

Ring around China: Britain seeks war

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One of the highest priorities in U.S. foreign-policy crises now confronting reelected President Bill Clinton, is the strategic urgency of delivering a long-overdue political spanking to former President George Bush's cronies: this time, in the matter of U.S.-China relations. Illusions pushed aside, every nation on this planet, excepting the U.S.A. and China, is presently faced with probable early liquidation of its political existence as a nation-state, unless collaboration among a number of states, including the U.S.A. and China, acts in time to prevent such a global calamity. Without partnership with China, the U.S.A. would probably lack the means to prevent an imminent global, chain-reaction collapse of nation-states, the which will be detonated, very soon, by the presently accelerating, global financial and economic crisis, unless very radical preventive measures are introduced first.

The relevant British officialdom has stated, repeatedly, that official London is determined to bring about the break-up of China. Merely typical are utterances by Gerald Segal of the London International Institute for Strategic Studies (IISS). As recently as this Spring, Britain's Sir Leon Brittan delivered a threat to the same effect, on May 7, while a guest of the People's Republic of China, at a Beijing conference sponsored by China's government. Brittan threatened his hosts with strategic destabilizations of China's environment, if China did not abort its government's present form of commitment to building up trans-Eurasia "land-bridge" links to western Europe and the Middle East. That ostensibly representative British diplomatic gentleman made as plain as such perfidious diplomats are wont to do, that an international conference, just previously held in Bangkok, Thailand, had been

implicitly intended to mobilize South and East Asia forces against China, on this and other accounts.¹

In this situation, the U.S.'s vital strategic interests are threatened by a coordinated series of destabilizations, ringing China, all coordinated by the British foreign service and its intelligence arms. (See **Figure 1.**) These British-fired hot-spots include Britain's "Pushtunistan"-oriented, Taliban operations into Afghanistan, Kashmir, and Pakistan itself. They include the British campaign to coordinate the overthrow of the present government of Myanmar (formerly Burma) on the usual, flimsy "human rights" pretexts. It includes the attempt to induce Japan to perceive itself as taking political hegemony over the northern tier of China (and Mongolia), from the central government in Beijing. It includes the repeated efforts by London and their U.S. Republican Party assets, to destabilize the uneasy peace between the northern and southern portions of Korea. It includes the recent cranking up of "Radio Free Asia," by the same U.S. Republican assets.

In this context, while the White House's attention was being distracted by the U.S. general election-campaign, a series of incidents has been launched against vital U.S.A. Pacific interests, all by British intelligence. This matter demands high priority be assigned to U.S. corrective actions. In the following pages, attention is focussed upon one of the exemplary cases of British imperial aggression directed against China's sovereign integrity, the so-called "Diaoyu Islands" incident.

1. See Feature on the Beijing conference of May 7-9, 1996: "Beijing Promotes Grand Design for Eurasian Progress," *Executive Intelligence Review*, June 14, 1996. On the address by Sir Leon Brittan, speaking in his "other incarnation," as vice-president of the European Commission, "China Must Play by 'Free Trade' Rules," pp. 20-22.

FIGURE 1

British-backed strategic thrusts against China



That July-October 1996 diplomatic uproar, was ostensibly prompted by conflicting China and Japan claims to a group of eight islands, the Diaoyu (Senkaku) Islands,² slightly more than 160 kilometers northeast of Taiwan. The flap was caused by the deployment of Moonie-linked right-wingers from Japan, to create a relevant incident. As noted, this incident was staged as but one of an aggregately ominous series of recent developments, all in service of the British

foreign service's stated, geopolitical commitments to continuing Britain's efforts of recent years, to divide China among a collection of quarrelling "war-lord" states. The intensity of the Chinese passions aroused by this incident, is prompted by the fact that Japan's historic claims to these islands date from no earlier than 1894-1895, claims with no other historic basis than Japan's aggression in two colonial wars against China.

2. See Figure 2. Diaoyu, or Tiao-yu Tai Islands, known on Beijing maps as *Diaoyu Dao*, and claimed by Japan as *Senkaku Shoto*, a collection of eight rocky isles located approximately 160 kilometers to the northeast of Taiwan, and, with one minor exception, a similar distance from Japan's present territory in the Ryukyu [*Nansei Shoto*] Islands, which latter are part of Japan's acquisition of the Okinawa chain. Slightly below 26° North Latitude, athwart 124° East Longitude. Since the Ming dynasty (A. D. 1368-1644), the islands were clearly Chinese territory, used for fishing and herb-growing, until Japan broke the standing Meiji Restoration alliance with the United States of Presidents Abraham Lincoln, Ulysses Grant, and James Garfield, and Secretary of State James G. Blaine, to become an East Asia asset of the British Empire, with Japan's launching of the Sino-Japanese war of 1894-95, during which, on January 14, 1895, the Emperor Taisho issued a decree annexing these islands. That decree is the origin of Japan's first claim to these islands—including Japan's related claims to Taiwan (as "Formosa"). Japan's renewed claim, today, is also based upon a subterfuge concocted, a quarter-century ago, by that perennial and perverse British lackey, Sir Henry A. Kissinger.

