

THE REAL 'NEW BRETTON WOODS':

# A Dollar-Based Global Recovery

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*The issue to be considered here, is the presently greatest political obstacle in the pathway of rallying needed political support for adoption of a readily available economic recovery of the United States, and, thus, potentially, the planet as a whole. The impediment is the still prevalent, stubborn ignorance of the difference between, on the one side, the monetary system of a Europe dominated by imperial London, and, in the opposition, a national-credit system of the type implicit in the U.S. Federal Constitution. For the planet as a whole, a global network of what are, respectively, perfectly sovereign national credit systems of the type intended by President Franklin Roosevelt (until the change which came in April 13, 1945 under U.S. President Harry S Truman), is the only possible defense of the world's economy against this planet's presently accelerating general breakdown-crisis.*

*For example: This is the same problem which was typified by the blunder in a recent proposal which was mistakenly named "A New Bretton Woods." That was a scheme recently foisted upon some important Russian and Italian officials in a meeting at Modena, Italy.*

*The notable culprits for that occasion, included such as a certain U.S. mathematician well known to me, Dr. Jonathan Tennenbaum. Tennenbaum, who had once known better, was, morally, the worst of the several hoaxsters among the witting participants for that occasion, because of his recently assumed credentials as a turncoat. The present report which follows here, should be considered a remedy for the hoax represented by Dr. Tennenbaum's proposed measures, but, as I shall point out here, my report here is a much-needed warning against the numerous, currently circulating frauds spawned either by the "global warming" hoax of Brit-*

ain's Prince Philip, or other schemes similar to Dr. Tennenbaum's own, schemes which are, each and all, opposed to those principles of a science of economy on which the avoidance a planetary plunge into a new dark age now depends, immediately.

The following is, in its aims, essentially a scientific work; but, when we examine the causes of the physical effects of man's hand, we must turn our attention, as I do here, and as Percy Shelley did in his *A Defence of Poetry*, to that power of Classical artistic insight which reigns over the creative mind of our greatest scientists and statesmen, a power of creativity which resides, as Shelley wrote in his *A Defence of Poetry*, in the dynamic, creative, poetic potentialities of the human mind.

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## FOREWORD: THE AMERICAN SYSTEM A May-Day Recollection

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The most popular, and what has also been, repeatedly, the immediately most ruinous among the widely spread delusions among nations of the world today, is the delusory presumption, that the prices which are mistakenly regarded as being properly assigned to commodities by markets, when considered "statistically," should converge "naturally" upon what is foolishly named "a scientific measurement of value." There is nothing actually scientific about any of that practice.

The more knowledgeable we might become in these matters, the greater the importance of today's virtual ignorance of true history. Even when what is presented as being an historical account, is not false as to facts listed, as the old schools of history have been dying out from their former place in universities, what has come to pass as a substitute for history, have been, at their least worst, as merely chronicles. The tendency has been to focus on the behaviors of particular individuals, but leave aside that most essential distinction of mankind from beasts, the role of the evolution of culture, and, thus, the reciprocal relations, spanning successive generations, even across millennia, in which the substrate of the motives of societies and their individuals has been laid down. Those cultural strata extended from ancient into modern times, are the domain which the reacting minds of the living individuals and their cul-



Alexander Hamilton created the American System of political-economy, which is at the core of the U.S. Constitution. Portrait by Daniel Huntington, 1865.

tures inhabit; it is developments, such as crucial change, emerging out of that deeply-reaching background, which speak to us of new things, but as also a speaker of a voice from ancient times.

So, we act on the past, but, in the medium of human culture, the past also reacts for, or against a present development, thus speaking with voices out of the historical depths of cultures of preceding generations.

To know history, wish to go where it happened, and hear, in informed imagination, the truly spoken voices of those who lived there in past times. We can, in a certain degree, do much of that, as our available resources may permit this; but, whatever may be the case on those accounts, we must, at the very least, relive the past in our minds as if we had actually been there when it happened, such that we hear the voice of real history speaking to our mind's ears.

Proceed, therefore, as follows.

## *The Awful Thing Nixon Did*

U.S. President Richard Nixon, did not actually cause the present world monetary-financial and economic-breakdown crisis. However, the present world crisis, whose official launching came under the administration of George W. Bush, Jr., could not have occurred as it did, without Nixon's resumption of a "free trade" system, which represented a radical turn away from the constitutional American System of political economy. In the course of this present report, among other things, the crucial, broader implications of Nixon's particular role in launching the present world crisis should begin to be clear.

The root of this, and many earlier global tragedies can be fairly pinned on the world-famous delusion of Adam Smith, a delusion adopted by such dupes of a "free trade" doctrine as Karl Marx. This delusion has been typical of the kind of forms of high-flown popular nonsense which has now finally succeeded in leading the world as a whole, over decades, into this present planetary breakdown-crisis. The essence of the mental disorder which I have exposed in the following pages, is the pathetic belief that a statistical process of events converges upon what the behaviorists see as a particular form of a relative social value which the credulous presume to be a "self-evidently natural," standard choice of natural measurement of either financial net gains, or of losses, of either national economies, or even the world economy considered as a whole. British economist Piero Sraffa's novel, 1975 *Production of Commodities by Means of Commodities*, is, speaking clinically, among the relatively more striking, if nonetheless perverse illustrations of the kind of folly which underlies such popular delusions, delusions of not only persons, but most of the leading governments of the world, so far, today.<sup>1</sup>

Therefore, when all relevant evidence bearing on that point is considered, to save the world from a virtual sojourn in Hell, let the world now abandon the fetish of

1. *Production of Commodities by Means of Commodities: Prelude to a Critique of Economic Theory* (Cambridge: Cambridge University Press, 1975).



National Archives/Richard Nixon Library

*President Richard Nixon's resumption of a British free trade system in 1971 was a radical turn away from the American System of political-economy. Here, Nixon campaigning for the Presidency in 1968.*

that present global disease of monetarism associated with the memory of such assets of the British East India Company's Lord Shelburne as the utterly deprived Adam Smith and Jeremy Bentham.

Contrary to "Old Adam" Smith and Bentham, the conceptions on which actually competent views of modern European economy depend, had been introduced earlier, chiefly, by two works by the Fifteenth Century's great Cardinal Nicholas of Cusa. The first was Cusa's argument for the institution of what became the modern sovereign nation-state republic, his A.D. 1433 *Concordancia Catholica*; the second, his foundation of modern European physical science, in his A. D. 1440 *De Docta Ignorantia*. It was France's King Louis XI who established the first modern nation-state republic consistent with Cusa's *Concordancia Catholica*, a French republic whose stunningly successful, revolutionary achievement, was soon emulated by Louis XI's admirer, England's Henry VII.

It was Cusa's *De Docta Ignorantia*, echoing, in part, the spirit of science in Filippo Brunelleschi's work, which had established a competent form of modern European science in general, and, therefore, also the principles of physical economy. It had been that Cusa who inspired Leonardo da Vinci and, also, that founder of modern physical scientific practice, Leonardo follower Johannes Kepler. That was the Kepler, who remains, as

Albert Einstein emphasized, still today, not merely the uniquely original founder of a modern science of physical astronomy on which all humanity's essential scientific progress thereafter has depended, to this present time; Kepler's discoveries established the modern practice of a truly universal quality of a competently practiced physical science and its method.

Throughout the following pages, the principal theme will be, that the essence of any competent modern scientific practice, including that underlying the successful practice of national economy, lies in the recognition that the human faculties of sense-perception, such as sight and hearing, are not, in themselves, the substance of reality, but are merely a needed form of inborn instrumentation for observing some selected aspects of human sense-experience, aspects of actually sensed experiences which, taken only by themselves, are merely the shadows cast by reality, not the actual content, not the actual cause of that experience.

Actual knowledge of the real universe is not accessible through the senses as such, but only through the creative powers of the human individual mind, which is the power to adduce the efficient reality which is apprehended as the fruit of the creative powers of mind. That task can be realized only through insight into the problematic nature of the mere, shadow-like experience of the individual's sense-perceptions. Contrary to Aristotle and Newton, as also Paolo Sarpi's followers generally, it is not in the mere data of sense-perceptions that we actually know the efficient universe we inhabit; like Kepler's uniquely original general formulation for the effect of gravitation, the mathematical image is always merely the reflection of the principle which casts such shadows.

Although it was the formulation, provided by Kepler's *The Harmonies of the World*, for a general principle of Solar gravitation, which remains the only competent formulation for gravitation supplied by any source, the mathematical formula itself is not the actual principle of gravitation; rather, the mathematical formulation, which as Albert Einstein saw, science owes uniquely to Kepler, is a description of the shadow-like effect of the actual principle of gravitation. This discovery by him occurred as the next crucial step in scientific progress, following the success of Kepler in making his preceding, original, discovery of the notion of "equal areas, equal times."<sup>2</sup>

2. The set of hoaxsters who provided Isaac Newton with a plagiarism of

So, the essential, systemic fallacy within Aristotle's system, and that of his follower Euclid, is now to be located in the matter of their asserted *a-priori* notions of mere sense-certainty. So, as Philo of Alexandria rebuked the followers of Aristotle in Philo's own lifetime, as in the case of Aristotle himself, creativity does not actually occur within the confines of what mere mathematics treats as if it were the universe. Notably, Aristotle, would not have permitted even the Creator of the universe to perform a creative action within that universe, once the idea of a fixed universe were established in a fixed form of motions defined from the standpoint of sense-certainty. Thus, for Aristotle, once the crafting of the universe is presumed to have been completed, even the Creator himself could not alter that fixed scheme. Creativity as such is the great issue of science and economy.

It were as if the Olympian Zeus of Aeschylus' *Prometheus Bound* (or, perhaps, Dostoyevsky's "Grand Inquisitor") had commanded the Creator to cease creating.

That denial of a continuing role of the creative powers of the Creator, as that denial was premised systematically on the method of Aristotle, is a denial which is now customarily presented as a reductionist's notion of a "Second Law of Thermodynamics." That so-called "law," actually introduced as a mere, arbitrary mathematical formalist's presumption by Rudolf Clausius and Hermann Grassmann, which was merely imposed upon the widely taught practice of science, then, has become the present time's premise for the crucial, and actually implicitly criminal presumption deployed presently, by the followers of Britain's Prince Philip and his, and his dupes' Nazi-like, pro-genocidal hoax, the World Wildlife Fund.

These followers of Paolo Sarpi, such as that Prince Philip, are more wildly radical in this way than Aristotle. That shame is a point of pride for them, since they are the avowed true followers of the medieval irrationalist William of Ockham. It has been on that presumed authority that these modern followers of medieval Ockham permit themselves to innovate in shameless

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Kepler's formulation, did add an exact value for an important term of the formulation supplied by Kepler, but the formula credited to Newton represented a fraudulent claim by Newton's associates. Newton had actually discovered nothing. It was these two discoveries in astrophysics, by Kepler, which were the specific prompting of Gottfried Leibniz's uniquely original discovery (no later than 1676, in Paris) of the infinitesimal calculus.

ways forbidden to the strict devotees of Aristotle's dogma; however, at their bottoms, both Aristotle and Ockham share in common their denial of the existence of knowledge of actual principles of our universe.<sup>3</sup> It is that wildly irrational superstition taught by those Liberals otherwise known as the empiricists, which is the essence of that evil, known as Liberalism; it has been the influence of that Liberalism itself, which has become the origin of the presently threatened onrushing doom of the world's nations and peoples today.

In the eyes of the Creator, the followers of Britain's Prince Philip today, the so-called "zero-growthers," are the real-life children of Satan amok on our planet today. It could be said of them, that, "While the faithful of Aristotle grow cobwebs in Purgatory, the followers of Britain's Prince Philip appear to have been born in a Hell of their own making, from which they have never departed, and, perhaps, never will." With that judgment of mine, I believe that true poets will agree.

### ***The Fight for Human Creativity!***

Despite all that philosophical reductionism, it is actual creativity, that human creativity which does not exist among lower forms of life, which is the essential nature of the functional economic distinction of mankind from the beasts, and which is also the prerequisite of societies' continued existence as physical economies.

That point is more readily understood by a reference to the ban on human knowledge of creativity ("fire") of the Olympian Zeus of Aeschylus' *Prometheus Bound*. There is nothing merely fictional, in itself, in Aeschylus' description of Zeus's frankly Satanic motives. As in today's systemically pro-fascist, "environmentalist movement," the ban on creative innovations of physical-scientific practice by some human beings, has continued to be the universal policy of globally extended European imperialism until today, since ancient Greece submitted to the zero-scientific-growth dogma of what was known already in those times as "the oligarchical principle" which has served, ever since the time of Philip of Macedon, as the most funda-



EIRNS/James Rea

*The followers of Britain's Prince Philip, the "zero-growthers," are the real-life children of Satan today. Their anti-scientific policies of deindustrialization will doom the majority of the world's population.*

mental doctrine of oligarchical law of all empires, including that of the household of Queen Elizabeth II and her deprived consort, today.

In contrast to that frankly pro-Satanic, "zero growth" characteristic of the policy of today's so-called "Greenie" accomplices such as Prince Philip and former U.S. Vice-President and present hoaxster Al Gore, all competent efforts on behalf of modern scientific progress in the practice of political economy, have been a reflection of a development of modern creative scientific thought, in both physical science generally, and along the lines of modern practice of physical economy pioneered by such as Cusa, Leonardo, Kepler, Fermat, and Leibniz. This I shall show in the text which follows this introduction.

3. Adam Smith, *Theory of Moral Sentiments* (1759).

Today, we must concede, without exception, that the world as a whole is in the present grip of a general breakdown-crisis. Today's world crisis is not naturally an inevitable one; rather, it is the fruit of increasingly insane, and also utterly immoral, but, nonetheless ruling doctrines of physical-economic stagnation gathered under the presumptions of a combined doctrine of "zero growth" and "free trade." It is most notable, that these wicked presumptions were already specific to that so-called "British Empire" which was founded, in a treaty of February 1763, upon the specific dogmas of a certain Venetian school of the founder of modern European Liberalism, Paolo Sarpi.

There we have the essential moral issue of controversy confronting all mankind immediately today:

The situation of the entire world today, is such that, unless we promptly uproot those dogmas of behaviorism in the tradition of Adam Smith and Jeremy Bentham which permeate the present British imperial "free trade" system, the entire planet will soon be plunged into a prolonged new dark age for all humanity. Therefore, we must spend a few more words in this introduction, on the matter of the errant state of mind by which, in the main, the nations of the world are still being governed, top down, today.

In contrast to those Liberal sources to which I have made reference above, silly ideas such as those of the empiricist school of Paolo Sarpi's followers, are not natural, except as we, in summing up the case just stated, might view them as a natural consequence of ideas whose lunatic premises are products of that unnatural, and intrinsically evil form of political-economy, which is known, interchangeably, as imperialism, monetarism, or, in the worst expression, the behaviorism which is taught among such duped followers of Paolo Sarpi as the Eighteenth-century devotees of the methods of Rene Descartes.

More significant on this account, is the fact that the delusion responsible for the seemingly periodic collapses of leading economies of the world, as during the course of more than two recent centuries, can be summed-up here and now as having been the natural consequence of the intrinsic incompetence of the belief in those fictions promoted by such representatives of the teachings adopted and spread during the late Seventeenth through Nineteenth centuries, as by the influence of Paolo Sarpi, and by the British East India Company's Haileybury School. These have been taught, as that

belief has been expressed by John Locke, David Hume, the Physiocrats Francois Quesnay and A. R. J. Turgot, Adam Smith, and the British Foreign Office's essentially brutish Jeremy Bentham, Thomas Malthus, Immanuel Kant, and David Ricardo.

The patterns of behavior to be considered on that account, can not be fully and competently understood, until we have adopted the standpoint of *dynamics*, which has been carried into modern times from the ancient, Classical Greek notion of *dynamis*, and, which was revived to this effect, as a term of modern science, *dynamics*, during the 1690s, by Gottfried Leibniz. This notion, which was actually expressed implicitly in the development of modern science by Cardinal Nicholas of Cusa, and such among his followers as Leonardo da Vinci, Johannes Kepler, and Pierre de Fermat, was not formally developed by name, in modern science usage, until the work of Leibniz; but, it has been the leading principled feature of competent modern science and also Classical artistic composition since Leibniz's initiative.

The concept of dynamics, so situated, is also the indispensable standpoint of Classical artistic composition, such as Classical poetry and music, and Classical tragedy. It embraces, thus, the full sweep of the notion of the idea of culture, including the subject of the characteristics of the processes of the human mind. This is expressed most beautifully in the closing paragraph of Percy Bysshe Shelley's *A Defence of Poetry*; there, it represents the same kind of notion as Riemannian physics generally, and the Classical irony of history as Shelley emphasizes that in that closing paragraph. It is the same conception, in principle, which underlies the notion of a true universal physical principle, such as Kepler's uniquely original discovery of the principle of gravitation, as presented in his *The Harmonies of the World*.

### ***War, Money & Empire***

The prevalence of various forms of Liberal delusions, has not been exactly original with modern practices as such. It echoes all of the principal known European imperialist practices, that since no later than the role of the Apollo-Dionysos cult flanked by the monetarism expressed by the set of treasuries at Delphi. It is to be recognized as both the authorship of what became the Peloponnesian war, and as a presently continuing, traditionally leading monetarist power of oligarchism

## Shelley: 'A Defence of Poetry'

*From the essay thus-named by Percy Bysshe Shelley (1792-1822):*

[W]e live among such philosophers and poets as surpass beyond comparison any who have appeared since the last national struggle for civil and religious liberty. The most unflinching herald, companion, and follower of the awakening of a great people to work a beneficial change in opinion or institution, is poetry. At such periods, there is an accumulation of the power of communicating and receiving profound and impassioned conceptions respecting man and nature. The persons in whom this power resides, may often, as far as regards many portions of their nature, have little apparent correspondence with that spirit of good of which they are the ministers. But even whilst they deny and abjure, they are yet compelled to serve, the power which is seated upon the throne of their own soul. It is impossible to read the compositions of the most celebrated writers of the present day without being startled with the electric life which burns within their words. They measure the circumference and sound the depths of human nature with a comprehensive and all-penetrating spirit, and they are themselves perhaps the most sincerely astonished at its manifestations: for it is less their spirit than the spirit of the age.



long operating within the Mediterranean region. This legacy of that intrinsically evil, ancient Delphi cult, has been expressed in the virtually axiomatic presumptions underlying the character of the Roman Empire, of Byzantium, and, also, of both the Habsburg and those Anglo-Dutch Liberal imperial systems which had been spawned by the monetary agency of Venice, since about A.D. 1000.<sup>4</sup>

4. The specifically European oligarchical tradition of today is traced from the Delphic interests which had spawned the Peloponnesian War, and which were Plato's immediate adversaries in opposing his plan for crushing the power of that Delphic cult which had not only created the Peloponnesian War, but was the root of the doom which struck Greece once Plato's faction had been outflanked by the same Macedonian interests which were to plot the attempted assassination of Alexander the Great. However, by destroying the center of evil then based in the

Today's institution of still-reigning Anglo-Dutch Liberal imperialism, was first established as the empire of a private company, the British East India Company, by the February 1763 Peace of Paris. This British imperialism is to be understood, still today, in all its functionally essential features, as a modern continuation of that form of European-based, maritime imperialisms made in the Satanic likeness of the Roman empire, an image which has customarily ruled, even before imperial Rome, in recurring varieties of transmogrifications, since the Delphi-steered common ruin of the opposing mercantile-imperialist parties of Athens and Sparta in the infamous Peloponnesian War.

