the needs of its people.” The discrepancy is prominently shown in his government’s preliminary moves toward privatizing major elements of South Africa’s state sector and its rejection of new nuclear power plants—two features of the economy that are necessary for the kind of cooperation with China that Ramaphosa praised.

Ramaphosa did not come to the Presidency without ties and obligations. Under apartheid in the 1980s, leading mining families loyal to the British—including the Menells, Ruperts, and Oppenheims—had chosen Ramaphosa to lead the new black trade union movement. Later, when the ban on the African National Congress

(ANC) was lifted in 1990, these same families were able to place him among the ANC leaders with whom they would negotiate the transfer of power to black majority rule.

If Ramaphosa hopes to make South Africa a partner in China's Belt and Road Initiative, not only in word, but also in deed, he will have to free himself from the influence of these longtime guiding patrons. There are many who would eagerly help him to do so. But so far, it is these patrons' imperatives and interests that have been generously served by the government's actions. South Africa's national elections will take place in May or June of next year. Should Ramaphosa, currently an interim President,

become the next elected President, he may have only months in which to reverse the current direction of the country and establish his dedication to the common good. As the leader of the Patriotic Alliance party, Gayton McKenzie, puts it, "Black people live in squalor. . . . You must be mad if you think this will be tolerated forever."

South Africans have witnessed the forced resignations of Presidents Mbeki and Zuma, and could possibly arrange a forced resignation of their own choosing.

But it is also not beyond imagination that President Ramaphosa could take control and implement a South African version of China's "impressive growth model," for meeting the needs of South Africa's people. In September, Ramaphosa met U.S. President Donald Trump at a lunch on the sidelines of the UN General Assembly in New York. He must have gotten a sense of President Trump's commitment to friendly relations with China and Russia. Ramaphosa may also benefit by noting that Italy's new government, under Prime Minister Giuseppe Conte, while collaborating with Trump, has rejected the European Commission's imperious economic domination.<sup>1</sup> There is the proof that economies (such as South Africa's), formerly dependent on the London and Wall Street money centers, no longer exist in an economically unipolar world.

1. See Claudio Celani, "Strategic Shift: Italy Promotes the FDR Model, Repudiates Austerity," *EIR*, Oct. 26, 2018, pp. 34-37.



GCS

Former President Jacob Zuma (center) on site for the opening of Medupi Power Station Unit 6, Aug. 30, 2015. Medupi is a large, coal-fired power plant.

## The Government's Record Since February

Over the past months, the British-driven network in party and government has been removing officeholders and political figures who might oppose a program to dismantle the state sector, including crucially the state-owned electric power company, Eskom. Eskom is the beating heart of the state sector, its premier institution when the Afrikaners first built it, and essential to South African sovereignty. The British want to see Eskom broken up into parts and sold off.

*Cheap, abundant electrical energy is the foundation stone of an industrial economy. To privatize Eskom is to destroy it as an engine of national development, which would also mean eliminating it as the best platform for a further nuclear-power build. And such an increase in nuclear power is necessary to ensure South Africa's sovereignty.* One of the authors of this article, R.P. Tsokolibane, as leader of LaRouche South Africa, has taken the point for more nuclear power, and has warned of the British total onslaught, at great risk to himself.

The British got rid of one obstacle, Eskom Acting CEO Matshela Koko, a thirty-year Eskom veteran, through a campaign of legal harassment. On February 20, just days after Ramaphosa became president, the CEO of Rothschild South Africa, Martin Kingston, wrote to Koko's successor at Eskom, Phakamani Hadebe, proposing that "an immediate priority . . . should be an independent assessment of the financial

position of Eskom, so as to assist in the development of a viable plan to restore confidence.” In his lengthy [letter](#), marked “Strictly Private and Confidential,” Kingston urged upon him Rothschild’s qualifications to perform this “independent” assessment.

As for [Hadebe](#) himself, he arrived at Eskom from Barclays Africa, where he was CEO for investment banking (speculative investing) at this British imperial institution. He is the first Eskom CEO to be a career banker. Praised by that enemy of national sovereignty and the state sector anywhere, the IMF, Hadebe’s experience overseeing state-owned enterprises (SOEs) has been largely from working at the National Treasury under Finance Minister Trevor Manuel, ever loyal to the City of London, who used to enjoy quarterly meetings with Rothschild. Today, Trevor Manuel is CEO Kingston’s associate as Chairman of Rothschild South Africa. It’s a small world.

Days after the Rothschild letter, on February 26, Ramaphosa appointed Pravin Gordhan as Minister of Public Enterprises, the man former President Jacob Zuma had fired one year earlier as Finance Minister, precisely because of his persistent obstruction of state-sector major projects, including the planned nuclear build. The reaction of the British crowd to Gordhan’s firing had been worse than a tantrum—the sky was about to fall. The British-steered press, such as South Africa’s *Times*, *Mail & Guardian*, and *Daily Maverick*, portrayed Gordhan as a national hero.

South African commentator Phapano Phasha has recently again identified Britain’s hegemony in the South African economy, in her [article](#) now reprinted on P.D. Lawton’s blog, AfricanAgenda.net. What further illustration of that hegemony could be more dramatic, than these developments targeting Eskom?

## The British in South African History

Recall the history. Nathan Rothschild, the first Lord Rothschild, was present at the Creation, so to speak. That banker-friend of the British Royal Family, along with courtier Reginald Brett who had the Queen’s ear, and a few others, received Cecil Rhodes at Rothschild’s country house in February 1890 to hear Rhodes’ plan for a secret society to extend British Rule to the farthest corners of the Earth. They loved Rhodes’ idea. Brett, soon to be Lord Esher, noted that Rhodes seemed to be “quite unscrupulous”—perhaps he saw that as a plus. The secret society, formed a year later, soon obtained the support of the immensely powerful Cecil family,



cc/World Travel & Tourism Council

*Jabu Mabuza, now the chairman of Eskom. He has been CEO of AngloGold Ashanti, a British gold-mining multinational.*

headed then by Lord Robert Salisbury, and Lord Rothschild became a trustee of the society’s funds.

We know of the secret society thanks to Professor Carroll Quigley’s work, *The Anglo-American Establishment*, completed in 1949 but not published until 1981, after his death. Quigley had been in communication with members of the society, but apparently wrote without their knowledge. Lord Alfred Milner led the society after Rhodes’ death in 1902, and it was called “the Milner Group” from that time.

Eskom was founded in 1922 over howls of opposition from the British crowd, as was the founding of the state-owned steel company Iscor a few years later.<sup>2</sup> The expression in CEO Kingston’s letter, “an independent assessment of the financial position of Eskom,” must be understood to mean “independent of any influence other than that of the Empire.” But of course, Rothschild is not the only Empire-steered financial adviser in South Africa; there are other such “independent” advisers.

Indeed, recently appointed Eskom chairman, Jabu Mabuza, announced from London on October 8 that another imperial British bank, Lazard Brothers & Co., had been hired to assess which of Eskom’s assets could be sold. Lazard Brothers, from early on, was one of the great patrons of the imperial Milner Group and—a bit later—of the Milner Group’s creation, the Royal Institute of International Affairs, according to Quigley.

2. See “[British ‘State Capture’ of South Africa Must End!](#)” by David Cherry and Ramasimong Phillip Tsokolibane, *EIR* Aug. 25, 2017; and Alice Jacobs, *South African Heritage: A Biography of Dr. H.J. van der Bijl*, 1948, chapters 4-5.

Picture it: Here we have a newly appointed Eskom chairman, going to London and offering tribute to the Queen’s bankers, for their “help” in deciding which of South Africa’s limbs should be sawn off in the first round. This is not corruption; it is something far worse.

### An Ominous Pattern

The government’s actions have gone down hill from there. One day after the hiring of London-based Lazard Brothers, on October 9, Ramaphosa appointed—or was induced to appoint—Tito Mboweni as his Minister of Finance. Mboweni is no patriot. He had been Governor of the South African Reserve Bank in 2001, when a conspiracy of foreign exchange speculators was relentlessly driving down the South African rand. Mboweni had been quietly warned about these dirty operations, but did nothing. When the CEO of the South African Chamber of Business then blew the whistle, Mboweni flew into angry denial and demanded an apology, calling him a “populist.”

This British policy direction had also been confirmed when in April President Ramaphosa appointed—or was induced to appoint—Trudi Makhaya as his Economic Adviser. She has been promoting the “restructuring” of the state-owned enterprises, including privatizations. Rhodes Scholar Makhaya has held positions at Deloitte South Africa (Deloitte is one of the Big Four accounting and professional services multinationals) and Anglo-Gold Ashanti, the world’s third largest gold miner, both being British imperial operations in good standing. As recently as in her Nov. 25, 2015 [opinion column](#), Makhaya illustrated her breathtaking ignorance—or disregard—of Africa’s needs by attempting to dismiss the China model and praising the African continent as a market for Europe’s luxury goods.<sup>3</sup>

### Anti-Nuclear Folly, As in Brazil

The government is about to finalize a new 20-year Integrated Resource Plan that will probably exclude any new nuclear power plants. When the Zuma government had planned to spend well under \$70 billion on new nuclear power plants over perhaps 20 years, it was



Tito Mboweni, newly appointed Finance Minister.

World Economic Forum

a “scandal.” But now that the government is going to spend more than \$70 billion on intermittent wind and solar over the same period, but with facilities having less than half the lifespan of nuclear power plants, [there is no scandal](#). Because it is blessed by London. This suicidal horror show is likely to result in South Africa—now an energy exporter—becoming an energy importer of expensive liquefied natural gas as a back-up for the intermittent renewables.<sup>4</sup>

South Africa is thus increasingly suffering the fate of Brazil. Ever since Brazilian President Dilma Rousseff was overthrown in a regime-change coup and Michel Temer was made president, Brazil’s state sector, including nuclear power and other vital scientific and advanced industrial capabilities, has been steadily taken down by the same “anti-corruption” apparatus (under the name *Operação Lava Jato* or Operation Car Wash) which overthrew Rousseff. The British have sought to make the BRICS combination of developing countries ineffective by attacking its African and South American members—South Africa and Brazil.

### British Psychological Operations

The attack on Eskom and the rest of the state sector is only one prong of the current British strategy for retaining control of South Africa. Another important prong is a propaganda campaign to “re-educate” South Africans to accept the regime change that is taking place, under the guise of the Judicial Commission of

3. Similarly, in a Dec. 7, 2017 [opinion piece](#) in *Acumen*, while attempting to be more relevant, Makhaya dismisses any debate over “radical economic transformation” and proposes a vague, technocratic solution.

4. See *EIR*’s interview with Dr. Kelvin Kemm, Chairman of the Board of the South African Nuclear Energy Corporation, “[South Africa Builds on Its Nuclear Success](#),” *EIR*, May 11, 2018.



SABC

*Deputy Chief Justice Raymond Zondo, chairman of the Judicial Commission of Inquiry into State Capture.*

Inquiry into State Capture (the “Zondo Commission,” chaired by Deputy Chief Justice Raymond Zondo), whose proceedings are being broadcast live on state television, SABC. The commission has been authorized by the High Court in Pretoria to run for two years!

Media that were likely to expose the Zondo Commission have been suppressed. The commission did not begin its hearings until African News Network (ANN7)—the only television station that could have consistently opposed it—was forced to shut down on April 30, 2018, on a pretext. The LaRouche South Africa website, with 20,000 visits per month and rising, was hacked and destroyed, also in April. The *New Age* newspaper, a sister to ANN7, ceased publication on June 28. And the British-steered media are blackballing the newly unemployed patriotic journalists.

In the televised hearings, which began on August 20, the public is being exposed to a spectacle intended to nail former President Zuma and his close allies to the cross, while developing evidence against them for criminal prosecution. Conviction first, then prosecution. He has already been convicted by the press, but now the courts will give that conviction the appearance of due process of law.

The South African courts have received help from the British-driven apparatus in the U.S. Department of

Justice and FBI that uses the U.S. Foreign Corrupt Practices Act to police the world. This apparatus played a leading role in bringing down Brazil’s Dilma Rousseff and imprisoning her ally, Luiz Inácio Lula da Silva (“Lula”), himself a former President of the country. But this apparatus is now suffering from exposure in the middle of its coup drive against President Trump, a coup attempt on behalf of the highest levels of British intelligence.

On August 31, the Zondo Commission heard testimony from two U.S. judicial hitmen, Joel



Wikipedia

*Joel Hellman, Dean of the Georgetown University School of Foreign Service.*

Hellman, dean of the Georgetown University School of Foreign Service; and Daniel Kaufmann, CEO of the Natural Resource Governance Institute, both of whom have travelled the world for years, lending their “expertise” in government corruption to commissions such as this, to give the appearance that corruption is the issue, when it is only the pretext for regime change. Years ago, these two helped to bring down the very popular Peruvian President Alberto Fujimori, who had effectively fought the Shining Path terrorists. He was judged to have

violated the rights of the terrorists. Fujimori has spent ten years in prison, and is in prison today.

Zuma’s crime? He attempted to move South Africa away from British control, by bringing the country into the BRICS, by planning to build new nuclear power plants to provide cheap, abundant energy, and by putting people he could trust in his cabinet and administration. Of course, he cannot be charged with that. He is accused of having attempted to take over the state for his personal benefit, as a kind of crime boss on steroids or (depending on tactics) of having tolerated the immigrant Gupta brothers’ attempt to do so.

Corruption is not the real issue. There has been a great deal of corruption in South Africa for two hundred years; it did not start with President Zuma or President Mbeki. The corruption and alleged corruption of the Guptas is at center stage now, but the real objective is putting Zuma—and his leading lieutenants in government and in the ANC—behind bars, while promoting

the narrative of the British-owned victors, to convince the South African people that “You can’t beat the system.” This and other forms of contempt shown to the man in the street—combined with the worsening poverty—may produce a social explosion, as *EIR* and LaRouche South Africa have warned.

### **Bell Pottinger’s Smoke and Mirrors**

But who are the Guptas? Over a period of years, President Zuma had accepted the “help” of Ajay, Atul, and Rajesh Gupta, immigrants from India in 1993, who own Oakbay Investments. They were, in fact, both help and hindrance. The Gupta brothers are unscrupulous, power hungry, and openly arrogant. As bulls in a china shop, they helped Zuma’s enemies to bring him (and themselves) into disrepute. They are alleged to have privately offered government positions, even the Finance Ministry portfolio, to individuals in exchange for favors, and to have boasted of their influence in government. Zuma—not to his credit—did not always know what they were doing, according to boastful private comments of the Guptas themselves.

In December 2015—after President Zuma fired Finance Minister Nhlanhla Nene and replaced him with someone of his own free choosing—the British-loyal “financial community” and the mass media unleashed the furies of Hell on Zuma. At this point, the Guptas’ influence over the Presidency was first described in the press as a “shadow government.” Then events moved quickly. In early 2016, it emerged in the press that the Guptas had hired the British public relations firm, Bell Pottinger, to burnish President Zuma’s reputation and their own, in response to the fury unleashed on Zuma. Bell Pottinger was at that time a high-flying PR and “reputation management” firm founded by Lord Timothy Bell, who had been Prime Minister Margaret Thatcher’s PR adviser. Lord Bell led the team that flew to South Africa to secure the Gupta account in January 2016.

In May 2016, a huge cache of email traffic between the Gupta brothers and Bell Pottinger—and some between Zuma’s son Duduzane and Bell Pottinger—was mysteriously stolen from the Guptas and allegedly leaked to the *Daily Maverick*. The theft may have actually been done through a collaboration between Bell Pottinger and the *Sunday Times*—a prestigious publication entitled to a *Guinness Book of Records* entry for its sheer volume of fake news.

These emails “prove the Guptas run South Africa,” proclaimed the *Sunday Times* on May 28, 2016. Bell

Pottinger was then attacked with great indignation by the British for having helped the pariah Guptas, and Zuma—and by dodgy-dirty means, to boot. The firm had fed racial and party tensions through its work for the Guptas. It was also manipulating Wikipedia articles and manufacturing content for tweets, chat rooms, blogs, and news articles through its Gupta account—procedures we have come to expect from intelligence agencies.

It is inconceivable that the Bell Pottinger connection worked the way the British “narrative” claims. From the time the Guptas hired Bell Pottinger, the Guptas became—wittingly or not—double agents, steerable by Bell Pottinger for the purpose of destroying Zuma and his lieutenants. Some South Africans noticed this—even if only as a possibility—beginning in 2017.

Bell Pottinger was no stranger to “black” and “gray” PsyOps. It had played a part in crafting for MI6 a phony statement attributed to Alexander Litvinenko on his death-bed, according to which he blamed Putin for his murder by poisoning. The firm also had a \$540 million contract with the CIA to make fake Arabic-language propaganda films about al-Qaeda for use in the war in Iraq. This work was vetted by the CIA, the Pentagon, and the U.S. National Security Council, according to Lord Bell himself, shortly after his Lordship left the firm in August 2016 and began contributing to its demise in his comments to the press. The firm did collapse as collateral damage in this British operation to “save” South Africa for the Empire—a small price to pay. Its “support” for the Guptas and Zuma could not be allowed to appear to have been intelligence tradecraft—which it was.<sup>5</sup>

Judge Zondo has now admitted into evidence three computer hard drives that contain the emails stolen from the Guptas. But which emails are genuine, and which have been fabricated or manipulated?

### **How Can Africa Become the Next China?**

The leader that South Africa needs is one who asks, and can answer this question: “How can Africa become the next China?” South Africa requires a president who operates in the manner that Nkosazana Dlamini-Zuma did as Chairwoman of the African Union Commission from 2012 to 2017. She crafted the plan for massive, inclusive, Africa-wide development on the levels of in-

5. The mainstream media are busy developing the cover story for Bell Pottinger’s South African operation, and now [portray its successes](#) to date as its “failures”—getting President Zuma out of office and preventing his intended successor, Nkosazana Dlamini-Zuma, from being elected as ANC party president.



GCSIS

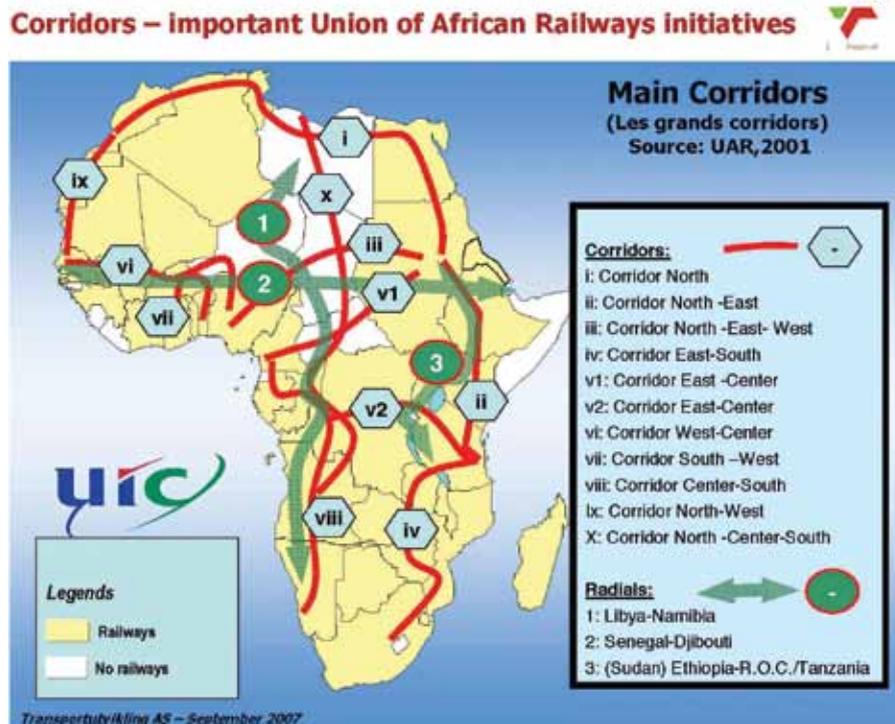
Nkosazana Dlamini-Zuma, founder of Agenda 2063 while Chair of the African Union Commission, 2012-2017.

Agenda 2063 should be at the center of political discussion in South Africa, and South Africa's President should be its champion. Why not help South Africans to lift their eyes—and the African continent—to the heavens?

The retrograde developments, seen in a longer view, and in world-political context, provide no reason to think that the British will prevail. They will not. Virtually all of Africa signed on to China's Belt and Road Initiative at the September summit of the Forum for China-Africa Cooperation. African governments have already seen the abundant benefits and have made their decisions.<sup>7</sup> Despite the assassination attempts against the presidents of Ethiopia and Zimbabwe, despite British interference in elections in Kenya and Zimbabwe, and despite the British attempt to mobilize anti-China agitation in Zambia and Nigeria, there is a strong tide flowing against British economic practice, a tide that knows no national boundaries.

Today the choice is President Ramaphosa's. But for how long? The majority of South Africans—in townships, shack dwellings, and rural areas—continue to be marginalized, sullen witnesses to the prosperity of a few. They are not fooled by the fine words of Rhodes Scholars. If Ramaphosa should champion what he called "China's impressive growth model and its approach to meeting the needs of its people," he will come to be loved as no South African leader has been loved since Mandela. But if his government continues on its current course, he will surely be pushed aside, to become

no more than a nasty memory.



Union of African Railways

Conceptual map of an African continental railway network, produced by the Union of African Railways in 2006, before the idea of a high-speed network was elaborated. No map of Agenda 2063's planned African Integrated High Speed Railway Network has yet been published.

infrastructure, agriculture, manufacturing, scientific work, and cultural advance. She engaged in dialogue with China's President Xi Jinping and Premier Li Keqiang, and made that dialogue a permanent feature of the African Union. She created Agenda 2063, which has as its flagship project the African Integrated High Speed Railway Network (AIHSRN), and China has committed to the collaboration necessary to see it built.<sup>6</sup>

6. For the African Integrated High Speed Railway Network (AIHSRN),

see Hussein Askary and Jason Ross, *Extending the New Silk Road to West Asia and Africa*, Schiller Institute Special Report, November 2017, pp. 225-227. For Agenda 2063 more generally, see pp. 25-27 of the Special Report; the same passage appears in *EIR*'s [preview](#) of the report, *EIR*, Nov. 17, 2017, pp. 44-46. The 2017 official progress report for the AIHSRN and some other Agenda 2063 projects is [here](#).

77. For the FOCAC summit in Beijing in September, see Section III of *EIR*, Sept. 14, 2018. For the August BRICS summit in Johannesburg, see David Cherry, "BRICS Reaches Out to Africa, Africa Embraces BRICS," *EIR* August 10, 2018.

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## II. Friedrich Schiller in Today's World

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# Are We Sleepwalkers? What Have We Learned from How World War I Broke Out?

by Helga Zepp-LaRouche, Chair of the International Schiller Institutes

Nov. 3—Only five days after the landmark congressional election in the U.S., which will be decisive in determining the course for either war or peace, Presidents Trump and Putin will meet in Paris on the anniversary of the end of the First World War. Among the topics of discussion will be the unilateral termination of the INF Treaty by the United States, and, it is hoped that these two leading nations, despite an extremely strained international situation, can ensure that humanity will be spared a third World War, this time one that can wipe out humanity.