As usual in such London-steered affairs, the Diaoyu Islands incident was staged with complicity of the usual list of suspect rascals linked to the same U.S. Republican Party's International Republican Institute (IRI) we encounter working against U.S. interests inside Russia. Notable, are the Moonie-funded George Bush and his Japan-based brother, Prescott Bush. Former Secretary of State Sir Henry A. Kissinger, is, as usual, deployed in support of this British geopolitical effort.

For reasons we identify here, unless the U.S. government acts to warn the British, openly, that the U.S.A. will not tolerate the presently ongoing, geopolitical ringing of China, the U.S.A. will be at risk of losing all significant ability to deploy an effective foreign policy in defense of vital U.S. global interests. To that purpose, we begin our account here with a summary of the Diaoyu Islands incidents of July-October.

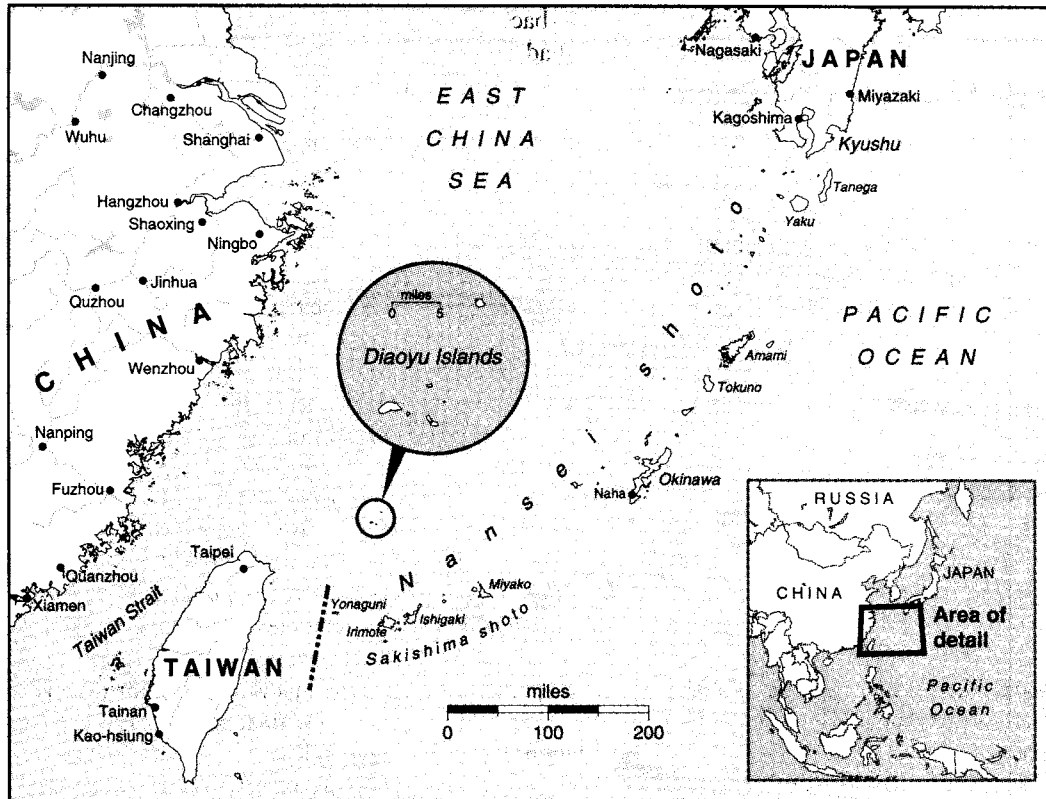


FIGURE 2
**China's Diaoyu
 Islands claimed
 by Japan**

Echoes of Pearl Harbor 1941

First, on matters of background essential for understanding Britain's utilization of its relevant right-wing assets, consider the Moonie connections of Prescott and George Bush inside Japan.

During 1989, shortly before the eruption of publicity on the subject of the Emperor Hirohito's last illness, several important personalities within Japan, for each of whose knowledge and commitments this writer had the relatively greatest respect, sent him a warning, separately from one another, but all within the same relatively narrow time-frame. The common burden of these several messages, is that that we patriots in the U.S.A. must act urgently, to forestall a repetition of those British actions of the 1930s which led to the takeover of Japan's political life, which, in turn, brought about that December 1941 attack on Pearl Harbor which had been anticipated in U.S. war plans for defense of the U.S.A. against a coordinated British-Japan aggression.

