

There Is No Secret in My Success

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August 20, 2006

This paper summarizes one of the leading points, respecting the required method of economic forecasting, which will be featured during the Sept. 6, 2006 LaRouche PAC webcast from the two cities of Berlin and Washington, D.C.

During February 1983, during one of a year-long series of my no-longer secret back-channel discussions with the relevant Soviet representative, I warned his government, through him, that if President Reagan were to proffer the policy of cooperation which I had outlined for a ballistic-missile defense based on "new physical principles" to the Soviet government, and if the Soviet government were to reject discussion of the President's proffer out of hand, the ensuing chain-reaction of circumstances would lead to the economic collapse of the Soviet system "in about five years."

On March 23, 1983 President Reagan presented his proffer of the same points of the proposal I had described in the back-channel discussions. The President had named the package "A Strategic Defense Initiative (SDI)," a proposal to free the world from "the tyranny of revenge-weapons." This was presented as the concluding, approximately five-minute segment of his half-hour nation-wide, and actually world-wide television address, and presented directly to Soviet General Secretary Yuri Andropov. The world trembled during those five minutes, and beyond.

Secretary Andropov immediately rejected the offer, flatly without discussion, and the Soviet system began to crumble, as I had warned, in "about five years."

As a result of that sequence of developments, a process was unleashed within the U.S. Liberal Establishment, almost immediately, with the intention to eliminate me personally by legal or other means. That effort, in which the deep wells of the Justice Department characterized me as "a bad guy, but we can't tell you why," was launched by elements of the Liberal Establishment during the closing weeks of 1983, and resulted in unprecedented abuse of the Department of Justice's "Cold War," largely privately controlled, secret internal security apparatus. The leading TV and other press of the U.S.A. and the Soviet Union, joined in, resulting in what became, aggregately, the most appalling sort of clearly political frauds upon the U.S. courts against any U.S. citizen in

recent history. This was a virtual inquisition, by knout and press alike, resulting in a fraudulently crafted set of charges and conviction on "conspiracy charges," in 1988.

Had Yuri Andropov gone as far as to accept the discussion which President Reagan proposed, the world would have changed instantly, very much for the better, then and now. Reagan had made it clear, again and again, as in his 1970s political attacks on Henry A. Kissinger, that he was determined to rid the world of what he called a doctrine of "revenge weapons." My proposal for what became known as cooperation around a doctrine of "new physical principles," which I had delivered as a leading "plank" of my 1980 campaign for the Democratic Party's Presidential nomination, fitted President Reagan's intention as a hand might fit a glove; what happened, happened that way, and the consequences of a Soviet willingness to negotiate that would have changed the world, and also the political life and economy of the U.S. much for the better. The fact that Reagan and I were defeated on this point, shaped the history of the Reagan Administration and the U.S.A. economy from that point. It also spelled the doom of the Soviet system.

In that sense, by his actions on this account, Andropov, who made himself thus the virtual Croesus of Soviet history, brought down his own nation.

However, that is by no means the end of the story.

Toward the close of Spring 1983, I had repeated the forecast which I had made to the Soviet representative at the referenced February 1983 meeting. I warned publicly, and repeatedly, that a continuation of Andropov's repeated, out-of-hand rejection of the Reagan offer of negotiations of SDI would mean that the Soviet system would plunge into an economic collapse within "about five years."

On October 12, 1988, U.S. "Columbus Day," I held a televised press conference at Berlin's Kempinski Hotel, in which, in my prepared remarks, I stated that we were on the edge of a chain-reaction economic collapse within the states of Eastern Europe and then the Soviet Union itself. I stated that we must expect the collapse to begin soon in a crisis in Poland, which would unleash a process resulting in the subsequent reunification of Germany with Berlin designated to become, once again, its national capital.

I had also outlined a proposed posture for immediate adoption, a new "food for peace" program as the first step of



Reagan Library

President Ronald Reagan gives his famous March 23, 1983 speech announcing the Strategic Defense Initiative. LaRouche had submitted his conception of antiballistic-missile defense based on “new physical principles” for the President’s consideration, and Reagan adopted it; had the Soviet leadership accepted Reagan’s offer, history would have been very different.

a new form of economic cooperation with the states of Eastern Europe and the Soviet Union.

The 1989 collapse developed almost exactly as I had foretold in the October 12, 1988 Kempinski Hotel conference. My televised presentation had been presented, during the same month of October, as a half-hour nation-wide network TV broadcast. The events of 1989 occurred as I had stated in the forecast delivered at the Kempinski, although the response of the British Thatcher government and Mitterrand Presidency were stupid, cruel, and abominable, in contrast to the Westphalian approach which I had delivered in my October 12th forecast and proposal.

Instead of work to build up the Eurasian economy, my personal adversaries, the triumphalist victors, Bush, Thatcher, and Mitterrand, among others, unleashed measures intentionally crafted for the purpose of destroying not only the economies of the former Soviet alliance, but also ruining the economies of the U.S.A. and western and central Europe as well. Those interests behind these destructive measures steered so visibly by Thatcher and Mitterrand, deemed the fall of the Soviet Union as the opportunity to launch the destruction of modern civilization, in favor of what is called “globalization,” today.

It is that same attempt to destroy the institution of the sovereign nation-state, in favor of a globalizing blob of international financier-oligarchical slime-mold, launched by Thatcher, Mitterrand, et al., during the 1990-1991 interval and immediately beyond, which has brought the world as a whole to the brink of an asymmetric-warfare Hell today.

I have summarized those points above here, to illustrate

the essential similarities of my historic “in about five years” forecast of 1983-1988 with my present forecast of the immediate global threat of general economic breakdown crisis and related warfare. It is a reminder I make as the world hangs, at this moment, near, or perhaps actually at the precipice of one of the greatest catastrophes mankind would have experienced in modern history since the Treaty of Westphalia of 1648.