All known monetarist systems, imperialist ones most notably, as typified by those bandits of Wall Street and London controlling the mind of U.S. President Barack Obama up to this instant of writing, are intrinsically usurious, and hence parasitical. They are also apparently insane in their essential characteristics. All supranational efforts at "globalization," such as the London-steered, supranational agencies currently still controlling their present U.S. puppet, President Barack Obama, are now implicitly doomed to self-induced collapse during some uncertain date of the time during the weeks and months immediately

ahead: unless President Obama were to dump the wretched pack of Larry Summers and the Behavioral psychologists shaping the President's economic policies of mismanagement at the present moment of writing. This onrushing doom will soon descend upon this entire planet, unless a timely, and seemingly radical

former maritime power of the evil cult of ancient Tyre, Alexander had crippled the cause of the oligarchical system until the aftermath of the Second Punic War: the formation of the Roman Empire was established by a pact struck on the Isle of Capri, between the priests of the cult of Mithra and the future Augustus Caesar. Capri was, thereafter, sacred to the person of the Roman emperors, up to about A.D. 500, when that and related territories were assigned to monastic orders. The deaths of Cicero, and, later, the great scientists the Platonic scholar Eratosthenes of Egypt and his associate Archimedes of Syracuse, mark out an interval of a history of rising Roman imperial rule and ruin coincident with the decline of the culture of the Mediterranean for centuries to come.



*The Peloponnesian War, orchestrated by the cult of Delphi, pitted the opposing mercantile-imperialist parties of Athens and Sparta in a battle over monetary primacy, leading to their common ruin.*

change in essential policies is made soon.

For the foregoing reasons, we must say, that it is the intrinsically parasitical characteristic of all monetarist systems in history, which underlies those periodic collapses of entire social-political systems, which have characterized the span from birth to collapse of each such system in its turn.

So, in relevant past history, the imperial parasites have died, one by one, but have been usually replaced, as by a new master to replace the old, a new master whose behavior has been based on what is known to relevant historians as that same, oligarchical principle which led to the point of the demise of the predecessor. So, unfortunately, throughout known European history to date, like Asian empires before that, the demise of one parasite has usually led to its more or less early replacement by another blood-sucking successor. So, each such foolish system has died of a wave of starvation and related death in its time. In each case, the collapse had been triggered by the effects of the accumulated despoiling of its appointed prey, a collapse like that of both the presently collapsing physical economies of the U.S.A. and all Europe today.

Throughout the history of those cases of imperialism to which I have referred implicitly, here thus far, the underlying characteristic of empire has been monetary. In the case of European imperialisms, the empire was based, on the one hand, in its strategic maritime power

respecting both commerce and control of the use of money by international organizations which held local forms of government as their colonies. The case of the Peloponnesian War is a prime illustration of this, as was true of Tyre prior to Alexander the Great, and Carthage prior to the close of Rome's Second Punic War.

Similarly, since the time that the rising monetarist power of Venice had superseded what had been the dominant role of Byzantium, since that decline of the imperial power of Byzantium which became conspicuous circa A.D. 1000-66, all expressions of European monetarist imperialism since then, to the present date, have been based upon the always continuing core of the Venetian financier oligarchy which rose to power in western Europe through its exploiting the weakening of the power of Byzantium in respect to the west and in the Middle East. The collapse of the power of Byzantium and rise of the power of Venice, led from the medieval tyranny of the feudal House of Anjou, into the emergence of the House of Habsburg's reign in Sicily and Spain. The weakening of the Habsburg power, in the course of the religious warfare of the A.D. 1492-1648 interval, led, in turn, to the rise of the present imperial period of the role of Venice in the specific Anglo-Dutch Liberal design of imperial financier oligarchy in northern Europe, as extended throughout the world at the present moment of writing this report.

The British Empire of today, which is the only world



empire presently, is not a power of a sovereign nation, but of the slime-mold-like monetarist system of a financier imperialism. This characteristic of that system, is the axiomatic root of the onrushing destruction of civilization globally, today. As we must now echo the ancient Marcus Cato's, "*Carthago delenda est.*"<sup>5</sup>

The continuing decline of the Habsburgs' imperial power, during, and since the 1492-1648 period of religious warfare within Europe, was the key to the character of its successor. The successor was that rise of the Anglo-Dutch imperialism which was spawned by the Venetian financier circles associated with Paolo Sarpi. That latter formation, the Liberalism of Sarpi, is the present-day expression of that Venetian hand which holds the reins of that grim reaper now riding the backs of the London and Wall Street financier predators of the present instant. Thus, the current British political class and much of that of our own U.S.A., are nothing much more than chiefly, the ill-fated errand-boys of a British-centered imperium whose presently reigning, satanic soul, finds its ancestral home athwart not so much the canals of Venice, as flowing from the sewers native to the modern Venetian style in monetarist psyches.

### ***The Roots of the American System***

The best-designed defense of a sovereign nation against such Venetian-style international pirates, so far, has been found in the struggle for independence in our own United States. For that same reason, the principal target of hatred by that British Empire cast in the present version of the Venetian predatory, monetarist tradition, has been that movement of independence which arose within the English colonies of North America, a movement which arose first in Massachusetts, until the British acts of its repression during 1688-89, and, then, arose afresh, Phoenix-like, among such successors of the Massachusetts Winthrops and Mathers as, most notably, the followers of Gottfried Leibniz associated with Benjamin Franklin.<sup>6</sup>

Franklin, who became not only a follower of what had been the great intellectual leaders of Massachusetts and Pennsylvania, such as Massachusetts' Cotton Mather and the circles of James Logan in Pennsylvania,<sup>7</sup> also enriched his intellectual inheritance from

5. "Carthage is to be destroyed."

6. H. Graham Lowry, *How The Nation was Won* (Washington, D.C.: EIR, 1987).

7. Ibid.

them by aid of intervention on his behalf by such Europeans as Germany's great Eighteenth-century mathematician Abraham Kästner, the same Kästner who guided the pair of founders of that Eighteenth-century European renaissance which was centered on the great modern Platonic figures of Gotthold Lessing and Moses Mendelssohn and their followers.

It was the legacy of the pre-1789 Classical movement centered on the roles of the circles of Kästner, Lessing, and Moses Mendelssohn, which had supplied the European core of the inspiration for, and support of the creation and defense of our own Federal republic. It was the work of Gottfried Leibniz which served, through channels such as those of Benjamin Franklin's sometime host, Professor Abraham Kästner, at Göttingen, as the scientific knowledge upon which the constitutional form of our anti-Locke, anti-British imperialist, American System of political-economy was premised.

So, it was this heritage of the founders of our own republic, including such students of Leibniz's work as Alexander Hamilton, which created the novel achievement of that anti-monetarist, American System of political-economy which is the core of the design for the U.S.A. Federal Constitution.

Hamilton, in particular, had been faced with the fact that the U.S. banks of the respective former colonies had been virtually bankrupted by the debts accumulated in the fighting of the battles for freedom from the British tyrant. This consideration led to the crafting of the U.S. Federal Constitution; only a perfect union of a single republic, as defined as the supreme constitutional law embodied within the Preamble of that Federal Constitution, could take the needed defensive measures required to preserve what the young American nation had gained from war against the brutish Liberal oppressor.<sup>8</sup>

### ***Our Anti-American Opponents***

There are, of course, opposing, but wrong views of this matter among some Europeans today; but, such views are essentially an expression of either the illiteracy among many Europeans respecting both the economic and historical-cultural realities of modern, glob-

8. The relevant American apologists for the treason directed from London, were customarily hysterical in their denial of the fact that the Preamble of the U.S. Federal Constitution is its most fundamental principle of law. Similarly, these implicitly treasonous scoundrels insist, contrary to all reason, that the U.S. Constitution is a product of that consummately evil promoter of slavery, John Locke.



*This Russian website, reporting on the July 10, 2008 conference in Modena, Italy, emphasizes the role of Russian participants. The Modena Declaration, while delphically echoing many of LaRouche's policies, perniciously posits that a New Bretton Woods system would include "a new currency or basket of currencies (not necessarily limited to the U.S. dollar)." As LaRouche emphasizes in this paper, however, the dollar system must be sustained—on a Hamiltonian basis—if there is to be hope for recovery of any of the world's nations.*

ally extended European civilization, or are the witting frauds served by such corrupted individuals as the Jonathan Tennenbaum and his present associates, who played a leading witting role, either directly, or indirectly, in concocting the political fraud foisted upon the notable Russian and other participants at Modena.

It is important, strategically, to emphasize this role of the Modena meeting here and now, because of its contribution to 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. In large part, it was the fraud contributed by Tennenbaum, as a flagrantly apostate former scientific associate of mine, for the occasion of that meeting, which was employed to mislead the members of the Russian delegation, and others, at that Modena meeting.

That hoax, thus, has a certain unfinished history all its own.

## *Harry S Truman's Own Hoax*

In the actual proceedings of the famous Bretton Woods conference of 1944, President Franklin Roosevelt had intervened to prevent the insertion of the pro-fascist, 1937, Berlin scheme of Britain's John Maynard Keynes into the 1944 Bretton Woods agreements. However, on the day following the death of Franklin Roosevelt, on April 13, 1945, the new President, Harry S Truman, tore up the most crucial strategic elements of Franklin Roosevelt's entire post-war policy, including the Bretton Woods policy, and brought in both Keynes' monetarist swindle and the related colonialist and other imperialist schemes of Britain's Winston Churchill et al. The so-called "Cold War" launched by the personal initiative of Winston Churchill at the close of the 1939-1945 general war against Hitler and Japan, was entirely a creation of the formerly fascist, British Empire, and its Wall Street, often formerly Hitler-loving figures, such as the circles of Averell Harriman flunky Prescott Bush, which came to control the U.S. Truman administration of 1945-1953.

In that sense, the formerly fascist, anti-Roosevelt forces associated with such as Averell Harriman and the J.P. Morgan interests, and with the circles of the larcenous Goldman Sachs today, went back to the British Liberals' old, formerly fascist ways, as they have acted similarly in the aftermath of July 25, 2007 now.

This virtually treasonous action by Truman, should not be seen as surprising to any competent historian today, from the Harry Truman whose nomination for Vice-President had been foisted on Roosevelt by right-wing Congressional and related forces' attempted blackmail at the 1944 Democratic convention. Truman was on record as closely associated with those U.S. Wall Street interests, such as the Prescott Bush, serving the Averell Harriman of Brown Brothers Harriman, who had acted in concert with the head of the Bank of England, Montagu Norman, either to put Adolf Hitler into power in Germany or to exhibit kindred, "right wing" inclinations. It was only after the Japan attack on Pearl Harbor, that the Wall Street gang which had backed both Mussolini and Hitler during most of the 1920s and 1930s, reluctantly, and only temporarily, mended their conduct, until President Roosevelt's death let them loose to play in the customarily treasonous ways of such among their predecessors, as the Brit-

ish Foreign Office agent Aaron Burr.<sup>9</sup>

In viewing those facts, and they are solid facts, we must take into account the present-day effects of the radical change in U.S. strategic and economic policies which Truman's actions of April 13, 1945 had brought about. The case of the referenced hoax pulled off at Modena, Italy, is a relevant point of reference under present international circumstances.<sup>10</sup>

Among the other specific counts of criminality for which deceased Harry Truman's poor soul might expect to be condemned, was that not only did he act, in implicitly treasonous expressions of hatred of President Franklin Roosevelt, hatred expressed by his moving to defend a mass-murderous scheme of wars and genocides which his promotion of the cause of Anglo-Dutch financier imperialism actually caused up to the present time; but, it was Truman's contribution to the promotion of the imperialist system of monetarism inherent in Keynes' 1937 Nazi-Germany edition of his *General Theory*, which Truman's defense of Keynes' anti-Franklin Roosevelt, anti-U.S.A., Bretton Woods proposal, did, in fact, support.

The effects of Truman's virtual treason have come in three successive, general phases since that time.

I explain:

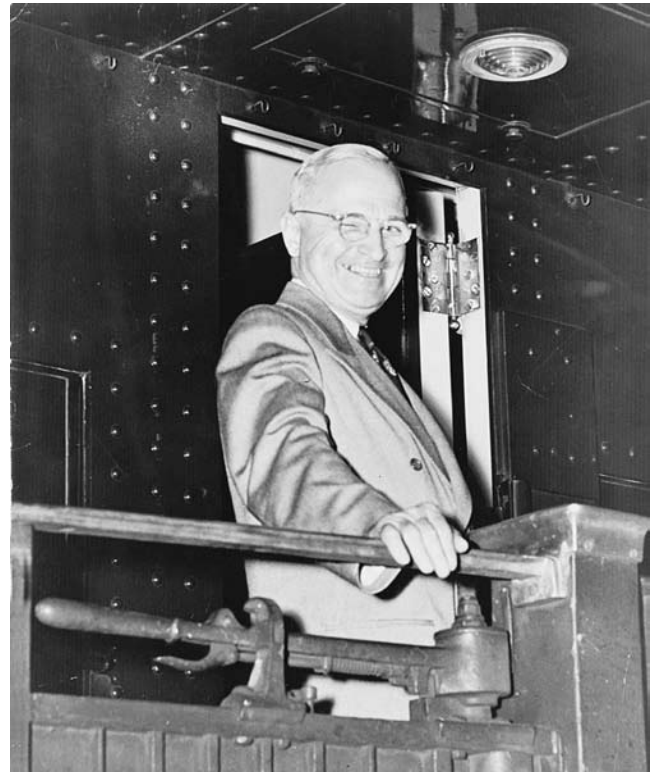
First, consider President Truman's own actions as President. This set of actions, by him, was predominantly threefold, as follows. These provided the foundation for other equally contemptible actions of high-ranking officials and interests later.

In his initial moral crime as President, which was done in combination with his guidance by Winston Churchill, he cancelled President Franklin Roosevelt's anti-Keynesian design for a post-war, anti-colonialist system of physical-economic development of the world

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9. Prescott Bush was, at that time, a leading figure of the Wall Street firm of Brown Brothers Harriman, a Wall Street extension of the London firm of leading creator of the Hitler regime in Germany, the Montagu Norman who deployed his flunky Hjalmar Schacht as the key promoter of the Hitler regime through the channels of the Basel, Switzerland-based Bank for International Settlements (BIS). Prescott Bush, acting in this capacity, moved funds controlled by Brown Brothers Harriman to fund Adolf Hitler's way out of bankruptcy, just in time to bring Hitler into power in Germany. Subsequent history shows both the relevant son and grandson of Prescott Bush, as U.S. Presidents, to have been fully in that branch of British imperial and Wall Street traditions.

10. Had Tennenbaum, therefore, become a fascist? No. I can only be certain that he was merely corrupted, acting under the risk that his wife might have made his life thoroughly, and perpetually miserable, had he not consented to turn scoundrel for that occasion.



Library of Congress

*Harry Truman tore up FDR's post-war policies, in favor of the imperial schemes of Britain's Winston Churchill and John Maynard Keynes.*

at large, with Roosevelt's special emphasis on universal eradication of colonial and kindred forms of imperialist subjugation. Truman snuffed out Roosevelt's intention, sending the U.S. economy careening into the deep recession of 1948.

Truman's second violation, that to similar effect, was to wreck the economic prospect which Roosevelt had intended to bring into being through maintaining the peacetime economic potential of the great war-machine which had been built up for the war, but which he intended to reorient to the physical-economic build-up of the nations of the world, especially the victims of British and comparable forms of colonial and semi-colonial bondage. Truman turned the U.S. back to support of British imperialism, by giving full support to his crony Churchill in restoring the British, Dutch, and French empires, in particular, or, as in the case of India, dividing it and subjugating it to conditionalities-in-fact. This turn in U.S. policy was the direct cause for the serious economic recession of 1946-1948 in the U.S.A. under the Truman Presidency.

The head of the British East India Company opera-

## FDR Confronted Churchill On British Imperialism

*The following eyewitness account of the clash between President Franklin D. Roosevelt and Sir Winston Churchill, off the coast of Newfoundland in March 1941, before the United States had entered the war, is taken from As He Saw It, by Elliott Roosevelt (1946). The two men were discussing trade agreements.*

It must be remembered that at this time Churchill was the war leader, Father only the president of a state which had indicated its sympathies in a tangible fashion. Thus, Churchill still arrogated the conversational lead, still dominated the after-dinner hours. But the difference was beginning to be felt.

And it was evidenced first, sharply, over Empire. Father started it. . . .

Churchill shifted in his armchair. "The British Empire trade agreements" he began heavily, "are—"

Father broke in. "Yes. Those Empire trade agreements are a case in point. It's because of them that the people of India and Africa, of all the colonial Near East and Far East, are still as backward as they are."

Churchill's neck reddened and he crouched forward. "Mr. President, England does not propose for a moment to lose its favored position among the British Dominions. The trade that has made England great shall continue, and under conditions prescribed by England's ministers."

"You see," said Father slowly, "it is along in here somewhere that there is likely to be some disagreement between you, Winston, and me.

"I am firmly of the belief that if we are to arrive at a stable peace it must involve the development of backward countries. Backward peoples. How can this be done? It can't be done, obviously, by eighteenth-century methods. Now—"

"Who's talking eighteenth-century methods?"

"Whichever of your ministers recommends a policy which takes wealth in raw materials out of a colonial country, but which returns nothing to the people of that country in consideration. Twentieth-century methods involve bringing industry to these colonies. Twentieth-century methods include increasing the wealth of a people by increasing their standard of living, by educating them, by bringing them sanitation—by making sure that they get a return for the raw wealth of their community."

Around the room, all of us were leaning forward attentively. Hopkins was grinning. Commander Thompson, Churchill's aide, was looking glum and alarmed. The P.M. himself was beginning to look apoplectic.

"You mentioned India," he growled.

"Yes. I can't believe that we can fight a war against fascist slavery, and at the same time not work to free people all over the world from a backward colonial policy." . . .



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*President Roosevelt and Prime Minister Churchill confer (and argue) onboard a U.S. ship off the coast of Newfoundland in 1941.*

tions, Lord Shelburne, had adopted the method of the Roman Emperor Julian the Apostate, by putting the religious constituencies of his subjects at one another's throats, even into wars. That is the British imperial method still today, as under the imperial Sykes-Picot system of Arab-versus-Arab and Arab-versus-Jew in the Middle East presently.

The third step by Truman, was his complicity with Churchill in their support of so-called "pacifist" Bertrand Russell's launching the intention for a "preventive nuclear war" against a Soviet Union which had had no malice against the United States at that time. This British imperialist policy did have the full support of those Wall Street-centered, fascist sympathizers which had dominated the United States of the 1920s, and had been a powerful, Wall Street-centered fascist political interest lurking at President Roosevelt's back even during the war against Adolf Hitler.

The second general, post-Truman phase of the U.S. decline, began more than a decade after a disgusted U.S. establishment's dumping of Truman, in 1964, when, despite some initiatives of President Dwight Eisenhower, an intended long-term wrecking of the U.S. economy was expressed in the ruinous policies, such as the ruinous U.S. long war in Indo-China, introduced in the wake of the assassination of President John F. Kennedy.

Kennedy, with the support of two Five-Star Generals, had been committed to keeping the U.S.A. out of "a land war in Asia." The launching of that war, which was made possible by both the assassination of President Kennedy, and by President Johnson's fear that he was probably the next target of the London-centered, international forces behind Kennedy's death, led quickly to the Asian quagmire of an unnecessary and unwarranted Indo-China war, and to a wrecking of the U.S. through



*President John Kennedy and Attorney General Robert Kennedy at the White House. The assassination of the President led quickly to the quagmire of the Indo-China War.*

the domestic economic side-effects of that lunatic war.