The implication was not, of course, that Japan might, once again, menace Pearl Harbor, but that British operations might lead, once again, to outcomes contrary to the vital common interests of both Japan and the U.S.A.

The messages, and the implied suggestion, were on the mark. Unfortunately, George Bush was already U.S. President at that time.

The reader should know, that during much of the early decades of the present century, until the middle of the 1930s, the U.S. military command had operated on the basis of two

included U.S. war plans, "War Plan Orange" and "War Plan Red," plans designed for defense of the United States in the case of such coordinated British-Japan naval assault against the U.S.A. as was considered a possibility during naval-disarmament negotiations of the 1920s. The anticipated Japan naval attack on Pearl Harbor, was a leading feature of these U.S. war-plans: a leading feature of the famous, Anglophile-motivated effort to defame General "Billy" Mitchell, and to ridicule his prophetic warnings.³

In 1989, the impending death of the Emperor (who, in

3. As this surfaced during the court-martial, Mitchell's addition to the existing U.S. war plan, was his specification of the possibility of the role of carrier-based aircraft in adding a crucial new dimension to a Japan surprise naval assault on Pearl Harbor. Even into World War II, when the very survival of the United Kingdom depended absolutely upon U.S. good will, Britain continued the policy it had maintained since the U.S. Civil War, to cut the U.S. military potential down to a size the British Empire considered comfortable, and, above all, not to allow the U.S. to develop a naval capability able to counter the Empire's fleet of "dreadnoughts" (i.e., battleships). The notion that U.S. Navy carrier-based aircraft might become capable of sinking battleships, especially types comparable to the British ones, was something which London and the U.S.'s Anglophile admirals would resist to the possible limits to do so. Thus, it had been the issue of forcing the unwilling pre-Coolidge U.S.A. to accept inferiority to combined British-Japan naval forces, which had nudged the war-time allies of World War I, U.S.A., Britain, and Japan, toward possibility of war among themselves. Under the Teddy Roosevelt-restyled Republican Party's rabidly Anglophile regime of the Coolidge-Hoover years, even such patriotic military professionals as General Douglas MacArthur could not save Mitchell from the consequences of the offense Mitchell had caused to London.

early 1945, had sought peace with Franklin Roosevelt's U.S.A., through Vatican channels),⁴ intersected the 1980s process of super-annuation of the World War II generation, by "Baby Boomers," in virtually every leading position of government, business, education, and science, in Europe, the Americas, and Japan itself. It was not the mere changing of guard, from one generation, to the next, which represented the source of risk. Rather, in both the U.S.A. and Japan, the post-war enculturation imposed upon the "Baby Boomers," had fostered a pervasive emphasis upon crudely egoistic, existentialist "materialism," the which is always potentially suicidal for a nation in which such cultural decadence predominates among the higher ranks of policy-shaping.

In that process of change, which has been aggravated by the cumulative follies of British foreign-service asset Henry A. Kissinger, Zbigniew Brzezinski's Carter administration, the Reagan years' "Plaza Accords," and the George Bush administration, the British influence upon Japan's policy-thinking grew, as an increasing source of danger to the vital historic interests of Japan, as well as fostering unnecessary vulnerabilities for the strategic interests of the U.S.A. It is that British influence, and the connections of Moonie-funded George Bush, which underlies the Japan right-wingers' Diaoyu Islands' provocation.

In the history of U.S.A.-Japan relations, the Japan youth-group's filibustering harks back to similar manifestations of British influence over Japan's policy-orientations, such as the developments in Japan's China policy of 1894-1895, the period of the first Sino-Japanese war, and the role of London in 1931 events opening up the second Sino-Japanese war. The generation of Japan's senior leaders this author knew from the mid-1980s would have recognized, as did General Douglas MacArthur, that, in the history of the region since U.S. Admiral Perry's famous, brilliant strategic stroke against British imperial domination of the Far East, whenever Japan has collaborated with Britain against U.S.A. interests, it is Japan itself which has ultimately suffered the most. The previous generation of leaders would have forewarned itself that the antics of the Moonie-backed hoodlums, putting Japan in the position of ganging up with London, against more than 1.2 billions Chinese, are even more a threat to the historic interests of Japan, than to China, that such antics must not be tolerated by Japan itself.