During my recent trip to Moscow, in several meetings with representatives of leading institutions, I had the opportunity to get a first-hand impression of how the strategic situation looks from the Russian perspective. From the various steps taken by the West and NATO—the extension of NATO to the borders of Russia, the establishment of the missile defense system in Romania and Poland (which can be transformed into an offensive system within a very short time), the termination of the ABM and now the INF Treaty, as well as the various “narratives” portraying Russia as an enemy and Putin as a demon—the Russian leadership has clearly concluded that a major war cannot be ruled out.



NARA

*U.S. Infantry, World War I in the Meuse-Argonne Forest.*

Days later, on October 26, the Deputy Director of Non-Proliferation and Disarmament for the Russian Foreign Ministry, Andrey Belousov, told the UN in New York: “Recently, at a meeting, the U.S. stated that Russia is preparing for war. Yes, Russia is preparing for war, I can confirm it. We are preparing to defend our homeland, our territorial integrity, our principles, our values, our people—we are preparing for such a war . . . Russia is preparing for war, and the U.S. is preparing a war. Otherwise, why would the United States withdraw from the treaty, build up its



EIRNS

*Helga Zepp-LaRouche (second from left) addresses the Civic Chamber of the Russian Federation in Moscow, Oct. 24, 2018.*



nuclear potential and adopt a new nuclear doctrine?”

On October 31, Mikhail Khodarenok, a *Gazeta.ru* military commentator, published a sobering account on *RT.com* of the technical process which would take place under emergency war conditions, under the title: “Nuclear War: Hypothetical Scenario & Russia’s Strike Options.” He stressed that there were no financial, territorial or ideological contradictions between the U.S. and Russia that should lead to a massive nuclear strike, but then Khodarenok went on to detail the sequence of decisions, coded procedures, and sealed orders, which would lead up to the launch of the nuclear arsenals. The moment a massive attack of ICBMs from U.S. territories and submarines is registered, the targets in Russia and the flight time are calculated. The Russian leadership decides upon “launch on warning,” and in seven to nine minutes, Khodarenok explains, there will be a massive counter-strike with strategic nuclear weapons from Russian territory and adjacent waters.

In the worst-case scenario, Khodarenok continues, the political and military leadership is cut off from communications and unable to issue the necessary orders. In this case, the perimeter system, or its modern equivalent, will be activated—an installed nuclear weapons

command system originally developed during the Cold War, which would automatically trigger an all-encompassing counter-strike. Khodarenok concludes that all options for the use of nuclear weapons would mean a disaster for the parties involved and other nations around the world. Nuclear winter would set in a short time after the nuclear exchange and threaten the lives of the few who survived the nuclear Armageddon.

Khodarenok thus points to the current readiness of this mechanism, whose existence was common knowledge during the Cold War, but which has since given way to the fantasy of a “winnable tactical nuclear war.”

### Dangerous, Belligerent Statements

The former commander of the U.S. troops in Europe, Lt. Gen. (ret.) Ben Hodges, appearing recently at the Security Forum in Warsaw, said quite matter-of-factly that the likelihood of war with China in 15 years is very high. Answering a question from the U.S. *Daily Beast*, Hodges said his intention was to make it clear to Europeans that a simultaneous war with Russia and China would entail the deployment of the greater part of the U.S. arsenal in the Pacific.



Lt. Gen. Ben Hodges

DoD

Given the accumulation of such belligerent statements by various military personnel (especially American and British), as well as numerous provocations such as the current NATO maneuver “Trident Juncture,” which simulates an attack on a NATO member by “some country,” it is high time to acknowledge that any use of nuclear weapons would set the “doomsday mechanism” into motion. We need only reference the argu-

ment of U.S. military analyst Ted Postol, that it is in the nature of nuclear warfare for an emergency to lead inevitably to the use of *all* weapons.

On the occasion of the centenary of the end of the First World War, whose history began with the dismissal of Bismarck in 1890, followed by a quarter century of British-inspired geopolitical manipulations—from the Entente Cordiale, through the Triple Entente, the Russo-Japanese War of 1904-05, to the Balkan Wars, until finally,



kremlin.ru

Vladimir Putin, President of Russia.

the shot fired in Sarajevo, which was only the trigger—it is important to keep in mind how easily mankind “sleepwalks” on a prepared chessboard into catastrophe. None of those who were involved in the First World War could have foreseen its course, but especially for the German and French soldiers who slaughtered each other for four years in senseless trench warfare, this war meant the total uprooting of a whole generation. The ground for the seizure of power by the National Socialists and for the Second World War was prepared.

### Russia’s Living Memory

In Russia, the experience of the “Great Patriotic War,” which killed 27 million Russians, is still fully felt today, even among the young generations. In the West, on the other hand, the attitude of the representatives of the generation who consciously experienced World War II, is very different from that of the post-war generations. For many younger people, the idea of war is at best as “virtual” as their video games. Otherwise, it is impossible to understand why the contrived narrative about Russia and Putin, despite its unrealistic consequences, is parroted with downright pathological “groupthink” in the “western” establishment.

In contrast, in Russia, despite the recent resentment towards Putin over his raising of the retirement age, the overwhelming majority of the population sees in him the man who saved the nation, by freeing it from the dreadful decade of the Yeltsin era. Largely forgotten in the “West,” but fully present in Russian consciousness, is the shock therapy induced by the International Monetary Fund, with which Jeffrey Sachs reduced Russia’s industrial capacity by 70% during 1991-94. The result-

ing collapse of the demographic curve—the Russian population shrank by one million people per year—was experienced by the population as genocide.

On the contrary, Putin is seen as the president who, at least politically, has contained the power of the oligarchs, and has nullified the West’s plans to reduce Russia from the superpower status it enjoyed in Soviet times, to a commodities-exporting Third World country. In Russia, Putin is loved and admired for this, but for the geopolitical establishment of the “West,” which believed that it had already seized control of Russia’s enormous mineral deposits, this is the real reason for Putin’s demonization.

According to a recent *Military Times* survey of active U.S. military personnel and officers, 46%, almost half, are convinced that their country will be drawn into a major military conflict with Russia in 2019. Colonel (ret.) Rolf Bergmeier, formerly a Colonel of the German General Staff and Deputy Head of Planning and Leadership at NATO, recalls in a critique of the latest NATO maneuver “Trident Juncture,” which he describes as an unnecessary provocation, that in the current NATO strategy for a war between East and West, Germany would be the nuclear battlefield.

For former presidents Reagan and Gorbachov, who signed the INF Treaty in 1987, it was clear that a nuclear war could not be won. With the threatened termination of the INF Treaty by the U.S., we could very quickly find ourselves in a situation that parallels the mid-range missile crisis of the early 1980s, when hundreds of thousands took to the streets because they knew that Germany would be wiped out in a war between East and West. Today, the overall situation is far more dangerous: will we sleepwalk this time into the Third World War?

We should take the anniversary of the end of the First World War as the occasion to realize the necessity of overcoming geopolitics and replacing it with a new paradigm of the idea of mankind as a whole. The Chinese president’s concept of the Community of Common Destiny for the One Future of Humanity, which underpins the New Silk Road initiative, defines this new paradigm as a completely new form of international relations through cooperation for mutual benefit. If we have learned anything from the tragedies of the twentieth century, then we must learn to think differently about mankind.

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KOMMT NUN DIE SCHILLERZEIT?

# Let Us Revive America's Love for Friedrich Schiller, the Poet of Freedom!

by Cloret Ferguson and Diane Sare

Nov. 4—In 1984, Helga Zepp-LaRouche, wife of American statesman Lyndon LaRouche, founded the international Schiller Institute with the prophetic words, “Nun kommt die Schillerzeit” (Now comes Schiller’s time). The Institute’s founding document was modelled on the American 1776 Declaration of Independence, extended to mankind as a whole. And for nearly 35 years, the Schiller Institute has dedicated itself to upholding the dignity of man through its promotion of great projects of economic development, education, and a dialogue of cultures which must lead to the scientific breakthroughs needed for mankind to populate and develop the universe.

The affinity of Schiller and the United States’ identity and mission is not coincidental. Friedrich Schiller was born November 10, 1759, just two years after the great American genius and founding father, Alexander Hamilton. Like Hamilton, he was immersed from a young age in the Greek classics. He watched from afar the successful American defeat of the British Empire in the American Revolution. Schiller’s poem “Ode to Joy”<sup>1</sup> with its optimistic exuberant expression of love of mankind, was inspired by that victory.

Also like Hamilton, Schiller was deeply disturbed



Painting by Anton Graff, 1791

*Friedrich Schiller*

by the dismal failure of the French Revolution, which resulted in 17,000 human heads being severed from their bodies, and the establishment of the aggressive military dictatorship of Napoleon Bonaparte. In an epigram, Schiller commented on this disaster, “A great moment has found a little people,” as he agonized over what would be required to make a downtrodden and degraded population capable of rising to the sublime qualities necessary to transform its society to one worthy of the dignity of man.

Schiller’s answer was that human beings could find their way through beauty, and that the artist has a sacred calling to evoke and uphold the dignity of man. In his poem, “The Artists,” Schiller wrote:

The dignity of Man into your hands is given,  
Its keeper be!  
It sinks with you! With you it is arisen!  
The sacred magic of poetry  
A world-plan wise is serving  
To th’ ocean, steer it e’er unswerving,  
Of lofty harmony!  
Fair Truth, by her own time rejected,  
By Poetry now be protected,  
And refuge find in the Muses’ choir.  
In highest and abundant splendor,  
More fright’ning in her veil of wonder,  
Then let her rise aloft in singing  
And vengeance win with music ringing

1. “Ode to Joy,” William F. Wertz, translator, in *Friedrich Schiller: Poet of Freedom* (hereafter FSPOF) Vol. 1, pp. 308-311. Schiller Institute, Washington, D.C., 1985.



EIRNS/Stuart Lewis

Helga Zepp-LaRouche, Lyndon LaRouche (center) and John Sigerson at the founding conference of the Schiller Institute in Arlington, Virginia, July 3, 1984.

Upon her persecutor's ear.<sup>2</sup>

Schiller set to work on this problem with his very challenging essays and letters “On the Aesthetical Education of Man,” as well as his powerful dramas, which became well known and loved in the early days of the cultural and political life of the United States. From John Quincy Adams and Frederick Douglass to lesser known translators of Schiller such as Charles Follen, a German-born professor at mid-19th century Harvard University. Heartfelt tributes in elaborate parades, week-long exhibitions, monument raisings and re-enactments of Schiller's literary productions were commonplace occurrences all across America during the poet's lifetime and continued extensively throughout the 19th and 20th centuries.

### The American Project

*EIR* author Renée Sigerson—among others, whose accounts are less clear—reports<sup>3</sup> on Dunlap's Park Theater in New York holding the “honor of the first performance [of Schiller's *The Robbers*] in English-language” in America, in the late 1790s. The drama “was

2. “The Artists,” Marianna Wertz, translator, in *FSPOF* Vol. 4, p. 51. Schiller Institute, Washington, D.C., 2003.

3. *EIR*, December 2, 2016.

played successfully,” and according to William Dunlap, its troupe of actors was said to have been “unequaled,” in his *History of the American Theatre*. Editors of *The German American Annals* of this same period record Dunlap's troupe having performed a season of *Don Carlos* and *Kabale und Liebe* (Intrigue and Love) in English.

Like Schiller, the substance of the LaRouches' work has sought, over generations, to further the maturation and cultivation of each citizen's aesthetical character. Familiarly known as “The Poet of Freedom,” Schiller identifies humanity's universal commonality as the ability of its individual members to transcend

partisan, national, religious, and other parochial interests. Each of his poems, epigrams, philosophical essays and dramas addresses the highest self-interest of humanity, the general welfare of the human species, as a totality. Whether as dramatist, historian, poet, and philosopher or physician, his efforts seek to elicit and entice forth a harmonious, self-governing ennoblement of character.

In today's United States, the biggest threat to the potential posed by President Trump's repeatedly expressed desire to have good relations with Russia and China, and to address the needs of our “forgotten men and women,” is the perverse culture being promoted by the London-, Wall Street-, and Hollywood-controlled “fake news.” Rather than promoting universal principles that will benefit the human race as a whole, they seek to divide us into minute, mutually exclusive, infantile mobs, based on alleged racial, religious, and literally dozens of gender categories. Scientific progress, which elevates millions from poverty, is decried as “burning up the planet,” and human beings are declared to be “more destructive than beasts”!

With that in mind, let us now turn with serious attention directly to Schiller's concepts, which should be helpful to our becoming aesthetically educated people.

We begin by emphasizing that which places us apart

from, and above our animal instincts. In this way we usher in the adulthood of all humankind.

Different from animals, humans possess a capacity to improve our environment and are ever able to redefine how to transform our surroundings and create the widest growth for human and all living kind. Consider the how and why of our true nature and origin, as expressed by Schiller:<sup>4</sup>

... Man was ordained to something completely different [from animals] and the strengths that lie in him, called him to a completely different happiness. What Nature in his infancy had undertaken for him, he was now supposed to undertake for himself, as soon as he was of age. He himself was supposed to become the creator of his own happiness, and only the share which he would have in it, was supposed to determine the degree of his good fortune. He was supposed to learn to rediscover the state of innocence, which he had lost, through *his Reason*, and as a free reasoning mind return there, whence he had emerged as a *vegetative being* and a creature of instinct; out of a Paradise of ignorance and bondage, he was supposed to work himself upward, were it even a thousand years later, to a Paradise of knowledge and freedom; such a one, namely, where he would have harkened to the moral law in his breast equally as unswervingly, as he had first obeyed instinct, as the plants and animals obey it still.<sup>5</sup>

## Happy Citizens

The American statesman and physical economist Lyndon LaRouche reminds us that a reflection of a citizenry's good, happy and productive character, or absence thereof, may be mirrored in that citizenry's choice of leadership. Yes, our people did reject the despicable likes of Hillary Clinton, demonstrating a desire to avoid a replay of previously imposed democratic-fascist policies of Obama-Bush.

Yet, around what higher purpose have we summoned ourselves and others to rally? How may we

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4. While constraints of this article limit the authors to cite only brief segments from the complete Schiller papers, nothing compares to a reading and study of the papers in their entirety, which the reader is urged to do.

5. "Thoughts on the First Human Society," FSPOF Vol. IV, p. 221.

begin to express our intentions to protect the concept of a general welfare encompassing the entire human species? By what means might we soar over the gaping abyss of our condition and locate a means to throw off the mental shackles of our enslavement?

A direction to resolve our dilemma is offered by Schiller:

... [C]limb down from the region of ideas into the scene of reality, in order to meet man *in a determinate* condition, hence under limitations, which do not flow originally from his conception, but rather from external circumstances and from an accidental use of his freedom. But in however manifold ways the idea of humanity may also be limited in him, so the mere content of the same already teaches us, that in the whole only *two* opposite deviations from the same can occur. Lies, that is to say, his perfection in the harmonious energy of his sensuous and spiritual powers, so can he fail to achieve this perfection only through a deficiency of harmony or through a deficiency of energy. ... Both opposite limits are, as now should be demonstrated, lifted by beauty, which restores in the tense man harmony, in the relaxed [man], energy and in this way, in conformity with her nature, leads the limited condition back to an absolute and makes man whole, complete in himself.

And how beauty accomplishes this task so miraculously, we find—

She will firstly as a calm form soften the savage life and pave the way for a transition from sensations to thoughts; she will secondly as living image equip the abstract form with sensuous force, lead the conception back to intuition and the law to feeling. The first service she renders to the natural man, the second to the artificial man. ...<sup>6</sup>

In a modern-day echo of Schiller's thinking, in a letter to educators of the Central China Academy of

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6. "The Aesthetical Education of Man," 17th Letter, FSPOF Vol. I, p. 263 & p. 264.

Fine Arts, Chinese President Xi Jinping wrote that the aesthetic education of the citizen is “very necessary,” as it plays a significant role in the shaping of a beautiful mind. He urged all to abide by the law of aesthetics and carry forward the Chinese spirit of aesthetical education, keenly expressed by Confucius.

Yes, beautiful mind! Could such a mind be found on stage or among the overflowing hordes attending concerts of the Stones, McCartney, Beyoncé-JayZ, or any modern “booty-shaking” exhibition; or imparted in self-deprecating, menacing lyrics and dance rhythms of so-called country tunes, or the widely embraced, popular, though mis-named Christian Gospel songs? (Volumes could be penned about the assault on both Beauty and human cognitive processes pedaled in jazz, blues, and soul, or the compositions of atonalist, serialist, and expressionist composers.)

### Beauty Is Truth

Can inner beauty be communicated, transmitted? Why do we so readily dismiss the idea of aesthetical principles? For Schiller, beauty is that form which is not determined from the outside. Rather, the beautiful is analogous to creative reason, i.e., the inner freedom of the human mind. In this way, our free will to choose, for example, truth over popular opinion, leads us toward political freedom: “The most beautiful and most noble force in the human soul is Love,” which is “nothing but the exchange of myself with the being of a fellow human being . . .” as to promote the perfection of one’s fellow man.

Our philosophical guide, Schiller, harmonizing with Confucian principles and the Leibnizian currents of his time, notes that,

Moral defectiveness ought not to infuse us with suffering and pain, which always bespeaks more an unsatisfied need than an unfulfilled demand. . . .

There are two genii, which nature gave us as companions throughout life. The one, sociable and lovely, shortens the laborious journey for us through its lively play, makes the fetters of necessity light for us and leads us amidst joy and



jest up to the dangerous places. . . . [T]he world of sense is its province, beyond this its earthly wings cannot carry it. But now the other one steps up, earnest and silent, and with stout arm it carries us over the dizzying depth.

In the first of these genii, one recognizes the feeling of the beautiful, which leads us to freedom and, in the second, the feeling of the sublime. Indeed the beautiful is already an expression of freedom, but not that which elevates us above the power of nature and releases us from every bodily influence, but rather that, which we enjoy within nature as men. We feel ourselves free with beauty, because the sensuous instincts harmonize with the law of reason; we feel ourselves free with the sublime, because the sensuous instincts have no influence upon the legislation of reason, because the mind acts here, as if it stood under no other than its own laws.<sup>7</sup>

Yet how does one determine the nature of the Sublime?

The feeling of the sublime is a mixed feeling. It

7. “On the Sublime,” SPOF Vol. III, pp. 258-9.

is a combination of *woefulness*, which expresses itself in its highest degree as a shudder, and of *joyfulness*, which can rise up to enrapture, and, although it is not properly pleasure, is yet widely preferred to every pleasure by fine souls. This union of two contradictory sentiments in a single feeling proves our moral independence in an irrefutable manner. . . . We therefore experience through the feeling of the sublime, that the state of our mind does not necessarily conform with the state of the senses, that the laws of nature are not necessarily also those of ours, and that we have in us a principle independent of all sensuous emotions.<sup>8</sup>

### The Classical Artist

The classical artist should, according to The Poet of Freedom, portray to the fullest, folly's agonizing weightiness upon the human soul. As our sympathies draw us so very close to the predicament illustrated in classical, dramatic art, objective conditions permit us to recognize, acknowledge and examine, what may be a folly similar to our own—but at safe distance from ourselves. One begins to develop that which makes us truly above and apart from all other creatures, through such regular engagements in this realm.

Now how does art succeed thereto, to present something, which is above nature, without helping oneself to supernatural means? What sort of phenomenon must that be, which accomplished through natural forces (for otherwise were it no phenomenon) and yet cannot be derived from physical causes without contradiction? This is the problem; and now how does the artist solve it?

We must remind ourselves, that the phenomena, which can be perceived in a man in a state of emotion, are of two kinds. Either they are such as belong to him merely as animal, and as such merely follow natural law, without his being able to master them, or the independent force in him being able to have an immediate influence thereon. . . .

There is, however, also a second type of phenomenon in him, which stands under the in-

fluence and under the rule of the will, or which one can at least consider as such, which the will may have been able to prevent; for which, therefore, the person and not the instinct had to be responsible. It belongs to the instinct, to attend to the interest of sensuousness with blind zeal, but it belongs to the person, to limit the instinct through regard for the law. . . . Therefore, if the person shall be represented, so must some phenomena in man be found, which have either been determined in opposition to the instinct, or indeed not through the instinct. Already that they were not determined through the instinct, is sufficient to lead us to a higher source . . .

In this disharmony now between those features, which are imprinted on the animal nature according to the law of necessity, and between those, which the self-acting mind determines, one discerns the presence of a super-sensuous principle in man, which can place a limit upon the effects of nature, and is therefore marked as distinct from the same. The merely animal part of man follows the law of nature and may therefore appear oppressed by the power of the emotion. In this part, therefore, the whole strength of suffering manifests itself, and serves, so to speak, as a measure by which the resistance can be estimated; for one can judge the strength of the resistance, or the moral power in man only by the strength of the attack. The more decisive and violent the emotion now expresses itself in the field of animality, without, however, being able to assert the same power in the field of humanity, the more this latter becomes known, the more the moral independence of man manifests itself gloriously, the more pathetic the representation and the more sublime the pathos.<sup>9</sup>

### The Sublime

Schiller refers us to a particular example composed in the Greek classical school of sculpture of antiquity:

In the statues of the ancients one finds this aesthetic principle made clear, but it is difficult to reduce to concepts and express in words the im-

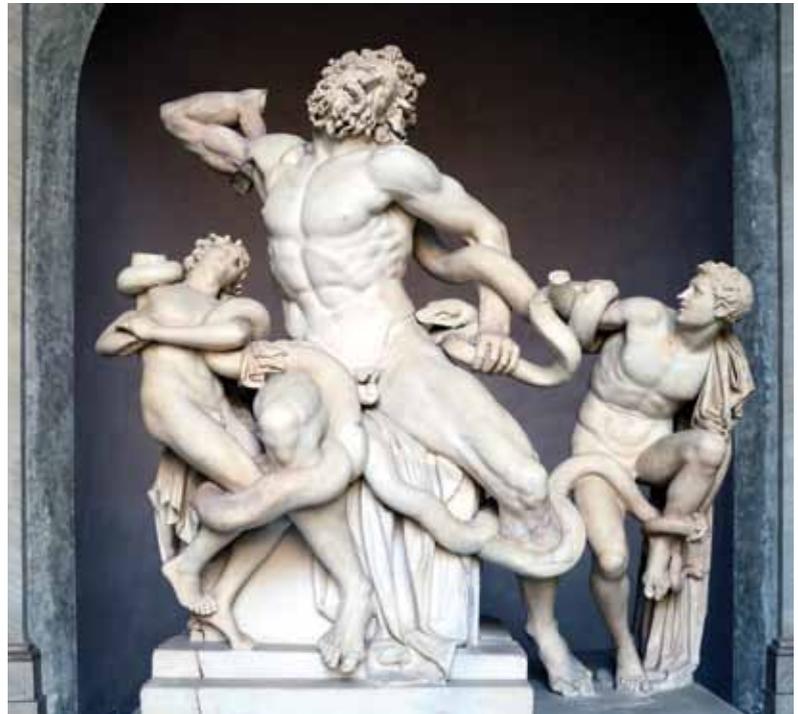
8. "On the Sublime," SPOF Vol. III, p. 259.