That phase in the post-war pattern of U.S. affairs, was then continued as the later, 1968-1989, second stage of the continued ruin of the U.S. economy from within. This was the continuation of the post-Kennedy decline under, first, President Richard Nixon, and then, the outrightly criminal measures of wrecking of our economy and our national security under the 1975-1981 control of the Trilateral Commission represented by Zbigniew Brzezinski. From this set of implicitly treasonous trickery, our economy had never fully recovered, to the present day.

The third, and present, such post-Franklin Roosevelt phase in the U.S. economy, was launched with the combination of the major, depression-level, October 1987 "recession," after which the new Chairman of the Federal Reserve System, Alan Greenspan, and his implicitly criminal financial methods, brought us into the presently escalating, global general breakdown-crisis.

During the closing interval of Chairman Alan Greenspan's reign over the mad wrecking of our banking system, we experienced the qualitative change to the present new phase, which took over with the post-July 2007 eruption of the presently accelerating, world-wide general breakdown-crisis of the entire world economy.

### ***The Present State of Crisis***

The nature of the immediately available remedies for the present state of crisis, is defined by the notion of law of bankruptcy established, as the remedy against the evil of debtors prisons, by U.S. bankruptcy law. Two considerations have now come into play. We must now put the U.S. financial system into the forms of reorganization in bankruptcy implicit in our Federal Constitution. We must defend our republic, and also the

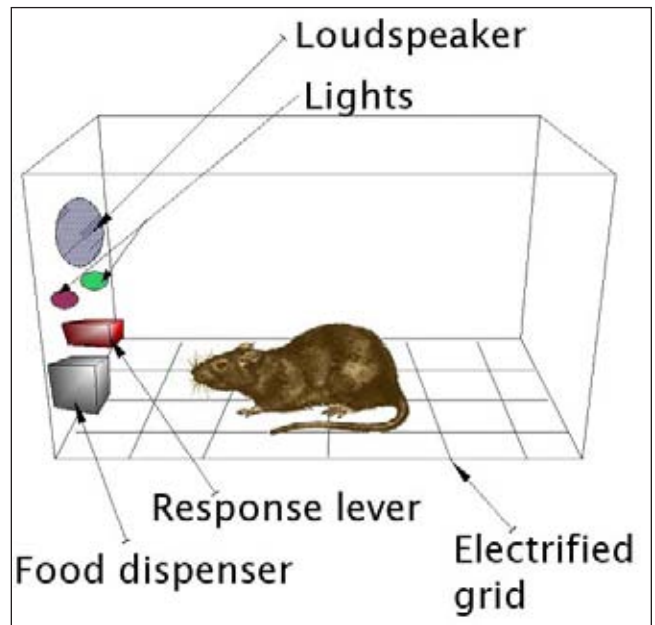
world at large, from the threatened, planetary new dark age which is implicit in what has recently been, the present, virtually criminal role which had been performed by the slimy successor to Robert Rubin as Treasury Secretary, Larry Summers, in crafting a destruction of the U.S. banking system through destroying the Glass-Steagall law.

At the time of my international webcast of July 25, 2007, and the several weeks immediately following, the internal U.S. crisis which first broke out three days after that webcast, could have been brought under control. It was chiefly actions of leading circles within the U.S. Congress, as illustrated by the actions of Senator Christopher Dodd and Representative Barney Frank, which prevented those remedies from being adopted. Those ruinous actions which were laundered through the U.S. Congress under Speaker Nancy Pelosi, and through the U.S. George W. Bush administration, set into motion the presently threatened breakdown-crisis of not only the U.S.A. and the United Kingdom, but, now, the entire planet. For that, those persons must assume a full burden of shame.

Until the current U.S. President, Barack Obama, made his ill-fated pilgrimage to Buckingham Palace, to stand next to the wicked little Queen and her evil consort, there was hope that the lunacy and virtual criminality of the departed George W. Bush, would be brought to an end by a “non-Bush” President. Now, our citizens’ hopes are being crushed, as the situation now is already far worse than anything which had occurred while the thoroughly ruinous, and disgusting President Bush was still in office.

So, for the moment, the policies of the new President have been controlled by the frankly fascist policies, in some part “neo-Nazi” social and population policies of the pack of “Behaviorist” psychologists such as Peter R. Orszag, whose social policies in health care and related matters are already frank copies of the social policies, including that of death-acceleration of the sick and elderly, which were set into motion in September 1939 by the Nazi Adolf Hitler regime which had been put into power in Germany by the Bank of England.

However, even now, there are remedies for even those morally terrible crimes which Summers and Orszag typify in U.S. national policies; but, they are remedies which will not exist for us unless, and until Larry Summers and his “Behaviorist” accomplices are turned over, very soon, for the ministrations of the relevant political rubbish collectors, when they might be



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*A pack of professed “behaviorist economists” is shaping President Obama’s economic policies, and the population’s response to them, just as behaviorist psychologists “teach” the rat in a Skinner Box to do what his controllers want him to do.*

dumped, for the edification of the public, as if on the pavements of the sidewalk facing the Executive Mansion. Nonetheless, that said, well-defined optional remedies for both our republic, and the world, still, presently exist. That unique set of remedies is now our subject here.

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## I. A Credit-System Versus The Monetarist System

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*In the case of any business enterprise, or national economy, such as the governments of the U.S.A., or Europe today, which is led by ostensibly qualified people, but which is in stubborn decline, the qualified expert’s foremost hypothesis will be, that the reason he, or she, as an outsider has been brought in, is, in fact, that the root of that drift toward failure is a product of adherence to “management methods,” or goals, which the leadership of that firm defends, as if axiomatically not the cause of the problem. The qualified outsider who pries into sacred territory in that way, can often be shown to have adopted the correct investigative hypothesis some time near to, even prior to the outset of that investigation.*

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Any competent presentation of proposed remedies cohering with my own exceptionally successful experience as an economic forecaster, must be situated by reference to the starting-point of a few autobiographical references, references premised upon the working principle, that the cause of disasters of empires, nations, or other matured enterprises, lies somewhere among policies, or systemic misperceptions which those organizations have adopted as if they were the most treasured secrets of their traditions, or, simply, what had been their choice of a presumed road to success.

In such matters, a prudent assumption is that popular opinion, even when it is official, is usually wrong. Since my first general economic forecast for the U.S. economy, back in Summer of 1956, my valid forecast, of a probable fall of the U.S.A. into a deep recession by February-March 1957, was unique among the professional and business circles with which I was associated. My successful forecast saw the cause of the problem as lying

in both the dogmas of the chief economic advisor to the administration of President Eisenhower, Arthur Burns, and the skyrocketing influence of the dupes of schemes more or less consistent with the radically positivist ways of thinking typified by the hysterically incompetent von Neumann-Morgenstern “theory of games.”<sup>11</sup>

The uttering of “Our tradition is,” often proves, thus,

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11. John v. Neumann and Oskar Morgenstern, *Theory of Games & Economic Behavior*, 3<sup>rd</sup> ed. (Princeton, N.J.: Princeton, 1953). My examination of their work was the result of prompting by my January 1948 encounter with a pre-publication, reviewer’s edition of Norbert Wiener’s savage, quackish denial of the existence of human creativity, in his *Cybernetics*. It was this quackery which had prompted David Hilbert to throw, first, radically positivist Bertrand Russell dupe Norbert Wiener, and, later, Russell devotee John von Neumann, out of his Göttingen program, on clearly valid charges of vicious forms of scientific incompetence. This had prompted what became my own lifelong devotion to the subject of the role of creativity in the domain of physical economy. This became the basis for my exceptional advantage as a long-range economic forecaster.

## Hamilton’s Plan

*The following are excerpts from Alexander Hamilton’s letter to Robert Morris of April 30, 1781. He was urging Morris to become the head of a proposed new executive ministry, at a time when the Revolutionary War was still ongoing, the public till was empty, and a national government essentially did not exist. Hamilton outlines his proposal for a national bank, and also urges the convening of what later would become the Constitutional Convention. Emphasis is in the original.*

... It is palpable that the people have lost all confidence in our public councils, and it is a fact, of which I dare say you are as well apprized as myself, that our friends in Europe are in the same disposition. I have been in a situation that has enabled me to obtain a better idea of this than most others, and I venture to assert, that the court of France will never give half the succours to this country while congress hold the reins of administration in their own hands, which they would grant if these were entrusted to individuals of established reputation, and conspicuous for probity, abilities, and fortune.



*A parade in New York City celebrates the ratification of the U.S. Constitution. Hamilton was the principal author of the Federalist Papers, by means of which he fought successfully to convince his reluctant state to ratify the historic document.*

With respect to ourselves, there is so manifest and rooted a diffidence of the government, that if we could be assured the future measures of congress would be dictated by the most perfect wisdom and public spirit, there would be still a necessity for a change in the forms of our administration, to give a new spring and current to the passions and hopes of the people. . . .

...’Tis by introducing order into our finances, by restoring public credit, not by gaining battles, that we are finally to attain our object. ’Tis by putting ourselves

to be tantamount to the signing of an economic suicide-note by either a business enterprise, or a government, even a leading government. Otherwise, they would not be clinging so stubbornly to what they have regarded as their “tried and tested,” but actually failed principles.<sup>12</sup> Once that aspect of the facts before us is made clear, the rest of the matter flows, not without some difficulties for today’s student, but, otherwise, an effort pursued in a more appropriate direction.

No factor in policy-shaping of the United States has been as important in its role of bringing on the presently recent five decades of decline, and imminently threatened disintegration of the economies of both Europe and our United States, as the adoption of impassioned

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12. The reader must not overlook the fact, that a government may successfully defend a policy by which it is ruining itself, with the obvious result that the defeated opponent of that same policy is being vindicated. Which role would you prefer for yourself? You may be able to guess my choice.

in a condition to continue the war, not by temporary, violent, and unnatural efforts to bring it to a decisive issue, that we shall in reality bring it to a speedy and successful one. . . .

“To surmount [obstacles to securing domestic loans to the government], and give individuals ability and inclination to lend, a plan might be devised which, by incorporating their means together, and uniting them with those of the public, will, on the foundation of that incorporation and union, erect a mass of credit that will supply the defect of moneyed capital, and answer all the purposes of cash. A plan which will not only advance the interest of the lenders, secure the independence of their country, and in its progress have the most beneficial influence upon its future commerce, but be a source of national strength and wealth. I mean the institution of a national bank. This I regard, in some shape or other, as an expedient essential to our safety and success, unless by a happy turn of European affairs, the war should speedily terminate, in a manner upon which it would be unwise to reckon. There is no other that can give to government that extensive and systematic credit, which the defect of our revenues makes indispensably necessary to its operations. The longer it is delayed, the more difficult it becomes. Our affairs grow every day more relaxed and more involved. Public

devotion to the belief that the secret of U.S. progress lies in devotion to the faith in the anti-Alexander Hamilton, anti-Franklin Roosevelt cult of “free trade,” that cult of both Adam Smith and his avowed devotee Karl Marx.

That said: those discoveries which I have made which led to my, so far, decades-long, relatively unique successes in long-term forecasting, have been a method which can be approached by focusing attention less upon my opponents’ often treasured superficial appearances, than on either the sometimes brutal fact of either their frank incompetence, or, in other cases, their simply inevitable lack of effectiveness. The needed approach to such matters may be launched, often, through attention to, chiefly, what should be recognized as some rather elementary historical facts. I follow just that historical approach in the course of this present and following chapters of this report.

It is often a most challenging proposition, emotion-

credit hastens to a more irretrievable catastrophe. . . .

The tendency of a national bank is to increase public and private credit. The former gives power to the state, for the protection of its rights and interests, and the latter facilitates and extends the operations of commerce among individuals.

Industry is increased, commodities are multiplied, agriculture and manufactures flourish, and herein consist the true wealth and prosperity of a state. . . .

’Tis IN A NATIONAL BANK ALONE THAT WE CAN FIND THE INGREDIENTS TO CONSTITUTE A WHOLESOME, SOLID, AND BENEFICIAL PAPER CREDIT. . . .

It has ever been my opinion, that congress ought to have complete sovereignty in all but the mere municipal law of each state, and I wish to see a CONVENTION OF ALL THE STATES, with full power to alter and amend, finally and irrevocably, the present futile and senseless confederation. . . .

I see nothing to prevent the practicability of a plan of this kind, but a distrust of the final success of the war, which may make men afraid to risk any considerable part of their fortunes in the public funds; but without being an enthusiast, I will venture to assert, that with such a resource as is here proposed, the loss of our independence is impossible. . . .



ally, to attempt to understand the reasons for, and correction of a detected deficiency shown by relevant specialists and others in this matter. In such cases, the strain comes often in the form of the necessity of forcing even prominent economists, or other specialists, to abandon deeply embedded commitment to the more commonplace, but mistaken, and strongly held assumptions, especially those held among reluctant influentials with either advanced qualities of professional backgrounds or merely raw political influence.

The simpler fact to be considered in considering the disputes among forecasters lately, is, that my own repeated accomplishments as an advocate of what Alexander Hamilton christened as *The American System of political-economy*, have been the basis for my, speaking relatively, extraordinarily successful role in what might be termed “long-range forecasting;” whereas, what might be fairly named as the more popular European, or U.S., “brand X” varieties, have never really succeeded for longer than the relatively short life of “guesstimates” which may appear to have been valid, even briefly triumphant, but were disastrous over longer than relatively brief intervals of local history. Meanwhile, my authority in this field of practice has been repeatedly demonstrated to have been, generally, both unique, and repeatedly successful over the relatively long term, in respect to the relevant, generally known history of this subject thus far.

Thus, the core of my required mission in this report, is to contribute to making clear some of the most relevant, more readily accessible, practical issues of successful, versus failed forms of forecasting.

Just so, as throughout the time since the death of President Franklin Roosevelt, there were a number of lapses of time during which the very policies which were the causes of the next serious economic crisis, were those which had appeared to the credulous to have been successful. Their saddening error to be recognized, was that those who were duped temporarily into relative euphoria, were confident that their goal, the “pea” of the charlatan’s game, would be found under the shell toward which they were pointing. The shell was there, indeed, as they insisted on that fact as proof of their argument; but, as to what was waiting, or not, under that shell, that was a different matter. So the momentary euphoria of the credulous paled into sadness, as they turned to walk away, poorer, but, unfortunately, usually, no wiser. So, the preaching of the doctrine of reporting “good news” was, almost invariably, a “suck-

ers’ game,” a game which the temporarily wounded, but habituated sucker of the previous time, would move, confidently, to play again on the next occasion. But, it was the same with the effect of the choice of previous candidate, or political quack-remedy which they bought into during the preceding time!<sup>13</sup>

So, we say to the less credulous, and more prudent, that while I distinguish the relatively limited authority of attractive approximations, from the, contrary, scientifically deep, epistemological issues of physical science, it is the deeper, longer-range issues which must be ultimately taken into account in the present crisis, as must always be done for successful forecasting over the crucial, longer term of two or more generations ahead. *It is not statistics that determine the future, but policies.*

However, those considerations taken into account, the most prevalent cause of failures of economists and leading political figures, alike, is that they show no working comprehension of that one great principle which actually distinguishes man from the apes.

### ***Percy Shelley, Again***

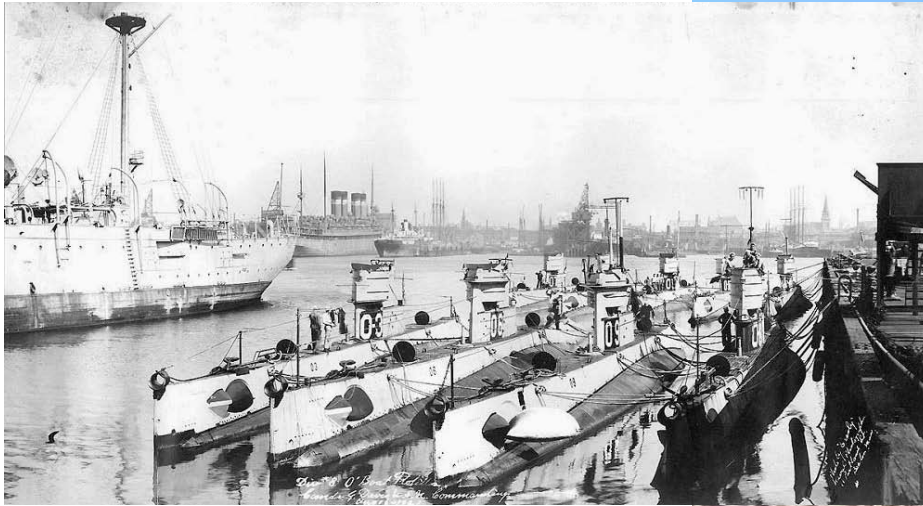
The most consequential fact of that matter, is, that a lack of a manifest comprehension of the role of creative processes in one’s own mental development, or, in that of others, does not signify that creative potential itself does not exist, nor that it does not occasionally manifest itself even in the relatively unwitting person. Rather, it can be observed as manifest in persons who, as Shelley made a similar warning in the concluding paragraph of his *A Defence of Poetry*, often have no comprehension of the way in which the products of their own exceptional moments of genuinely creative impulse actually worked successfully, even if they lacked any deeper insight into how that success had been generated within them. As that paragraph from Shelley should be taken as implying, the usual failure of economists, for example, is not that the actual power of creativity does not exist in our species generally, but that it has been often suppressed, even brutally, in the combined education and related development among most relevant persons and institutions today.

For example.

It was more or less well known, in those past times, such as two or more generations ago, when the subject

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13. Such as the swindle called “infrastructure” which the New York Mayor was peddling, temporarily, on behalf of the Rockefeller foundation.



*The Charlestown Navy Yard in 1921. Not many years later, a young Lyndon LaRouche visited the yard, noting the fascinating role of physical geometry in the supporting structures there—such as strategically placed holes that make the structure more stable. The Eiffel Tower in Paris illustrates the same point: the failure of axiomatic assumptions of Euclidean geometry.*



of Classical, rather than empiricist modes in education was still treated as serious business, that in the mission of promoting creativity in students, or other persons, it was of crucial importance that the teacher, or other relevant person, concentrate on attempting to provoke and recognize the symptoms of a creative impulse in, for example, the student, and not to depart that moment which that just freshly expressed impulse represented, without focusing the relevant persons', or classroom's attention on the "location" of the exactly expressed location and nature of the creative impulse which the student had exhibited in passing.

This phenomenon, the manifestation of that power of creativity which does not exist in any beast, but only among human individuals, is the essential consideration in all consideration of the nature and the outcome of physical-economic processes. All competent treatment of the subject of economy as a matter of science, hangs entirely on that specific consideration which today's accounting profession, for example, does not actually recognize. It is on that principle of creativity, that the continued existence of a civilized existence of mankind depends.

While the evidence which constitutes proof of those facts, is clear in its own right, the overriding fact is, that, for our specific purposes here, on this occasion, it is es-

sential that we come to a common understanding of the "how" and "why" of the uniqueness, to date, of the role of creativity in bringing about my own rather striking successes in this aspect of economic forecasting. Otherwise, without that emphasis, discussion of the place of creativity in economic forecasting lacks its most essential expression for the benefit of society, its intentionally functional, rather than a "happencstance" quality.