In summary of the incident itself: it was in the strategic setting marked by Sir Leon Brittan's May 7 Beijing address, that the Diaoyu Islands' flap of July-October 1996 erupted. The relevant incident was staged by an offshoot of the same

4. Contrary to the propaganda issued by the Truman administration, not a single life was saved from loss in combat by the President Truman's London-prompted decision to drop the only two nuclear weapons then in the U.S. arsenal, on Hiroshima and Nagasaki, in August 1946. There was never a need to stage a U.S. invasion of the main islands of Japan, nuclear bombs or none. By August 1945, Japan's surrender, as sought earlier by the Emperor Hirohito, had been made inevitable by the virtual total success of the U.S. naval blockade.

Moonie-backed World Anti-Communist League (WACL) which had cooperated with former Vice-President George Bush in connection with Bush's control over the drug-running *Contra* operations of the mid-1980s. The relevant, Moonie-backed, extreme right-wing Japan youth organization, is linked to the Moonie-funded British asset Sir George Bush, and to Sir George's Far East-based brother Prescott. The WACL-linked filibuster, was a brief occupation of one of the islands, during which these right-wing youth erected an improvised lighthouse, with the flag of Japan attached, a caricature of the notorious "Mukden incident" which had set off the second Sino-Japanese war, sixty-five years earlier.

Notably, since the 1978 Japan-China treaty of peace and friendship, until the aftermath of British representative Sir Leon Brittan's parody-of-Palmerston diplomacy, in his Beijing address of May 7, 1996, the matter of conflicting China-Japan claims to the Diaoyu Islands had continued to remain dormant in recent years. During the 1978 normalization of diplomatic relations between Beijing and Tokyo, the parties had agreed to defer the issue of title to these islands to the future. There was discussion, at the time, that it were prudent, perhaps, to leave the matter to the deliberations of future generations, when closer relations between the two populations had evolved naturally.

As we shall indicate below, once again, Japan's historic self-interests were ill-served by the failure of its government to nullify the provocation set off by the Moonie-linked filibuster. In this circumstance, the United States is now obliged, urgently, to clean up the dangerous mess whose development had been permitted by the U.S.'s Japan security-treaty partner.

Enter the ubiquitous 'Dr. Strangelove'

To understand the Diaoyu Islands controversy, we must take into account the primary fact, that that incident, including its timing, was only one piece of a strategically coordinated, British-guided series of destabilizations along China's perimeter. Nonetheless, the incident itself must be addressed, and resolved. To understand the dynamic of the incident itself, the role of shamelessly self-described agent of British Foreign Services' influence, former U.S. Secretary of State Sir Henry A. Kissinger, must be stressed.⁵

As in the case of the beating suffered by a trade-union organizer during a bitter labor controversy, although the broken leg can not be understood apart from the contextual con-

5. Kissinger has claimed publicly, with utter shamelessness, to have been a British foreign-service agent, acting behind the backs of two U.S. Presidents he pretended to serve. In summary: Sir Henry A. Kissinger, 1969-1975 U.S. National Security Adviser under Presidents Richard Nixon and Gerald Ford, stated, in his keynote address [*Reflections on a Partnership*] at London's Chatham House, May 10, 1982 on the occasion of the 200th anniversary of the founding of the British foreign service under its first chief, Lord Palmerston's sponsor, Jeremy Bentham: ". . . In my White House incarnation then, I kept the British Foreign Office better informed and more closely engaged than I did the American State Department."

trovery, the leg itself must receive the appropriate attention.

On Sept. 30, 1996, a crucial piece of evidence came to light on the roots of the incident itself: the Diaoyu political time-bomb had been planted as a minute within the 1971 U.S.-Japan Okinawa Treaty, by Britain's Sir Henry A. Kissinger, during his earlier "White House incarnation" as President Richard Nixon's venal National Security Adviser. According to the interpretation being pushed by Kissinger circles in official Washington today, that Kissinger minute in the 1971 Okinawa treaty traps the United States into intervening with military force into the Diaoyus, on behalf of Japan, under the provisions of the earlier, 1951 and 1960-revised U.S.-Japan security treaty.

That exposure of Kissinger's past role in setting up the present flap, was supplied by one of Kissinger's 1971 accomplices in this stunt, a Dr. Larry Nicksch who is presently an Asia specialist of the U.S. Congressional Research Service.

In the relevant, Sept. 30 policy paper, Nicksch drew upon his role as an 1971 associate of Kissinger, in crafting the poison-pill minute for insertion into the Okinawa treaty. Nicksch asserted the dangerous, "Dr. Strangelove" reading of a connection, between that minute on the Japan Diaoyu Islands claim, and the 1951 and 1960-revised U.S.-Japan security treaty. Other documents suggest that that degree of linkage between the 1971 minute and the 1951 and 1960-revised treaty probably does not rightly exist.⁶ However, the Nicksch-Kissinger reading has evoked a Beijing denunciation of Nicksch's interpretation as a provocation for war. The historical evidence is, that China's expressed concern is essentially well-founded.