9. "On the Pathetic," SPOF Vol. III, pp. 233-236.

pression which the sensuous living view makes. The group of Laocoön and his children is an approximate measure for that, which the plastic art of the ancients was able to achieve in the pathetic.

Schiller then quotes from Johann Joachim Winckelmann's *History of Art*. This is Winckelmann:

Laocoön is a nature in the highest pain, made in the image of a man, who seeks to assemble against the same, the deliberate, strength of the mind; and whilst his suffering swells up the muscles and tightens the nerves, the mind, armed with strength, steps forth on his buoyant brow and the breast rises through oppressed breath and through restraint of the expression of feeling, in order to hold and lock up the pain in itself. The anxious sigh, which he in himself and the breath to himself draws, empties the abdomen and makes the sides hollow, which lets us judge, so to speak, the movement of his bowels. His own suffering, however, seems to him to be less cause for alarm than the pain of his children, who turn their faces to the father and cry for help; for the paternal heart manifests itself in the melancholy eyes and compassion seems to swim in a turbid fragrance in the same. His face is lamenting, but not creaming, his eyes are turned toward higher help. The mouth is full of melancholy, and the sunken lower lip heavy from the same; in the over-drawn upper lip, however, the same is mixed with pain, which with a movement of displeasure, as over an undeserved unworthy suffering, ascends into the nose, makes the same swell, and manifests itself in the enlarged and upwardly drawn nostrils. Under the brow, the strife between pain and resistance, united as in a point, is formed with great truth; for whilst the pain drives the eyebrows into the heights, so the struggle against the same presses the upper eye flesh downward and against the upper eyelid, so that the same is almost entirely covered by the infringing flesh. Nature, which the artist could



*Marble statue of the Trojan priest Laocoön and his sons being attacked by serpents sent by the gods.*

not beautify, he has sought to show more unfolded, strenuous, and powerful; here, wherein the greatest pain is placed, appears also the greatest beauty. The left side, in which the snake poured out its poison with furious bites, is that which seems to suffer the most intensely through the nearest sensation to the heart. His legs want to rise, in order to escape its evil; no part is at rest, yes, even, the chisel strokes contribute to the import of a benumbed skin.<sup>10</sup>

Schiller continues, commenting on Winckelmann's observations:

How true and fine is the fight of intelligence with the suffering of sensuous nature developed in this description, and how appropriately the phenomena given, in which are manifested animality and humanity, the compulsion of nature and the freedom of reason!<sup>11</sup>

10. Johann Winckelmann, as cited by Schiller in his essay, "On the Pathetic," *FSPOF* Vol. III, pp. 236-7.

11. "On the Pathetic," *FSPOF* Vol. III, pp. 236-7.



Painting by Gerhard von Kügelgen, 1809  
*Friedrich Schiller*

### Schiller Battles ‘Spirits of the Age’

It should be obvious, from these all-too-brief excerpts from Schiller’s writings, that Friedrich Schiller was not, as was his contemporary Immanuel Kant, a moralizing “stuffed shirt,” who enjoyed a sanitized existence in the gentrification of the time. Rather, Schiller wielded ideas in direct combat with the tyranny of Kantian know-nothingness. The slothful “back-to-nature, God is dead” tendencies of the age tasted the full strength of an unwavering conviction of Beauty and Truth elaborated in each Schiller drama, poem, and essay. Undaunted by adversity—including his own imprisonment—drama after drama, Schiller skillfully themed and composed all of them to thoroughly address the shortcomings and pitfalls of potential leaders within the populace and among contenders in the corridors of power.

Then as now, his capacity to touch and re-awaken man’s “knowable spirit of creativity” found a willing pathway into each breast, from the loftiest self-designated ranks of society to its lowliest, downtrodden millions, from the shores of an infant American Republic, into the far reaches of Russia and Eastern Europe. The seeds of Schiller’s noble sentiments—regarding the nature of humankind and man’s inalienable right to

self-determination—took hold and matured in fertile minds seeking to overturn the ways of the Old World Order, in each respective land.

### America Needs Schiller

Xi Jinping’s commitment to eradicate poverty worldwide by 2050, and President Trump’s stated intention to establish good relations with China, Russia—and all nations of the world—on fair and respectful terms, has evoked the murderous ire of our old adversary, the British Empire. The world is truly at a turning point which will be decided by the people of the United States of America. Friedrich Schiller is calling to us across the centuries, challenging us to become a great people, in a great moment. It is the intent of the Schiller Institute to ensure that we meet that challenge.

*Hear now the extended toast in Schiller’s Ode to Joy:*

Whom the crown of stars doth honor,  
Whom the hymns of Seraphs bless,  
*To the goodly Soul this glass*  
O’er the tent of stars up yonder!

Courage firm in grievous trial,  
Help, where innocence doth scream,  
Oaths which sworn to are eternal,  
Truth to friend and foe the same,  
Manly pride ’fore kingly power—  
Brothers, cost it life and blood—  
Honor to whom merits honor,  
Ruin to the lying brood!

Closer draw the holy circle,  
Swear it by this golden wine,  
Faithful to the vow divine,  
Swear it by the Judge celestial!  
Rescue from the tyrant’s fetters,  
Mercy to the villain e’en,  
Hope within the dying hours,  
Pardon at the guillotine!  
E’en the dead shall live in heaven!  
Brothers, drink and all agree,  
Ev’ry sin shall be forgiven,  
Hell forever cease to be.<sup>12</sup>

12. “Ode to Joy,” William F. Wertz, translator, in FSPOF Vol. 1, pp. 308-11.

# The Issue of the U.S. Midterm Elections is War and Peace

*This is the edited transcript of the Schiller Institute's November 1, 2018 New Paradigm interview with the founder and President of the Schiller Institutes, Helga Zepp-LaRouche, by Harley Schlanger. A [video](#) of this webcast is available.*

**Harley Schlanger:** Hello, I'm Harley Schlanger with the Schiller Institute, and I'd like to welcome you to our webcast for this week: It's Nov. 1, 2018.

Welcome, Helga! We're just days away from the strategically important midterm elections in the United States, and I think we should start there. It is clear there's been a chaos operation, that's building on top of the previous chaos, the chaos that was unleashed when Trump won the 2016 election, the Russiagate. But in the last weeks we've seen a massive escalation, with fake pipe bombs and a deadly attack on a synagogue, both of which were blamed on Trump. The caravan in Central America, which is being played up as a huge issue in the media. And there's a big effort to succeed, with a significant Democratic vote, in knocking Trump out by creating the basis for his impeachment.

So, Helga, why don't we start there? What's your sense of this chaos operation? What is Trump doing with his campaign rallies, and what are we doing?

## Ongoing anti-Trump Antics

**Helga Zepp-LaRouche:** At this point it really is impossible to make a prognosis, at least I don't want to do it. Because, as you have said, you have a real orchestration of a

chaos scenario. I think it's very noteworthy that "Publius Tacitus"—a regular contributor to the *Sic Semper Tyrannis* blog of the very well-known military and security analyst, Pat Lang—posted a [denunciation](#) of these letter bombs to the Democratic Party so-called opponents of Trump, as "costumed theater." In other words, there were no real devices that could actually detonate, and it's all orchestrated. Now, I think this is very likely, because it raises eyebrows, it would just be so easy to blame this on Trump.

The *New York Times* today, of all places, felt compelled to publish a huge defense of George Soros, who has been accused of financing this march of refugees coming from Central American countries, and the



*Times* couldn't help but include an attack on my husband. For a very long time the *New York Times* had a policy to *never* mention the "L"-word, because he's their nemesis. But they obviously are so freaked out that they mentioned my husband in this context.

Now I think this shows just how desperate they are, because, the potential of these midterm elections is really big. It's going to be a game-changer either way. I'm not saying all Democrats are bad; I think there are exceptional people, like Tulsi Gabbard, for example, but mostly the Democrats have really portrayed themselves as the war party. If the Democrats, who are completely hyped up on the women's vote and all kinds of hysterical orchestrations, if they win, they obviously will want to go for impeachment of Trump. They will try to win over some corrupt neo-cons from the Republican Party to do so, and they will likely shut down the investigations in the Congress that are turning Russiagate into Britishgate and Muellergate.

This is a historic question, because of the collusion of the heads of intelligence of the Obama Administration with a foreign government—not with Russia but the British, the GCHQ and MI6, and the British government which intervened openly, including the Foreign Office, which intervened openly. This is potentially the biggest scandal in the history of the United States, bigger than Watergate. If Trump wins or has enough backing in the Congress and the Senate, you can be absolutely sure that these investigations will go on, the truth will come out, and eventually the culprits will all be the target of probably criminal prosecutions and just sentences.

Eventually, the real reason for the launching of Russiagate will also come out. I want to repeat that, because many people are falling for the press lies. The real issue is not domestic. In spite of all the little issues the media try to make you believe in, it is the large issue of war and peace that is at stake here, and whoever does not understand that, they're just completely off target: It is the issue of World War III, and we should talk about that in a little while. This is a very acute issue; that is the issue of the Trump election.

President Donald Trump has clearly said he wants to improve relations with Russia, and he has proven at the Helsinki summit with Russian President Vladimir Putin



kremlin.ru

*Russian President Vladimir Putin meeting with German business community representatives on Nov. 1, 2018.*

that he wants to go in this direction. Just before we started this program, I was happy to learn that Trump had a long telephone conversation with President Xi Jinping of China, and they basically expressed hope that the trade conflict can be settled; and even [Director of the National Economic Council, Larry] Kudlow said that there are absolute possibilities to take back the tariffs, or most of the tariffs, if there is an agreement with China.

So, I think this is very good news. Don't forget, the real issue about Trump and the election in the midterms is the relationship between the United States and Russia and China. Whoever does not understand that is an ignoramus in politics. I want to say this very clearly, because obviously, the issue of war and peace is the precondition for any other issue to be solved.

**Schlanger:** And Trump has been making this a campaign issue: He has 11 speaking engagements coming up in the next six days, leading up to Nov. 6, and he's been saying explicitly, harking back to his campaign in 2016, that he wants to improve relations with Russia and China. This is a post-election strategy, with meetings coming up with Putin, with Xi Jinping, and with Kim Jong-un.

Meanwhile, as a result of Russiagate—the false but pervasive narrative of Russian interference in the election, the lies about Russia and China—we're seeing a real shift toward war. And I think this is very important to reiterate, because the question is, why would we be heading toward a war with Russia?

## Russia and Putin

**Zepp-LaRouche:** I just had the occasion to travel for a few days to Moscow, to attend a conference on Russia-China relations, and I had also many very important institutional discussions.

Now, it is very clear that the reason Russia is being targeted, and why Putin is being targeted, is that, if you remember, when the Soviet Union disintegrated in 1991, basically all the promises which were given to Mikhail Gorbachov were all broken. They had promised that there would never be the extending of NATO to the Russian borders, there would be no NATO beyond the East German states in the unified Germany. All of this has been broken!

And what happened instead was the Yeltsin period, which in the consciousness of the Russians was a decade of genocide. In those years of Boris Yeltsin's presidency, 1991-99, the demographic curve of Russia collapsed by 1 million per year! It was a complete sellout: You had oligarchs taking over the property of the Russian people, becoming rich, and privatizing anything. You had [the American economist] Jeffrey Sachs imposing "shock therapy," and the intention of the neo-cons and the British and some other forces in the West, was to reduce the Soviet Union from a superpower to a Russia which would just be a raw materials-producing and -exporting third world country.

To a certain extent they succeeded in doing it. For example, the shock therapy reduced Russian industrial capacities by 70% between 1991 and 1994. You had absolute misery. People were poor, and it was real genocide, as Sergey Glazyev wrote in his [book](#), *Genocide: Russia and the New World Order*.

In 1999 came Vladimir Putin, being appointed acting Prime Minister by Yeltsin. Putin started to undo all of these things. He managed to get back control over the oil and gas resources, that some in the West thought



EIRNS/Rachel Douglas

*Street vendors and desperate bargain hunters in St. Petersburg, Russia, in 1999, as they deal with the immiseration imposed by economic shock therapy.*

they had in their pockets and would eventually control all of the raw materials of the very large territory of Russia. Putin comes in and reverses all that. Obviously, he had to make certain deals with these oligarchs, and this is still hampering the situation up to the present day, to a certain extent. Later on, he proved President Obama wrong when he bragged that Russia was just a "regional power." But when Putin intervened in Syria in 2015, and completely reversed the situation there, he proved he's a global player and that nobody can bypass Russia.

The military moves Putin has taken in response to the changed NATO doctrine, going in the direction of new weapons systems based on new physical principles, outmaneuvering the military of the United States and NATO to a certain extent, has caused

complete rage in those circles. That's when the demonization campaign against Putin started.

If you don't take into account the "shock therapy" in the 1990s, what the West did to Russia in the Yeltsin period, you cannot understand why the Russian population so absolutely backs Putin—I think more than 80%. I met several people whom I asked what they thought of Putin, and they said, "He's the best President in the history of Russia, ever," because the Russian people are completely grateful to him, for undoing what happened during the Yeltsin period, and for bringing Russia back. Despite the sanctions, which do hurt the Russian economy, in spite of that, he has brought Russia back and is bringing Russia back.

I think that that is something everyone should keep in mind. Because the media always like to cite a certain date, such as when Putin somehow fell from heaven and all of a sudden, he's a demon, while leaving out what happened before. That fallacy of composition is then used to manipulate people into thinking that Putin



NATO

*U.S. Marines near Keflavik, Iceland, as part of Exercise Trident Juncture, Oct. 17, 2018.*

is a devil. The Russian people think he's the best President in their history, and I think people in the West should think about that. After all, what counts is the outcome of his governing. Is he doing something for the common good of the Russian people, or not?

Anyway, I just want to say that. It was very helpful for me to have these discussions. I hadn't been in Russia for many years, and to refresh a direct impression was extremely helpful.

I was quite taken aback that several people, quite independently of their particular angle, said, there *is* a serious discussion in Russia that war is an absolute possibility.

### **A U.S.-Russia-China War?**

And just in the last couple of days, this was publicly confirmed by the representative for non-proliferation and arms control in the Foreign Ministry, Andrey Belousov, who spoke before the United Nations, saying: "Yes, I confirm, Russia is preparing for war, but we are only doing it in response to the fact that the United States is preparing a war."

This is very serious. Gen. Ben Hodges, the former commander of the U.S. Army in Europe, in a packed meeting of the Warsaw Security Forum in Warsaw, Poland said: "I think in 15 years—it's not inevitable—but it is a very strong likelihood that we will be at war with China." Xi Jinping told his military commanders to "concentrate preparations for fighting a war."

On top of this war talk is occurring the largest

NATO maneuver since the Cold War, "Trident Juncture" in Norway, with 50,000 soldiers—10,000 soldiers from Germany alone—which is a very provocative maneuver, basically rehearsing how to deploy NATO troops in case of a war with Russia very quickly. Russia regards this maneuver as a complete provocation and is planning to conduct some missile tests Nov. 1-3 in the Norwegian Sea, close to this maneuver.

So that shows you that we are *really* in a very, very heightened danger, and I

think people should really understand that we must have a better relationship between the United States and Russia, and the United States and China, because if ever these things get out of control, it could mean the end of civilization, and the complete annihilation of the human race.

*This is what we're talking about when we're talking about the midterm elections, and people should take that to heart.*

**Schlanger:** And just to take up China a little further, you mentioned Hodges' statement about being at war with China within 15 years; there's also Michael Auslin from the Hoover Institution, a known arch-neocon who's hostile to China, writing in the *Wall Street Journal*, saying that China wants to displace the United States. But at the same time, you had the Trump-Xi Jinping discussion and a Congressional delegation heading to China. I'd like for you give us a report on this fairly significant conference going on in Shanghai, the China International Import Expo, which is bringing leaders from countries all over the world to China again to discuss implementation of the Belt and Road Initiative.

### **Positive Developments: China, Yemen**

**Zepp-LaRouche:** Yes, the China International Import Expo is very important. China has said that it wants to have an annual such conference. It focusses mainly on importing; the Chinese authorities have said that the importing of goods, especially high-tech goods,

will be beneficial to the Chinese economy. It will be a huge event: 160,000 buyers will be there. I think 5,000 firms; 12 heads of state who will have, at the same time, big state visits in this context. And it is just one more proof that China really wants to continue its opening-up and is inviting cooperation. And in that light, I think it is very, very good news that Xi Jinping and Trump had this phone conversation.

**Schlanger:** Back to the war front for a moment. I think it's important to note, there was a very significant intervention by Defense Secretary Mattis and also Secretary of State Pompeo, both of whom issued statements calling for a speedy and peaceful end to the war in Yemen. Helga, this war has been part of an ongoing human rights catastrophe, and most of the world has been silent, but now there seems to be some motion in the U.S. Congress. What do you make of these Mattis and Pompeo statements?

**Zepp-LaRouche:** Obviously, it's long overdue, because the humanitarian catastrophe in Yemen, which is really a genocide, has reached a point of danger that the whole Yemeni population is threatened with being wiped out. There are 14 million people in acute danger of starvation, and now the U.S. government has said that it wants all parties to have a ceasefire; it wants the Houthi attacks on Saudi Arabia to stop. It is demanding that the Saudi-led coalition stop bombing populated areas, and that a peaceful solution must be accomplished within 30 days.

I think this is very, very good, and one can only hope that it is being carried through forcefully, because many, many people are in danger of dying of starvation, and a lack of medicine. This is the biggest scandal in the present time. It's good that this peace initiative should finally, finally happen.

### **Germany Drifts Toward Ungovernability**

**Schlanger:** I think people would very much like to hear from you about what's happening in Germany after the elections last weekend in Hessen. There's a scramble now for who's going to replace Angela Merkel as the chairman of the Christian Democratic Union party, which suffered a significant loss again in Hessen; the Social Democrats are also collapsing. I don't think you can look at this without connecting it to the effects of the economic crisis hitting Germany.

So, what can you tell us about Chancellor Merkel's



courtesy of James Rea

*German Chancellor Angela Merkel.*

future and, more importantly, where Germany has to go from here?

**Zepp-LaRouche:** Well, unfortunately, this is not good news. Many have uttered a big sigh of relief when Merkel announced her intention to resign as the party chief of the CDU at the CDU convention in December. She said she wants to stay on for the rest of her term as Chancellor. That is good, as I will explain in a moment. Many people have said that it is high time that this woman take her leave. Her term has been a complete standstill, and she has made many, many wrong decisions, like the energy exit and Germany's really bad policy towards Africa.

But the not-so-great news is that, so far, none of the people who have announced themselves to replace her are any better, and some of them are even worse. There's Annegret Kramp-Karrenbauer, the Minister-President of Saarland, who is basically said to be on the same line as Merkel. She was actually appointed more or less by Merkel as the General Secretary of the CDU. That would probably not be such a big change; she has a lot of support in the CDU, especially among the women and the apparatus. Then there is Jens Spahn who is a

terrible neo-con; he is presently the Health Minister. He is really a neo-con. He met with Bolton when he was in Washington. He has a lot of support among the Anglo-Americans.

But then there is Friedrich Merz. He's a very special case, because he is an arch-opponent of Merkel, having been kicked out by her, I think, in the early 2000s as a faction leader. He left politics and has been in many functions since: He is presently the head of the German branch of BlackRock. People say BlackRock is not a locust capitalist, but there are doubts about that. He's Chairman of the Atlantic Bridge association, which is a fully trans-Atlantic, neo-con institution. He also sits on the board of the German branch of HSBC, a bank which interestingly enough is being investigated for its involvement in the very scandalous "cum-ex/cum-cum" tax scandal—we can mention what that is, if people don't know; and he's also a German member of the Trilateral Commission, and has many other such posts.

So now, if you look what Merz has advertised in the past, he said EU123 [\$140] a month is enough for the Hartz IV welfare recipients. BlackRock has promoted privatization of pensions altogether. And naturally, Merz himself has supported French President Emmanuel Macron's proposal for greater European integration, which would not function at all under these present centrifugal tendencies within the EU.

I cannot see anything positive coming from Merz, from Spahn, from Kramp-Karrenbauer, or Ritzenhoff, who is a fourth candidate being mentioned, who's a complete anti-China hysteric. So, this means Germany is not in good shape, and naturally, if you had early elections, it could really lead to terrible developments. The Greens are gaining; then the AfD, the right-wing Alternative für Deutschland, could gain. Germany is in trouble. I want to say this very clearly. The present policy of the German government, just like that of the EU, is not to cooperate with China. Germany's Africa policy is still the same old "sustainability," more focus on small and palm-sized cooperatives, no infrastructure. The big Compact with Africa conference in Berlin was terrible.



CC/Michael Lucan



CC/Sandro Halank

*Friedrich Merz and Annegret Kramp-Karrenbauer, two candidates being considered to replace Angela Merkel as party chief of the Christian Democratic Union (CDU).*

I don't think that the condition of Germany is something to be happy about at all, and it just will mean that we in the Schiller Institute will have to amplify our efforts to bring some reason into the German situation. I call on all of you to join me, join us in this effort, because if Germany goes the wrong way, it will not be good for the rest of Europe, nor the world.

**Schlanger:** And what Helga is talking about, is joining the Schiller Institute, becoming a member, and visiting our [website](#), where you can sign up.

Helga, one other matter on Germany: It does appear that the people who are involved with Africa in Germany, in the Mittelstand and elsewhere, are beginning to get a sense of the importance of working with China now. We see this with the Afrika-Verein [Afrika-Verein der deutschen Wirtschaft/German Africa Business Association]. Do you think this might constitute a potential counterweight to what we otherwise see as the European Union's opposition to China's involvement in Africa?

**Zepp-LaRouche:** Well, I think it's very good that the Afrika-Verein spoke out. It had a big article in *Handelsblatt* the day before this Compact with Africa conference took place, demanding the creation of an investment fund to help German industries to invest. Now the point made by their leaders was that Africa will have more than 2 billion people by the year 2050—

many of them will be young people who need jobs. And therefore, it is an urgent necessity that Africa be integrated into the world economy, to avoid the catastrophe of great numbers of new refugees coming into Europe.

I think this really takes some more organizing. We talked to some other people in the know who told us that as of now, the German government is not really going in the right direction.

### **New Trump-Putin Summit Brings Hope**

I would like to bring up one other point, however, which I think is extremely important. Before Xi Jinping and Trump meet on Nov. 30 on the sidelines of the G-20 summit in Argentina, there will be an extremely important summit, on Nov. 11—just ten days from now—when Putin and Trump will meet in Paris on the occasion of the 100th anniversary of the end of World War I.