### ***My Own Experience***

Briefly, as I have reported on earlier occasions, in my own development of creativity in myself, we have the following.

Insofar as I can account now for the roots of my success, relative to what might appear to be rival opinion-making in this profession of economic studies, in my first awareness that I had a significantly "different view" of the matter of creativity than was proposed in the secondary and university experiences to which I was exposed during adolescence and young adulthood. Awareness of this fact first came to me during the first secondary-school class in plane geometry, in which I rejected the axiomatic, *a-priori* assumptions of that teaching. My rejection had been prompted largely by my prior studies of construction-in-progress at the

nearby Charlestown U.S. Navy Yard, which had demonstrated, for me, the physically efficient, unique role of *physical geometry* in design of supporting structures. The case of the Eiffel Tower in Paris illustrates that importance of relying on physical geometry, rather than Euclidean geometry. The axiomatic (e.g., *a-priori*) assumptions of Euclidean geometry are intrinsically false.

It is relevant here, that my rejection of secondary school geometry, and of some other, related matters, matters which I encountered, chiefly, in my exposure to the standard teaching of mathematics and physical science at the institutions to which I was exposed, impelled me, on this account, from early adolescence on, into an increasingly voracious appetite for such works of Leibniz as I could find in English translation. In my later adolescent years, I chose Immanuel Kant as the case of a relevant adversary of Leibniz who was chosen by me for making comparisons bearing upon the ontological issues so posed by such a form of dialogue, which I conducted within me, in a back-and-forth exploration of more and more of the accessible work-product of each of those two persons.

Eventually, this led, I would say inevitably, or, perhaps according to an “hereditary” principle like that linking seed to plant, to my crucial insight into the significance of Bernhard Riemann’s 1854 habilitation dissertation, an insight which came upon me about a hundred years after that presentation by him; it came to me, like an epiphany, so to speak, at the beginning of 1953.

At the same time, my exposure to the role of innovation of design in the production-process, was significantly the product of questions posed to me in the practical context of my family circumstances, that as combined with my fascination with Classical English poetry. These combined, ostensibly dissimilar influences, drove me more and more deeply into emphasis on the role of actually creative innovation in the production of wealth, and into my increasing emphasis on the distinction between ordinary sorts of cleverness in craftsmanship, and the need to pinpoint the distinction of special quality of the craftsmanship which is specific to the actual role of discovery and use of universal principles, such as those of physical science, but also Classical composition in the tradition of Johann Sebastian Bach.

I think it was therefore almost inevitable, that that process would bring me to Bernhard Riemann’s absolutely revolutionary transformation of the definition of

physical-scientific method in his 1854 habilitation dissertation. For similar reasons, in my work as a practicing consultant, I came to abhor what I recognized as the intrinsic incompetence of the use of more or less standard forms of accounting practice and of customary statistical methods in the practices of forecasting.

Today, reviewing my life’s larger experience from the standpoint of long-standing, recurring disputes over the nature and goals of scientific method, the attempt to enable even accomplished scientists to achieve what might be termed “a direct insight” into creativity as such, is the most challenging task to be presented even to a majority among leading scientists known to me today, and, generally speaking, far more difficult today than two decades earlier.<sup>14</sup> Today’s professionals simply give up the attempt much quicker than those professionals of two or three decades ago would have done. Only the degree of impassioned concern which the presently skyrocketing, global economic crisis evokes, could now prompt the broader kind of commitment which would bring insight into the ontological character of human creativity *per se*.

### *The ‘Basement Project’*

As part of exactly that attempt, there came a time, the larger part of a decade ago, when I launched what became known among my associates as “The Basement Project,” in working groups situated in the premises where my office was located.<sup>15</sup> This project has been conducted, chiefly, by the qualified members of those teams themselves, persons selected chiefly from what appeared to be matured and dedicated young minds in

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14. There is, perhaps, no more convincing demonstration of that problem than considering the number of otherwise credible professors in physical-science fields who will argue the nonsensical assertion that Sir Isaac Newton had discovered the principal of gravitation, rather than the actual discoverer, Johannes Kepler. Even most scientists believe what they wish to be overheard believing in such cases, even when the evidence to the contrary is overwhelming. So much for “peer review” in modern houses of academic prostitution!

15. This project was launched in response to university campus phenomena which I located in the setting of the 1999-2000 Presidential election-campaign. An educational program launched in California, in response to these phenomena of that time, preceded the programs which I later launched on the East Coast. When I look back to the Year 2000, and then compare the much poorer quality of persons of a comparable age-group, after the effects of MySpace, Facebook, Twitter, etc., today, we are forced to recognize how deep and broad have been the cultural pessimism and loss of creative intellectual potential among young adults during the eight years of the President George W. Bush, Jr. administration.



EIRNS

*Merv Fansler and Riana Nordquist of the LaRouche Youth Movement's "Basement Project" work on a construction. The subject of the project is human creativity, with an emphasis on re-creating the discoveries of scientific geniuses Johannes Kepler, Carl F. Gauss, Bernhard Riemann, Max Planck, Albert Einstein, and V.I. Vernadsky.*

their twenties. These research projects covered a span of time equivalent to about four semesters added to their education, a period of working, thoroughly, systematically, through the discoveries of Johannes Kepler and the principal work of Gauss, covering, initially, replication of Kepler's uniquely original discovery of the universal principle of gravitation, the latter as presented in his *The Harmonies of the World*.

This experience has lain the grounds for those students' treatment of the more fundamental issues associated with the work of Bernhard Riemann and such among his most notable followers, as Max Planck, Albert Einstein, and Academician V. I. Vernadsky.

The goal of this continuing program into the domain of Riemannian physical science, in a manner similar to that of an earlier program in the systemically progressive work of Carl F. Gauss, has been aimed to set a standard of practice for a comparable, currently ongoing work in the combined territory of the discoveries of Bernhard Riemann and such successors as Max Planck, and in the crucial role of Albert Einstein, figures which exemplify the center of the resistance to the morbid decadence of the successive development of positivist

theology by such as Ernst Mach and the markedly satanic Bertrand Russell. My own focus, and that of my young associates in this matter, has been the implications of this for a science of physical economy.

There, the main body of that still ongoing work stands in continuing progress today.

Any competent teaching and practice of a science of political economy, in the realities of today's world, must be essentially, as Academician V.I. Vernadsky has shown, a branch subsuming the Riemannian physical bio-chemistry of human voluntary intervention into shaping the direction of development of man's relationship to the universe. This proceeds, as it must, with fundamental emphasis on both the opening two paragraphs and closing sentence of Riemann's

1854 habilitation dissertation. That is to say, that without Kepler, Leibniz, and Riemann (most notably), and such successors of Riemann as Max Planck, Albert Einstein and Academician V.I. Vernadsky, no competent training in a professional treatment of economics could be provided for today's presently crisis-ridden, global circumstances.

That is also to emphasize, that, although a significant minority among practicing economists in, for example, Europe and the Americas, are both competent and important, even often indispensable, in those aspects of the matter of what they practice as economics, almost none of them, even of the best practitioners, get into the underlying physical-scientific essentials of that subject-matter. Almost—but not absolutely—all, even among the relative best, lack a systemic comprehension of the most crucial issues underlying the search for remedies for the presently accelerating, global breakdown-crisis of the entire world's economy. Much of the source of their failures on this account, is their more or less militant, even bald ignorance of even the functional rudiments of the history of the American System of political-economy. Such is the subject of the challenge

which we are addressing in this present location.

Specifically, we are faced with the incompetence on the subject of the U.S. Constitution and the American System of political-economy, which is rampant today among not only European, but also most relevant American academics and political figures. Even Americans have been “brainwashed,” academically, into attacking the American System from the standpoint of the axiomatic presumptions of the British East India Company’s ideologues, such as Adam Smith and Jeremy Bentham’s crew, rather than considering the proofs of the absurdity of the principal assumptions of the British imperialist system of thought. Much of this brainwashing has depended less on ignorance of that subject, than on the popularity of outright lies.

The most prevalent fault among these exceptional cases of the relatively most competent, practicing professionals among today’s economists, is that since nearly all notable such are usually gainfully employed in that profession, they must have tended to concentrate their professional exertions on the requirements imposed upon them by those institutions which have trained them, or by clients who purchase their wares, and, thus, they tend to concentrate on the “bread-and-butter” issues of producing the product which that market for their services had demanded, rather than the imperatives of the relevant science itself.<sup>16</sup> Nonetheless, when a crisis like the present one strikes, serious economists’ suspicions are aroused.

It is my own experience, that the best hope for the future of the economics profession, is that development which occurs when “consumers” of that product, such as members of our Congress or of European parliaments, become much wiser than they are today. It is clear, that, when, as the intelligence of their clientele’s choice of appetites is improved, the economists themselves will tend to adapt to the impassioned demands of a better-informed, and angry market composed of their clienteles.

In the meanwhile, prudent professionals confronted with the present crisis, are now advised, urgently, to make themselves familiar, here and now, with a fair approximation of the appropriate expertise which is expressed in this, my present report.

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16. Often the public suffers from the design of the product it has chosen by the standards which pass for those of popular taste, such as expressed by popular acclaim for the launching and conduct of foolish wars, or the systemic degeneration of the personality of the habitual user of cannabis.

### *The Essential Role of Creativity*

The “basement program,” to which I referred above, was coupled, in an intentionally functional way, with a Classical-musical program pivoted, initially, on what I had already selected as J.S. Bach’s motet *Jesu, meine Freude*. My principal motive in sponsoring such a program within the setting of a political-action association and its science educational program, was premised on locating the root of that individual creativity which is also expressed within the domains of physical science. This means, most emphatically, a practice which depends on the type of a primary quality of principled expression of creativity, which is located essentially in the realm of Classical artistry, but certainly not in most so-called “popular entertainments” of today.

This is creativity, as expressed typically in the modes of Classical irony in poetry, and in, most emphatically, the principles of Johann Sebastian Bach, as these were faithfully served by strictly Classical composers in the Bach tradition of such as his own sons, as also by Joseph Haydn, by Wolfgang Mozart, by Ludwig Beethoven, and, so on, through Johannes Brahms. The image of Albert Einstein performing the violin in services at the great Jewish synagogue in pre-Hitler regime Berlin, is not irrelevant for study of the positive development of modern Germany and both its scientific and Classical cultural tradition under the pre-Hitler influences of the great modern Platonist Moses Mendelssohn and his extended family of relatives extended throughout much of the German-speaking world of music and fundamental progress in physical science.

For example: over six decades to date, I have returned repeatedly, as may be noted by readers here, to references to Percy Bysshe Shelley’s work, especially his extraordinary *A Defence of Poetry*, especially the concluding paragraph of that composition. It is in the process of singing of Classical poetry, that we are best informed to point out the location within the human mind where the creative genius of all art and science are essentially rooted. It is the Classical mode of sung poetic counterpoint, as typified for modern languages by the work of Johann Sebastian Bach and his followers, through Johannes Brahms, which is the well-spring from which the waters of creativity flow into the rivers and seas of Classical physical-scientific progress. From this we must secure the resulting increase of the productive powers of labor of mankind, per capita and per square kilometer of territory.

It is the loss of a rigorous practice of Classical modes



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*It is in the Classical mode of sung poetic counterpoint, as typified for modern languages by the work of Johann Sebastian Bach*

*[shown here] and his followers, through Johannes Brahms, which is the well-spring from which the waters of creativity flow into the rivers and seas of Classical physical-scientific progress. From this we must secure the resulting increase of the productive powers of labor of mankind, per capita and per square kilometer of territory.*

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of artistic composition and performance, which has been the characteristic expression of the moral and intellectual decadence which has gripped the trans-Atlantic community increasingly, since the time of the death of U.S. President Franklin Roosevelt on April 12, 1945. Much of the economic and other ruin of the nations of the trans-Atlantic community, in particular, has taken root in the vicious decadence of popular trends in artistic expressions, especially in the existentialist currents typified by the case of the 1950 *The Authoritarian Personality* of Theodor Adorno et al., and by its pro-fascist correlative, the Congress for Cultural Freedom (CCF).<sup>17</sup>

On this account, the fostering of the implicitly Satanic-dionysiac, so-called “existentialist” rituals promoted during the post-World War II period to date, as by that pro-Satanic Congress for Cultural Freedom, has

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17. I treat this relevant subject in the concluding portion of Chapter III.

been, in its time, a leading stimulant of the interdependent moral and physical-economic decay which grips the planet as a whole today.<sup>18</sup>

The somewhat extended, but otherwise summary remarks with which I have now, thus, opened this chapter of the main body of this report, now bring us to the following.

### *Two Contrasted Species of Life*

The presently required remedies for our world’s condition, now depend, and that absolutely, on the very early replacement of the present world monetary system by what I identify here as a credit-system, a credit-system as defined by the example of the U.S. Federal Constitution. The replacement must be in the form of a credit-system which is modeled upon the relevant provisions of the U.S. Federal Constitution, as I define that system and its application, in these pages.

In the course of this and the following chapters, the better informed reader will probably be shocked by a sense of *deja vu!*, when he or she reflects on the way the U.S.A.’s economy has often been viewed as differing little, in superficial ways, from seeming to be only a less demoralized complement to the process and model of physical economic-monetary systems

of modern western Europe, especially since Spring 1968. When we consider this social phenomenon in its aspect as matters of economic policies of practice, it turns out, with even a fairly modest reflection on the facts of the matter, that the difference between the American System of political-economy and the usual European models appears to be, on the one side, like the contrast of mammals to marsupials, or even to monotremes: orders of life with some external similarities in the eyes of the chance observer, but what is an essentially mutually incompatible reproductive character among these orders.

Both mammals and marsupials are “animals,” but they exist and reproduce according to different categories of principle, as the morally and scientifically supe-

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18. This post-1945 corruption was not only an echo of the similar post-World War I moral breakdown, especially in Europe. The CCF and the publication of *The Authoritarian Personality* represented a more radical form of moral and intellectual depravity than the pattern of the emergence of European fascism during the 1920s and 1930s.

rior American System differs from the relatively depraved, typical, British empire and its dominant role among the designs of European parliamentary models, and their monetary systems, or economic systems, still today.

The typical reader, including professional economists, must be reminded, repeatedly, that the subject here is not a matter of superficial similarities, or differences among credit systems and modern monetarist systems, but a matter of what are, respectively, systematically, “genetically” incompatible methods of *social-economic reproduction of what are, in principle, categorically different orders among species*.<sup>19</sup>

The essential similarity among the differing principal models of economies on the planet today, is that the subjects of both models are human beings; both kinds of modern societies are members of a species whose proper mode of social reproduction as living individuals, is expressed as that potential of true creativity which distinguishes all human beings from mere animals, that absolutely, *categorically*. That difference in types is located in the respective social-political-economic systems within which people have been enabled so far, in principle, to exercise, and therefore develop their inherent creative potential as human beings, either more or less freely or, even, as today’s dionysiac, “greenie” fanatics would have it, not at all.

Therefore, the crucial feature of our enterprise here could reach our goal for it, only as it is to be seen when we might contrast the fixed potential relative population-densities of the higher apes, for each case of any given environment, to the increase of the growth of density of a typical culture of the human population. The facts should inform us, quickly, that systemic differences in social organization taken into account, man, unlike the higher apes, is no mere animal. The facts also show, on the other hand, a strong taint of the monetarist legacy of the imperial system of European feudalism, in even the nominally sovereign European systems of today.

In brief, there is a distinct principle, a principle of human creativity, which separates the human individual, and his or her species, absolutely from all lower forms of life. Thus, speaking in pedagogically relevant terms, man is to mere animals, relatively speaking, as

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19. No reference to the so-called British “upper classes” intended here.

living processes and their specific products and by-products are to the inanimate domain.

*Now consider the crucial paradox which all competent attempts at a definition of economics must solve:*

Any relatively healthy form of human society, if it is actually progressing to higher levels of potential relative population-density, is always converging upon two principal kinds of freshly threatened general limitation upon both the increase and well-being of its population. The society’s continued growth, even its continued existence, is bounded, negatively, on the one hand, by the limits implicit in its available environment; it is also bounded negatively, on the other hand, and at the same time, by its unavoidable tendency to outrun the types of limits to growth inherent in all animal species, the trend for a relatively large depletion of any environment, a depletion which must occur, unless we bring into play mankind’s characteristic, *anti-entropic action*, which distinguishes mankind from all lower forms of life.

That distinction, is a more than offsetting factor of tendencies for, or combating depletion of the environment, by raising the level of that society’s technology through actions in the forms expressed typically by a combined scientific and Classical cultural creativity, a creativity which, combined, is unique as being that power of our human species which sets our species apart from both the apes, and from the intentions of certain current policies and heads of state, such as today’s intrinsically pro-fascist, intrinsically lying, “greenie” ideologies of the evil Prince Philip’s World Wildlife Fund.

When those simple, but clear items of evidence are viewed from the vantage-point of contemporary physical science, we show, even in the appropriate terms of the physical chemistry of living processes generally, that the boundary presented to the maintenance of the present population-level of any case of human society, requires the society to raise both the level of adducible mean energy-flux density of its productive system, and to mobilize a defense of Classical humanist forms of cultural progress in science and arts, that progress as opposed to the accelerated rates of spread of dionysian forms of cultural depravity in Europe and the Americas, for example, today. This indispensable principle of progress is to be viewed, for purposes of definitions and comparisons, in terms of references to those physical bio-chemistries rooted in the present state of development of the notion of a periodic table.

Such a table must be read in terms of the relevance of the comparative standards of respectively distinct abiotic, biotic, and noëtic qualities of physical phase-spaces. These three standards are to be compared in terms of the anti-entropic relationship of living processes to abiotic, and noëtic to biotic. In order to avoid collapse through attrition, the ratio of the sheer mass of the Biosphere to Lithosphere must be increasing, and the ratio of Noösphere to Biosphere must also be increasing similarly, that both per capita and per square kilometer of the Earth's surface. *These requirements for physical-economic survival of our species, depend upon a process of continuing increase of the mean "energy-flux density" in society's mode of reproduction of its population.*<sup>20</sup> Without a present return to the tradition of increasing the expression of ongoing increasing of the relative energy-flux density of production, per capita and per square kilometer of the Earth's surface, world society were presently committed to its own early doom, whatever the apparent, current state of financial affairs might otherwise seem to be.

Such are the most essential elements for consideration, in defining the relevant elements of *a science of physical economy*.<sup>21</sup>

20. The reader must not overlook the crucially important scientific point which I have emphasized repeatedly, on earlier occasions. Species do not "compete" as individual species, but, dynamically, through the interactions subsumed by a common cluster of which a region of the Biosphere is composed. Decent people like good dogs, so much, that the characteristics of the dog populations of various regions of the planet reflect this human factor in the destiny of dog life. Dogs have been brought, thus, if by no choice of their own, into the dynamics of the higher domain of the Noösphere. Thus, have kindly people gone happily to the dogs.