Japan's vital interest

If one measures population-density in terms of habitable portions of a nation's land, and its primary resources, it should be clear that Japan can survive only by concentrating on the frontiers of scientific and related progress in productive technologies, and on a growing role as a "knowledge-industry" exporter: a supplier of highest technology machine-tools and related goods to a vast and expanding markets for such goods, especially to the actual, and potential future such markets throughout Asia.

Without such a role in (especially) the Pacific-Indian Oceans rim of Asia, Japan would be inclined to seek its economic and biological survival as a nation, however short-

6. E.g., an October 20, 1971 letter to the Senate Foreign Relations Committee by Roger Starr, writing as State Department Legal Adviser for East Asian Affairs. Starr informed the Committee, relative to the hearings on Kissinger's Okinawa Treaty, that the minute in question could lead to conflict among Japan, Taiwan, and mainland China. Starr wrote: "The Governments of the Republic of China and Japan are in disagreement as to sovereignty over the Senkaku Islands. . . . The People's Republic of China has also claimed sovereignty. The United States believes that a return of the administrative rights over these islands to Japan, can in no way prejudice underlying claims . . . any conflicting claims are a matter for resolution by the parties concerned."

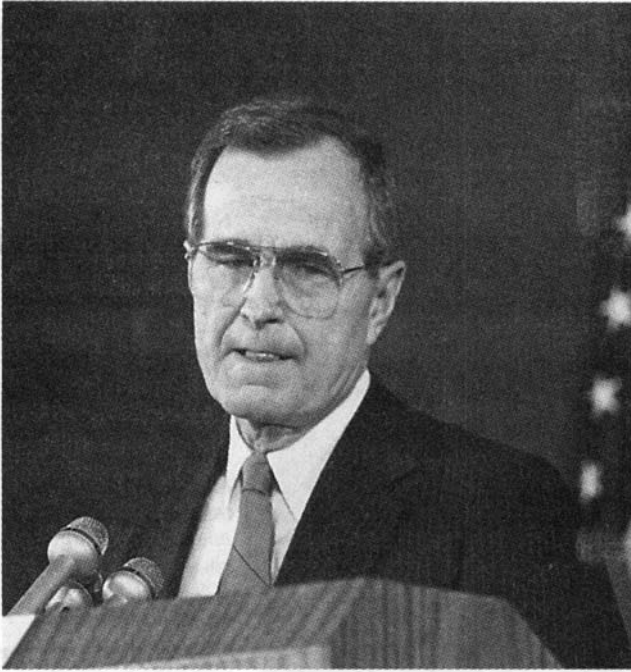


Henry Kissinger, a purported friend of China, inserted a minute in the 1971 U.S.-Japan Okinawa Treaty, which, according to the interpretation being pushed by his circles in official Washington today, traps the United States into intervening with military force into the Diaoyu Islands, on behalf of Japan, under the provisions of the 1951 and 1960-revised U.S.-Japan security treaty.

lived, now, as during the 1930s, in establishing controlled spheres of influence carved out of existing nations of the Pacific Rim. The role of European economic conditionalities in impelling Japan into the first Sino-Japanese war and initial occupation of Korea, in 1894-1895, and the economic circumstances of 1927-1931, in prompting Japan into the second Sino-Japanese war, are applicable illustrations of the point.

In short, if Japan can not export into growing markets for high-technology machine-tools, Japan can not buy those primary and other commodities which it can not provide itself from domestic resources; modern Japan must import to survive. If Japan can not buy, it has no other apparent option but to steal, especially now, when the imminent disintegration of the global financial bubble—into which the U.S. government and others pushed Japan, since the 1970s—is ending the period during which pure speculation could be regarded by Japan as an alternative source of foreign purchasing-power. If the policy of stealing spheres of influence from neighbors, rather than a return to a knowledge-intensive export program, were adopted by Japan, the targets of such a policy, among Japan's East Asia neighbors, are well known to qualified historians.⁷ The inevitable destruction of Japan itself, resulting from a new assault upon China, is also coldly precalculable;

7. Including, but not limited to, the northern tier of China, into Mongolia, and relevant regions of the former Soviet Union.



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nonetheless, Shakespeare's Hamlet walked into what he was forewarned would be his doom.

Thus, Japan has no sane alternative, but to reorient to producing for a knowledge-intensive export program. Therefore, Japan has no true friends anywhere in the world, but those nations which are committed to return the world, away from the suicidal delusions of "post-industrial" utopianism, to a policy of fostering general increase of the physical productive powers of labor, a development which can occur only through the combination of large-scale development of basic economic infrastructure, and protectionist policies for fostering high rates of investment in scientific and technological progress for agriculture and industry.