Coming back to the war danger that we were talking about before: The First World War, which we have documented at great length, was really the result of a British geopolitical manipulation which lasted for over 20 years, where, after the 1890 ouster of Germany's first Chancellor, Otto von Bismarck, all kinds of things were manipulated: The Triple Entente, the Entente Cordiale, the Russo-Japanese War in 1905, the Balkan Wars, all to prevent Germany from going into what was an early form of the Eurasian Land-Bridge, namely, the Trans-Siberian Railway and the Berlin to Baghdad Railway. His ouster was orchestrated by British intrigue working through Kaiser William II, to prevent such continental, Eurasian cooperation.

The World War was four years of *horrifying* slaughter. Soldiers were in the trenches for four years, slaughtering each other without meaning, without sense. The result of it was, that an entire generation of Germans were so traumatized by the war that they were completely uprooted. Under the terrible conditions of the Versailles Treaty, they became the recruits to the Nazi movement, which soon led Germany into World War II.

We had two World Wars. Anyone with even a bit of knowledge of history must make a noble commitment that this must never, ever happen again. I'm very sure that Trump and Putin will use that occasion to make that point emphatically, very strongly. And hopefully, they will introduce some other paradigms, because if we do not get out of this present geopolitical confrontation, humanity is absolutely at risk.

I know people in the United States have very little

sense of war. I have been told many times, "Yes, the United States, we did not fight World War I and World War II on our soil as you did in Europe." As a result of the Vietnam War, and especially the Iraq Wars, the Afghanistan rotations, many soldiers who have been deployed in these wars which were mostly based on lies, returned home totally traumatized after two or three tours of duty. You have 22 suicides a day in the United States; that means, 8,000 people a *year* committing suicide, and this affects about three million American families.

So, in a sort of terrible irony of history, it is these foreign wars which are resulting in a situation in which people know that Trump is right, when he says let's not have these interventionist wars anymore.

I think this is a very important occasion, and I'm very hopeful, and almost certain that Trump and Putin will use the occasion of this First World War centennial commemoration to make a dramatic proposal to change policy. And I think this is what everyone should have in mind on November 6.

### **Join the Schiller Institute!**

**Schlanger:** And just to add to that, Helga, I think the point you've made very beautifully, is that the issue *is* war and peace. And that issue is not going to be decided on Nov. 6, but will be decided by looking into the future, by activating people to fight for their future and the future of their posterity. Again, let me say, join the Schiller Institute, become a part of our fight, and let's make this world a better place.

Helga, is there anything else you want to add?

**Zepp-LaRouche:** No. This is an extremely crucial moment in history, so don't sit on the fence, don't watch it passively. Become active with us. Become active with us as a Renaissance movement because the world urgently needs a new paradigm. Join our Schiller birthday celebrations wherever you are in the country where we're having them. Contact us for that also, because the ideas of Friedrich Schiller are extremely important. They express the noblest image of man, and that's why the Schiller Institute is called the "Schiller Institute," because we want to have an impact—with the beautiful ideas of Friedrich Schiller—on the world and history.

**Schlanger:** OK, and we'll see you next week, Helga.

**Zepp-LaRouche:** I hope so.

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## III. LaRouche on Scientific Principle

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April 1, 1998

# The Principles of Long-Range Forecasting

by Lyndon H. LaRouche, Jr.

During recent years, I have repeatedly defined a “New Bretton Woods” reform of international financial and monetary institutions. In a presentation to a March 18, 1998 seminar, held in Washington, D.C., I summarized that package of proposals once again, situating the package in the setting of the current series of global, financial, and monetary crises.<sup>1</sup> In this present report, the presentation of the hitherto almost unknown principles of long-range forecasting, is preceded by situating that topic, and its importance, within the relevant features of the presently ongoing, systemic breakdown of the world’s financial and monetary institutions.

During the 1992-1994 interval, the downward-bent, currently ongoing economic process, which has been engendered by nearly thirty years of increasingly bad policy-shaping, had entered its terminal boundary layer.<sup>2</sup> Since this 1992-1994 phase-shift in that process,

the plunge toward the already impending death of the present system, has been neither reversed, nor moderated, but, rather, significantly worsened, by every effort of governments and international financial authorities, to deny, or to avert the onrushing, general financial catastrophe.

### The ‘Triple Curve,’ Again

The author’s familiar triple curve (**Figure 1**) identifies that 1966-1997 process which has led into the planet-wide, systemic financial and monetary crisis of October 1997-January 1998. The relevant features of that Figure are summarily described as follows.

A reversal of the direction of post-World War II policy-shaping, which began during 1964-1968, underlay the British sterling crisis of Autumn 1967, and the immediately ensuing U.S. dollar crises of the first quarter of 1968. In the U.S. case, policies motivated by “post-industrial utopian” ideologies, were initially introduced into actual U.S. government economic practice during 1966-1967, with an immediate, resulting decrease in the net rate of physical-economic growth in the U.S.A. By 1970-1971, the net growth of the U.S. economy, as measured in physical-economic terms, reached a net-zero balance, between increase of output and acceleration of attritional effects. With the introduction of the

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1. A transcript of the March 18 address is published as Lyndon H. LaRouche, Jr., “Toward A New Bretton Woods,” *Executive Intelligence Review*, March 27, 1998. A “ninety-minute” video edition of the actual March 18 address has been published.

2. See, the author’s 1992 Democratic Presidential campaign address on the subject of “The Great Mudslide,” broadcast under the title, “The Man George Bush Fears the Most,” on the ABC-TV network, on Feb. 1, 1992. (Reported in Brian Lantz, “LaRouche on TV: Voters Listened to the Wrong People!,” *Executive Intelligence Review*, Feb. 14, 1992.) The quality of “boundary layer,” is typified by its characteristic, geometrically increasing turbulence, producing periodic shocks, all leading into a region of discontinuity. There are significant similarities to what Bernhard Riemann defines as the entry of a continuously accelerated projectile, within a tube of indefinite length, into the transsonic region [Bernhard Riemann, *Über die Fortpflanzung ebener Luftwellen von endlicher Schwingungsweite*, “On The Propagation of Plane Air Waves of Finite Magnitude,” *Bernhard Riemanns gesammelte mathematische Werke*, H. Weber, ed. (New York: Dover Publications reprint, 1953)]. At that latter

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point, efforts to continue the system beyond that discontinuity, result in either an hyperinflationary, or hyperdeflationary chain-reaction mode of disintegration of the entire system. The 1921-1923, hyperinflationary efforts of Germany to meet the Versailles conditionalities, are an example of such a boundary layer. The present impact of both IMF and “Maastricht” conditionalities, is of the same species of folly as the 1921-1923 Germany hyperinflation.

FIGURE 1

### A Typical Collapse Function

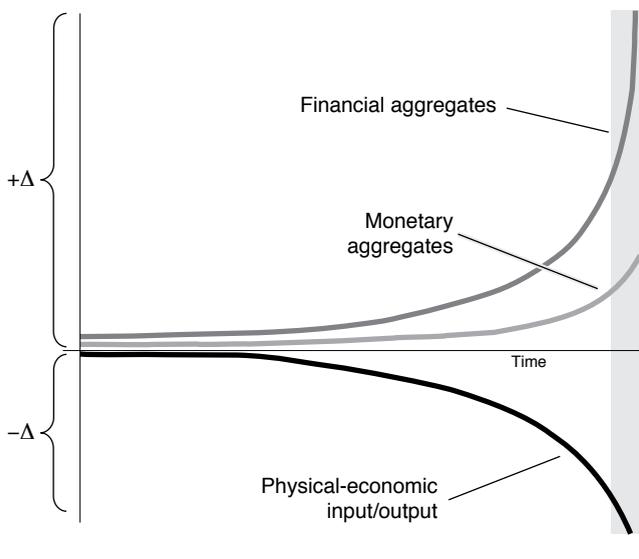
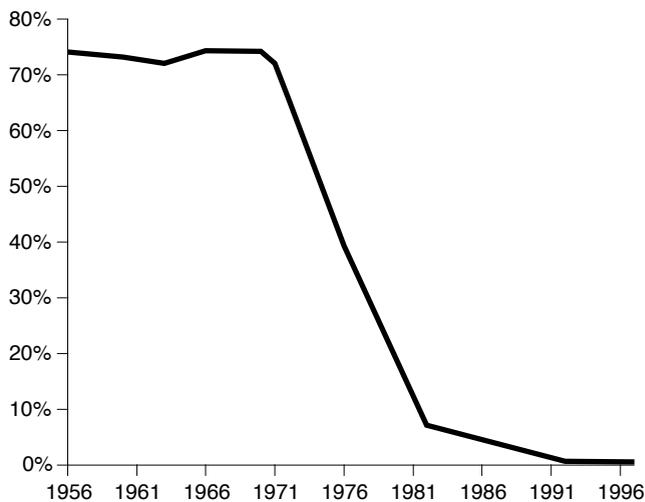


FIGURE 2

### U.S. Import-Export Trade as Percentile of Foreign Exchange Turnover



“floating-exchange-rate” monetary system, in 1971-1972, the U.S. economy, *as measured in physical-economic terms*,<sup>3</sup> has enjoyed a rate of annual contraction of more than 2% each year, to the present date.

Coinciding with that zero-balance which the U.S. economy reached in 1970-1971, the world’s financial and monetary system underwent a fundamental phase-change in its functional characteristics. This change is reflected most simply in the decline of the percentile of total foreign-exchange turnover attributable to combined imports and exports. In the U.S., for example (Figure 2), in the 1970s through 1990s to date, this disastrous change, to a “floating-exchange-rate monetary system,” was reflected in the new trend, world-wide, toward moving financial investment out of infrastructure, production, and trade, into pure financial and monetary speculation. In the new, post-August 1971, global regime, the greatest portion of financial investment moved into domains ever more remote from the real economy: Petrodollars, junk bonds, and derivatives.

Taking the 1966-1971 and 1972-1997 intervals as one, we have the “Triple Curve” presented in Figure 1. Beginning 1966, expansion of both monetary growth (e.g., M3) and financial aggregates, moves upward, in

terms of physical-economic measurements, relative to a decline in total investment (infrastructure, capital, labor, etc.) in real production and physical distribution of goods.<sup>4</sup> It becomes increasingly clear, from 1967-1968 onwards, that continued net nominal (financial) growth, is obtained chiefly through expanding monetary aggregate, at the expense of looting of the total historical investment in the productive sectors. The increase of financial aggregates becomes increasingly dependent on nominal (fictitious) financial capital gains, the which, in turn, reflect, not production, but the increasingly complex relations between compounded appreciations which are based on nominal price-earnings ratios, and increase of monetary aggregates. Thus,

3. E.g., Lyndon H. LaRouche, Jr., *So, You Wish to Learn All About Economics?* 2nd ed. (Washington, D.C.: Executive Intelligence Review, 1996).

4. I.e., as measured in physical-economic terms. See LaRouche, op. cit. The Triple Curve is constructed as follows. First, the combined (household, production, infrastructure) market-basket, per capita of total available labor-force, of combined physical, education, science, and health costs, of present and prior intervals, are compared in physical, not monetary terms. The relative upward, or downward direction of per-capita changes in net physical output, is measured, first, in physical market-basket terms, not money-prices. The result of that comparison is plotted (i.e., the lowest among the three curves in the figure). In order to compare current physical output with monetary developments, the physical output is equated to current money prices of the per-capita market-basket constituents. Thus, the relationship between the lowest of the three curves and the scale of monetary turnover (e.g., M3) is measured. Finally, the price of the current volume of total financial aggregates outstanding is added: the top-most of the three curves.

the changes in curvature among the three depicted curves, are not statistical, but functional in nature. The function thus portrayed, is the “medical” chart showing that the patient is a dying, self-doomed system.

The combination of “bail-out” and increasingly savage, anti-human, austerity measures, imposed by governments and financial institutions, has had the net effect of being financially inflationary, in the sense of the similar 1921-1923 developments in Weimar Germany (**Figure 3**). The result of these putatively stop-gap efforts, has been to increase, rather than moderate, the intensity of the forces which underlie, and determine the outbreaks of successive storms of crisis on the surface. These measures have wasted large masses of the pre-existing, real capital assets, which were better expended in the economic-recovery efforts of a new system, to replace the presently doomed one.

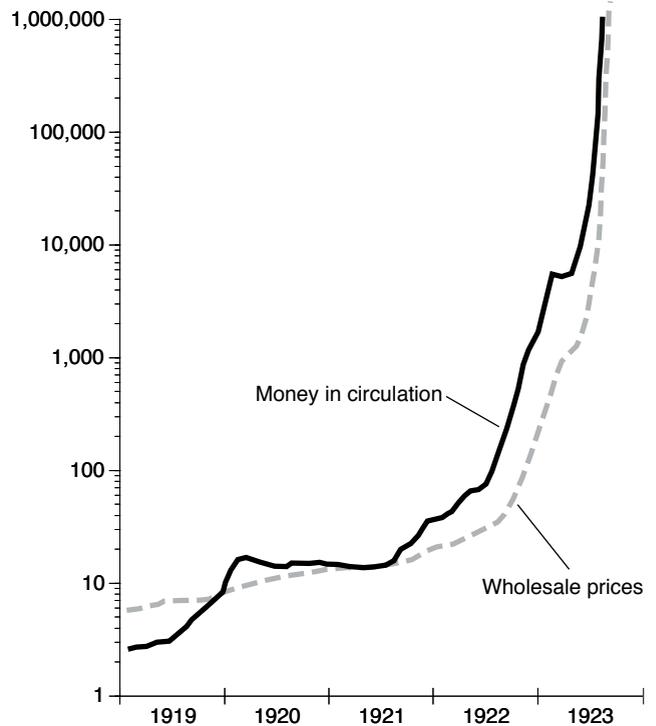
Typical are the net results of what were presumed to be those stop-gap measures adopted during the 1995 Halifax monetary conference. Those measures were intended to delay the plunge into what was, in fact, the then-already looming, financial-derivatives-driven end-phase of the system. The intent was to delay what was in fact the inevitable, to a time beyond the relevant 1996 elections.<sup>5</sup> These measures postponed the onset of the next round of crisis on the surface; but, they also made the later crises, striking us during late 1997 and 1998, more rapid, and far more severe than would have been the case, had the necessary radical changes not been postponed, by the misguided decisions of the Halifax conference.

There is a relevant, most urgent political lesson to be learned from such heretofore typical, recent decades’ failures of leadership among the G-7 and other

5. From the period of the Halifax conference, see William Jones, “Clinton Puts Financial Reform on International Agenda,” *Executive Intelligence Review*, June 23, 1995. Jones wrote that the “reform” mechanisms specified in the Halifax communiqué “are useless to manage the global financial disintegration now under way—an impossible task.” Among recent discussions of the Halifax decisions, see U.S. Treasury Secretary Robert Rubin’s press briefing of Feb. 19, 1998, where he discussed a “new financial architecture”: “Even as we address today’s financial instability in Asia, the G-7 will also focus on efforts to reform the international financial architecture to better prevent crises in the future and to better manage them when they occur. We in the United States have been focussed on this for quite some time. As you may remember, the President took the leadership with respect to what became known as the Halifax initiatives. And more recently, over quite some number of months now, the Federal Reserve Board and Treasury have been working together on this question of architecture.” The issue is discussed in Michael Liebig, “Biggest Bailout in History Still Won’t Save World Economy,” *Executive Intelligence Review*, Jan. 23, 1998.

FIGURE 3  
**Germany and Hyperinflation, 1921-23**

(index 1913 = 1)



Source: Knut Borchardt, “Wachstum und Wechsellagen 1914-1970,” in Hermann Aubin and Wolfgang Zorn (eds.), *Handbuch der deutschen Wirtschafts- und Sozialgeschichte*, Stuttgart: Klett, 1976, vol. 2, p. 699.

governments. That failure of the Halifax meeting, while typical of the intellectual mediocrity pervasive among the recent crop of heads of government and leading political parties, must also remind historians of the folly of Germany’s “young Moltke,” who, in 1914, fled from the risk of obtaining an early and pre-assured military victory, by dissipating the concentration of resources essential to victory, into a fool’s errand, dispersing that concentration to levels below the critical level needed for the right-flank assault, for the silly purpose of seeking to minimize, needlessly, a wide assortment of relatively irrelevant varieties of risks.<sup>6</sup> Such behavior in the political command of today’s nations, should remind us, fondly, of “Organizer of Victory” Lazare Carnot’s successful replacement of such defective kinds of general officers by, in some

6. On “young Moltke’s” folly, see Andreas Ranke, “Schlieffen, Carnot, and the Theory of the Flank,” *Executive Intelligence Review*, Feb. 6, 1998.

notable instances, selected, more effective sergeants.<sup>7</sup>

The performance by the consensus among leaders at Halifax, would be described most charitably, by comparing it to a group of unemployed actors engaged in theatrical try-outs, competing for the role of Shakespeare's self-doomed Hamlet. Such is the shilly-shallying pragmatism of fearful political leaders, controlled by their desperate attempts to deny the fact, that the present world economy, like that of the U.S.A. and western Europe, in particular, has already collapsed far below the quality of thirty years ago, with doom not far ahead.

In fairness to the individual leaders who participated in that wretched consensus, in their capacity as individual personalities: that pathetic behavior of the group as a whole, reflects the qualities of performance sought in the selection of today's leaders. That defective mode of performance, is what selected leaders are strongly advised to adopt. See the image of Rembrandt's "Belshazzar's Feast"—such behavior of societies and their leaders, is characteristic of the self-doomed, presently existing political system of today's nations, and of the institutions of today's "global community." Such folly as exhibited at Halifax, is not the result of any randomly determined coincidence of bad leadership by particular officials. The folly represents nothing less than what is demanded of today's national leaders by the self-doomed, present political system at large. In any case, such cowardly zeal to deny the fearful evidence, is today's potentially fatal, tragic flaw, the leading source of danger to global civilization.<sup>8</sup>

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7. In 1792, Carnot was elected to the Legislative Assembly; after the Reign of Terror began in 1793, he was named to the Committee of Public Safety. He took all military operations under his control, for France's war against Austria, Prussia, and Britain. In 1793-1794, he formed a new, mass-based army; organized the military forces for total war; and concentrated his military efforts on attacking the English. See Dino de Paoli, "Lazare Carnot's Grand Strategy for Political Victory," *Executive Intelligence Review*, Sept. 20, 1996.

8. This type of denial is not an accidental, but, rather, a characteristic pathology of the "Baby Boomer" generation's heritage of university campus-based, mid-1960s youth counterculture. This pathology, concentrated within the influential university-student strata of the generations born after August 1939, has produced a radical form of cultural relativism, typified by the "Rainbow Coalition" phenomena, known as "politically correct" language and related codes of behavior. The essential characteristic of this cultural relativism, has infected the "New Age" strata within two succeeding generations. Notably, today's "political correctness" is copied, intact, from Nazi Propaganda Minister Josef Goebbels' *Gleichschaltung*, and also from the Communist parties of the U.S.A., and elsewhere, during the 1920s through 1960s. Spawned within such "Orwellian" regimes, this perversion now marches under the banner of the U.S. National Endowment for Democracy and kindred trade-styles. It is also characteristic of the code of "political correct-

ness" specific to the neo-conservative yahoos of Speaker Newt Gingrich's following, and to the kindred neo-fascist currents, within the labor movement and elsewhere, of the present-day Lovestoneite tradition of the Communist International's so-called Right Opposition. Another, related, leading source of this type of "political correctness" in speech and related codes, has been the so-called "Frankfurt School," established for the explicitly adopted purpose of carrying out nihilist and Freudian-Marxist Georg Lukacs' corrosive program for destroying western European civilization from within. The essential characteristic of all varieties of political correctness, the programmatic outlook of the Rainbow Coalition included, is compulsively exegetical modes of sophistry, or, in short, lying with a fraudulent explanation. By this ruse, a calamitous, thirty-year decline in the U.S. real standard of living, is called progress; the exegetical fraud behind this outright lie (that the economy is fundamentally sound), is the sophistry, that, since the downward changes in real standard of living are correlatives of progress toward the paradise of "post-industrial society," we must judge today's conditions by "post-industrial," not real-life standards of performance. Such pathological behavior, in the service of "political correctness," should be recognized as an outgrowth of that dogma of cultural relativism, which denies the existence of those universal truths, upon which the U.S. Declaration of Independence and Federal Constitution were absolutely premised.

9. This schematic was introduced in the author's address to a conference of the International Caucus of Labor Committees and Schiller Institute in Eltville, Germany, on Dec. 2, 1995, and was published in *Executive Intelligence Review*, Jan. 1, 1996. See also the Presidential-candidate's address on Martin Luther King Day, published in *Executive Intelligence Review*, Feb. 2, 1996. For a more recent discussion of the elements of the figure and their interaction, see the author's speech to the ICLC-Schiller Institute conference in Arlington, Virginia, on Jan. 17, published in *Executive Intelligence Review*, Jan. 30, 1998.

### **Beyond the 'Ides of March'**

At the time my referenced March 18, 1998 Washington, D.C. address was delivered, the inevitable Ides of March had just been reached. The international system had just experienced the first burps of yet a new

ness" specific to the neo-conservative yahoos of Speaker Newt Gingrich's following, and to the kindred neo-fascist currents, within the labor movement and elsewhere, of the present-day Lovestoneite tradition of the Communist International's so-called Right Opposition. Another, related, leading source of this type of "political correctness" in speech and related codes, has been the so-called "Frankfurt School," established for the explicitly adopted purpose of carrying out nihilist and Freudian-Marxist Georg Lukacs' corrosive program for destroying western European civilization from within. The essential characteristic of all varieties of political correctness, the programmatic outlook of the Rainbow Coalition included, is compulsively exegetical modes of sophistry, or, in short, lying with a fraudulent explanation. By this ruse, a calamitous, thirty-year decline in the U.S. real standard of living, is called progress; the exegetical fraud behind this outright lie (that the economy is fundamentally sound), is the sophistry, that, since the downward changes in real standard of living are correlatives of progress toward the paradise of "post-industrial society," we must judge today's conditions by "post-industrial," not real-life standards of performance. Such pathological behavior, in the service of "political correctness," should be recognized as an outgrowth of that dogma of cultural relativism, which denies the existence of those universal truths, upon which the U.S. Declaration of Independence and Federal Constitution were absolutely premised.

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10. Lyndon H. LaRouche, Jr., "What Economics Must Measure," *Executive Intelligence Review*, Nov. 28, 1997.

round of crises for the second quarter of 1998, a crisis far more turbulent, more intense, with wider, chain-reaction impact, globally, than that which had erupted during late October 1997.

It is more than merely conceivable, that this new round of turbulence could detonate that chain-reaction collapse of the derivatives bubble, which would not only disintegrate virtually every central banking system of the planet, but produce that effect within as brief an interval as several panic-stricken days. A more cautious estimate would be, that this will be the penultimate shock, prior to the next round, when refusal to adopt the author's policies, would make virtually certain, that the world's economic system would plunge, like Mozart's guilty Don Giovanni, into the impatiently waiting abyss.