21. No existing financial-accounting system actually measures an increase in true wealth; it measures an increase in the nominal increase of money-values, or, similarly, relative purchasing power. The latter often,



Courtesy of J. Gordon Edwards

*The late J. Gordon Edwards, an entomologist, fought against Rachel Carson's lies, notably about the pesticide DDT. Here he is shown in Esquire magazine, September 1971, eating a tablespoon of the chemical—a feat he repeated regularly, to emphasize its safety. (He died at the ripe old age of 85.)*

The difference in systems is marked, today, by the fact that under a continued reign of monetarist systems, the entire planet is now doomed, in the immediate future, to a prolonged, and very deep plunge into a planet-wide "new dark age." *The crucial difference between our American System of political-economy, on the one hand, and European and other monetarist systems, on the other, is a qualitative difference in political-economic species, in which the former has the better power to survive, whereas the latter, under the present conditions of the world's presently reigning, monetarist system of London et al., does not—except as it has been inspired by the relatively most successful phases of U.S. world leadership in the quality of its economy.*

The choice of pathway which actually leads toward survival, is, therefore, up to you. It is your

choice as a citizen; your choice, of prosperity or doom. What is certain is, that life can not go on, on this planet, in the way we, as a planet, or Europe and the Americas, more narrowly, have gone in recent decades, especially since the dates of the famous assembly of the so-called "Warren Commission" and Rachel Carson's fraudulent, 1962 *Silent Spring*.

Although *the use of money* (rather than money itself) is an extremely important aspect of the organizing of the creative process on which a successful national, or world economy depends, it is sheer idiocy, as I have already emphasized here so far, to presume, as the unfortunately customary financial accountant does today,

as in the case of the U.S.A. since about March 1, 1968, involves an increase of nominal values in an economy which is in net physical decline, and is an implicitly doomed society, on precisely that account. The required physical measurement is, as opposed to the "I feel richer" delusion, an increase of the rate of increase of both the physical standard of living and its continuing, long-term accumulation of physical productivity per capita and per square kilometer of territory.



that the notion of value within the economic process is primarily a reflection of a monetary process, or to presume that financial growth is in itself either a cause of, or even a measure, even an approximate measure of real growth. The emphasis on financial accounting in the small, which is the legacy of the history of imperialism in general, and of, unfortunately, today's usually taught economics in particular, is the most common source of the most incompetent judgments in general accounting practice, and in the practice among professional economists in particular.

For example: the so-called "Robinson Crusoe" hypothesis, as by the Bertrand Russell devotees and science-quacks John von Neumann and Oskar Morgenstern,<sup>22</sup> is currently at the root of the clearest, and relatively most influential expression of the prevalent, wild forms of dogma influencing public policy-shaping in Europe and elsewhere throughout the world today.

### ***The Science of Physical Economy***

Insofar as there has been successful increase of both the physical standard of living and populations so far, these happier outcomes have depended upon both physical-scientific progress in human behavior, and a relative increase of both the physical standard of living of the population, as measured both per capita and per square kilometer, and as expressed in an increase of the relative physical rate of capital-intensity per capita and per square kilometer of its habitation. Without those improvements, societies would necessarily degenerate in both physical standard of living per capita of the population as whole, and in the potential relative population density of territory inhabited by mankind. So, the economy of the U.S.A. has degenerated since the effect of the Warren Commission.<sup>23</sup>

Said otherwise, not only mankind's progress, but even its population as a whole, depends upon the realization of the effect of a combined science-driven and Classical-culture-driven increase in the population's *potential relative population-density*.

A competent science of physical economy depends upon the complementarity of two great principles. The

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22. John von Neumann and Oskar Morgenstern, *Theory of Games and Economic Behavior*, 3rd edition (Princeton: Princeton University Press: 1953).

23. The point made by me here is aptly illustrated by the contrast of the effects of the Kennedy economic policy of avoiding the prospect of an unnecessary U.S. combat in Indo-China, with the ruinous effects of the policies launched under the influence behind the Warren Commission.

first pertains to the processes within the Lithosphere and Biosphere; the second, ruling consideration, pertains to those human powers of individual creativity which are expressed immediately, and as if originally, in the domain of the singing of Classical poetry. It is in the latter domain that the immediacy of human individual creativity is to be recognized.

*It is Classical science in, for example, the Platonic tradition, which generates the increase of a culture's potential relative population-density. It is Classical culture which promotes, in the individual mind and social process, as Percy Shelley emphasized in his A Defence of Poetry, the spark of creativity on which society's scientific creativity depends. It is the spirit of Johann Sebastian Bach's unique, original development in music, which enhances poetry to such heard effect, and illuminates the mind's power to recognize the eyes of the "Bust of Homer" as contemplating the contemptible spectacle of a virtually brain-dead, almost reptilian fop, Aristotle.*

Take the case, for example, of the drawing down of existing sources of potable fresh water. The supplies are being drained by the existing population, even at the rates of consumption by the great masses of the world's terribly poor. Only a general increase in the energy-flux-density throughput could solve this problem, an increase which were not possible generally without reliance on rapid increases in the number of gigawatts of power uttered at the very high energy-flux density of modern nuclear-fission power-plants.

This is also the case for other essential mineral resources.<sup>24</sup>

Much of our planet's high-grade mineral resources are being drawn down similarly. Only very high energy-flux-density applications, by mankind, of physical chemistry, and of physical bio-chemistry, can conquer this trend. Only the mind of man can create those needed applications.

There are two leading consequences of such trends. First, as the history of overcoming this problem has already demonstrated, advances in technology which depend, in a critical way, upon both increases in physical-capital intensity per capita and per square kilometer, and successive breakthroughs to higher orders of scientific progress can bring such potential problems under control *indefinitely*. The cases of nuclear-fission

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24. Although the existence of large masses of water is itself a product of life.



*"Aristotle Contemplating a Bust of Homer," by Rembrandt van Rijn, 1753. Actually, LaRouche says, it is the power of the "blind" poet's mind that contemplates "the virtually brain-dead, almost reptilian fop, Aristotle."*

power, now, and thermonuclear fusion as a leading power-source, soon, illustrate the policy requirements for assured, continuing human upward survival.

An increasing ration of investment in high energy-flux-density modes in infrastructure, in addition to high energy-flux-density, and increasing capital-intensity of required patterns of investment in capital formation, must be combined with an immediate emphasis on capital-intensive modes in productivity of productive labor. This means greening of deserts, and a trend toward organized development of forests in areas which have been deserts during much of the recent nearly 20,000 "post-glacial" years.

This means, of course, an increase in scientific education which reverses the recent forty-five years trend against science-driven, capital-intensive progress in production and infrastructure, in the U.S.A. and other so-called "industrialized economies." It means, above

all, an accelerating rate of increase of energy-flux density in quantities of power generated per capita and per square kilometer, and in modalities of generation of power for all general purposes.

This signifies, rather obviously, a change in policies of education, to emphasize a combined science-driver orientation to people today, but, also, a nonetheless essential return to emphasis on Classical artistic modes in education and cultural life generally.

Above all else, such as reversal of the present global, nearly five decades of drift, since the assassination of President John F. Kennedy, of today's increasingly decadent civilization's majority of populations toward an eagerly sought, early arrival at Hell, it is the ridding of populations of the grip of decadent popular cultures, such as ending the decadence of the so-called popular musical culture of the U.S.A.'s and Europe's recent four decades and longer, which must gain a leading place in our intentions.

Looking back over preceding millennia, to such times as those of the ancient Delphi cult and its Apollo-Dionysos depravities, a relevant study of this matter of comparative cultural histories and their respective effects, shows us that the popular basis for the presently accelerating dive of the entire planet toward Hell, expresses a modern echo of the ancient Dionysian cult, an impulse which has been chiefly driven through the influence exerted by the British Empire's psychological-warfare practices during the post-Franklin Roosevelt years of the planet at large. It has been only by stupefying the great majorities of the nations and their populations, especially those children of middle- and upper-class families born since the death of President Franklin Roosevelt, that mankind could have been self-induced, so widely, to seek to destroy itself by means of such moral and intellectual depravity as the popular anti-nuclear, anti-science culture of Britain's Prince Philip today.

It has been as if the manipulation of President Harry



*The Baby Boomer generation and their children have been led, by such would-be Pied Pipers as Al Gore, to "horrid destinations typified by the drug cultures of marijuana, opium, and cocaine."*

S Truman by the British Empire's Winston Churchill and the like, had lured the "68er" phenomenon exhibited among the children sired by our Baby Boomer generation, into the never-land to which some Pied Piper had misled them and the institutions of government which their "68er"-style moral and intellectual sicknesses pollute today.

What is destroying civilization now, is the substitution of pleasure in the popularity of perverse depravities through which that porcine would-be Pied Piper Al Gore would lead them, to horrid destinations typified by the drug cultures of marijuana, opium, and cocaine. They have rejected their own birthright, like the people of the fabled "Cities of the Plain," their rejection of the joy of making a contribution to the immortality and improvement of our human species while we are alive to do so. The British Empire has robbed the world in many ways, in genocide against Black Africa and other ways, but the worst of all its crimes are not so much physical, as they have been the intended destruction of the morality of its prey, including the populations of Europe and North America.

Herein, as I shall emphasize, lies the evidence of the

essential root of the difference between a credit-system, as understood by great U.S. patriots such as Alexander Hamilton, and the monetary systems which are, in fact, the presently essential expression of imperialism.

### ***Monetarism: A Currency, or a Disease?***

I state flatly, without fear of the existence of any possibly competent objection, that *money does not express actual economic value*. Indeed, any effort to propose, or merely assume the notion of a monetary value, or a financial-accounting system as actually representing economic value, represents a blending of the intention inhering in more or less vicious types of the practice of the evil of usury.

The most evil form of expression of usury today, a practice which should be classed as

intrinsically a crime against humanity, is typified by the British imperialist system associated with such names from the imperialist repertoire of the notorious paid prostitutes of the British East India Company's Lord Shelburne, as Adam Smith and Jeremy Bentham.

Imperialism is very old in known history. The relatively more recent among the known forms of imperialism are traced from the Mediterranean-centered imperialism of the Peloponnesian War, during which two rival imperialist parties, Sparta and Athens, fought out a brutal-like warfare for supremacy, warfare which ended, ultimately with the common ruin of ancient Greece, with the onrushing supremacy of what became the Roman Empire, over the crushed remains of its former rivals.

All such imperial conflicts within known European history of maritime cultures, have been imperialist ventures premised upon the notion of the supremacy of a usurious form of the privately owned money-system of an imperial elite circle, as typified by the utter moral and practical degeneracy of British empiricist ideology since the ruin of its only real challenger, the U.S.A., through the developments from the

post-August 1971 disruption of the sovereignty of the U.S. dollar through the establishment of the Anglo-Dutch-Saudi financier interests' dominant position in what became established as the hegemonic, petroleum spot-market system.

The only actually scientific standard of economic value, is not a monetary standard, but a human one: the indispensable, and endless increase of the potential relative productive powers of labor expressed per capita and per square kilometer of territory. This notion of value subsumes, as I have already noted, above, the need to do more than merely compensate for the depletion of what had been the preferred natural resources obtained from what the followers of Academician V.I. Vernadsky have identified as the Lithosphere and Biosphere.

Money is merely an important convenience for the conduct of transactions within the economy in the small; it is not necessarily a determinant of economic value, but an agency for determining the assigned relative monetary value within the bounds of a relatively fixed monetary system, as Alexander Hamilton defined Federal national banking, and as Franklin Roosevelt made the crucial contribution to making possible the defeat of the Nazi system which the British monarchy had brought into existence in continental Europe. No natural increase of wealth occurs through the free circulation of money as such. Wealth must be produced, essentially as either improved physical products, or the improvement of the powers of the individual human mind.

Today's world tends to deplete those accessible richer resources of the Lithosphere, and must act to enhance the richness of the Biosphere as such richness might be estimated in *per-capita* and *per-square-kilometer* terms. In general, on the first such account, our continued existence and progress as a species of a certain minimal potential population-density, depends upon those qualitative advances in scientific-technological progress, per capita and per square kilometer, which are to be measured as both the advantage of fundamental, qualitative advances in applied science, and in a general increase of the ratio of investment in a potentially productive quality of development of the human environment, per capita, and in energy-flux-density of the modes of power employed.

This progress depends upon qualitative advances in both the intellectual powers and habits of the general population, per capita and per square kilometer, to

which the modalities of that progress are applied in what is implicitly an increasingly physical-capital-intensive investment mode.

Since this excellent intention is expressed by the individual personalities of a society, it is necessary to make possible scientific and related progress in such matters, through the means of the way in which society's internal social processes are organized. The required modality of such organization is centered, essentially, on those creative mental powers of the individual which are the only true distinction of the human individual from the baboon, or baboon-like, usually very greedy human creatures of prominence in Wall or Threadneedle streets, or kindred places. Such naughty prominences include certain presently, politically high-ranking ones, whose names I shall refrain from listing in this presently immediate literary location, but whose names are either readily known, or readily accessible to many in the ranks of popular opinion today.

For this purpose, a successful mode of existence of a modern economy uses a form of money as credit, as a monopoly of a sovereign nation, not as an intrinsic form of functional economic value. This is properly done, as the U.S. Federal Constitution's law respecting both the fundamental principles of law set forth in its Preamble, prescribes implicitly, and as the specific U.S. Federal Constitutional provisions require respecting uttering of monetizable credit and enactment of treaty-agreements.

During the immediate post-World War II interval, the 1950s most notably, the idea of monetary valuation of purchase and sale of products, and of earned incomes, was based on a compromise associated with the phrase "fair trade." This was a notion which echoed a residue of the then-adult population's refreshed experience of the general economic growth and prosperity brought about through the Constitution-based initiatives of the general economic recovery from depression and Wall Street fascists' hegemonies, accomplished under the administration of President Franklin Roosevelt. This view persisted until the aftermath of the assassination of President John F. Kennedy, ostensibly done by British imperial interests, and their fellow-travellers, interests operating behind such instruments as the largely Ibero-American-based teams of highly trained assassins associated with the mass of efforts deployed in the attempt to assassinate France's President Charles de Gaulle.

The terrorizing of President Lyndon Johnson by

The terrorizing of President Johnson by the assassination of President Kennedy (shown here in the motorcade in Dallas), and the Warren Commission's suppression of any honest investigation, facilitated radical changes in U.S. policy. Below, the Warren Commission presents its report to President Johnson, Sept. 24, 1964. Left to right: John J. McCloy, J. Lee Rankin (general counsel), Sen. Richard Russell, Rep. Gerald Ford, Chief Justice Earl Warren, President Johnson, former CIA director Allen Dulles, Sen. John Sherman Cooper, and Rep. Hale Boggs.



Lyndon B. Johnson Library/Cecil Stoughton

and his frankly fellow-fascist, Behavioralist gang of lunatics today, represent a kind of infection with moral diseases which are now threatening to carry the United States and its people down to the Hell which a grandly larcenous Larry Summers appears to have chosen for his own ultimate destiny, pending his arrival to what is ostensibly his compulsive groping for eternal infamy.<sup>25</sup>

both the Kennedy assassination itself, as President Johnson himself pointed toward that fact in a later time, and the Anglo-American Tory faction of the Wall Street crowd's rapidly installed suppression, by the Warren Commission, of any honest investigation, facilitated the radical changes in policy and adopted destiny of the U.S.A., and of nations such as France, Germany, and Italy, in the ensuing years of that decade. I know this very well, since I came to recognize the same problem dominating many facets of my own personal and general political environment during the 1960s, 1970s, and also in the matter of the SDI, and still, in comparable ways, today.

Those political influentials who condoned Enron, or the monstrous swindle of the people of the U.S.A. by the continuing bail-out of Wall Street bandits such as the circles of Presidential advisor Larry Summers

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## II. Whence Our Credit-System Came

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There are only two strategically crucial, respectively distinct species of economic systems available to our planet today. The oldest of those two, presently existing systems, is *the imperialist system*, otherwise known more popularly today as *a monetarist system*, which is

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25. The popular wit around observers of the Obama administration, is, that when Peter Orszag removes his toupee, the head comes off, sooner or later. The sooner President Obama chucks that pack of fascistic clowns, Larry Summers and Summers' Behaviorist accomplices down the political waste-chute, with their Hitler-copied schemes for mass euthanasia in the misused name of health-care, the sooner the President himself would cease his recent flirtation with infamy, and might become honorably successful, instead.

the modern form of monetarism modeled today on the teachings of both the followers of the imperialists Adam Smith and Jeremy Bentham,<sup>26</sup> and of the pro-fascist, John Maynard Keynes.<sup>27</sup> The only presently significant, existing alternative to that intrinsically imperialist system, is the original Constitutional system of the United States of America, which is based on what is known otherwise as *an explicitly anti-Anglo-Dutch, Hamiltonian credit system of national banking*.

The option now available to the citizens of the U.S.A., among others, is: either we choose a return to Hamilton's principle of national banking, or accept the accelerating, mass-murderous increase in the death-rate proposed by President Obama's implicitly Hitler-copied, "useless eaters" dogma of such as Larry Summers and Peter Orszag.. This should be a warning not only to the citizens of the U.S.A., but every nation of the world which really cares about the survival of its own people. Do not wait, as many German victims of Nazism did, until it is too late to stop the likes of Orszag today.

I also emphasize: Either the world now adopts an explicitly Hamiltonian form of credit-system, or, therefore, the world is presently, already plunging toward a chasm of global genocide engulfing all peoples of the world, that at a presently accelerating rate. This means a collapse from which the specific, presently existing political systems of the planet could never recover a semblance of their present form. There are no local options available to any nation, which might exempt it

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26. Adam Smith and Jeremy Bentham were the British East India Company's officially adopted authors of the present, frankly fascist program of both President Obama's advisors Larry Summers and the Behaviorist circles of the certifiably, frankly fascist 1968er Peter Orszag, et al. See Adam Smith, *Theory of Moral Sentiments* (1759) and Jeremy Bentham's *An Introduction to the Principles of Morals and Legislation* (1780). From 1782 on, Bentham was Lord Shelburne's principal agent for the special operations of the newly created British Foreign Office, and the predecessor and patron of the Lord Palmerston who owned, among others, the Foreign Office's unwitting asset and Palmerston agent, Giuseppe Mazzini's Karl Marx. Marx was also, for a time, supervised for the British Foreign Office by veteran British diplomat and recording secretary of Mazzini's Young Europe, David Urquhart. British spy Alexander Helphand ("Parvus") was a later element of this British intelligence operation, an operation which overlapped British weapons-trafficking and the same British channels controlling the "Young Turks" who organized the massacre of an estimated one million Armenians under their reign.

27. See Keynes' own introduction to his original 1987 (German) edition of his General System, in which he states his preference for the economic-social system of Adolf Hitler's Germany over that of other nations. On the significance of Keynes' systematically fascist roots, see below.

from that rule; there is no possible recovery of any nation, except through the present introduction of that great, global reform represented by a turn to what I shall describe here as a "Hamiltonian" solution, as the remedy for the cancer of Keynesian or kindred monetarism.

I am not stating that Hamilton's design was the one-and-only path to paradise. I mean that the global situation created by the system of financial derivatives which was allowed by the reign of Federal Reserve Chairman Alan Greenspan inside the U.S.A. itself, has produced a presently global, general breakdown-crisis of such a nature that no other remedy than Hamilton's could avert a presently onrushing, imminently hyper-inflationary breakdown-crisis of the entire planetary system. For certain special reasons, which I shall indicate in due course, here, the only present hope for the planet as a whole, is an initiative to this effect by the Federal government, especially by the institution of the Presidency of these United States, even despite the present incumbent's, presently, thoroughly incompetent, and worse, policies.

Therefore, the message to all the nations of the world is, that either the President of the U.S.A., presently Barack Obama, accepts the policy which I have just identified, or it might be fair to say, that the entire planet is now on its way to what would seem to be a state of Hell beyond the belief of most living today.