During the recent quarter-century, Japan's greatest difficulty, increasingly, has been that its natural self-interest in a knowledge-intensive-export orientation, has been ruined by the combination of the ruinous, post-1971 "floating-exchange rate" world monetary system, the global drift into "post-industrial" and "global economy" utopian fantasies, and the savage attacks on Japan's high-technology machine-tool role in so-called Third World regions, by the United States of Presidents Jimmy Carter, Ronald Reagan, and George Bush.⁸

8. Two cases from the 1970s are exemplary. First, while British agent Kissinger was on watch at the National Security Council (NSC) and State Department, there was the case of Britain's (and Kissinger's) determination to destroy Iran's Shah Pahlevi, who, in their eyes, had committed the capital crime of engaging in oil-for-technology agreements with Germany and Ja-

pan, for building up Iran as a "new Japan." Second, on Zbigniew Brzezinski's watch at NSC, the U.S. forced Japan to break off oil-for-technology deals struck with the Republic of Mexico, and to dump Japan autos on the U.S. domestic market, instead. The murders of Dresdner Bank's Jürgen Ponto, in 1977, and of Deutsche Bank's Alfred Herrhausen, in 1989, typify the German side of this British-directed policy; there is also a Japan history on this matter.

Thus far, during his first term in office, President Clinton has not acted to reverse his predecessors' ruinous policy-directions on these accounts. That omission in U.S. economic and foreign policy, must be corrected, early during the second term. Otherwise, the U.S. has no sane Japan policy, or China policy, either. However, if the U.S. acts to assist both China and Japan in overcoming such difficulties, the opportunities for benefits to the U.S.A., and all nation-states of East and South Asia, will be enormous.

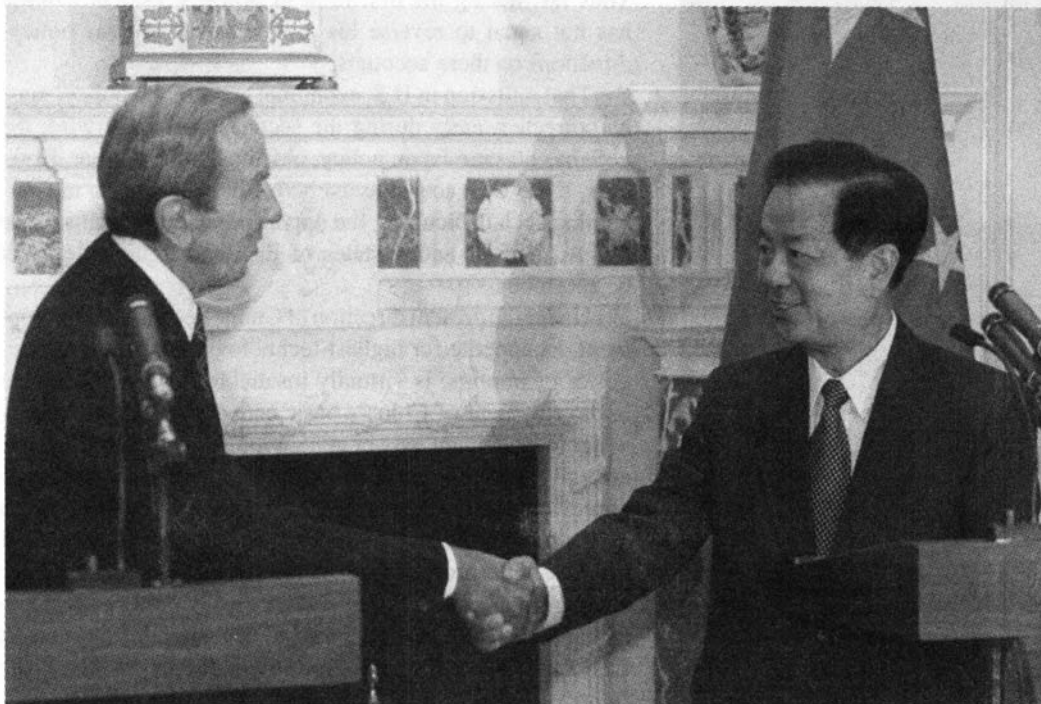
Under the present direction of China's economic development, its appetite for highest-technology machine-tool categories of imports, is virtually insatiable. A vast investment in development of China's basic economic infrastructure—water management, power generation and distribution, modern rail networks—is necessary to create the physical-economic climate indispensable to high-gain employment in agriculture and industry. Under those conditions, the rate of increase of the productivity of China, per capita of labor-force and per square kilometer of surface area, would be spectacular, and sustainable. The rates of development throughout East Eurasia, so fostered, are the conditions on which the future of Japan's civilization depends.