Acknowledge this to be the situation. Then, suppose, that the majority of today's shapers of economic policy, otherwise recognized as the political establishments' "free trade" and "globalization" fanatics, aided by the "young Moltkes" of 1998, were to succeed in preventing the early adoption of the kind of "New Bretton Woods" agenda which this writer has specified. In that case, the presently erupting, new, April-June resurgence of this crisis, will accelerate the present, terminal phase of the world's systemic, financial and monetary turbulence, thus bringing the world to, if not over the edge of a waiting abyss. That abyss is the imminent threat of a collapse of civilization into a "New Dark Age," similar to the Fourteenth Century "New Dark Age," but, this time, on a planetary scale.

Thus, during the second quarter of 1998, the world is, once again, experiencing an attempt, led by wild-eyed monetarists of the Mont Pelerin Society type, to meet yet another round of global financial-monetary crisis. Their Pavlovian response to each crisis, continues to be a combination of sundry hyperinflationary financial-monetary measures, with predatory extremes of austerity, and other tactics for "bailing-out" private financial institutions. A likely, new repetition of such habituated, morbid lunacy, if it were not prevented, would appear in the form of a maddened horde of political flagellants' stubborn repetition of the disastrously failed tactics, employed in response to the earlier, year-end "Asia crisis." The fabled, failed, doomed King Canute could not have been more pathetically tragic.

For a brief time, if only in the opinion of very gullible persons, such wildly desperate, blind-ideology-driven measures, like the doomed, hyperinflationary

stock-exchange bubbles of February-March 1998, might succeed, like the eye of a hurricane, in moderating the surface turbulence of the present, April-June round of the crisis. Then, during that brief interval of relative calm, the world's great fools would agree to say, as they had done repeatedly earlier: "Let us pretend that the storm has passed. Let us pretend, that our system as a whole is 'basically sound.'"

In reality, contrary to such childish hysterical huddling of leaders in their mental fox-holes, this time, their actions themselves would push the global system to, or even over the edge of a virtually "thermonuclear" form of debacle, either as a Weimar Germany-type of hyperinflationary disintegration of the system, or reversed financial-leverage implosion of the world's \$140 trillions-plus financial bubble. Without the measures of reform I have proposed, the implosion of that bubble would plunge the world into a Fourteenth-Century-style "New Dark Age," this time on a planetary scale.

To repeat the crucial point presented in the March 18 address: If the world is to avoid such an impending, general collapse into a "New Dark Age," a leading group of sovereign nation-states, which might be otherwise known as "We, the Survivors," must act to initiate a sudden, and radical turn, even over the objections of any number among other nations: to adopt arrangements, best compared for similarities with the Bretton Woods rules of the 1950s period of post-war economic reconstruction. Without the virtually immediate adoption of those changes, in rules of monetary exchange, international finance, and trade, which I have therefore identified as the needed, "New Bretton Woods" measures, it is assured that the world would be plunged, very soon, into a planetary "New Dark Age."

As emphasized in that address: The sudden and radical, proposed measures of financial and monetary reform, are indispensable, but not sufficient by themselves.

The world requires a design for a new, stable, global financial and monetary order. The purpose of this, is to create the pre-conditions under which an immediate trend of physical-economic recovery is possible. Without such radical changes in the financial and monetary system, no physical recovery of the world's economy could be expected earlier than the middle of the Twenty-First Century.

That mid-Twenty-First-Century recovery, if it were to occur, would be preceded by an intervening period

of, perhaps, two generations, a terrible period of deep demographic collapse through factors of famine and disease. The monstrous developments in Russia, since the end of 1991, including a stunningly precipitous demographic collapse, are a foretaste of the horrible fate which will grip all nations of this planet, should the indicated “New Bretton Woods” not be installed during the weeks and months immediately ahead. The rapid collapse of our planet’s population, to the levels of no more than several hundred millions, is a plausible scenario under such conditions.<sup>11</sup>

To prevent this catastrophe, the indicated changes in financial and monetary rules are indispensable.

Although those specifications for new financial and monetary rules are indispensable, I do not suggest that such necessary changes, by themselves, will cure our problem. Like the great reconstruction of the 1946-1966 period, under old Bretton Woods rules, a good financial and monetary system itself, could not create a recovery spontaneously. Such a system does little more than create the pre-conditions under which it is possible to launch a sustainable form of economic recovery. The Bretton Woods conditions of the 1950s, did not cause the post-war economic recovery in Europe. The Bretton Woods rules of Harry Dexter White, et al., helped by the marginally crucial role played by the modest flow of Marshall Plan funds, contributed the conditions without which the economic-recovery programs of sovereign governments could not have succeeded as they did.<sup>12</sup>

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11. The case to study, for comparison, is what is termed Europe’s collapse into a “New Dark Age” of the mid-Fourteenth Century. This was the result of approximately a hundred years of devolution of European civilization, following the death of the Holy Roman Empire’s Frederick II, a degeneration of Europe, under Guelph League hegemony, which culminated in the inevitable collapse of the Europe-wide Lombard banking system of the mid-Fourteenth Century. During this period, approximately half the pre-existing parishes of Europe were wiped from the political map; during the terminal phase of this century-long moral, political, and economic degeneration of Europe, the population collapsed by no less than one-third. The repetition of such a terminal collapse of the present world financial and monetary system, would quickly reduce the “carrying capacity” of this planet, from over five billions, at present levels of practiced technology, to no better than a world population of several hundred millions, and that within a period of not more than approximately two generations. The world is not threatened by an “Armageddon,” but, rather, something between the import of “Belshazzar’s Feast” and the doom of Biblical Sodom and Gomorrah: the end of a culture which had willfully abandoned its moral fitness to survive.

12. Predominantly, the reform adopted at the war-time conference, held in Bretton Woods, New Hampshire’s Mount Washington Hotel, was the product of the influence, reflected in President Franklin Roosevelt, of a

So, the new rules, which my associates and I have presented for immediate adoption, are designed specifically to create the preconditions favorable for what is fairly described as a global, Franklin Roosevelt-style economic recovery.<sup>13</sup> The object of the design, is the fostering of large-scale, productive capital formation, permitting the successful use of new sources of credit, mobilized for this purpose by sovereign governments.

The world requires accelerating rates of new, real capital formation in agriculture and industry, with emphasis upon high rates of technological progress. However, such economic renewal would not be possible without the inclusion of a massive infrastructure-build-

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group of U.S. historians and economists reflecting the tradition of Benjamin Franklin, Alexander Hamilton, Mathew Carey, Friedrich List, and Henry C. Carey. (See *Political Economy* feature, in *Executive Intelligence Review*, March 20, 1998.) While President Roosevelt lived, the new, post-war, international monetary system was intended to function as an integral part of Roosevelt’s patriotic determination to eliminate all colonialism, and also the dominant influence of British economic liberalism, at the close of the war. With the death of Roosevelt, and the role of Stimson and others in inducing Harry Truman to order the effectively worse-than-useless nuclear bombing of Hiroshima and Nagasaki, the British and their co-thinkers were able to prevent Roosevelt’s post-war “American Century” reforms, from being carried through as intended. The role of Harry Dexter White, as contrasted with the contrary influences of John Maynard Keynes, should be noted; these differences dominated the often contradictory tendencies within the post-Roosevelt functioning, 1946-1971, of that monetary system. Although Germany received a much smaller ration of Marshall Plan aid, per capita, than Britain or France, Germany’s performance was vastly superior to either of those neighbors. The reason for Germany’s superior financial performance over its neighbors, is centered in the U.S. government’s acceptance of banker Hermann Abs’ proposal for establishing a Franklin-Roosevelt-style institution, Germany’s *Kreditanstalt für Wiederaufbau*. Additionally, however, it should be noted that the superiority of Germany’s economy, over those of Britain and France, since 1876-77, is Germany’s use of its world-leadership in science, then, as a driver for its copy of that 1861-1876 model of the American System of machine-tool-design-driven agro-industrial progress which had been launched, under U.S. President Abraham Lincoln, by the world’s then leading economist, Henry C. Carey. As a result of the combination of this American model and the measures associated with the *Kreditanstalt für Wiederaufbau*, Germany did not tolerate the kind of waste of its Marshall Plan funds, which caused the inferior performance of Britain and France.

13. The emphasis here, is Roosevelt’s intended post-war measures: to end, immediately, all colonial systems; to terminate the domination of the world market by the British “Eighteenth-Century methods” of “liberal economics;” and, to make available to the liberated former colonies, as to the nations of Central and South America, the opportunity to participate in the economic methods and technologies of progress enjoyed by the United States itself. In short, what we supporters of the Non-Aligned Nations’ effort, were pleased to identify as a “just new world economic order.”

ing program, planet-wide. Without that latter program, global economic recovery of per-capita physical output would not be sustainable, and, in many regions of the world, could not even begin. Nor would such an infrastructure-building program be possible, without the proposed “New Bretton Woods” financial and monetary reform, reversing supranational authorities’ hitherto persisting nullification of those preconditions for freedom and democracy, which can be sustained only under the rule of technologically progressive, perfectly sovereign nation-state republics.

The world must be transformed immediately into a system of partnership among sovereign nation-states, as American System advocate Friedrich List laid the foundations for the modern European national economy, or, as President Charles de Gaulle envisaged such partnership among the perfectly sovereign nation-states, “from the Atlantic to the Urals.”<sup>14</sup> Without that change, the needed high rates of physical-capital formation, could not be achieved and sustained. Without the proposed monetary reforms, re-establishing the sovereignty of nation-state republics, a viable economic recovery could not be organized.

## The Lesson of Versailles

So, in its leading features, the presently needed “New Bretton Woods” must be viewed as a set of rules designed not to provide, but to foster a kind of general economic reconstruction. This is an economic reconstruction similar to that which lifted Europe and other parts of the world out of the ruinous conditions imposed upon national economies by the Versailles Treaty, and by the ensuing depression and World War II.

It should be stressed that the processes, including the rise of Adolf Hitler in Germany, leading into World War II, would not have been possible without the persistence of a global environment created by those same “Economic Consequences of the Peace” which were

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14. The “Europe from the Atlantic to the Urals,” envisaged by President de Gaulle, has no congruence with the return to the political institutions of Europe’s Middle Ages and the 1818-1848 “Thirty Years War:” the Maastricht agreements imposed upon continental Europe by such foaming-at-the-mouth, rabid German-haters as Britain’s Prime Minister Margaret Thatcher and de Gaulle-hating French Socialist President François Mitterrand. These were the same pair which launched the post-1991 Balkans War, which like the Entente Cordiale’s launching of the pre-World War I Balkan Wars, had the purpose of drawing Russia, Austria, and Germany into a war of mutual destruction, by aid of which Britain, assisted by its French poodles, might exert virtual supremacy over continental Europe.

the principal, forecasted results of Versailles.<sup>15</sup> We must look back to the lessons to be learned from studying both of the conditions which the Versailles system generated: the systemic crisis of 1920s Germany, and the cyclical depression of the 1930s. With the effects of that depression, and its ensuing war, in view, we must focus upon the initial period of reconstruction in progress throughout the 1946-1957 interval. We must apply those successful precedents, not as patented, or otherwise perfect models;<sup>16</sup> the crises of the 1920s and 1930s were predominantly expressions of a global cyclical crisis, whereas the present crisis is a global systemic one.<sup>17</sup> With that crucial distinction in mind, we must study the 1946-1957 period of post-war reconstruction, as a source of insight into some of the similar, if more challenging, features of the present case.

Then, at the close of World War II, the task of financial and monetary reform, was undoing the evils of Versailles. The “new Versailles,” today, is those prevailing policy-shaping trends of the recent thirty-odd years, which have now plunged us into this presently ongoing, global, systemic, economic-breakdown crisis. The Bretton Woods rules of the 1950s, provide us many ap-

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15. John Maynard Keynes, *The Economic Consequences of the Peace* (New York: Harcourt, Brace and Howe, 1920). The circumstances for Adolf Hitler’s Autumn 1923 rise from obscurity, and later, London and Harriman family-backed rise to power, in 1933, were, like the moral degeneracy of 1918-1943 France, made possible by the conditions imposed upon Europe by Versailles. However, that does not mean that Versailles made Hitler’s rise to power inevitable. What made Hitler, and World War II “inevitable,” was the repeatedly successful intervention of, chiefly, London and New York bankers, to crush all those forces, like the German patriot, Dr. Wilhelm Lautenbach, whose anti-Versailles programs of economic reconstruction, could have made Hitler’s London-backed rise to power impossible. Just so today; if the cabal of powerful lunatics, centered around London’s financier oligarchy and Robert Bartley’s *Wall Street Journal*, succeeds in defeating those who work to overturn the present globalist system, then the worst result is inevitable. Who were then to blame for the result? The incurably evil financier-oligarchs and their lackeys—or the cowardly, corrupted ordinary citizen, who declines to support those, upon whom the future life of the citizens’ children, grand-children, and great-grandchildren may depend absolutely?

16. E.g., the folly of the Eisenhower administration, from 1954 on, in following the advice of Arthur Burns, thus setting into motion the financial bubble expressed as that deep, 1957-1960 recession, which erupted in February 1957.

17. On the distinction between the past cyclical (e.g., “business cycle”) crises, and the present, planet-wide, systemic crisis, see Lyndon H. LaRouche, Jr., “What Economics Must Measure,” op. cit., and, also, the concluding section, subtitled “The Business Cycle,” of Lyndon H. LaRouche, Jr., “Russia Is Eurasia’s Keystone Economy,” *Executive Intelligence Review*, March 27, 1998, pp. 51-52.

plicable precedents for those radical reforms essential for lifting the world's economy out of the different quality of systemic nightmare, created by that "new Versailles," the which is the recent thirty years' trends in policy-shaping.<sup>18</sup>

### The 'New Bretton Woods'

To this effect: compare the results of two monetary systems: a) the old Bretton Woods agreements, up to the point of the U.S. manned landing on the Moon; and, b) the results of changes in policy-shaping, hegemonic since 1971-1972. Compare these systems in terms of directions and rates of change in physical-economic output, as measured per-capita and per-square-kilometer of relevant surface-area of our planet (**Figure 4**). There is no doubt that, by comparison of performance, the outcome of the post-1972 period of a "floating-exchange-rate" system, has been worse than a great error; it is a disaster. As we have stressed, once again, here, there are significant qualities of difference between the conditions of the 1950s and today; nonetheless, there are but a few important differences of detail, between the old Bretton Woods, and the form in which its useful moral and juridical precedents should be revived now.<sup>19</sup> Otherwise, the principles of successful reconstruction itself remain, if only broadly, the same as those which led into the fabled "economic miracle" achieved under

18. The 1950s of Italy's Alcide de Gaspari, Germany's Konrad Adenauer, and, at the close, Charles de Gaulle, represents the "take-off" period of European post-war reconstruction. These were the years of relatively tight exchange controls, and related protectionist measures by sovereign nation-states, restrictions which were essential to establishing the foundations for the achievements of the pre-1971 1960s. Thus, the way in which the Bretton Woods system functioned during the 1950s period of relatively tight, dirigistic forms of financial and monetary restrictions, is the phase of the old Bretton Woods system most usefully referenced in addressing the increasing disorderly, tumultuous present circumstances and their inevitable near-term aftermath.

19. The principal difference required, is the replacement of the past role of central banking systems, by "Hamiltonian" national banking. Given the ratio of current obligations to current GDP, virtually all of the world's central banking systems are already hopelessly bankrupt. While we can ensure the continued functioning of all the socially necessary private banks through government-supervised bankruptcy-reorganization, the central banking systems themselves are no longer capable of generating adequate supplies of credit. They could not even maintain the present levels of employment, production, and trade. New credit must be generated by the power of sovereign governments, a measure balanced by writing off in excess of \$140 trillions equivalent, globally, of derivatives and other largely fictitious financial assets, and by rewriting much short-term and medium-term legitimate debt, as long-term debt at yields in the order of 1% to 2% annually.

Germany's Chancellor Konrad Adenauer.

All these considerations, when combined, require a radical change, not only in financial and monetary policies, but also a profound change, away from the recent decades' thinking about economics, the which latter has become hegemonic among virtually all among the world's governments and financial institutions.

To that end, it is the included purpose of the present report, to show, that had the latter institutions employed a competent notion of long-range economic forecasting, at any time during those changes of the recent thirty-odd years which have ruined us, rational governments would not have tolerated those policies, which have now brought this world to its present brink of a planetary "New Dark Age" abyss. We would not have tolerated the kind of thinking which became hegemonic during the recent thirty-odd years.

From the vantage-point defined within this report, there is no mysterious cause for the world's present dismay. The bad policies which have ruined the world's economy, were choices made under the influence of that generally accepted, but increasingly defective, so-

## The Failure of Post-1971 Economic Policymaking

The charts in **Figure 4** show three series, for comparison.

In Series 1 (Figures 4.1.1-4.1.6) you see the cancerous growth-rate of financial turnover in the United States, in the period 1971-1973 to the present. Indicative sub-categories of turnover are shown, of money flows into mergers and acquisitions, money flows into futures speculation on interest rates, on currencies and equity indices, and so forth. Overall in the United States, valuations of stocks, debts, and especially, since the mid-1980s, derivatives, have grown at hyperbolic rates. Worldwide speculation in derivatives shows the same cancerous growth rate.

Series 2 (Figures 4.2.1-4.2.5) shows the decline in money flows into investments into basic production sectors of all kinds in the U.S. economy, over the same time period that, in contrast, financial speculative

*Continued on next page*

FIGURE 4.1.1

**U.S. Merchandise Trade as Percent of Global Dollar Currency Trading**

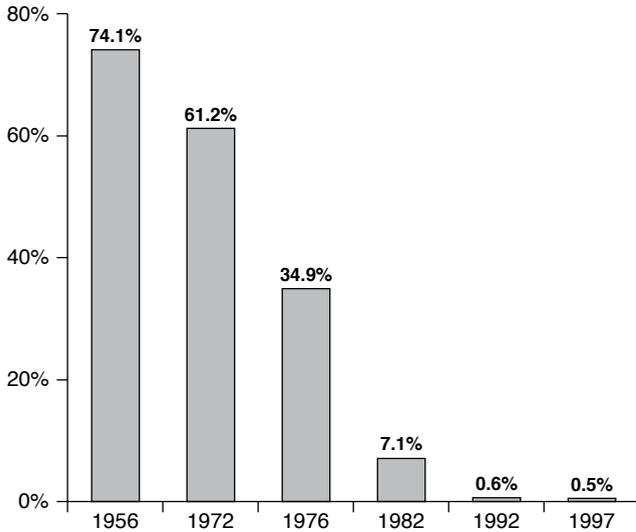
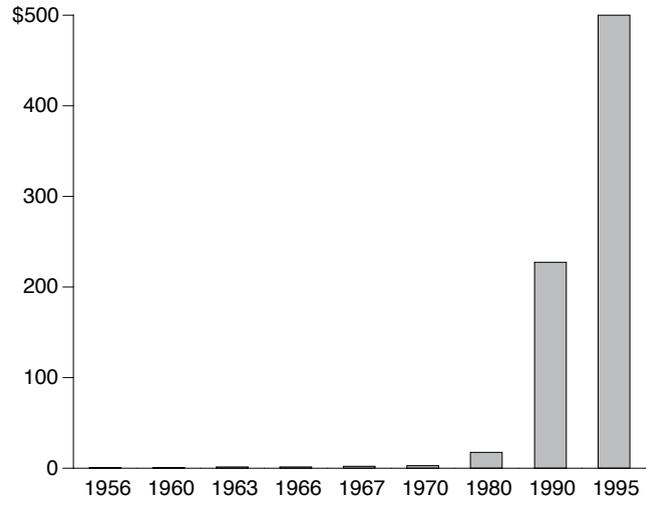


FIGURE 4.1.2

**Annual U.S. Financial Turnover**

(trillions \$)



called “mainstream” opinion, which has dominated, increasingly, the selective shaping of policies of government and relevant private institutions, during most of the recent thirty-odd years. Had rational governments foreseen the outcome of such “mainstream opinion,”

they would have acted to resist such opinion, and also uproot it by aid of the most vigorous re-education of an economics-illiterate, duped general public.

For related reasons, without the added adoption of that needed standard of long-range forecasting now, as a guide to, and integral feature of future policy-shaping,

*Continued from previous page*

turnover ballooned. Also shown, is the related decline in proportion of the U.S. workforce engaged in essential activity in these sectors. The percentage of workers (as a share of all operatives), and the percentage of investment (as a percent of the Gross Domestic Product) have declined over the period from 1971-1973 to the present, for manufacturing, agriculture, basic physical infrastructure (water, power, transportation, etc.), construction, and related categories of activity. This does not reflect increased productivity; just the opposite. The declining productive investment and employment show up as declining rates of production and consumption levels per household in recent decades. The final graph of this series, illustrates one aspect of this devolution of the economy, in terms of the deteriorating condition of an average household. In the 1960s, the pay-check of the principal wage-earner, would cover the four basics shown (home, car,

food, health care), with money remaining for other essentials; at the same time, households were productively engaged in the economy. Today, households can no longer exist on the pay-check of the principal wage-earner—typified by the recourse of family members to hold, among them, several jobs per household. At the same time, the numbers of jobs in non-productive activities in the economy have proliferated—typified by casino employment, part-time fast-food jobs, and all kinds of non-essential services.

In Series 3 (Figures 4.3.1-4.3.4), you see the deteriorating composition of U.S. national product, in terms of even such a crude measure as Gross Domestic Product. It is obvious how the value is dropping in the period 1971-1973 to the present, of the component of GDP related to manufacturing and goods production, relative to the rise in value of financial, insurance, real estate, and related non-productive services.—*Marcia Merry Baker*

FIGURE 4.1.3

### Hyperbolic Growth of the U.S. Financial Aggregate

(trillions \$)

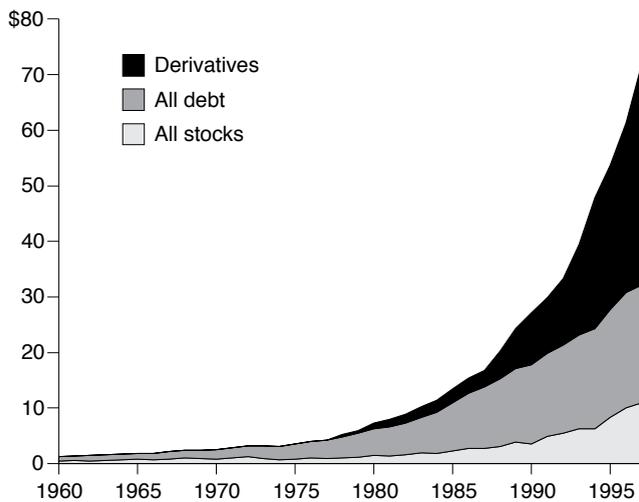
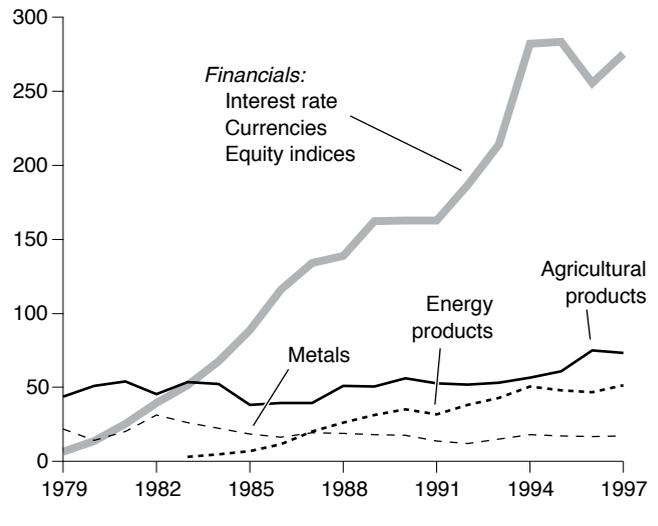


FIGURE 4.1.4

### Financials Dominate Futures Markets

(millions of contracts traded)



the possibility of successfully managing the needed recovery would be jeopardized.