Therefore, in the interest of setting the stage of history for presenting the case for a global credit-system, a system to replace the otherwise hopelessly bankrupt, present world monetary system, we should do as I prescribe here: consider the following observations on the matter of the role of the virtual treason implicit in the presently experienced ruin of the economy of our United States, a ruin which began, as if on the night before syphilis, through the actions of President Harry S Truman beginning April 13, 1945, the day after the death of President Franklin Roosevelt.

As a consequence of the virtually treasonous subversion of the U.S.A. by that impassioned sympathizer of Winston Churchill's imperial London, President Harry S Truman,<sup>28</sup> my republic abandoned the true sovereignty of that American System of political-economy which had been the leader among nations. In this way,

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28. If, and when we acknowledge the actual principle on which the American constitutional system of government depends, as admittedly few relevant academic pedagogues and justices of today do, the insertion of a British notion of liberalism as the premise of economic policy, is, in and of itself, a treasonous impulse.

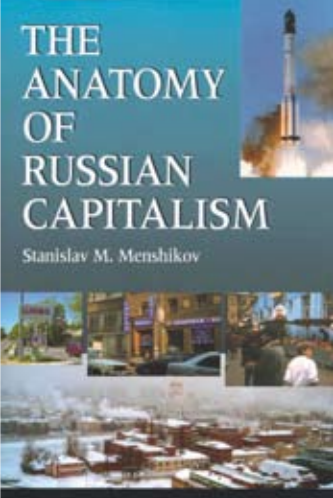
our republic abandoned the dedication of President Franklin D. Roosevelt to our role as the world's leader in the anti-colonialist cause of the benefit of the peoples of the nations at large. Our U.S. economy was to be, ultimately, ruined, even to the degree that we are experiencing that now. The further result of that ruin, which was planted then like a British seed, by Truman, has become, today, the massive, spiraling, implicitly treasonous reign of ruin which we of the U.S.A. have been experiencing since the close of August, 2007.

Specifically, that assortment of pro-Mussolini and pro-Adolf Hitler crowds running loose among us, during the 1920s and 1930s, especially Wall Street types, had been the outgrowth of what had been already the form of London's traditional set of British agents lodged within the U.S.A. since the early Eighteenth Century. These are, still today, in the main, the collective descendants of the British East India Company's American agents, known today as that "Wall Street" crowd which is a true replica of what the Roosevelt time's Pecora commission would regard as the larcenous Goldman Sachs, et al. of today. That is the crowd

which had lately undermined our American system more, and more boldly: especially since that turn in world history which has been continued since the successfully attempted, November 22, 1963, assassination of President John F. Kennedy.

Subsequently, through the implicitly treasonous actions to the same effect, we have what was provided, largely, by the proverbial "rats in the ship's hold" of our ship of state. These were the types which the Dionysian cult's tradition formed as the so-called "68ers," was composed. As a result of that 1968 turn, the accumulated intellectual and economic capital stock of the U.S.A. has been wrecked by the combination of not only such witting and impassioned agents of Dionysian evil as those, but also through the complicity shown by their cowardly accomplices drawn into the games played among many of the leading Baby Boomers in our political system, such as House Speaker Nancy "Off the Table" Pelosi, today.<sup>29</sup>

That downward trend in the economies of both the U.S.A. and the world economy taken as a whole, was continued in what has been an implicitly treasonous fashion, by such agencies as David Rockefeller's Trilateral Commission. Following the Trilateral Commission's initial, 1977-1981 reign of ruin, the world economy, when considered as that single whole which it has virtually become today, was already being virtually destroyed, over the course of the 1980s, destroyed through the complicity of the role which President George H. W. Bush would play in backing the British rape of Europe by the initiatives of Britain's Fabian-style Tory, Prime Minister Margaret Thatcher, and her principal European continental accomplice, France's President François Mitterrand.<sup>30</sup>



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29. Observers who did not think with clear heads, alleged the "68ers" to be socialists—"the left." To those of us who knew better, the term socialist had signified, earlier, concern for the physical improvement and freedom of the generality of the population, and also the benefits of scientific and technological progress of the nation. Whatever the aberrations of notable socialist groups had been, that was clear. The 68ers came on the stage of history, hating farmers and "blue collar" labor, and committed to destroying the scientific and technological progress on which progress in the conditions of life of ordinary folk depend. The 68ers were, like the circles of Mark Rudd, therefore, essentially fascists, as this has been their continued legacy, from that time, to the present day.

30. The sympathies for Hitler's Nazis by the father of de-facto British agent George H.W. Bush, and George H.W. Bush's close ties to the British monarchy have been highly relevant elements of the corruption which led to the top-down betrayal of republic's constitutional order.

That post-1989 destruction of western and central continental Europe, chiefly by London, done through that looting of post-1989 Germany and also of the Soviet Union's formerly associated Comecon states of eastern Europe, has now been extended in the form of the presently continuing waves of strategically crucial looting which London had unleashed, back then, unleashed, with President George H.W. Bush's complicity, against what had been both the peoples and territory of the Soviet Union and its former Comecon associates. This process of looting is being continued by London and its accomplices up through the present day.

For most of those leading victims of London and its lackeys who have been turned loose upon the political circles in western and central Europe today, submission to London is expressed as implicitly, "our own ruin is our natural European destiny!"

The net physical output of all Europe, in particular, per capita and per square kilometer of territory, has been collapsed, catastrophically, falling to levels there far below those of 1989.

Elsewhere from around the world, even what had been the expansion of China's export economy, during the post-1989 interval, has now experienced a recent, deep-cutting reversal of its earlier trend of growth. This had been a growth which reflected the use, by the U.S.A. and western Europe, especially, of expanded cheap-labor markets of the world as a means for collapsing what had been previously the best developed physical economies of the world as a whole. That has now been changed, abruptly, and radically.

Now, China's well-being is threatened by its dependency on those foreign markets for its exports, markets which have now virtually ceased to exist. Now, since the critical point reached in late July through August, 2007, the world as a whole has been plunged into an accelerating collapse of its already, hopelessly, financially bankrupted physical economy. Now, the policies adopted earlier, if continued today, represent an onrushing ruin from which no economic recovery of either China, or any other nation, would ever occur in the life-times of all those living today.

This would be the result in fact, if the continuation of the presently reigning financial-monetary systems, such as the present form of the so-called European system, were still allowed. The world as a whole is already sliding over the steepening, crumbling brink, toward the deep, Hellish chasm of doom, a doom lying, seemingly, inches beyond every next tick of the

global clock today.

It is not difficult to show, by valid evidence available to any economically literate, intelligent, and also sane person, that all monetary systems tend, by their nature, to be instruments of an imperial form of international monetary power. All monetary systems operating within an established climate of so-called "free trade," are expressions of imperialist systems of outright tyranny, systems operating on behalf of a specific set of those financier interests which have succeeded in placing themselves now, as, intrinsically, in a form of imperial reign over the world as a whole.

Actually, on calm reflection, we must admit that this has been the role of a system over which the outgrowth of maritime expressions of the outgrowths of what had been the ancient Mediterranean maritime form of monetary system, now rule. These predators have tended to rule, always in some similar fashion, since such precedents as the heyday of that ancient Tyre pulled down by Alexander the Great, or, the later emergence, with aid of the Mithra-cult representatives stationed on the notorious Isle of Capri, of the Roman Empire under Augustus Caesar.

It is those kinds of echoes of this past, which have provided, still, up to the present moment, the motives for the current pattern of self-inflicted onrush of doom now menacing the world's civilization as a whole. This is a pattern which must be explored now in a way freed of consoling delusions. Such problems reflect the essential difference between the course of animal life, and the long-wave characteristics of both the social diseases, and also the remedies, which remain specific to mankind alone.

To understand that crucial distinction of the history of mankind from the records of animal life, we should proceed here from informed views of what had been such precedents for the present situation, as the imperial essence of the Roman and Byzantine empires seen at the breaking-points which had come the peak of their respective powers earlier. Since the decline of Byzantium, which became evident beginning approximately A.D. 1000, the hegemonic power ruling from above the world's emerging nations lying beneath, has been an association of monetarist interests centered in Venice, except for those pre-1968-1973 intervals when our U.S.A.'s constitutional credit-system was not only willing, but enabled, as under Presidents Abraham Lincoln and Franklin Delano Roosevelt, to hold the nominally British imperial tyranny in check.



## *That Empire Itself*

The present world empire is what has been called the British Empire; apart from the virtually childish fantasies of some, there is, in fact, no other empire presently existing on this planet. However, that empire, loosely described as British, is still, implicitly, a continued extension of its historical root in the imperial role of a medieval and modern Venice which surpassed the financial-monetary power of its former mother, Byzantium, since about A.D. 1000. That rise of Venetian maritime-monetary power had occurred, notably, long after the death of Charlemagne had eliminated the only earlier, real challenger, his France, to the imperial power of Byzantium. The rise of Venice to implicitly imperial power at declining Byzantium's expense, came at the time when Venice had moved into a dominant role as a center of organized international monetarist power, as in the time of Venice's role in the orchestration of the so-called "Crusades;" the now, slime-mold-like, Venetian monetarist oligarchy, has, essentially, retained that ill-concealed kind of its imperial monetary power, still, to the present day.<sup>31</sup>

Unfortunately, that use of the term "British Empire," while fairly said, resonates with the usual effect of misleading the more poorly educated hearers; what reigns today, is still essentially the Venetian oligarchical system of monetarism; but, now, since the rise of the influence of Paolo Sarpi, with the Liberal (and also frequently fascist) system of a Venetian interest operating under a now Sarpian Liberal form, the notion of a "British" or

31. Venetian imperialism, still today, is expressed in the guise of a collective set of oligarchical family interests crafted, explicitly, according to the ancient Roman imperial precedents. Such formations must be examined dynamically, rather than as in a Cartesian image of loose parts. The families are "members of the club," such that the list of the names of the members may be altered, but it is the club as such which reigns in its constitution as a conspiratorial oligarchy of families. Anyone who denies the role of such conspiracies, is either a liar or virtually a babbling idiot.

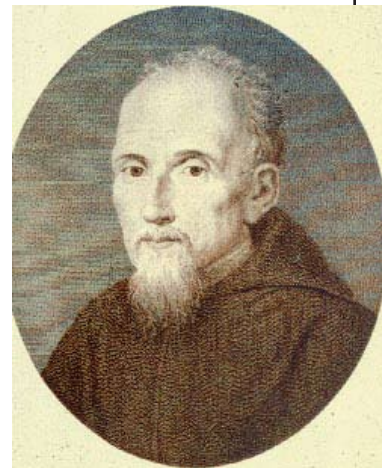
## Paolo Sarpi: Liberalism and Empiricism

The British Empire was founded upon the doctrines of the Venetian monk Paolo Sarpi (1552-1623), himself the founder of Liberalism and Empiricism.

Sarpi was an intelligence operative for the Venetian Doge, waging war against the Vatican. He fanned the flames of the Thirty Years War (Venice played both sides in the endless bloodletting between Catholics and Protestants).

Before Sarpi, Venice had preferred the occult to science (which had stagnated under Aristotelean hegemony for centuries). But changes in the scientific world—from the breakthroughs of the geniuses Nicholas of Cusa to Johannes Kepler—led Sarpi to institute a monumental shift: Venice would henceforth claim to represent science, while institutionalizing the dead hand of formalism and stifling creative discovery. Sarpi abstracted the *method* of Aristotle from the mass of Aristotle's bizarre opinions. Sarpi's promotion of Galileo, notably, against Kepler, was a key part of this operation.

Sarpi argued that since all knowledge is derived from sensation, existence is purely a material phenomenon. Since there is no soul, there are no rational grounds for believing in God, as a Being outside the material world. Sarpi's empiricist doctrine was codified by his contemporary Francis Bacon, and successive generations of English utilitarians, from John Locke, to Adam Smith, to Jeremy Bentham.



"Anglo-Dutch Liberal" empire is the qualified, popular brand-label for the presently adopted expression of a Venetian monetarists' imperial system. The City of London is, for the moment, the place where the public offices of that traditionally Venetian monetarist empire, are still ostensibly located, as if for no better excuse than the convenience of the economic illiterates who might lack knowledge of the global system's actually proper, Venetian, home address.

The spirit of Venice, speaking as if with the voice of

a deadly disease, says to the British Empire, "In the end, we, the heirs of the true, still-living Roman empire, own you!" Such is the essence of the underlying social composition of monetarism.

That part played by Britain, is the key to understanding what might be, for many stubbornly befuddled citizens, still, the otherwise obscured, actual role of the present U.S. Obama Presidency.

We must take into account, but not exaggerate that Presidency's power. At most recent report, President Obama is still a virtual puppet of international financier interests. He bears a London label pinned, by Her Majesty, onto his made-in-Wall Street political attire, but, his office remains, for the moment, a product of a Venetian imperial monetarist interest, that all the way down to the essential roots of its British, e.g., "brutish," behaviorist threads of its soul. So, the current welfare, pension, and health schemes pushed by the frankly-as-fascist-as-Hitler gang identified by Larry Summers and the Behaviorist psychologists, such as the, fortunately, still intrinsically politically expendable Peter Orszag.

"Globalization," otherwise nicknamed "free trade," is to be recognized as an "empire writ large," an empire to be recognized as "Globalization's" now proposed, immediate successor to what is becoming, rapidly, our ruined United States, a former U.S.A. being digested now by the intestines of that imperial power which is being assigned, by current intention, to become a proposed (sic!) new, global, Tower of "Babble."

Of course, were President Obama freed from his administration's presently assigned "Uncle Tom" status as an obedient kisser of the butt of London, his government might be found, by London and Venice, as changed into being a very troublesome fellow for those London monetarists' attempts to continue to manage him. However, unfortunately, for the present moment, as I write those lines, the costume which he is currently wearing, is, still, the trappings of his present, puppet-like servitude, a costume which he wears, for a little while, somewhat like dictator Mussolini, with evident, comi-tragically Caesarian pride.

Somewhere, the deceased Winston Churchill, who once owned Benito Mussolini, is giggling from his grave about that.

### ***Alexander Hamilton's Remedy***

That much now said to situate the case immediately at hand, we have come now to the time to consider the following.

The true economic and related authority of the United States of America among nations generally, has always resided, for longer than that republic has existed, in an impulse first expressed, approximately, in the pre-1688-89 internal economic organization of my relevant ancestors' Massachusetts Bay Colony of that time, as also implicit in the Mayflower Compact.

This early, New Englanders' commitment, still expresses its deep roots in European history. For example: a glance at the true story of the first successful trans-Atlantic voyage by Christopher Columbus, is crucial for understanding how our United States came into being, nearly three centuries later. That part of the personal history of Columbus began for him, about A.D. 1480, when Columbus had learned of the last great discovery of the great Cardinal Nicholas of Cusa, through access, in Portugal, to documents authored by Cusa during the last part of Cusa's life.

As Columbus had learned, the mission which Cusa had defined for the future of modern European civilization, had come to Cusa as a reflection on a worsening trend in European civilization since the role of the Venetians in bringing about the Fall of a Constantinople which was already no more than a vestigial political power, but still a culturally crucial one, as its part in the great ecumenical Council of Florence had already demonstrated, conclusively, during the preceding decades.

Cusa had concluded, that under those culturally perilous circumstances, the mission of modern European civilization required its launching of expeditions crossing oceans, to establish ties in places found thus. It was the documents, by Cusa himself, as part of his legacy, which came before the eyes of a Genoese sea-captain in the service of Portugal, Christopher Columbus. From about A.D. 1480, Columbus was personally committed to cross the Atlantic to make contact with the people residing on the other shores of the Atlantic. He was enabled to accomplish that inspired mission in A.D. 1492 at about the distance expected on the map he used, reaching that goal during the beginning of the time of the onset of the terrible developments, a spread of what was to become Europe-wide religious warfare, beginning that same year. This was the warfare launched by those Venice-steered, Habsburg imperialists who were deeply dedicated to the attempted ruin of the legacy of both Nicholas of Cusa and of that great ecumenical Council of Florence which had been assembled for its great civilizing mission, which had occurred in the

place where the completion of the cupola of Santa Maria del Fiore, was being celebrated at that time.

As a consequence of these developments associated with Nicholas of Cusa and his great civilizing legacy, Columbus' evangelical mission, coming, thus, at a time of the collapse of Europe into the prolonged religious warfare of A.D. 1492-1648, was to inspire waves of courageous colonization, launched from a war-tormented Europe, into the hopeful chances which might be sought across the Atlantic. What was to prove to be the most crucial of these changes came in A.D. 1620, in the area known as Massachusetts.

From our present vantage-point, the historical significance of those trans-Atlantic voyagers has been typified most efficiently by the two settlements in Seventeenth Century New England, by the A.D.1620 Mayflower Compact and the subsequent, A.D. 1635 establishment of the Massachusetts of the Winthrops and Mathers. These settlers were no refugees, but theirs were the efforts of pioneers dedicated to enshrine the best of the cultural achievements of modern European civilization at a relative distance from the system of oligarchical reigns and warfare then dominating a post-Renaissance Europe, that to an often greatly discouraging degree since, still today.

The mission of such voyagers as those was to preserve the best of modern European culture in a form freed of the oligarchical depravity sitting in Europe, even still today, on top of, and in opposition to that great legacy of that Fifteenth-century Renaissance typified by both the friends of Nicholas of Cusa and by the initiation of such true modern, sovereign nation-states carrying forward such Renaissance principles of civilization, as expressed by Louis XI's France and Louis' admirer, Henry VII of England.

This is of critical importance, for the sake of today's urgent need for a deeper understanding of the unique virtues of the Federal Constitution of the United States. It must be recognized that the founders of the relevant leading English-speaking (and also a considerable number of German-speaking<sup>32</sup>) colonists which composed what was to become the Federal government of the United States, came to our shores not as refugees, but as those whose intentions were to be founders of a composition of society conceived in the intentions inherited, in point of fact, from one of the greatest leaders in the founding of modern European civilization, Car-

32. Especially into Pennsylvania.

dinal Nicholas of Cusa, and, later, during the Eighteenth Century, the influence of Gottfried Leibniz.

I repeat this emphasis on volunteers, rather than refugees, as my point here, because my emphasis is not only truthful, but is of crucial historical importance for understanding the cultural roots of, and, thus, the roots of the cure for the presently threatened, worldwide economic breakdown-crisis of the present moment.<sup>33</sup>

On that account, to make clear the mandatory reform on whose model the world as a whole now depends for our escape from a presently onrushing descent into global barbarism, I must repeat myself here, in order to situate and amplify a point which I introduced at the outset of this report. Without taking these matters into account in the fashion I now treat them here, there could be no efficient comprehension of both the nature, and the urgent necessity, of the mandatory general economic reform which I place before you here today.

The principal issue expressed by the migration into those English colonies in North America, from which the core of our movement for independence sprang, was disgust, even hatred of the role, traditions, and habits associated with the dominant place of Europe's oligarchical strata of that time. Such was the hatred of oligarchy expressed by the more spirited souls from among the language cultures of Europe.

That fact and its legacy are expressed most clearly, still today, in the instinctive preference of the Americans for a true republic, as opposed to a parliamentary form of government more typical of today's still presently embedded oligarchical cultural traditions of Europe. In Europe, freedom tended to arrive belatedly, following the explosion of horrors expressed by the French Revolution and Napoleon Bonaparte's emulation of the folly of the earlier "Seven Years War." Within Europe itself, Europe's spurts of struggle for true freedom came usually as a kind of difficult compromise with the oligarchical powers, a compromise which Europe's and other parliamentary systems reflect, still today.