The immediate purpose of this report, as we stand at the verge of the September 6th Berlin-Washington event, is to compare the relevance of the uniquely successful methods of forecasting which I employed during the indicated 1983-1988 interval, with my rising now to the occasion of that ominous situation which presently confronts the world as a whole at this virtual moment of unprecedented, now escalating crisis in the history of modern European civilization.

Why My Unique Success

In incontestable fact, my record as an economic forecaster, over the recent thirty-five years, is not only unmatched, but unapproached by any other known forecaster whose work has been publicly accessible during that lapse of time to date. However, this success owes much less to my own achievements, than my filling out a vacuum created by the professional incompetence of the relevant others. Anyone competent could have done as I did; the trouble is, those others who might have done the like, did not make themselves competent and available at the relevant times.

That difference, then as now, between my competence as a long-range forecaster, and the faulty method underlying the incompetence of supposed rivals in this field, is one of the most important facts confronting the governments of the world, generally, today. The fate of mankind hangs on the willingness of relevant professionals as well as leading political forces to correct that lack of competence. It is the development of the broad base of competence which had been needed then, to which my educational and other relevant efforts are dedicated today.

Now, on Wednesday, September 6th, simultaneously from Berlin and Washington, D.C., I shall deliver a forecast of combined immediate and long-range programmatic developments, more profound, and of even greater historic significance than my referenced 1983 and October 12, 1988 forecasts have proven to be.

Under these crucial, global strategic circumstances, of a world on the verge of descent into a threatened global, nuclear-armed, spread of asymmetric warfare throughout the planet, the issue of method for forecasting, especially strategic forecasting, represents the most important, most



NATO photos

Jubilant Germans scale the Berlin Wall on Nov. 1, 1989, as the Communist regime collapses and the nation moves forward toward reunification, just as LaRouche had forecast the year before.

crucial topic of strategic implications in any capital or financial center of the world.

Scientifically, the reason for this manifest absolute superiority of my method, is elementary. My forecasting is premised upon the dynamic methods, whereas all that is considered as conventional statistical forecasting renders itself almost entirely useless and grossly misleading by virtue of the foolish methods, such as those typified at their relative worst by the case of Morton-Scholes and the hedge-fund pack of neo-modern “Lombard-style” predators generally.

Simply, the practice of political-economy by professionals and others who are followers of the hegemonic Anglo-Dutch Liberal schools dominating the world today, treats economic forecasting by the statistical mechanical methods traced to the dogmas of René Descartes and his Anglo-Dutch Liberal followers. These methods purport to see the future in trends extrapolated, statistically from the present. The contemptible blunder inherent in that approach, especially since the relevant scientific example provided by Carl F. Gauss’s defining the entire orbit of the asteroid Ceres from a small sample of observations, is that competent forecasting follows the methods employed by Johannes Kepler and his followers in the creation of modern scientific astronomy. These methods of Kepler are the core of the ensuing work of relevant figures such as Leibniz, Gauss, and Riemann, leading into the relevant views of Albert Einstein.

My methods of forecasting are premised on physical-economic methods in the tradition of Leibniz, not monetary-statistical evidence derived from what are essentially neo-Cartesian, mechanistic readings of adduced financial-monetary trends. Whereas, the customary economic forecaster approaches the future “bass ackwards,” I adduce the significance

of the present decisions and developments from the standpoint of the adducible physical-economic cycle which present policy-structures define. My approach defines forecastable crises as the outgrowth of the policies of practice which define the cycle of crisis, as I have done in all of the cases of my successes over the recent four-odd decades.

Define the physical-economic cycle inhering in the combination of existing physical conditions and physical effects of current policy-trends, and then one knows where and approximately when current monetary trends will reach a point of crisis, a point at which only radical, axiomatic changes in policies will avert an otherwise inevitable calamity for the nation and people foolish enough to cling to the wrong policy.

In 1979-1983, when I devised the conception of the physical-economic basis for a shift of U.S. and other nations’ policies away from the calamitous changes in policy introduced during 1968-1981, a change induced by introducing a “crash program” approach to development of a security system based on “new physical principles,” it was the physical-economic effects of the proposed negotiations with the Soviet government which would have served as a powerful, politically motivated factor, for forcing a reversal of the economic component of those strategic-conflict policies which had brought the U.S. economy to the verge of irreversible physical ruin by January 1981.

The science of physical economy, my specialty, requires some learning, but, without the commitment to go in that direction, rather than continue the trends toward increasingly radical monetarism and “globalization,” back to a science-driven economy based on physical-capital intensity of investment in basic economic infrastructure and production of goods, there is no foreseeable happy future for humanity globally today.

We stand at that point of decision today. The threat today is greater than during 1983-1988. The issues of urgently needed changes in thinking about economic policies by and among nations, are, in principle, the same. The lessons of 1983-1989, as I have summarized them here, are the underlying issue on the table on September 6th.

Unfortunately, there are some important fools in this world, who would rather take all mankind, themselves included, to Hell, rather than even begin to admit that I have been right in the kinds of forecasts to which I have referred here, today.

Therefore, at about 16:00 hours, Berlin time, we shall set the stage for the issues of today, by opening the presentation with a few relevant excerpts from the recorded televised recording of the Berlin press conference of October 12, 1988. The circumstances are not exactly the same, but as the celebrated Heracleitus warned, in real history, they never are.

The scientific methods needed for the tasks of reforms today, are the subject of an EIR Feature, “Dynamics & Economy,” published in EIR, Aug. 25, 2006.