Never again, must we allow governments to do as the failed, neo-liberal architects of the floating exchange-rate system did. Never again, must we allow the kind of ranting, romantic ideologue's compelling emotional impulses, mere prejudices, to override discretion in choosing a route of travel in economic development. Never again, must we permit ranting ideologues, like the flagellant hordes of the Fourteenth Century, or today's wild-eyed Heritage Foundation fanatics, to menace the public welfare, or permit our economies to be directed by deranged ideologues, to an H.G. Wells', or related style of proposed sociological utopia.

Instead of demanding "politically correct" conformity with today's prevalent madness, with prevailing blind faith in popularized ideological fads and their virtual-reality agendas, check the actual route of travel implied, beforehand. Hereafter, nations must check carefully, in advance, the character of terrain through which the proposed route of travel actually leads.

This brings us directly to the core subject-matter of this report.

Up to this time, no government of the recent quarter-century, or other relevant leading institution of the same period, has yet become sufficiently competent to define adequately the policies needed, in the aftermath of the adoption of a New Bretton Woods mone-

tary order. Although the appropriate methods of long-range forecasting remained chiefly in obscurity, even among otherwise competent economists of an earlier, happier period, even those qualified competencies have chiefly vanished from leading "mainstream" policy-shaping opinion today. Three decades of impact of a declining culture, globally,<sup>20</sup> have produced the state of affairs, in which, with few exceptions, even among the relatively best relevant professionals, most lack competence, in the specific degree

20. Franklin Roosevelt had the advantage of counsel provided by a patriotic tradition among historians and economists. This "American System" tradition of Franklin, Hamilton, the Careys, John Quincy Adams, Henry Clay, Friedrich List, and Abraham Lincoln, persisted, even after the unfortunate U.S. Presidencies of Teddy Roosevelt, Ku Klux Klanner Woodrow Wilson, and Calvin Coolidge, as a strong, if minority current in U.S. academic and related life, until the unfortunate developments, which followed the historically most untimely death of Franklin Roosevelt. It was systematically purged from the textbooks and the universities, by the burgeoning influence of the neo-Jacobin rabble of epistemologically cretinous Frankfurt-Schoolers and intellectually kindred leftists and neo-conservatives, during the middle to late 1960s, and beyond. Hence, few professionals of the 'Sixty-Eighter generation of university graduates, have any competence at all in matters of political-economy and actual history. President Clinton, who suffers conspicuous short-comings of this sort, is otherwise a relatively superior intellect, among the representatives of his own and the succeeding generations of professionals. On more general implications of the cultural decline of European civilization during the Twentieth Century: that is a sub-topic is better treated in the relevant location of this report, below.

FIGURE 4.1.5

### Mergers and Acquisitions versus Manufacturing New Plant and Equipment

(billions \$)

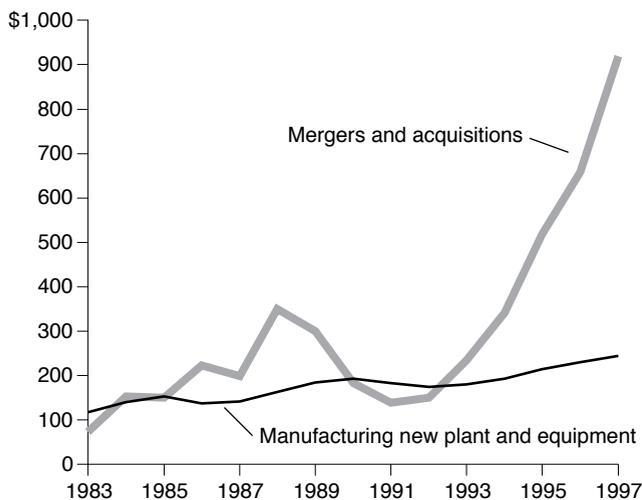
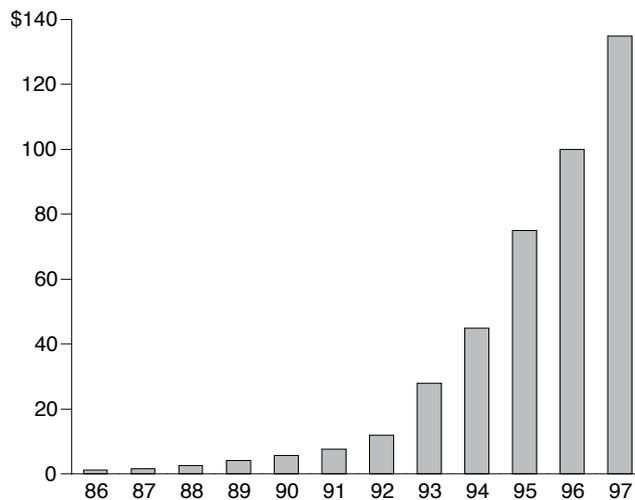


FIGURE 4.1.6

### World Derivatives Growth: The Cancer Takes Over

(trillions \$)



the present circumstances of crisis require competence.

In these matters, a relative few among professionals contribute useful suggestions; worse, so far, even those professionals are not likely to discover adequately appropriate answers, until they have, first, corrected their habitual thinking, in the degree wanted for identifying the relevant questions. Earlier, I have identified and summarized the essential features of that matter, of long-range forecasting. We continue that discussion here, extending it to its bearing on both the design and management of a physical-economic recovery program.<sup>21</sup>

### The Task of Forecasting Defined

In any rational use of that term in today’s economics practice, “long-range forecasting” signifies the selection of choices of any present day’s policies, according to the foreseeable consequence of one’s choice not less than seven or more years ahead, usually one to two generations ahead. Usually, as in respect to the 1964-1972 roots of the presently worsening global economic disaster, it has been changes in axiomatic features of cul-

21. See the discussion of this matter, under the sub-heading of “Marx’s blunder on technology,” in Lyndon H. LaRouche, Jr., “Russia Is Eurasia’s Keystone Economy,” *Executive Intelligence Review*, March 27, 1998, pp. 47-51. Since this involves conceptions and principles unknown to most professional economists, and relevant others, it is necessary to include here a restatement of the argument made earlier, in those pages.

tural outlook, from one generation to the next, which are of the relatively greatest significance, in directing the effects of policy-shaping along either an upward, or a downward track in effects.<sup>22</sup>

Within the relatively narrow framework of the relative best among those doctrines of recent decades’ industrial and agricultural practice, the which are to be found under the rubric “economics,” three interacting factors of cost, determine the minimum duration (“horizon”) such forecasts must span. These three are: 1) Capital-intensity, and correlated energy-density, of investments in infrastructure, agriculture, and industry; 2) Simple physical depletion, through wear-and-tear, of capital improvements; 3) Relevant rates of technological attrition. The following, unavoidable costs of profit-

22. In general, it is during childhood and adolescence, that the axiomatic assumptions of the coming new adult generation are instilled. Most crucial, is the portion of each generation which is destined to dominate, through promotion, the policy-shaping strata of leading private and governmental institutions, a generation to a generation-and-a-half later. It is not necessarily the case, for all time, that the capacity for original, axiomatic discoveries should tend to evaporate beginning about twenty-five years of age [Cf. Lawrence S. Kubie, “The Fostering of Scientific Creativity,” *Daedalus*, Spring 1962]; nor, need the exceptions be limited to the relatively tiny, and still shrinking number of true thinkers among today’s matured professionals. However, whatever the brighter prospect for the future, the tendency for creative sterility among matured professionals has been the dominant trait of modern populations until this point.

FIGURE 4.2.1

### Manufacturing Investment and Employment

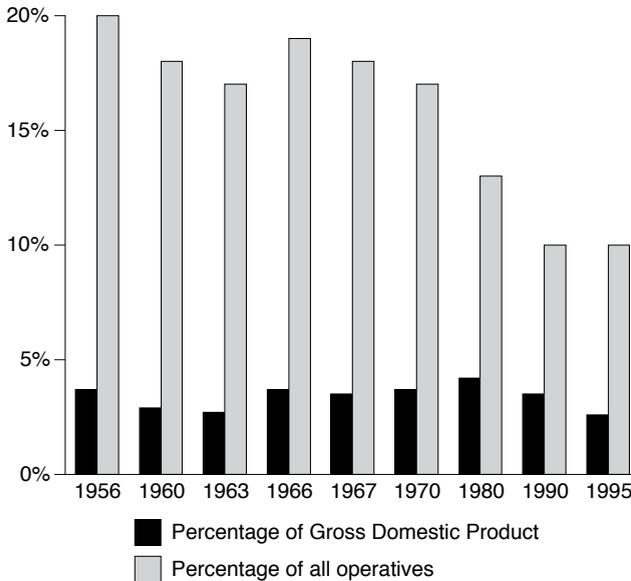
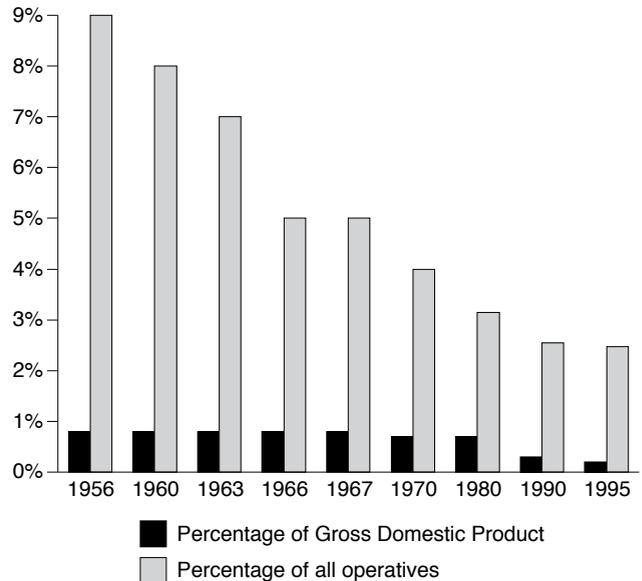


FIGURE 4.2.2

### Agriculture Investment and Employment



ability, are thus derived: 1) What are the rates at which maintenance of existing capital stocks must be provided?; 2) What are the minimally required rates of replacement?; and, 3) What is the required, combined rate of technological progress and energy-density, per-capita of labor-force? Otherwise, in general, what, in broader terms, do these specified requirements also imply?

To lay the basis for the answer to those questions, I must proceed now, first, by repeating, in summary, several points which have been characteristic of my work in, and teaching of economics<sup>23</sup> during the recent forty-

five years, since the outcome of a study conducted during the 1948-1952 interval.<sup>24</sup> During all of that time, from 1951-1952 to the present, my treatments of economics and long-range economic forecasting, have been consistently premised upon the following axiomatic specifications:

23. This included the teaching of a one-term introductory course on the subject of Marxist economics, at several campuses, during each term of the 1966-1973 interval. The burden of that course, was to point out the needed principal correction in Karl Marx's four-volume *Capital*: the blunders derived from his admitted, if sometimes ambiguous exclusion of "the technological composition of capitals," and those respecting the notions of "value," and of what constitutes "productive" labor, in various, mutually contradictory locations within those volumes. This was the same difference I enjoyed, on the subject of economics, in my sundry dealings with professedly Marxist organizations and academics during the 1950-1973 interval. Marx's blunder was rooted in two axiomatic features of his adult life's work. First, as in both his pre-1848 attacks on Friedrich List, and his later attacks upon Henry C. Carey, both of which he conducted at the insistence of Frederick Engels, Marx was obsessively addicted to the neo-Frondist defense of the landed aristocracy of Dr. François Quesnay, and, in defense of the financier oligarchy, to both the Venetian ideologue J. Sismondi, and to the "only scientific" secretions of such lackeys of the drug-pushing British East India

Company, as Adam Smith and David Ricardo. Second, Marx was most strongly addicted to a variety of "materialism," which combines the tradition of the ancient Greek reductionists, and Paolo Sarpi's neo-Ockhamite empiricism. On both accounts, Marx was incapable of recognizing the determining role of individual cognition in economic and other social processes.

24. As reported in sundry published locations, this study, elaborated during the 1948-1952 interval, was initially prompted by reaction against the plainly fraudulent aspects of Professor Norbert Wiener's attempt to impose his radically positivist, mechanistic "information theory," upon the content of human communications. At the beginning of the 1950s, the present writer had recognized the "ivory tower" follies of John von Neumann's "systems analysis," as genetically (axiomatically) the same thing as Wiener's bungling. The initial standpoint of the present writer was his earlier work in defense of Gottfried Leibniz's monadology, against the attacks on Leibniz central to Immanuel Kant's *Critique of Pure Reason*. In fact, as the present writer discovered later, Kant's argument was based upon Leonhard Euler's folly of *petitio principii*, in his own mechanistic attack upon Leibniz on the issue of the *Monadology*. The same axiomatic fallacy, in its guise as "linearization in the very small," is the most common of the crucial incompetencies inhering in all widely accepted doctrines of political economy today, those of Adam Smith, David Ricardo, Karl Marx, and von Neumann, et al., included.

FIGURE 4.2.3

### Construction Investment and Employment

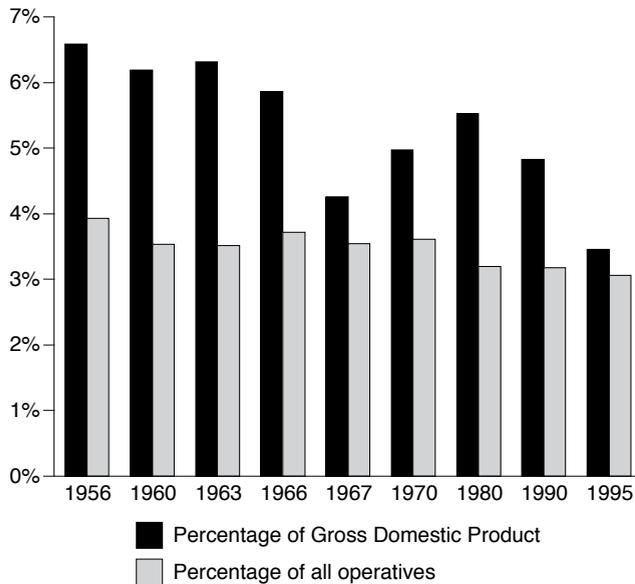
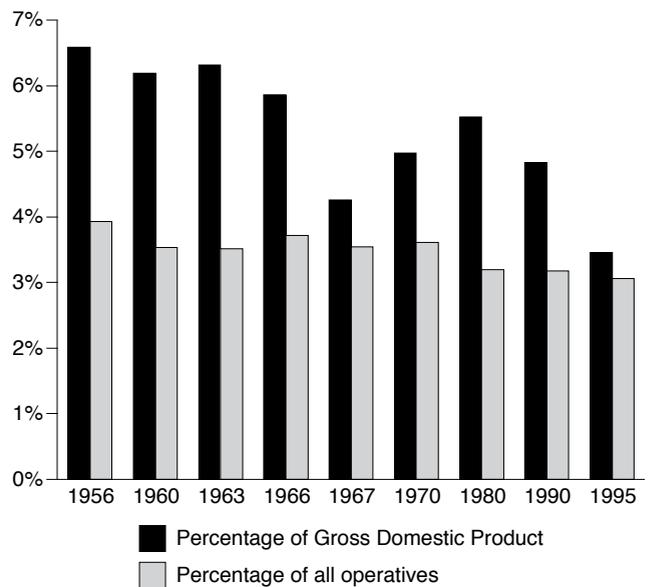


FIGURE 4.2.4

### Basic Physical Infrastructure Investment and Employment



1. The sole source of increase of the human species' potential relative population-density, per capita and per square kilometer of the Earth's surface, is "anti-entropic" changes in the physical characteristics of the outcome of human social behavior, changes which depend upon continued scientific and technological progress. Not only is such progress the sole source of increase of the productive powers of labor; without such progress, human cultures inevitably degenerate, "entropically."

2. Those discoveries of principle of artistic composition, which are prompted by the defining function of metaphor in Classical modes in poetry, tragedy, music, and plastic art-forms, have an even higher degree of significance than discoveries of physical principle. Indeed, it is only when we view physical science as a branch of Classical art-forms in general, that we may comprehend adequately both physical science as such, and also recognize the mode in which both the principles of Classical artistic composition and science combine, in an indispensable way, to affect man's social mastery of nature, and to effect the variously upward, downward, or stagnating modes in culture generally and political-economy in particular. Indeed, all proper practice of statecraft is governed implicitly by applica-

tion of the principles of the greatest compositions in Classical art, to the definition of history, as history is to be viewed from this standpoint.

Let us now presume a readership which is at least moderately literate in the view of science from the Classical standpoint, as this standpoint is typified by the distinguishing, axiomatically common features of the work of Nicholas of Cusa, Leonardo da Vinci, Johannes Kepler, Gottfried Leibniz, Lazare Carnot, Gaspard Monge, Carl Gauss, Bernhard Riemann, et al. It is a readership also literate, even if not immoderately so, in the metaphor-based fundamentals of composition, specific to Classical forms of poetry, tragedy, music, and perhaps also some among the Classical forms of plastic arts. This is a reader able to think of history, as essentially the history of development and practice of ideas, that from the same standpoint as the Classical approach to physical science and art.<sup>25</sup> For purposes of optimiz-

25. The author uses the term "ideas," only in a sense entirely consistent with Plato's definition. *Ideas* are discoveries of either validated, universal physical principles, or validatable resolutions of Classical forms of metaphor in art and political history. The latter resolutions of metaphor have the same form as validated discoveries of universal physical principles. Notions sustained merely by sense-certainty, by deduction, or by

FIGURE 4.2.5

**Combined Home, Car, Food, and Health Insurance Payments as Percent of Average Paycheck**

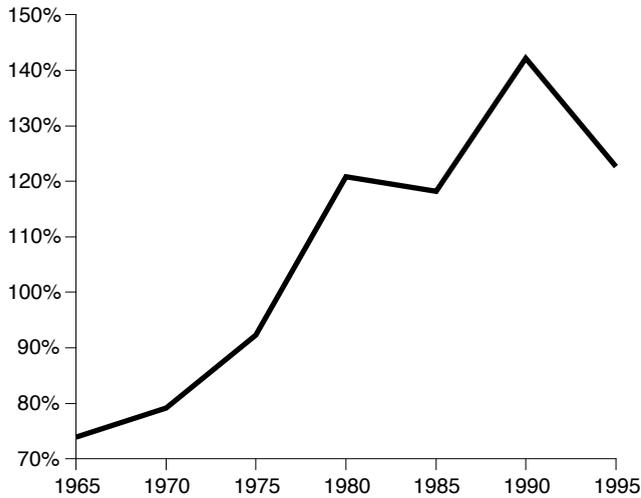
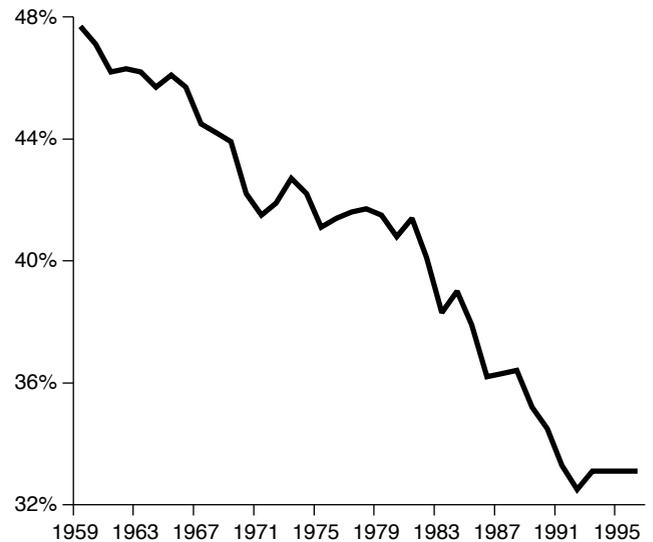


FIGURE 4.3.1

**Goods-Production Portion of GDP as Percent of Total GDP**



ing clarity for such an audience, here, a certain pedagogy is indicated.

That presumed, begin where I began, back during the 1948-1951 portion of my 1948-1952 study. From the outset, my adopted task was to show that Wiener’s application of his mechanistic “information theory,” both to living processes, and to human cognition, is, in both immediately implied cases, biology and cognition, absurd in fact, and wicked in its consequences for physical science, as also for general social practice.<sup>26</sup> The

symbolic argument, are not “ideas.”

26. For reasons of the epistemological illiteracy predominant in European culture since the late-Eighteenth-Century hegemony of the axiomatically reductionist, Anglo-Dutch and French “Enlightenment,” there has been a persisting difficulty in reckoning with the empirical fact, that living processes are determined by an entirely different ordering-principle, than the implicitly entropic destiny of all processes which appear to be representable in terms of algebraic functions (i.e., functions which assume Leonhard Euler’s anti-Leibniz, fraudulent, *petitio principii* defense of the reductionist presumption that linearity prevails in the very small). From Luca Pacioli, Leonardo da Vinci, and Johannes Kepler, onward, the distinction between the types of ordering which appear as the qualitative, empirical distinctions between living and non-living processes, had been a subject of fully rational inquiry. The political triumph of reductionist lunacy, during the course of the Eighteenth Century, banned rational thinking about such distinctions. Thus, the empirical fact of distinction in ordering (e.g., *mathematical [e.g., hypergeometric] cardinality*) between living and non-living processes,

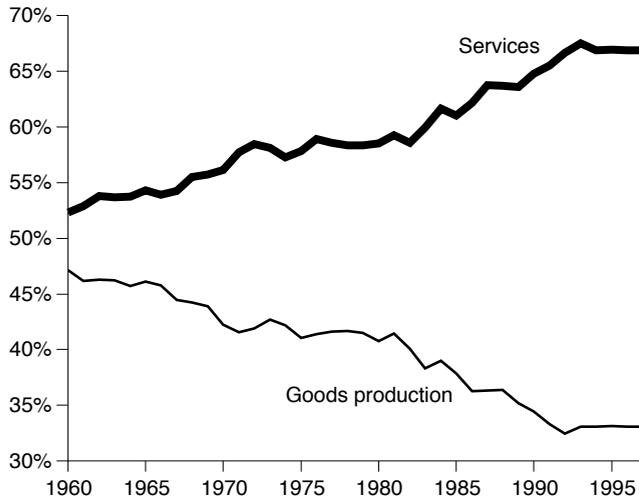
starting-point chosen for this undertaking was the subject of cognition, as we define the term “cognition” here, immediately below. The strategy for this initial

became a playground for spinning irrationally mystical, obscurantist sophistries. “Vitalism,” is an example of the irrationalities engendered by attempting to define this empirical distinction from the reductionist’s “politically correct,” algebraic standpoint. Thus, after the political hegemony of the fraudulent, reductionist notion of universal entropy, introduced, during the middle of the Nineteenth Century, by Clausius, Grassmann, Kelvin, et al., the problem of differences in ordering between living and non-living processes was broadly recognized by referring to the ordering of living processes as anti-entropic. Especially after the work of Ludwig Boltzmann, which refined the mechanistic notion of entropy in terms of gas theory, the general expression for the distinguishing characteristics of ordering, between living and non-living processes, became “negative entropy.” Sorcerer Bertrand Russell’s apprentices, Norbert Wiener, for “information theory,” and John von Neumann, for economics and “brain theory,” insisted that “negative entropy” must be derived exclusively from within the reductionist’s statistical models premised axiomatically upon the Euler-Lagrange-Laplace-Cauchy, politically correct, but fraudulent presumption of linearity in the extremely small (and, also, the extremely, astrophysically large). Thus, the contemporary radical empiricists (e.g., logical positivists such as Wiener and von Neumann) presume life to be determined within the bounds of reductionist dogma. Therefore, this is overtly, or implicitly their choice of basis for viewing life as a kind of secretion (“epiphenomenon”) of processes which may be defined statistically. They extend this same fraud to phenomena which are peculiarly characteristic of certain living species: e.g., man. So, they define “brain function” (e.g., the doctrine of “artificial intelligence”), and, therefore, also “information.”