On this point, if we examine the pre-1688 Massachusetts, before the British monarchy's military exertions temporarily crushed the independence of that colony, we see what later proved to be the seeds planted in the republican spirit of the original colonists, seeds

33. I intend to imply the allusion here, to the principle of dynamics, as emphasized by Percy Bysshe Shelley in the concluding paragraph of his *A Defence of Poetry*.



Library of Congress

*The drafting of the Declaration of Independence in Philadelphia, 1776. Left to right: Benjamin Franklin, the political and cultural heir of the Winthrops and the Mathers; John Adams; and Thomas Jefferson.*

expressed in the forms of self-government and development there, including the roots of what would be, later, the eruption of a credit system, rather than a monetary system of the type which is still an habitual inclination in most of Europe today.

Our Declaration of Independence and Federal Constitution, are the most crucial among the important consequences of that missionary dedication of those parties of the European colonists who settled in North, Central, and South America. Such are the deeply rooted, special bonds which unite those among us in these Americas who have understood the special place in history which is shared among the true patriots of our Americas. Such was the specific inspiration of the original colonists led by the Winthrops and Mathers, by their political and cultural heir Benjamin Franklin, and embedded in the

creation of the Declaration of Independence, Federal Constitution, and in the unique role of Alexander Hamilton's definition of a constitutional principle for an American System of political-economy. I speak of a principle, uttered by Hamilton, which is, still, in today's terribly menaced world as a whole, the only handy remedy for the gravest crisis overtaking all mankind in the perilous circumstances of this present moment of world history.

### *The Perils Now before Us*

What has come to be considered informed notions of law, even among some relatively decent officials in our own republic recently, has had, recently, only scant and increasingly rare relevance to the core body of natural law respecting the Preamble of our Federal Constitution. The systemically anti-Locke Preamble, which was conceived and inspired by Gottfried Leibniz's attack on the bestiality of Locke and his policies, reflected a quality of inspiration which was already the core principle of the 1776 Declaration of Independence, a principle which was affirmed, with broader and deeper implications, in the core of the U.S. Federal Constitution, its anti-Locke Preamble.<sup>34</sup>

This has been a principle which the British and their lackeys, the Spanish slave-traffickers, and also the unreconstructed former slave-holders of the world today, still prefer had never existed. This political difference, then, between the oligarchical forces of Europe and the opposing American republics, was expressed most clearly in the adoption of Hamilton's anti-monetarist principle of a

34. E.g., Gottfried Leibniz, *New Essays on Human Understanding*. This work, Leibniz's second thorough attack on John Locke, composed in 1704, but withheld for reason of Leibniz's learning of Locke's death, was transmitted to Benjamin Franklin before its general publication, by the circles of Göttingen's Professor Abraham Kästner. This was the work which inspired the crucial features of law in the 1776 U.S. Declaration of Independence, and was also expressed in that underlying affirmation of Leibniz's natural law in the Preamble of the U.S. Federal Constitution. Franklin was later the personal guest of Kästner at Göttingen. Kästner was Germany's leading mathematician of the middle to late Eighteenth Century, one of the two principal teachers of Carl F. Gauss, and the sponsor of the playwright Gotthold Lessing of the Lessing-Moses Mendelssohn collaboration. Kästner was thus, in this and other roles, at the center of the late Eighteenth-century artistic and cultural renaissance in Europe.

credit system, a credit-system which is the core-principle of the design of our Federal Constitution, that according to Alexander Hamilton's initiative, and in opposition to that oligarchical legacy in law which is the root of a European monetary system, in general, still today. Here lie the deeper roots of the difference between an American credit-system, and a typical susceptibility for such folly among Europeans as what is, for them today, a "traditional" monetary system such as that of Keynes.

### *Cusa & the Westphalian Principle*

However, at this point, I must emphasize once more, that the deeper roots of the American System of political economy, are to be found, still today, in that great Fifteenth Century Renaissance which is centered, still, in processes including the model influence radiated from the great work of Dante Alighieri; from the later, actual historical role of Jeanne d'Arc; and, from the deep-rooted traces of Charlemagne's great reforms much earlier than either of those. Those were the roots, from which a new quality of institution was later to be assembled in the seminal work of such as Nicholas of Cusa, which is to be examined in the context of its crucial, contributing role in shaping the great ecumenical Council of Florence. The foundations of that modern, ecumenical principle of nation-state republic, which was affirmed by the 1648 Peace of Westphalia, and by the closely related founding of the institutions of modern physical science and economy, are to be recognized in the implications of those historical connections to Cusa's work for the entire world today.

It was against that same Fifteenth Century revolution in culture associated with, and expressed by the pivotal great ecumenical Council of Florence, that the Venetian financier oligarchy, which had already absorbed the subverted, putatively rival Genoa into its fold, acted in its promotion of the night-time opening of the gates of Constantinople to the Ottomans, that by the assigned guards, in A.D. 1453, and that event's role in the promotion of the later explosion of religious warfare of the A.D. 1492-1648 interval.

As I have said repeatedly in earlier locations, as also in earlier portions of this present writing, the transformation of a civilization which had been virtually destroyed, into becoming a system of modern sovereign nation-states, had been awakened and informed, that to a crucial degree of importance, by three leading, politically relevant writings of Nicholas of Cusa: 1.) His

*Concordancia Catholica*, which contributed crucially to establishing the essential principle of the modern sovereign form of nation-state; 2.) His *De Docta Ignorantia*, which founded modern European science; and, 3.) his *De Pace Fidei*, which provided the precedent realized in the role of Cardinal Mazarin and others in the crafting of that 1648 Peace of Westphalia on which all civilized forms of modern statecraft and law depend absolutely today. That is a principle which should be, and must be now established as a fundamental principle of natural law of nations for such properly anti-imperialist institutions as what President Franklin Roosevelt had intended should become a destroyer of all colonial systems of the world, a United Nations Organization (UNO). Without adherence to such a principle, a UNO were a travesty crafted in the cynic's mere name of peace, rather than a morally competent body in the conduct of international law among the members of a world-wide system of perfectly sovereign republics.

The entire foundation of what became modern European science, had been built up out of a resurrection of the ruined great scientific and other cultural legacies of the ancient Classical past, as the foundations of modern science were built up through the central, successive roles of Brunelleschi and Nicholas of Cusa. It was the immediate followers of Cusa, in science, such as Luca Pacioli, Leonardo da Vinci, and their outstanding follower, Johannes Kepler, on which all the notable essentials specific to modern science were based.

Those were the immediate historical foundations of such advances as occurred during the course of the Sixteenth Century and early decades of the Seventeenth. This legacy of the Fifteenth and Sixteenth centuries was crucial, but that fact is not sufficient for actually understanding the new wave of creative leadership which emerged around the organizing for, and establishment of the great 1648 Peace of Westphalia, a treaty upon which all of the truly great institutions of European culture, including that of the Americas, have depended up to the present moment. It is that Peace of Westphalia, whose adherence marks the distinction of the honorable from the Satanic, that in all globally extended European political and moral culture today. The connection between the crucial advances of the Fifteenth and Seventeenth centuries, respectively, such as the Council of Florence and the Peace of Westphalia, had been located most simply and immediately in the history of modern physical science, as in work of Brunelleschi and Cusa, earlier; these spirits typify those

## Tony Blair Repudiates The Westphalia System

Tony Blair is a principal spokesman for the British doctrine of global imperialism, whose intent is to destroy the nation-state system established by the 1648 Treaty of Westphalia, which ended the Thirty Years War. Speaking in Sedgefield, England on March 5, 2004, Blair declared: “Before Sept. 11, I was already reaching for a different philosophy in international relations from a traditional one that has held sway since the Treaty of Westphalia in 1648—namely, that a country’s internal affairs are for it and you don’t interfere unless it threatens you, or breaches a treaty, or triggers an obligation of alliance. I did not consider Iraq fitted into this philosophy.”

The address harkened back to Blair’s April 22, 1999 speech to the Chicago Council on Global Affairs, in which he called for preemptive war—the doctrine borrowed later by Dick Cheney to rationalize the Iraq War. Blair said that military interventions by NATO could be justified anywhere, “even though we are not directly threatened.”

On the tenth anniversary of that speech, April 23, 2009, Blair spoke at the same Chicago Council, adding a new twist: global war against “extremist” Islam, with Iran in his target sights.



Council of the EU

fact, that ruling European, pro-oligarchical cultural traditions menaced the intentions of that great ecumenical Council of Florence on which the existence of a modern, post-feudal tradition in Europe depended.

This attack on civilization by what became the doctrine of the British empire, and also of the morally depraved former Prime Minister Tony Blair, as with Lord Shelburne, and, earlier, imperial Britain’s adored image of the Roman Emperor Julian the Apostate, was an attack on Cusa’s *De Pace Fidei*, an attack on the argument by Cusa on which the concept of the 1648 Peace of Westphalia was subsequently premised in the initiative of the great Papal peacemaker, Cardinal Jules Mazarin. That was the Peace of Westphalia which the thoroughly depraved British Prime Minister Tony Blair sought to destroy in an infamous Chicago address.

### *It Was Born in Boston*

In principle, the American System of political-economy had been born in Boston, Massachusetts, as a system of scrip created by the government of the colony, a system of scrip used to promote public and private improvements, which had been introduced at a time that Massachusetts’ economy was technologically, for a time, in advance of Britain in the matter of the spirit of manufactures, as the case of the Saugus Iron Works has often been referenced, since, as

who provided the foundations for that mid-Seventeenth-Century, upward leap in what is to be recognized today, more immediately, in the competent practice of modern physical science as by Gottfried Leibniz, and the foundations of modern Classical music located in the outcome of the subsequent, Eighteenth-century, work of that great genius, Johann Sebastian Bach.

However, there is another distinction of crucial importance for today.

Cusa had also contributed another policy which, as I have noted, earlier, was crucial for the subsequent coming into being of our United States. In the aftermath of the Fall of Constantinople, and its ensuing developments, he had recognized the deeper implications of the

an illustration of this point. That bountiful use of scrip created by the authority of the government of Massachusetts, had been uprooted by the actions of the English monarchy of the tumultuous passage of power from James II to William and Mary. Nonetheless, the principle was maintained in the memory of Benjamin Franklin and others, as a legacy of the Winthrop and Mathers. It persisted, almost as a matter of instinct among such leading American patriots of the Eighteenth Century as the followers of Cotton Mather’s injunctions, that great, Massachusetts-born, American genius Benjamin Franklin, most notably.

The precedent of scrip was revived at the prompting of another young American genius and an associate of

the aging Franklin at that time, the Alexander Hamilton who had served as General and President George Washington's aide, and was to become, later, U.S. Secretary of the Treasury. It was that Hamilton, so situated, who created the principle of design for the American System of political-economy. Hamilton's conception of a sovereign system of national credit, is to be recognized, still today, as an echo of the same spirit which had launched the role of scrip during a notable period of the life of the Massachusetts Bay Colony. That system which Hamilton's authorship built, thus, into the foundations of the U.S. Federal Constitution, became the act of genius on which the rise to world-leading physical-economic power of our United States depended.

No presumed American, or other economist can be considered as actually competent in such matters, who has not yet learned, or begun to have learned, and also adopted, that lesson as virtually the essence of the American citizen's oath of allegiance to our United States. The great struggle for the existence and survival of our United States, against our constitutional republic's most persistent adversary, the British Empire, has been once won, and won again, periodically, repeatedly, as under President Abraham Lincoln, during our republic's past history, through a resort to that great principle of the use of the principle of a credit-system, that done in opposition to that great, perpetual adversary of our republic, which is the imperial monetary system typified by that British empire, which was founded in February 1763, under the leadership of Lord Shelburne's British East India Company.

That is the key to understanding the historic implications of the genius of President Franklin Roosevelt's rescue of a virtually bankrupted United States from the wreckage caused by less-than-patriotic Presidents such as Theodore Roosevelt, Woodrow Wilson, and Calvin Coolidge, or, the similar Presidents, later, Richard Nixon, and the eternally, and infernally notorious Bushes. This turns our attention to that outright traitor, the Vice-President Aaron Burr who, in turn, often appears to be the role-model, today, for that ever-slimy, greasy, smelly, whining and lying, somewhat Tennessee possum-like London lackey, and former Vice-President, Al "Sixteen-tons-and- the-Company-Store" Gore.

It is only a fully conscious, deliberate return to that great principle of economy which Hamilton's discovery and its influence embedded in our constitutional, great American System of political-economy, which

could now rescue the planet as a whole from the presently accelerating plunge into a global new dark age of several generations' duration. This special destiny of our United States is lodged within the organic history of this hemisphere since those discoveries by Christopher Columbus which had been prompted by the person of one of the most gifted geniuses of modern European history, Cardinal Nicholas of Cusa.

To realize what a presently aching world now needs the most, we must now declare an existing state of general bankruptcy of the present international monetary system, and must, at the same time, declare our commitment to support those reforms by other sovereigns who seek, appropriately, to remedy their comparable afflictions by joining with us in use of comparable means for establishing a global system based on commitment to security for the sovereign credit of cooperating sovereign nations, nations who cooperate without compromising any of the essential, perfect sovereignties of cooperating other nations.

The task is comparable, in principle, if much broader and deeper in implications, to the reform of the U.S. banking system which was organized by President Franklin Roosevelt. This is said here in recognition of the most pertinent reality, that the vital interests of both Russia and the principal nations of Asia, could not be defended under present global conditions and trends, except by means of the specific type of anti-monetarist reform—i.e., anti-imperialist reform—which I indicate here. The alliance of those nations of Eurasia with the U.S.A., on this account, would constitute an overwhelming power for the cause of a reform which would have the unique advantage of its appeal of being in the presently urgent, common interest of each part of all mankind.

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### III. The New World System

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*At this juncture in the report, I must repeat, that all those presumed economists and leading political figures of the world's nations today, who utter statements presuming that there is the prospect of a recovery of all, or any part of the present world financial system, deserve to be awarded the quality of mental health protection awarded to those who scream "no fire" in already burning, crowded theaters; like deserters in warfare, by their hysterical denial of reality, they are endangering the lives of a great part of all civilization now.*

*Contrary to some widely expressed, wishful thinking from various quarters of this planet, there never will be, because there never could be, an actual recovery of this present world financial system, at any time, ever. Therefore, any official of any leading government who reports his, or her opinion that a recovery of this particular system is possible, is now to be regarded as a danger to the health and welfare of society.*

*Only a radically new world system could prevent the planet's plunge into a new dark age of this planet. Only under the condition that the President discharges the frankly fascist team of the so-called "behavioral psychologists" and their Nazi-designed present health-care and social-security schemes, could the administration of President Barack Obama be saved from going down with our ship of state. Under that condition, as I have said repeatedly, I am committed to using my rather unique competence, for saving that administration, if President Obama is willing.*

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The crucial issue for all mankind is: unless the entire planetary economic system is put, very soon, into a certain kind of general reorganization in bankruptcy, a change from a monetary system to a Hamiltonian credit system, the world as a whole would surely fall, soon, into a prolonged new dark age for humanity, with a consequently likely, and relatively rapid collapse of the world population to that goal of less-than-two-billions persons demanded by the "environmentalist" hoax of World Wildlife Fund representative Prince Philip.

To block the mass-murderous scheme of that Prince Philip, the term, urgently needed reform, means:

*a.) cancelling the existence of the Liberal form of the present world monetary system, together with that monetary-system's own present, specific, integral treaty-agreements,*

*b.) if we intend the U.S.A., in particular, to survive the present crisis, we shall be writing off the entirety of fictitious monetary claims, such as debt which is rooted in financial derivatives, or other forms of mere gambling debts, now "on the books." The latter obligations must be "torn up and annulled," as in the mode of U.S. financial-bankruptcy proceedings, whenever those claims do not meet the standard of protectionism implicit in the excellent model of the former U.S. Glass-Steagall Act;*

*c.) defending what is then determined as being valid financial assets, by converting that validated portion of financial claims into values within the bounds and terms*

*of processing of a credit-system of the type consistent with the intent of the Glass-Steagall Act, and as had been specified for the U.S.A. by the proposals for American national banking, by U.S. Treasury Secretary Alexander Hamilton.*

Such are the urgent, essential considerations to be applied to promotion of what meets the specifically President Franklin Roosevelt standard for a valid "New Bretton Woods" system. This rule must be applied, specifically to defeating the inherently ruinous, imperialist schemes of monetarist John Maynard Keynes, which had been rudely and summarily rejected by President Franklin Roosevelt, but, despite that, have been inserted by the British asset, U.S. President Harry S Truman.

*The implicitly imperialist, present world complex of monetary systems must be replaced now, through a reorganization-in-bankruptcy of the present monetary system, and replaced by a global credit-system consistent, as to matter of physical principle, with the model of U.S. Treasury Secretary Alexander Hamilton's reform. Otherwise, without that action, there is no possibility for a present recovery of the world's principal economies presently existing.*

Blame former Federal Reserve Chairman Alan Greenspan for the pain which that reform may prompt; he burned up all the other options.

At the present time, for as long as the presently impossible situation created by the monetarist forms of the present systems of western and central Europe, persists, the actual integration of many parts of the world into the replacement of a monetary system, by a "Hamiltonian" credit-system, must be begun by the initiative of a concert of a limited number of forces composed chiefly of the massive power of persuasion represented by the combination of U.S.A. and certain leading Eurasian nations such as Russia, China, and India.

Even though, otherwise, the nations of western and central Europe, especially those nations which have temporarily abandoned the principle of national sovereignty under demands by London and its accomplices, could not, for that reason, be brought immediately into the general agreements among those other nations whose sovereignty has remained only somewhat intact. Nonetheless, we must acknowledge the right of those nations with such impaired sovereignties, to choose to resume their full former sovereign powers. In such cases of nations which have given up their former sovereignties temporarily, or nations, such as many of those of Africa, which have been long denied true sovereignty

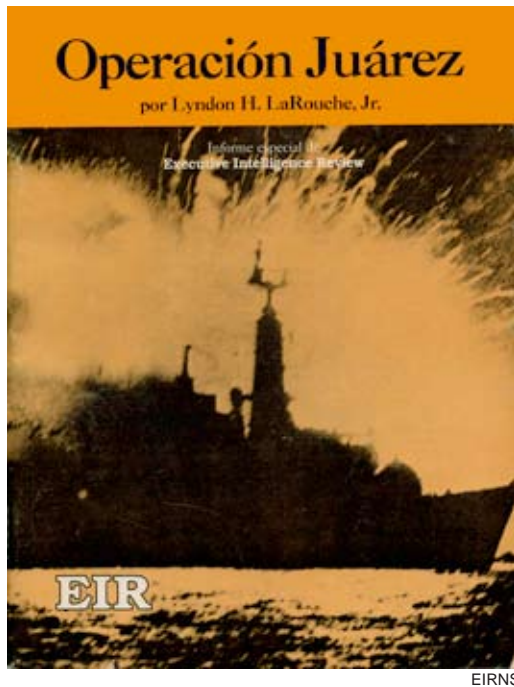


by the British empire and that empire's accomplices, we must proceed, nonetheless, if temporarily without them, to the needed international reform, that of a set of credit systems like that prescribed by Hamilton, rather than continue to tolerate obstruction by the relics of inevitably foredoomed, present monetarist systems. This reform, if by only some nations, must be done with our intention of proceeding immediately toward the achievement of the full sovereignty of all nations through the initiative of some nations, as President Franklin Roosevelt had intended that to become the effect of an anti-colonialist, anti-imperialist United Nations Organization (UNO).