The objection to our optimistic view might be: that might be possible, were the world not gripped by a presently accelerated process of combined financial and economic collapse. The rebuttal of such objections, is that no nation on this planet can expect to survive, as a political institution, much beyond the close of this century, unless precisely such a radical policy-shift is made more or less immediately, back to a system of agro-industrial production based upon sovereign nation-states, nation-states committed primarily to large-scale infrastructural development by government initiative, and to fostering increase of the scale of employment and increase of physical productive powers of agricultural and industrial labor, all through high rates of investment in scientific and technological progress.

End Washington's delusion

The greatest danger to the United States, and the world, today, is not the danger of financial blow-outs, economic collapses, riots, terrorism, or wars. The greatest single threat to the continued existence of the human species itself, is that we have entered an age, when the formerly successful, pre-1996 agro-industrial culture, premised axiomatically on production, has been superseded by a post-Kennedy "New Age" of inherently bankrupt "post-industrial" utopianism, a cult of consumerism-oriented "entertainment society." In that "New Age's" presently advanced stage of cultural decay, the pre-

pan, for building up Iran as a "new Japan." Second, on Zbigniew Brzezinski's watch at NSC, the U.S. forced Japan to break off oil-for-technology deals struck with the Republic of Mexico, and to dump Japan autos on the U.S. domestic market, instead. The murders of Dresdner Bank's Jürgen Ponto, in 1977, and of Deutsche Bank's Alfred Herrhausen, in 1989, typify the German side of this British-directed policy; there is also a Japan history on this matter.



Chinese Vice Prime Minister and Foreign Minister Qian Qichen meets with Secretary of State Warren Christopher at the White House. Writes LaRouche, "Unless the U.S. government acts to warn the British, openly, that the U.S.A. will not tolerate the presently ongoing, geopolitical ringing of China, the U.S.A. will be at risk of losing all significant ability to deploy an effective foreign policy in defense of vital U.S. global interests."

vailing habit of official Washington is to lay the legendary used-car salesman's emphasis on "what will sell," rather than "what will work."

For most of official Washington, this is an age of political poll-taking, and, punsters might say, of Poll-cats such as the notorious Roy M. Cohn's clones, Dick Morris and Roger Stone. We have entered into a time when the most widely sold politics is all pollsters' "sizzle," and virtually no "steak."

This is the fag end of a "New Age," when unbalanced minds seek to "balance budgets" (without actually balancing them) by means of cutting the tax-revenue basis from which budget-balancing payments might be derived! There are no plans actually to balance Federal budgets, from any quarter; there are only plans to fool the credulous into believing the lie that the adopted bill is actually a budget-balancing measure: all "sizzle," no "steak." Whatever the pollsters tell the politicians the deluded public will believe, is the evidence on which the policy-maker will tend most to rely: whatever one can sell as a seductively packaged, if virtually empty box.

It is pretty much the same, around most of the world. Paris, Bonn, Moscow, Washington, and, so, on and on, the capitals of the world seem gripped chiefly by the passion to delude themselves and their nation's citizens with words and phrases designed as much to deceive those who utter them, as the targetted, credulous public in general. This is especially notable in matters of economic and related policy.

The conventional delusion in those world capitals, these days, is that the post-industrial age of floating-exchange-rate globalism has rendered the nation-state itself obsolete. The associated delusion is, that since G.W.F. Hegel's "World-

Spirit" or somebody else's *Zeitgeist*, has decreed these trends to be irreversible, nothing must be done in defiance of those trends. Drowning men are advised to dive deep, and there inhale. It is an age in which accountants and stock-brokers direct physicians in the practice of medicine, in which resulting deaths are passed off as "merely anecdotal," and in which illiterates' uninformed liking for the sound of words or phrases they do not understand, is considered a political mandate for economic policy.

Only a "bad conscience" by the majority of the population, respecting such practice, can save civilization. We have come to a time, when any policy which would enable nations to survive the present crisis must be perceived as an insult to the intelligence of virtually every elected official of government, and most popular opinion, in virtually every part of the world. The governments and populations are now forced to choose: Would they prefer not to be insulted, or to survive?

The point, in summary, is this.

Contrary to the babble about "service economy" and "information society," most people rely upon eating food, rather than words, wearing clothing, living inside dwellings (if they can afford it), travelling in highly tangible vehicles of sundry types, drinking safe (processed) water, utilizing many megawatt-hours of produced energy each year, receiving education within school buildings (heated during the winter season), and so on. It is not a want of information, or of non-professional varieties of services, which causes economic deprivation (and increased sickness and death rates); it is want of material products, and of highly trained professional services in the soft infrastructure of education, health-care, and science and

technology services generally. We do not live in a post-industrial society, but simply a ruined industrial society: most human suffering, and virtually all of the imbalances, and performance short-falls, in Federal, state, and local budgets, are a result of four foolish changes introduced to economic policy-shaping during the recent thirty years: “neo-Malthusian” types of “post-industrial” utopianism, global “floating exchange-rates,” “de-regulation” of trade and infrastructure, and fostering of financial speculation to the great disadvantage of those policies upon which all of the successes of the U.S. economy had been premised earlier: investment in increases in the per-capita, and per-square-kilometer productive powers of labor.