FIGURE 4.3.2

**Gross Domestic Product, by Component: Goods Production versus Services**

(percent of total GDP)



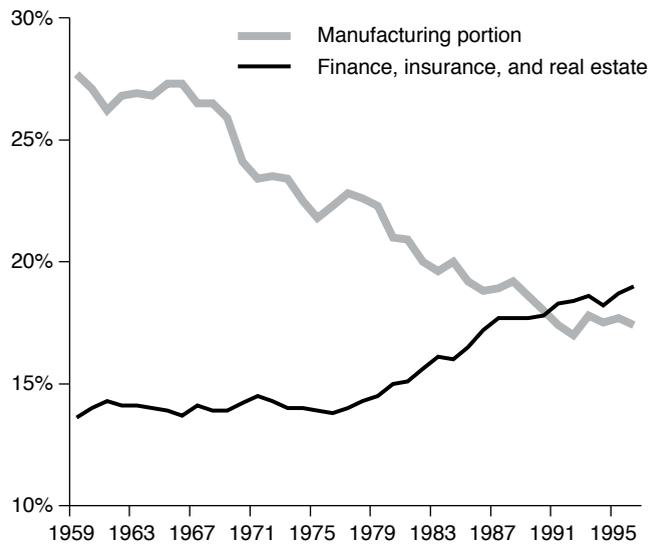
phase, asserted the empirical effects of cognition between two seemingly parallel, but actually coinciding expressions of validatable, original discovery of principle: discoveries, or re-discoveries<sup>27</sup> of validatable new physical principles, and ideas generated as validatable resolutions of Classical metaphor. During the work on this project during the 1948-1951 interval, the two tracks were developed in parallel, and then brought together. Later, in 1952, the work of Bernhard Riemann was taken into account, as providing the needed strategy for introducing notions of measurement, into the discoveries which had been developed up to that point.

The role of physical science in physical economy, as the latter is axiomatically distinct from empiricist schools of political-economy, was the original benchmark chosen for these studies. The actual experience of the modern industrial process, was the context for the initial attack upon the issues implied. In other words, the “machine-tool principle,” as implied by the work of Leibniz, and as introduced to generalized practice,

27. E.g., as by students in a Classical-humanist mode of education, in which students are not permitted merely to *learn* physical and artistic principles, as from textbooks and classroom lecture-notes, but are obliged to *know* them instead. To *know* a principle means to re-enact the original discoverer’s mental experience of generating that conception. In the case of the student trained in the latter mode, that person does not rely upon eidetic memory of a learned formulation and procedure; instead, that person’s mind regenerates the conception, rather than calling it up from “memory banks.”

FIGURE 4.3.3

**GDP, by Component: Manufacturing vs. Finance, Insurance, and Real Estate**

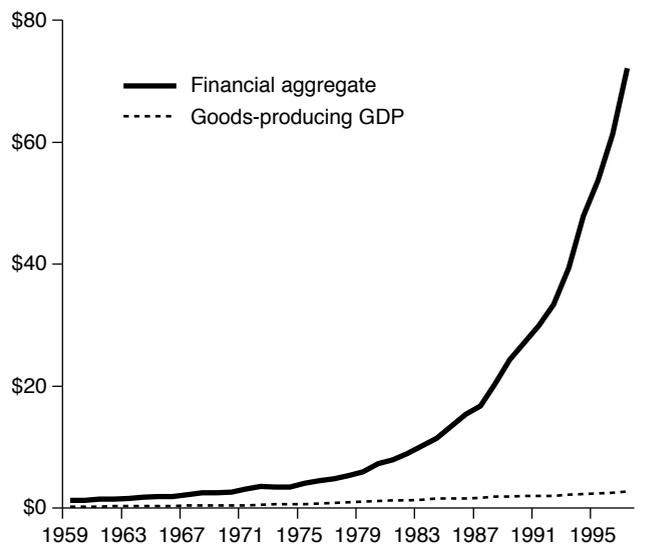


during 1792-1794, by France’s Lazare Carnot. The pivot of this phase of the study, was the fact soon known to any reasonably intelligent university undergraduate: that a well-designed apparatus, which provides proof-of-principle demonstrations for a newly discovered physical principle, is the pivot by means of which validated discoveries of physical principle, are translated

FIGURE 4.3.4

**Financial Aggregate’s Growth versus Growth of Goods-Production GDP**

(trillions \$)



into those new designs of products and processes, by means of which, in turn, the per-capita and per-square-kilometer productive powers of labor are advanced.

The flow-chart presented here as **Figure 5**, illustrates the nature of the connection between validated discoveries of new physical principles, and the technological progress, in the form of man's increased power over nature, per capita and per square kilometer of the Earth's surface, into which these discoveries lead. I now summarize the immediately relevant features of my argument on this subject, as given on numerous earlier occasions.

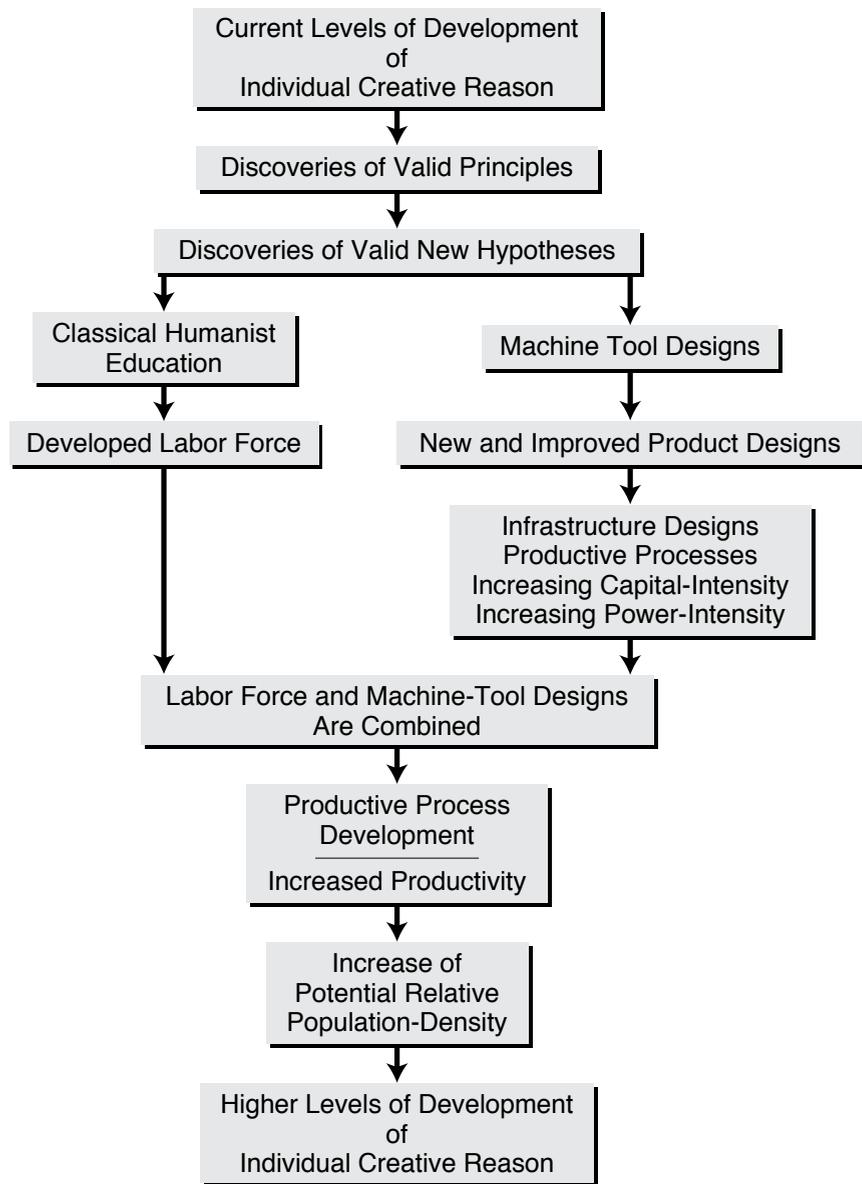
If one attempts to describe the effect of repeated such insertions of new technologies, into the physical-economic process of the society/economy taken as an indivisible whole process of the human species' self-reproduction, the following result appears immediately.

1. The potential increase of the potential relative population-density of a society,<sup>28</sup> is bounded by the number of valid, implicit, discovered physical principles known, and thus available to be expressed in the form of applicable new technologies of individual and social practice.

2. However, the realization of the benefits of discovery and proliferation of scientific and technological progress, is conditional upon the way in which social relations define the

28. This is not limited to the simple number of persons in a population which is self-sustained through technological progress. The increase in potential, per capita and per square kilometer of the Earth's surface, is conditional upon related improvements in the demographic characteristics internal to households, in addition to the demographic characteristics of population more simply defined. This multiply-connected function is also conditional upon the improvements of land-area, as through development of basic economic infrastructure. The function so implied, is conditional upon maintaining the rate of growth of potential relative population-density so defined.

FIGURE 5  
**The Machine-Tool-Design Principle**



communication of validated products of cognition, and in which social relations themselves are ordered to this ultimate effect.

The deepest challenge to comprehension posed by these historical facts, is concern for knowing the *ontological* nature of individual human cognition itself. That task is a fully comprehensible one, at least respecting all its axiomatic measures, if one approaches the matter as I did, throughout the 1948-1952 interval. I

approached this task from the standpoint of refuting Immanuel Kant's devotion of his life's work, especially of his last decades', to defaming Gottfried Leibniz.<sup>29</sup> Leibniz's view of these matters, which I defended, and employed for the both the initial, 1948-51 study, and for its 1952 sequel, is a modern affirmation of the notion of the *idea* also specific to the Socratic dialectical method of Plato. For the purposes of our topic here, the crucial significance of this point is as follows.<sup>30</sup>

Usually, the original, or pedagogically replicated discovery of a validated, universal physical principle, is prompted by a perplexing paradox of the following, ontological type. For this purpose, assume the history of the internal development of European science, from Egypt, through Classical Greece,<sup>31</sup> through the succes-

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29. During the 1948-1951 interval, for the purposes of that project itself, the author's references to Kant's work were almost entirely focussed upon the *Critique of Pure Reason* and a few collateral writings. The writer's view was informed by his adolescent commitment to defense of Leibniz's principle of *monadology* against Kant's attack, there, on this and closely related features of Leibniz's work. (Also, Leibniz's related principle of the universality of non-constant curvature in the extremely small interval of action.) Originally, Kant had been Prussia's leading disciple of Britain's David Hume, and a rabid adversary of Leibniz from that standpoint. As Kant indicates in a report featured within his *Prolegomena*, he turned away from Hume, when Hume, later, adopted a more radically empiricist view in respect to "moral philosophy." Kant did not drop his enmity toward Leibniz at that point, but, rather, resorted to a pure-and-simple Aristotelean standpoint, rather than Hume's more radically Okhamite standpoint. The Classical attack upon Kant's later work, notably on the issues of morals and aesthetics, is that of Friedrich Schiller.

30. Here follows a recapitulation of the same argument supplied on pages 47-51 of the referenced earlier report.

31. Although Greek civilization had depended chiefly upon Egypt for the foundations of its own progress, Classical Greece added a crucial element, an element not visible in specialists' reports of their studies of ancient Egypt. The simplest indication of that distinction, is the comparison of Greek Classical sculpture (e.g., Scopas, Praxiteles) with its Archaic Egyptian and Greek predecessors. The difference between the Archaic and the Classical, is the conscious employment of the principle of the *idea*, as Plato best represents conscious use of that principle. Certainly, *ideas*, so defined, existed in all those changes which increased, directly or indirectly, all the human species' progress in increased potential relative population-density; the distinction of Classical Greek culture, is both the appearance of consciousness of the principle of the *idea* as such, and, decisively, the role of such consciousness in enabling mankind to secure conscious, willful control over the process of fostering and employing such *ideas*.

With respect to Asia, the case is less clear. There is intimation of the notion of an *idea*, in Panini's treatment of the Vedic-Sanskrit, an intimation which correlates with the long-cycle features of early Vedic (e.g., 6,000-4,000 B.C.) solar-astronomical calendars. In contrast, early Mesopotamian lunar astronomy is defective, relative to Greek, Egyptian, and Vedic-Sanskrit cultures. Recent developments in China, create the

sion of leading intellects of the Platonic Academy of Athens, and related cases, such as Archimedes, into the founding of modern experimental physical science through the influence of such writings as Nicholas of Cusa's *De docta ignorantia*.

Given, a notion of geometry as exemplified by the practice of Plato's Academy.<sup>32</sup> Also, given, Cusa's emphasis upon a notion of a science susceptible of representation in terms of measurement, and in the form of a geometrically-based mathematical description of measurable results. Given, such a case, in which the previously established physical science of reference, was already premised upon experimental proof-of-principle measurements. Now, take note of the increasingly frequent case in the history of modern European science, in which nature presents an empirical case, which all then-extant, accepted science appears to have been ordained to have been impossible.<sup>33</sup> For pedagogical purposes, take the case in which none of the array of specific, universal physical principles previously adopted is invalidated, except in the respect that the assembly of those principles, taken as a whole, appears to exclude the possibility of the troubling empirical evidence.

If the empirical evidence supporting, respectively, the "old physics" and the reality of the contrary phenomena, are equally valid, empirically, then no deductive or statistical-mathematical solution for the contra-

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circumstances in which the study of early Chinese culture's roots, from this standpoint, should be placed on the agenda; the general impression of what might be found, is positive.

32. For this purpose, the contemporary and correspondent of Archimedes, the Platonic Academy's Eratosthenes, provides a bench-mark.

33. For model cases, two are implicitly referenced illustrations in the structure of this argument. The first is the empiricist Leonhard Euler's *petitio principii* hoax, attacking Leibniz's *Monadology*: Euler's fraudulent denial of Leibniz's demonstration of the implicit universality of non-constant curvature in the infinitesimally small. Euler's fraud was effectively overturned by the development of principles of hypergeometry, successively, by Carl Gauss and Bernhard Riemann. Note Gauss's precedence in his discovery of the orbit of the asteroid Ceres, and Riemann's 1854 habilitation dissertation, *Über die Hypothesen, welche der Geometrie zu Grunde liegen, Bernhard Riemanns gesammelte mathematische Werke*, H. Weber, ed. (New York: Dover Publications reprint, 1953). The second is the work of a collaborator of both Gauss and Riemann, Wilhelm Weber, in his proof-of-principle demonstration of the absurdity of J. Clerk Maxwell's politically-motivated exclusion of the Ampère "longitudinal force" from Maxwell's account of electrodynamics. On the latter see Laurence Hecht et al., "The Significance of the 1845 Gauss-Weber Correspondence," *21st Century Science & Technology*, Fall 1996. The latter case will be expanded by ongoing attention to the related implications of the work of Ampère's collaborator, Fresnel, respecting the principles of electromagnetic propagation, including so-called "gravitational waves."

diction exists. The conflict is thus defined as an *ontological paradox*, in the sense illustrated by Plato's *Parmenides* dialogue. As Plato emphasizes, in that and other locations, the failure of the Eleatic reductionist school of Parmenides (like the school of Plato's adversary, Aristotle, later) is located in the axiomatic inability of deductive-reductionist modes of thinking, their intrinsic inability to comprehend the process of change, which bridges the genetic change separating a relatively superior, from a relatively inferior species of scientific or other thought.<sup>34</sup> That factor of change takes us out from the bounds of deductive method; no deductive method can master such a challenge.

Nonetheless, the problem is not an insuperable one: all fundamental scientific and Classical forms of artistic progress, alike, attest to the existence of that faculty of the individual person's cognition, the which, adequately developed, can infallibly solve any ontological paradox, rooted in a validated conflict of empirical evidence. This faculty is the characteristic, implicitly "anti-entropic" principle of action, the which is expressed by a well-developed capacity of the individual's cognitive powers.

The difficulty is, that while we enjoy well-established notions of experimental proof-of-principle, by means of which we can test the validity of a proposed solution to such a paradox, there exist no possible means, by which the sense-perceptual apparatus of an observer could comprehend the mental processes, by means of which that validated principle itself was generated. Nonetheless, there are other means available to experimental physical science, through aid of which those processes can be known directly by another mind.

34. "Genetic" is employed here in the sense of the meaning Plato supplies for use of the term *hypothesis*. Use the geometry of Euclid as the background against which to define "hypothesis." In such a geometry, the ultimate test of whether an empirically plausible proposition may be adopted as a theorem of the geometry, is its lack of inconsistency with any among the set of definitions, axioms, and postulates, consistently underlying that geometry at each and every possible location within the geometry as a whole. Such a set of definitions, axioms, and postulates, or any substitute for such a set, defines an hypothesis. Each case, in which a new discovery of principle obliges us to change one or more among the set of definitions, axioms, and postulates of a pre-established hypothesis, generates a new hypothesis, which has no deductive consistency with its predecessor. Such orderable successions of hypotheses, imply a parallel to the evolutionary development of mutually distinct, successive species of living creatures. In both cases, the measurable impact of success, is of the form of true "anti-entropy," not the silly definition of "negentropy" employed by Wiener et al. for so-called "information theory."

If two minds generate a common, experimentally validated solution for such an ontological paradox, the common validation, provides one of those minds certain knowledge that the relevant mental process experienced in his, or her mind, was the same type of mental process which occurred in the other mind.

Thus, we have the picture displayed by the flow-chart presented here as **Figure 5**. In modern agro-industrial society, the most important medium for transforming validated discoveries of physical principle into man's increased power over nature, per capita and per square kilometer, is the role of the machine-tool-design principle, as outlined by this flow-chart.

Focus upon the function which education must fulfill, in order that the continuation of such progress can be predetermined. Conversely, what we have to say, on this account, here, may be rightly taken as also pointing to the moral and intellectual bankruptcy of popularized recent changes in policy of public and higher education. The view of education expressed here, while admittedly viewed as an egregious one by current "mainstream opinion," is key for comprehending how the mind works, and for understanding the principles upon which competent long-range forecasting depends, that absolutely.

### **Classical Humanist Education**

The essential empirical distinction of the human species from all lower beasts, including, presumably, that professed great ape known as the Duke of Edinburgh,<sup>35</sup> is the relevant archeological and other evidence of human existence, dating from, implicitly, more than a million years ago.<sup>36</sup> The principal evidence

35. Prince Philip's claim, that the natural father of his children was a great ape, pertains not to the suggestive form of Prince Charles' ears, but to the nature of Prince Philip's co-sponsorship, with ex-Nazi Prince Bernhard of the Netherlands, of both the 1961 founding of the pro-bes-tial World Wildlife Fund (WWF), and of the revival of Edward VII's "Club of the Isles," as the "1001 Club," the organization created for propagating and funding the spread of the WWF's effort to de-nature the human species. See Mark Burdman, "'Jury' Votes Equal Rights to Apes," *Executive Intelligence Review*, Jan. 26, 1996.

36. The evidence of a perfected design of throwing-spear, dated to an ancient site deep within a mine in Germany, is typical of the evidence pointing to the implied existence of the specifically human genotype, as early as between one and two millions years ago. As in long-range economic forecasting, so in paleontology, it is not sufficient to consider the genetically determined form of hominid-like types; one must seek evidence which could not have been produced except by those kinds of cognitive processes, which set the human species absolutely apart from, and above the higher apes. Compare this with the method identified in

of this distinction, is the combination of artifacts which meet the experimental-scientific standard of technologies necessarily born of valid discovery of physical principle, or, which are works conforming to Classical standards for artistic composition.<sup>37</sup> Like the comparison of two observed trajectories of a celestial entity, the congruence of a suspected paleontological specimen of humanity with actual humanity, requires credible agreement in respect of form, but, also, evidence of the relevant, specific, non-linear characteristic of practice. Not accidentally, this is also the principle of competent, long-range economic forecasting.

In respect to physical science, this historical view of the human species' cultural self-development, is marked by a series of known, or necessarily implied particular, validated discoveries of principle. Among the earliest truly interesting expressions of this, are ancient solar-astronomical calendars, containing reasonably accurate long cycles of a thousand years or much more. The pre-Vedic and Vedic such calendars, internally dated to earlier than 4,000 B.C., as addressed by Bal Gangadhar Tilak, are exemplary.<sup>38</sup>

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Lyndon H. LaRouche, Jr., "Any Enemy of LaRouche Is an Enemy of Clinton," *Executive Intelligence Review*. April 3, 1998. See the section subtitled, "Look to the stars," pp. 28-29. A chimpanzee is able to learn, and to transmit to offspring, the use of a stick for gathering termites, etc.; the chimpanzee could not discover a physical principle of the type underlying a family of synthesizable technologies. Hence, the design of an ancient throwing spear may serve, as in the cited instance, as dating the existence of a mind of the modern human type.

37. My use of "Classical" always conforms to the standard of Classical Greece, and, most emphatically, to the principle of the *idea* as defined by Plato's method of Socratic dialectic. In respect to art, this always signifies, that the method of characteristic feature of action expressed by the composition of the artistic work, is Classical metaphor, that of the type banned by empiricist Thomas Hobbes, et al. The contrast of Greek Classical art, on this account, to preceding Archaic forms of Egyptian and Greek plastic art-forms, is exemplary.