There is no “coming depression”; the economic depression in both incomes and productive employment has long since arrived. In terms of the purchasing power of employee incomes, per capita, the real income and output per U.S. employee are approximately half of what they were a quarter-century earlier: to approximate today the income from comparable types of employment twenty-five to thirty years ago, two to three jobs, or more, per family household are required. Over this period, the U.S. economy has been looted by non-repair of basic economic infrastructure, and in other ways. The rest of the world, is generally much worse.

The economic depression, here, and in most parts of the world, has long since arrived. What is relatively new, already here, and building up fast, is something much more frightening, much more devastating than a mere economic depression, like that of the U.S.A.’s 1930s.

Check your wallet, your bank deposit records. Trace the flow of what you call money. How much of all this represents receipts, or payments of actual cash? How much is transactions through credit-cards, or in other species and varieties of the burgeoning zoo-full of “electronic money”? What happens to you, to the stores of the shopping center, your employer, and so on, on the day that the institutions through which the electronic money-flows flow, have their electronic mechanisms shut down? How do you acquire the food you require from the store? How does the store replenish the stocks on its shelves? Effectively, the circulation of money and credit is aborted—unless the President mobilizes the draconian, “dirigist” remedies implicitly authorized by the U.S. Federal Constitution.

How far are we from the point that could happen? How far is every nation on this planet from that catastrophe? In their own words, Managing Director Michel Camdessus of the International Monetary Fund (IMF) warns that we are on the edge of an international, chain-reaction-style crisis of entire banking systems. More and more of the voices of the witting high and mighty of the financier community, are saying words to the same general effect, in the leading daily press and other places, in western Europe. The crisis is already here; the outer edge of the hurricane has already reached shore, and the full force of the storm is on an inland course.

In sum: the changes in policy, away from the pre-1966 model of agro-industrial society, which have taken over, step by step, during the recent thirty years, have all been a horrible mistake. What is called “mainstream thinking” on economic policy, and “New Age” social policy, as introduced during the past thirty years, has all been one gigantic mistake, a hoax, a catastrophe. The cause of all of the greatest problems of society today, is what official Washington, and most university campuses today identify as “mainstream” economic thinking.

If that “mainstream” public opinion prevails during the coming months, you, your family, our nation, all the nations, are doomed to the worst catastrophe known in the modern history of the world. There are remedies, all of which mean returning to the old principles of sovereign nation-states and of agro-industrial economic-development policies.

So, the greatest threat to the human race, is the danger that most of you would insist on policies consistent with what you believed was “in” thinking, up to the day you walked into, or avoided, the Nov. 5, 1996 voting-booth. It is the same for virtually every nation, every government of the world today.

Governments should not ask citizens what the citizens think the economic and fiscal agenda of government should be. Today’s typical citizen has no competent knowledge on those matters. Ask the citizen, instead, whether it must be the policy of government to do that which is necessary to ensure that that citizen, and his or her family should survive, whether our government ought to lead the nation, and the nations, in doing what is necessary to uproot the causes of the presently accelerating, global financial catastrophe, and to replace the policies which have caused the catastrophe, with policies whose success has been proven by modern history?

In that case, the Clinton administration would lead the U.S. back to the proven performance of what used to be known, since U.S. Treasury Secretary Alexander Hamilton, as the “American System of political-economy,”⁹ which Henry Carey’s representative, E. Peshine Smith, used to enable Meiji Restoration Japan to rise rapidly to virtual parity among the ranks of the world’s industrial powers. We would then insist, that the world’s economy must be reoriented, to favor the kinds of objectives toward which China’s renaissance is presently aimed, the kind of world in which Japan is able to realize its natural role of development as a knowledge-intensive-exporter nation. If the U.S.A. can reach agreement with China and Japan on that mutually beneficial, radical change in global economic policy, the other types of problems confronting us all become inherently solvable ones.

If not, the Devil were likely to take us for the foolishly pigheaded dolts we are: the pigheaded ones and others, fools and all.

9. Hamilton’s reports are republished in Nancy Spannaus and Christopher White, editors, *The Political Economy of the American Revolution*, 2nd ed. (Washington, D.C.: Executive Intelligence Review, 1996).