38. *Orion, or Researches into the Antiquity of the Vedas* (1893), and, its sequel, *The Arctic Home in the Vedas* (1903). Tilak employed studies of Vedic astronomy supplied from German astrophysicists, chiefly from the circles of Carl Gauss. Johannes Kepler was among the first to recognize the astrophysical significance of very long cycles in Vedic solar-astronomical calendars. In contrast to the Vedic-Sanskrit and Egyptian astronomy, that of Mesopotamia is relatively degenerate; like its wicked theology, ancient Mesopotamia leaned more to the lunatic side of precise accounting practices, than the epistemological spirit of scientific inquiry. Curiously tangled, are the facts, that the rudiments of civilization were introduced to the savages of ancient Mesopotamia by the Dravidian colonists from "Harrapa" culture, who established Sumer. Thus, the satanic form of religious belief—the cult of Ishtar—specific to Akkadian culture, is, like the kindred religions of ancient Sheba, Ethiopia, and Canaan, and the Hellenistic cult of Isis-Osiris, a reflection of the Shakti-Siva cult, as Herodotus accurately pin-points the Dravidian ori-

In respect to developed notions of physical science as such, we have the legacy of European Classical-humanist modes of education, such as those practiced by the Brothers of the Common Life, or the Schiller-Humboldt program employed for Nineteenth-Century, and later, German Classical secondary education. That education traced the origins of modern European physical science, from its Classical Greek roots, using a notion of mathematics centered upon the reflections of the work of the school of Pythagoras, of Thales, and of Plato, in the Thirteen Books of Euclid. It employed that same method in search of the relationship between Classical Greek developments, and those of relevant non-Greek predecessors. Out of this approach, modern European civilization developed a rather precise insight, into the notions of which validated discoveries of physical principle must be viewed as successors of some others, and forerunners of still others.<sup>39</sup>

In principle, the potential for a similar sense of ordering of discovery of Classical-artistic principles exists, but is far less developed than is the case for the mathematical-physics domain.<sup>40</sup> Nonetheless, in the

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gins of the pagan religions of Mesopotamia, Sheba, and Canaan. On this and related accounts, the fusion of the Vedic culture from Central Asia, with the technologically advanced Dravidian, maritime culture of Harrapa, etc., contains some riddles of significance for understanding the state of humanity in the Indian Ocean littoral, during the long period, during and immediately following the last great cycle of glaciation. Happily, the conclusions we employ here are not encumbered by such fascinating riddles.

39. One might say, a notion of the *cardinality*, in the sense of the Sieve of Eratosthenes, associated with such ordering of discovered principles.

40. Paradigmatic, is the case of the sequence for Classical music: J.S. Bach, Josef Haydn, Wolfgang Mozart, Josef Haydn after approximately 1786, Beethoven, Schubert, F. Mendelssohn, R. Schumann, and J. Brahms. Once the significance of implicit intervallic inversions was more adequately appreciated, the development of a rigorous polyphony attuned to the natural mode (e.g., Florentine *bel canto*) of the human voice, required the development of polyphonic-voice-determined well-tempered scales set at C=256, rather than the merely equal-tempered values which might be thought to meet the requirements of keyboard instruments. This development of well-tempered polyphony by Bach, already produced the germ of later Classical motivic thorough-composition in Bach's compositions, most notably in such scientific-artistic breakthroughs as Bach's *A Musical Offering*, and the principles of mastery of the role of inversions in well-tempered polyphony, in his *The Art of the Fugue*. Indirectly, as Maestro Norbert Brainin discovered, this led Haydn to the first formal use of this new method of composition in his Opus 33 "Russian" string quartets. Haydn's Opus 33 prompted Mozart to recognize a more advanced version of this approach to motivic thorough-composition, as already realized in essence by J.S. Bach's *A Musical Offering*. Haydn, in turn, then adopted his former student's, Mozart's, discovery in his later works. Beethoven, a student of J.S. Bach's work, adopted Mozart and Haydn, successively, as his chosen teachers.

Classical educational program's artistic curriculum, the principle of education was the same. The student must not *learn* the description of the principle, or the mere use of procedures associated with it; the student must, in his, or her own mind, re-enact the personal, private mental experience of the original discoverer, the strife of resolving ontological paradoxes, that strife which is the form of mental activity from which every valid discovery of principle—in science, or art—is derived.

As in science, so in the domain of great Classical artistic compositions, the student whose talent is developed by Classical-humanist, rather than “drill and grill” modes, *usually* knows the name of the person, whether from the present century, or even several millennia past, who is identified as the original discoverer of reference. That student *always* knows the ontological paradox whose solution is the discovered principle: otherwise, the student could not have experienced the relevant mental act of discovery; otherwise, the student does not *know* the principle, but, at best, has merely tucked it into his “memory banks,” has merely *learned* it as mere “information,” not knowledge. The graduate of such education also knows which principles of science, or art, or both, he, or she, must have known, prior to undertaking the solution for the relevant paradox. In all such cases, the name for ontological paradox in Classical art-forms, is *metaphor*.

Thus, there are three qualities included in a former student's knowledge of any validated principle of science or art. First, the identity, perhaps even the actual name of the original discoverer of the principle. Second, the paradox, or metaphor, which prompts the regeneration of the principle. Third, the prerequisites for undertaking the attempted solution of that paradox, or meta-

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He perfected Mozart's original discovery, establishing this derivative of Bach's work and influence as the foundation for all Classical motivic thorough-composition, through the concluding composition by Johannes Brahms, and beyond. None would have been possible, without the work of his relevant predecessors. The same applies to Classical tragedy, in the succession: Aeschylus, Shakespeare, and Schiller, each of whom rested explicitly on the work of the relevant predecessors. In poetry, without the Classical Greek models, as opposed to the predominantly more trivial Latin models, Classical European poetry would not have come into existence. In plastic art-forms, without the revolution exemplified by the transmissions of the revolutionary principle, away from the Archaic, provided by the work of Scopas and Praxiteles, a Leonardo da Vinci, Raphael, or Rembrandt, would not have been conceivable. Rather than “four-square” tombstone designs, or pathetically symbolic “primitives” with no coherent principle, the Classical plastic art-forms express a degree of metaphorical imbalance, which forces the mind to adduce motion—change—rather than a naive, static imagery.

phor: the notions of *ordering* and *cardinality* common to both physical science and Classical art.

These considerations, integral outgrowths of the 1948-1951 phase of my work on the project, led to 1952 studies of the work of Georg Cantor,<sup>41</sup> and, then, the rereading of Riemann's 1854 habilitation dissertation<sup>42</sup> as an alternative to Cantor's approach to the notion of the “transfinite.”

The problem posed by the outcome of the 1948-1951 interval, was: how to express the progress flowing from scientific and artistic progress, in functional terms which might be correlated with relevant measurements. The fact, that both scientific and Classical-artistic principles, represented an implicitly orderable sequence of expanding, multiply-connected manifolds, was key to the solution. Riemann's recasting of both Leibniz's and Gauss's preceding work, on the overcoming of the fallacies inhering in an aprioristic form of geometry, provided the key for solving the problem. Most notable was Riemann's explicit freeing of physics from the shackles of formalist mathematics: the notion of the unique, experimentally determined relationship between an n-fold physical manifold, and some measurable characteristic of action within the physical domain actually corresponding to such a manifold. In other words, with each discovery of principle, we must create a new mathematics, to replace the old, and must determine the characteristic of action within that new manifold experimentally, as Wilhelm Weber, for example, did for microphysics, in the instance of his experimental proof-of-principle for Ampère's “longitudinal force.”<sup>43</sup>

In this connection, I added two new features to the Riemannian form of representation of a physical-economic hyper-manifold, determined by scientific and technological progress. The less revolutionary of these two additions, was the use of my own definition of physical-economic anti-entropy, in terms of a form of systems of simultaneous inequalities, whose result may be represented in linear terms, but which is not linked functionally to any linear system.<sup>44</sup> The second, which is, formally, far more radical, of course, was to superimpose an m-fold manifold, of discoveries of Classical-

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41. Georg Cantor, *Beiträge zur Begründung der transfiniten Mengenlehre*, in Ernst Zermelo, ed., *Georg Cantors gesammelte Abhandlungen* (Hildesheim: Georg Olms Verlag, 1962).

42. op. cit.

43. op. cit.

44. *So, You Wish to Learn All About Economics?* op. cit.

artistic principles, including principles of history in the large, upon any given n-fold manifold of validated physical principles. Thus, I redefined experimental science, as the experimental testing of the validity of principles of Classical art and history, in terms of the human species' required, anti-entropic form of increase of its per-capita, per-square-kilometer power over the universe.

With the combining of those two elements, in that fashion, I shifted the question from the experimental testing of a presented candidate to become a scientific principle, to a testing of the validity of those cognitive habits, by means of which both successful discoveries of principle, and the experimental validation of those discoveries, are generated by the individual human mind. In other words, the primary subject-matter became that which can be known, but can not be represented in terms of sense-perception.

This brings Classical education back into focus, once again.

In the process of Classical education, the student re-experiences original discoveries of physical principle, Classical art-forms, and history itself, as if the student had been the relevant original discoverer. The scope of this education reaches, implicitly, toward the contributions to knowledge of principle gained by all previous human existence. Although the number of principles known in this way, may be limited, they are representative of the net outcome of the history of knowledge to the present time. The student becomes, thus, in that degree, a living embodiment of all prior human existence: *an actual world-historical individual*.

That has a directly relevant connotation for the matter immediately at hand. In the given case, the student is doing something far more profound, than merely coming to *know* (rather than merely having learned) a collection of validated principles. The student has repeated the act of successful cognitive solution for paradoxes (e.g., metaphors). In this way, the student has relived the relevant movements, from within the mind of the relevant original discoverer. The graduate of such an education must be cautious in his, or her selection of a future mate, lest he or she come to find, that one knows the most intimate facets of moments from the minds of many original discoverers, far better than one knows who is really behind the face of one's marriage-partner. The relevant student has repeated many times the greatest experiment of all, to prove the validity, the reliability of that agency which

is the cognitive creative powers of the individual human mind, the powers better understood, only when one has perfected them considerably through many, many honings of their cutting edge.

This role of Classically-educated cognition, comes into focus in science and society, once we attempt to locate the "in-betweenness," which connects two, successively developed, formally inconsistent manifolds. How does something higher, develop out of something lesser? How does something totally irreconcilable, deductively, with its starting-point, develop out of that starting-point? Obviously, no manifold produces such successors. The transformation occurs from outside that original manifold, a transformation which is caused by, and which conforms to those creative cognitive processes which correspond to no sense-perceptual representation. It is the development of those innate potentials for successful creative cognition, which is the only valid purpose of a good education. The student so benefitted, comes to the state of familiarity with, and experimentally grounded confidence in those specific, sovereign cognitive powers of the developed individual mind, in which he, or she is able to call those powers into play, once again, at will.<sup>45</sup>

Restate this crucial point. What is the ordering-principle, which governs the successful generation of a validated new manifold, out of the prompting of this discovery, by the ontological paradoxes of the superseded manifold? What is the agency which performs this action? It is the developed cognitive powers of the individual human mind, cognitive powers which absolutely defy simply sense-perceptual, or algebraic forms of representation. *This transformation is the source of anti-entropy, contributed to the physical-economic and related social processes by individual cognitive creativity.*

There is a further implication in that. The peculiarity of man's relationship to the universe at large, is expressed most succinctly, by the fact that whenever the human cognitive processes generate a validatable discovery of principle, the universe is so designed that it is

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45. A couple decades past, Dr. Stephen Pepper chanced to meet the Dr. Lawrence S. Kubie on whose work I had bestowed much praise: qualified praise, but, despite his association with Freudian psychoanalysis, well-deserved praise. In the course of the brief exchange between Pepper and Kubie, Kubie insisted, quite rightly, that creativity is a good in and of itself. If we may read that observation as consistent with what I have just stated here, the late Dr. Kubie was certainly correct in that opinion.

self-obliged to submit more fully to mankind's will on that specific account. It is this anti-entropic quality characteristic of the individual cognitive processes, which is the source of the power compelling such obedience from nature. *Such is the nature of the fundamental ordering principles of the universe.*

### **The Morality Of Classical Education**

Until the Jacobin atrocities launched in France, beginning July 14, 1789, the most moral citizens of Europe were inspired by the example of the U.S. Declaration of Independence, the ensuing struggle for liberty against the evil tyranny of the British monarchy, and the U.S. Federal Constitution. To any literate German—the members of the pro-U.S.A. *Lesergesellschaften*, for example—the Declaration of Independence and Preamble of the Federal Constitution, were reflections of the anti-Locke philosophy of Gottfried Leibniz. At the outbreak of the French Revolution, these republican strata of Europe hoped that the result would be the rapid spread of the U.S. example into Europe. With the increasingly menacing atrocities led by such Anglophile revolutionaries as Maximilien Robespierre and the Duke of Orléans, Philippe Egalité, and then, the escalation of the Terror under outright British agents Danton and Marat, a terrible depression settled upon Europe over the years 1789-1794, preceding the July 1794 toppling of the terrorist regime of Robespierre and Saint-Just.

To translate somewhat freely Friedrich Schiller's famous remark on these developments in France: "A great moment has found a little people." The want of a moral development in the French population, had turned opportunity into catastrophe. On this account, Schiller led in pointing to the importance of a Classical education of the population, education based upon not only science, but also the role of great examples of Classical art-forms, in effecting the moral education of the mental faculties. Unfortunately, especially since the cultural downshift of 1964-1972, the which has been accompanied by a virtual extinction of popular participation in Classical art-forms, a state of widespread moral illiteracy, has become "mainstream thinking" in both Europe and the Americas. Once again, a great moment of crisis, a great opportunity for long-needed change, finds among the leaders and population of these nations, a "little people," akin to the perilous moral condition of the 1789-1794 population of France.

Under such conditions, only the most exceptional

type of leadership, can successfully guide a self-imperilled nation, or nations, to an historical place of safety. In such a circumstance, such qualities of leadership are distinguished for the egregiousness with which their proposed, indispensable remedies, are regarded, and resisted by both leading institutions, and much of the population in general.

These kinds of problems were already evident in the U.S. population and institutions during the pre-World War II decades. The influence of pragmatism upon public and higher education, was part of the morally corrosive influence, responsible for undermining the popular moral faculties. More broadly, there was the spread of populism, which placed ignorant, and usually false, commonplace opinions and tastes, above relevant cultivated knowledge. The most widespread fear was the fear of becoming "unpopular," of expressing "unpopular opinions," exhibiting "unpopular" tastes. The adolescent girl or boy, usually prized becoming "the most popular" of their gender, and usually feared—sometimes to the extreme degree of social-theorist Emile Durkheim's notion of *anomie*—a lack of such status. The desire of most such young folk, of my own and the succeeding generation, to be something worthwhile, was superseded by a pitiable, romantic fascination with looking like, or smelling like, some movie-idol. The essential moral quality, the strength to stand alone for truth and justice, against wrongful popular opinion, was undermined, and, after developments of 1964-1972, virtually, lost somewhere in a vast stinking swamp of "political correctness."

These matters belong to what I have identified here, as earlier, as the m-fold set of artistic postulates, which shape the way in which the mind guides both the cognitive act of validatable discovery, and the way in which social relations react to such discoveries. Look at the internal dynamics of Classical artistry from this point of reference. After a relatively brief treatment of that sub-aspect of our topic here, we shall return, prepared, to examine the nature of the interactions between the m-fold and n-fold manifolds.

Take the case of performance of Classical musical compositions. Look at the moral root-difference between a Classical performance of Bach, Mozart, Beethoven, Schubert, Chopin, Schumann, or Brahms, and an attempt to read such a composition in the Romantic mode, as if it had been composed by Franz Liszt or Richard Wagner. The essence of the difference in approach, is between an *agapic* passion, like that associ-

ated with the joy of effecting a valid scientific, or related discovery of truth, or realization of justice denied—as against the alternative, *erotic* passion of mere sensual effects.

To this end, consider the case of the Classical composition: The performer's or performers' attack upon the opening tone and first interval of the composition is decisive. The beginning of the composition defines a musical statement, which serves as the take-off point for the process of development of the composition in its polyphonic entirety. The performer must not only seize the audience's attention at the outset, but must grip that attention in a way consistent with the process of development which, in the end, becomes the idea of the composition as a unified, indivisible entirety. The late Wilhelm Furtwängler was a master of this.

This problem confronts the Classical performer in one way, and the Romantic in another; despite the differences, the attack upon the opening, is more or less decisive for the audience's apprehended artistic impact of the composition as whole. In the first instance, the Classical evocation of *agapē*,<sup>46</sup> is associated with the characteristic feature of great Classical compositions, since the relevant work of J.S. Bach: motivic, polyphonic thorough-composition. This reflects, thus, the quality of anti-entropy. In contrast, the anarchic sensualism of Romantic, Modern, and post-Modern art, appeals only to a linear emotion, that of lust and rage.

At first reading of my argument here so far, it might be suggested that art is only another expression of the same quality of discovery, met in validated discoveries of physical principle. That would be a superficial interpretation of the actual connections between science and Classical art. By physical science, we mean the relationship between the individual cognitive processes, and the individual's ability to act efficiently upon the physical universe. In art, we employ the same cognitive faculties, to the same included effect, but with crucial social dimensions added.

From the standpoint of validated original discoveries of physical principle, the first social problem encountered by a valid discovery, is the challenge of replicating that cognitive act in the mind of another person.

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46. *Agapē* as defined by Plato, the passion which compels one to accept nothing less than truth and justice, is the same quality of *agapē* referenced by the Apostle Paul's *I Corinthians* 13. It is, therefore, the passion for truth, which supplies the needed energy for the quality of concentration required to transform an ontological paradox, or Classical metaphor, into a validatable discovery of principle.

I.e., Classical modes of education. The leading consideration is, that the cognitive processes of cognitive discovery by one person, can not be perceived, nor represented within the bounds of sense-perception. The only way those cognitive processes can be defined as a mental object of knowledge, is to replicate the validated process of discovery by another, in one's own cognitive processes. It is this deeper aspect of human social relations, rather than the form of relations located within the more superficial domain of sense-perception, which is the essential character of social relations overall.

Thus, in art, we apply the quality of cognitive passion associated with validatable discoveries of physical principle, to social relations as such. The general theme of this interplay, is the conflict between the agapic passion of creative cognitive processes, and erotic impulses associated with mere sensuality, with sense-perception as such. The characteristic problem, so posed, is the struggle to maintain the agapic mood's efficient subordination of erotic impulses to agapic purposes.<sup>47</sup>

In Classical art-forms, this social relationship is expressed always as a metaphor. This is the "To be [*agapē*], or not to be [*eros*]," of the Third Act soliloquy by Shakespeare's Hamlet. Or, in Schiller's counsel, the audience departing the theater after the performance of a Classical tragedy, must leave the theater better people than they had entered it. These desiderata are the key to all great Classical artistic compositions. It is the reading of history from this Classical-artistic vantage-point, which is the truth of history. It is the same, differently located, in Classical musical composition, as best exemplified by the greatest Classical polyphony.

Thus, so informed by Classical art, we approach the practical matters of life with our passions made literate. The motive so supplied, is to realize truth and justice in society. The notion of truth and justice is located in an (agapically) impassioned prescience of the necessity for that anti-entropic progress of mankind, which is the characteristic of the agapic, otherwise known as creative-cognitive mood.

## Art and Hypothesis

The scientific approach to physical economy, is motivated by concern to foster forms of progress which improve the potential relative population-density of

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47. If you will, you make take this as a reading of Paul's *I Corinthians* 13.

mankind. This improvement depends upon what we call investment in scientific and technological progress, which means, in the relatively longer term, revolutionary transformations from an initial science-manifold of  $n$  principles, to successive new manifolds, of, successively,  $n+1$ ,  $n+2$ , . . . , principles. There are two leading problems posed by this consideration.

The first of these two problems, is the science-driver principle itself. Each transition, from an  $n$ -fold, to an  $n+1$ -fold manifold, requires cognitive action. In other words, the specifically anti-entropic intervention, by cognition, which is the unique origin of upward ordering of successive, anti-entropic transformations of scientific hypothesis. Without a high degree of agapic development among scientists and related strata, this ordering will not appear as desired.

The second of these two problems, is the society's attitude toward such scientific and technological progress. The questions include: How is this to be fostered? How are the benefits to be applied? What is the moral purpose toward which this effort is directed? What is the nature of the individual member of the human species, such that we are obliged to steer society's development and related practice in one certain direction, rather than another? In short, the set of implicit moral values distributed among members and strata of the population, will act, and with passion, to shape the direction of policy-decisions, according to the social values placed on alternative proposed answers to those questions.

In the case of the outstanding progress of western European civilization, from the Fifteenth-Century Golden Renaissance into much of the troubled Twentieth Century, the driving passion was that specific to western European Christianity: the emphasis upon struggling against the legacies of Babylon and of the evil Roman and Byzantine empires, and also against feudalism, to establish a form of society cohering with the notion that all persons, without racial or ethnic distinction permitted, are equally made in the image of God, that evidenced by the creative powers of cognition, awaiting development in each new-born personality.

The notion of society's obligation to develop those powers, and to rely upon them as the source of solutions for great problems, is the driving passion which engendered that European form of modern sovereign nation-state republic, best expressed by the Declaration of In-

dependence and Preamble of the Federal Constitution of the young United States, a U.S. whose peculiar advantages were, that it was an embodiment of the best ideas produced in Europe, such as those of Leibniz, in particular, but ideas expressed at a strategically less insecure position, relative to the long arms of those feudal relics known as the European landed aristocracy and financier oligarchy.

Thus, to forecast, one must concentrate on both the physical-economic aspect, with its immediate connections to matters of principles of physical science, but also the generationally oriented social-cultural processes. We have a significant, but secondary interest in the relatively more transient opinions as such, but a great deal of interest in what the London Tavistock Institute would prefer to identify as cultural "mind-set," or "cultural paradigm shifts:" the axiomatic hypotheses which tend to predetermine what opinions will be engendered, by the unfolding of a certain direction in combined, interacting, cultural and physical-economic developments over, usually, the span of a generation or two.

One can not master forecasting of this sort from an "ivory tower." In the absence of the existence of determinable, precise magnitudes of passion, associated with the set of any cultural paradigm, forecasting demands a high degree of intellectual participation in the process of studying patterns of shifts within populations, a study which must be grounded, inclusively, in an intense study of history from this vantage-point.

As a forecaster, my advantages have included, prominently, my critical view of the cultural quality of various strata among the populations of, most notably, North America and western Europe. This engagement, grounded in Classical philosophy, made it possible to foresee how institutions and populations would react to the very developments their own cultural impulses would prompt. A strong trend in culture will usually drive to some limit, at which it imposes a crisis upon itself; how it will respond to the crisis its choice of cultural impulse itself has thus caused, has been the usual record of history.

The first thing in successful long-range forecasting, is to recognize that the problem of forecasting as I have outlined it here, exists. Thus, to put aside the simplistic, usually reductionist, fallacy of composition, which has usually passed for economic forecasting methods in modern professional education and government.

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