In the case of the Americas as a whole, my own, 1982 "Operation Juárez," defines the most appropriate mechanisms for bringing the Americas as a whole into congruence with the defined Eurasian relationship among the keystone states of the U.S.A., Russia, China, India et al.

Those intended relevant actions of global reform, will be sufficient to enable those appropriate reforms made in knowledgeable anticipation of the effects of the immediate reforms by the selected, initiating agency of some nations; all nations, including those nations in Europe whose sovereignty is now crucially impaired by supranational conditionalities, which must be given the implied right of return to their true sovereignty, and their consequent incorporation into the arrangements for the initiating U.S.A.-Eurasia kernel of the more general reform.

The right of all nations to be incorporated, sooner or later, must be protected from the start, as being the rightful opportunities extended, for example, to western and central European states for a status of full parity in their intended ultimate integration into the general reform in progress, as if they had never lost their perfect sovereignties, sovereignties lost as if by some design according to the impulses of such wicked agencies as those jointly, of the British empire's Margaret Thatcher,



*LaRouche's 1982 "Operation Juárez"—a proposal for collaboration among the nations of the Western Hemisphere—is a model for the changes needed today. The emphasis is on long-term investment in infrastructure, notably including nuclear power.*

of U.S. President George H.W. Bush, and of France's President François Mitterand,<sup>35</sup> The relevant principle in this matter, is the principle of proper international law, that, that which is worthy to be believed, is also a form of credit (which includes claims premised on what would have been, morally and under proper law, but which have been the victims of inherently fraudulent elements akin to financial derivatives).

For example, similarly, in the case of Africa, there could be no morally acceptable form of agreement to the new system which did not intend, essentially, to kick the present form of British abuses out of the system, abuses such as Britain's clearly indicated genocidal schemes for that continent. The present British and kindred abusers must be removed entirely from the continent of Africa, bringing benefits for Africa, which were implicitly kindred to those intended for the nations of western and central Europe.<sup>36</sup> In this matter,

continent of Africa, bringing benefits for Africa, which were implicitly kindred to those intended for the nations of western and central Europe.<sup>36</sup> In this matter,

35. In his last great public address, U.S. President Abraham Lincoln proposed that the former states of the Union must be taken back into the Union with the full rights, as member-states of the Union, which they would have enjoyed had they never left it. The principle of a Pecora Commission is implicitly U.S. constitutional law today, as that notion may be applied to nations whose sovereignty may have been temporarily impaired.

36. The currently vigorous insistence, by a certain circle within the Obama administration, on immediate application of a series of pro-genocidal measures in health care and related policies which that administration has copied, that in exhaustive, expanded, and increasingly exact and elaborated detail, from the Nazi regime of Adolf Hitler, is a crucial error for which the relevant persons and institutions can be neither tolerated nor forgiven. Those elements of the administration must go immediately. Those elements within the administration must be expelled, together with their Nazi-like social and economic policies. The guilty parties are such nations which practiced slavery and the drug trade in opium and kindred habits, associated with the earlier Habsburg, and later Nineteenth-century monarchies of Iberia, the Netherlands, and above all others, the British monarchy, especially that practiced under the British East India Company throughout the existence of that Company and its drug-trafficking successor, the British monarchy still today.

there is no present British imperial, or kindred special interest which could be allowed to be treated as an exception to the intended universal reform.<sup>37</sup>

What the United Kingdom itself must be given, is the opportunity for practicing honest, scientifically progressive improvement of the conditions of life, health, and productivity of its own citizenry, a devotion better served without what have become the traditionally imperialist, and related practices of that monarchy.

Once Eighteenth-century London had then adopted what were in fact imperial authorities over some nations of the continent of Europe, as it has done, emphatically, under the terms of the February 1763 Peace of Paris, Britain had made itself a virtual empire, initially an empire of the British East India Company, which remains inherently subject, to the present day, to accountability to those nations which it had participated in abusing in that fashion.

The remedy for the case of the Americas as a whole, has been specified by me in my August 1982 "Operation Juárez" draft. That outlined action, presented then, must be slightly adjusted now, to take into account certain more recent developments within the region of that hemisphere as a whole; but, the notion on which that 1982 design was premised, serves as a model of reference for the present moment.

Great emphasis on nuclear power, is an indispensable right for the present development of the future of each and all of the sovereign states of the Americas, in particular, now. This also means an emphasis on long-term investment in building the basic economic infrastructure of economies which are themselves committed to the imperative of advanced technologies based on high energy-flux density-driven development of both infrastructure and comparable technologies.

Without what I have indicated here as the leading role of the U.S.A. in this approach to reform, there would be no hope of escape from a planetary new dark age for any part of humanity as a whole. Were the existing legitimate debt of the U.S. dollar (which should not be permitted to include financial derivatives and related forms of speculation as legitimate) not to be protected in international financial-economic relations, the entire planet would be, in fact, promptly plunged, now, into a hopeless, chain-reaction form of economic disintegration.

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37. You do not approve of this measure? Then it is your misfortune that you have no competence but to accept it, nonetheless.

These other nations are prisoners-in-fact of the need for the continued viability of outstanding, U.S.-denominated international obligations. Unless the U.S.A. were enabled to satisfy the morally legitimate part of those debts at the same time as promoting its own self-development, even if the benefits to the world at large would be fully realized only over the medium to long term, the U.S.A.'s creditors, in Asia as elsewhere, would be wiped out, and, consequently the world as a whole would be quickly plunged into the kind of a general breakdown-crisis from which existing nations of the planet would cease to exist within their present definitions of nationhood, and the population of the planet would probably shrink from a presently estimated level of 6.7 billions down to the order of two, or even less.

Meanwhile, most of that mass of virtual quadrillions of dubious financial obligations, such as those traced to the cancerous growth of financial-derivatives contracts, must be wiped from the books, by applying the standard of the idea of the U.S. Glass-Steagall Act as a model conception for international application.

Therefore, one should know, with good reason, that if the relevant forces of the British empire do not intend to bring about the termination of what Prince Philip has expressed as the intention of his frankly fascist and imperialist World Wildlife Fund, and his scheme were permitted, the world as a whole is doomed to a prolonged "New Dark Age." His efforts to promote precisely such a "neo-Malthusian" catastrophe, show, that that outcome would be precisely the effect of continuing present British imperial policies, such as those of Prince Philip's Nazi-like World Wildlife Fund, in particular, and, also, the downward trend in health-care policies of the United States and continental Europe, a present trend in Obama Administration policy, which is chiefly an intended expression, on global scale, of not only the Hitler regime, but also that of the Nazi-like, British health-care and related practices, both in Britain, and now intended by London and its dupes within the current Obama administration for the world at large.

One of the several crucial matters to be addressed in this portion of the report, is precisely the implications underlying the specifications which I have just supplied in opening this present chapter of the report as a whole.

### ***The Challenge Now Set Before Us***

*This report has now come to the matter of the treatment of those notions of physical science which bear*

*heavily on the defining of the remedies for the present world existential quality of economic crisis.*

The urgently required, general reform of the world system has two, respectively distinct, but interdependent features.

The first, is the relatively simpler challenge of replacing existing monetary systems entirely, by means of the imposition of a global credit system modeled on the design introduced by Alexander Hamilton. It is urgent that this be extended now, immediately, as promotion of the establishment, or re-establishment of sovereign national credit-systems of the respective nations. This is to be done in a manner bearing on the precedent which the then-future U.S. Treasury Secretary Alexander Hamilton had prescribed in such a form, which was later enacted as the fundamental constitutional principle of a credit, rather than a monetary system, by the Federal Constitution of the U.S. national republic.

The second, more challenging feature, is that of setting the physical-economic parameters for that reformed system which represents the only visible remedy for preventing the presently-in-progress, now-accelerating plunge of the planet toward early arrival at the depths of a general, global economic breakdown-crisis.

On the first account, which I shall address in the following parts of this present chapter, the prescriptions for a credit-system, by Alexander Hamilton, are elementary and clear for anyone who wishes to proceed decently in this matter. I shall refer to those conditions briefly, since the systemically irreconcilable difference between a national credit-system, and an implicitly imperialist monetary system, such as that of Britain's John Maynard Keynes, is, as the case of the adoption of the U.S. Federal Constitution shows, a relatively elementary change in itself, on the condition that the principle of the matter of the included differences is honestly and competently stated.

On the second account, which I treat after that, matters become intellectually more challenging scientifically. There is where, with one qualification, the greater part of the emphasis and discussion of terms of economics as a physical science, instead of a system of financial accounting, must be brought into my report.<sup>38</sup>

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38. As I have noted earlier, whereas physical science is key to our relations to both the Lithosphere and Biosphere, man's relationship to man is located essentially in those principles of Classical poetry and music, which pertain to man's contemplation of man in the Noösphere.

### ***First: Credit As Such***

On the first account, the crucially significant difficulty challenging most of today's otherwise competent economists, is that the monetarist system is the only system with which most of them have made a familiar habit. Therefore, the efforts of the saner breed of economists and related professionals, prior to the administration of President Richard Nixon, had been focused, chiefly, until March 1, 1968, on the design of the kinds of solutions for problems which had been accepted by the less exotic variety among U.S. economists, as being within the bounds of what was sometimes identified as a "fair trade" model for our U.S.A. financial-economic system as such.<sup>39</sup>

On that account, much the best of what the relevant more competent monetarist economists tend to argue today, had a large degree of approximate competence, for as long as the problems addressed had situated themselves within the bounds of apparently approximate coincidence between what was considered as a working model of the American constitutional credit system of Hamilton et al., and an associated description of the same problem in the terms of a sensible sort of protectionist form of monetary system, both in opposition to the insane and intrinsically immoral free-trade form of the ruinous type asserted by the U.S. Administration of Richard M. Nixon.

Such was the practical issue of our U.S. practice, for as long as the present policy lay within the confines of those restricted pre-conditions. Such was the force of habit, as we encouraged continued respect for that practice even decades after that habit was no longer tolerable.

However, since the inauguration of Nixon, and the wrecking actions of 1971-72 taken by that administration under the guidance of Arthur Burns and George Shultz, such as the terrible, virtually treasonous folly of August 1971, and Shultz's role in the matter of the international monetary system, matters turned radically worse. A "free trade" system emerged, raging through the U.S. and world economy like a destructive force, as under the Trilateral Commission's control of the Carter Administration. One after the other change in policy, such as the unconscionable butchery of the extremely

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39. The "exotic economists" were typified by followers of the positivists Ernst Mach and the extremist Bertrand Russell, as typified at their worst by the "ivory tower school" of such Russell devotees as Professor Norbert Wiener and John von Neumann.



EIRNS/Stuart Lewis

*LaRouche gives his July 25, 2007 webcast. “There is no possibility,” he said, “of a non-collapse of the present financial system—none! It’s finished, now! . . . Only a fundamental and sudden change in the world monetary financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don’t know, but it will go on, and it will be unstoppable!”*

valuable Savings and Loan associations as we see the result of that in the housing crisis of today, had each been more insane than what had been true a short time earlier.

Thus, the Reagan Administration had inherited a regime in which the grip of the Trilateral Commission’s poisonous ideology, and, therefore, the approaching deep crisis of the U.S. should have appeared, as virtually inevitable, in the views of astute economists, especially after the first quarter of 1983.

Thus, the pre-1968 conditions of tolerable compromise of a protectionist system with a then-emerging, radically “free market” mode, had ceased to exist. An intrinsically ruinous, radically “free trade” system was substituted under President Nixon. The state of wreckage generated by that and subsequent radical changes, has produced what has now become, and that absolutely since the close of July 2007, the present global calamity. Now, every relevant policy adopted by the U.S. government since September 1, 2007, has been, in effect, as what New York City’s “Crazy Eddie” praised as “insane.”

When the October 1987, 1929-style crash of the Wall Street market hit, that monetary system, which was already very sick, had seemed, nonetheless, to many still, as manageable up to that point. With the October 1987 stock-market crash, the situation became increasingly unmanageable. The economy careened, and that more and more recklessly, under the influence of the incoming of Federal Reserve Chairman Alan Greenspan. With the unleashing of what were implicitly unconstitutional swindles such as “financial derivatives” and the “Y2K” hoax, vast floods of financing poured into markets in the name of averting an alleged bookkeeping-crisis of January 2000; this ruined the banking system, thus marking the approach of the beginning of the end for the very, very sick, present financial system. From that point on, the wildly speculative, implicitly hyper-inflationary “financial derivatives” policies of Paul Volcker’s successor as Federal Reserve Chairman, Alan Greenspan, had turned from what had been a mere swindle, at

the outset, into the cancerous unleashing of the utterly, overtly, even flagrantly larcenous, insane wrecking of the very foundations of our own and other banking systems.

So, from since Spring 2000, on, the monetarist form of the present world system as a whole became increasingly unmanageable, despite the distraction against which I had warned publicly on January 3, 2001, which was unleashed by extremely wealthy interests behind “9-11.” Since then, the underlying, systemic difference between a monetary system, as such, and a credit system as such, could no longer be reconciled under the same constitutional roof. That change in the state of affairs, has been clearly the case not only for the U.S.A., but globally, since the time of my announcement of such an imminent breakdown of the system, in my international webcast of July 25, 2007.

Now, if those recent trends are continued, one or the other part of the world system as a whole, either the monetary system, or civilization generally, or both, must soon disintegrate. If continuation of the present monetary system in some modified form, were the

choice made, as that has been the choice made by the U.S. Obama Administration so far, the U.S. itself, among the similarly perplexed other nations of the world, were virtually already doomed. This fact has been abundantly demonstrated as the relevant current trend, repeatedly, since that time, to the present date.

What the reckless, mentally strange Larry Summers, for example, has failed to grasp, as has Federal Reserve Chairman Bernanke, is that that U.S.A. and British regime of outright stealing, fraud, and other swindle, both public and personal, is now combined with a Hitler-like program of health-care reforms for ridding us of the burden of alleged “useless eaters.” All of this has been proceeding on a relative scale far worse than that of Weimar Germany of Summer-Autumn 1923, a calamity which is combined with a health-care program as Nazi as that declared by Adolf Hitler in 1939. This policy of the Obama administration, thus far, is not clearly not the all-American road to recovery; exactly the contrary.

It must be emphasized, therefore, that, however unfortunately, if a monetarist approach were preferred under present conditions, no present economic system of this planet could survive even for the relatively short term immediately ahead. That is the type of condition of what had been known, if only prophetically, in the relevant European literature from the beginning of the Twentieth Century, as “a general breakdown-crisis.” This is, presently, the worst crisis of civilization previously experienced in European history since the so-called “New Dark Age” of Europe’s Fourteenth Century. Thus, we have now more than reached a roughly comparable point of extreme, global crisis.

Today, only the very silly heads of states and governments would deny that fact, at least not in their private discussions with their most trusted professional confidantes. For Germany, for example, 1923 has returned to run amok again in 2009. Germany is now already *en route* toward an echo of the November of that 1923, this time not only for Germany, but on a global scale. All the nations of western and central Europe, in particular, and beyond, are presently gripped by pre-



*The U.S. Revenue Cutter Massachusetts, launched in 1791 during Hamilton’s term as Treasury Secretary, patrolled the Atlantic coast to protect the precious revenues of the U.S. Treasury.*

cisely this, already rampant, accelerating state of affairs.

That much said up to this point, we now proceed toward the meat of the matter, the urgent reform itself.

### ***The American System’s Dynamics***

Let us now pause in that account, only briefly, before plunging into those deeper scientific issues here which are the core subject-matter of this report, I offer a few very important observations offered to define the setting of the scientific issues as such.

Historically, the essential difference between the American System of political economy, which was developed in a pilot form in the Massachusetts of 1620-1688, as opposed to the traditional European systems prevalent since, remains as a kind of difference between, on the one side, the American tendency, which converges on Alexander Hamilton’s vital contribution to the U.S. constitutional system, and, on the opposing side, an intrinsically monetarist, therefore imperialist system, a system which is still reigning in Europe, and, at least, in the last report received on the presently very angered state of mind of President Barack Obama. As I have already pointed out in earlier chapters of this present report, the imperialist character of the prevalent systems of economy of Europe, and also, for this moment, the current U.S. “White House,” remains, to this pres-

ent day, as lodged in the existence and role of all true monetary systems.

The urgently needed general form of remedy for this presently careening global-breakdown crisis, is the elimination of all present vestiges of monetary systems, that just because they are intrinsically imperialist by their axiomatically defined nature as supranational systems. The revival of those presently ruined national economies can occur only through replacement of those monetarist systems by Hamiltonian-like national-credit systems. Otherwise, you, personally, are also soon doomed.

As I have repeatedly emphasized, the new systems must be organized through the establishing of Hamilton types of national banking systems, systems based on a monopoly of the power of the sovereign nation-state to create credit for that sovereign nation, thus banning the continued existence of what are the implicitly imperialist, present international monetary systems.

The required reforms must, therefore, be effected through long-term treaty-agreements, as President Franklin Roosevelt had intended, arrangements which must be associated with a set of fixed exchange-rates of the currencies specific to perfectly sovereign, but cooperating national-banking systems.<sup>40</sup> Notably, President Harry S Truman's implicitly treasonous agreements with Winston Churchill, beginning April 13, 1945, et al., the agreement to subject the U.S.A. itself to the British imperial monetary system of John Maynard Keynes, destroyed the hopes of most of the victims of Anglo-Dutch Liberal imperialist rape, not only in Africa and Asia, but the world more broadly.

Globalization must be thoroughly uprooted. Typical of what must be uprooted, are the relics of a Keynesian imperialist monetarist system which is now hopelessly bankrupt to the degree that there is no present actual hope for any part of humanity without eradicating the form of monetary imperialism presented in the German, 1937 Berlin edition of Keynes' *General Theory*. The now hopelessly bankrupt monetarist systems must be uprooted, and replaced with a Hamiltonian design of a global network of sovereign state-credit-system coop-

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40. It is sufficient that the relative rates of currency valuation must be near to what could be fairly consistent with the relative valuations of a recent period. The crucial issue, for the long term, is not the precise market-valuation, but the nearness to a recent historical set of prices. >From that point of agreement on, it is the rate of development of the economies which had effected that agreement, which is the location of the actually essential interest of the treaty-partners.

eration among what are, respectively, perfectly sovereign nation-states united by the 1648 Peace of Westphalia, and that Peace's precedent, Nicholas of Cusa's *De Pace Fidei*.

It is, and must become the case for us in the United States, that it is the capital created by the sovereign nation-state, as under the provisions of the U.S. Federal Constitution, which is the only permitted source of the net of uttered domestic currency and debt of the sovereign nation-state. However, this debt can be used, but used properly only under usury-free treaty-agreements of the type inhering in the application of the U.S. Federal Constitution, for long-term credit shared among treaty-partners sharing such a system.

Take the specific cases of Russia and China as illustrations of the principled forms of actions involved.

### ***Russia & China Now***

Russia's and China's are complementary economies. Russia is characterized in a crucial way by the historical development of the nation, since Czar Peter the Great, as through the initiatives, earlier, of Prince Peter the Great's association with the Freiberg which contributed much, as seed-crystals, to the success of Peter's promotion of scientific revolutions. What was recently known, as also during the Soviet times, as the Academies of Science, represent tasks defined by a vast, presently thinly populated territory with vast mineral and other potential, and with the indispensable quality of scientific legacy needed to develop this territory to the combined advantage of its own people and of both its immediate Eurasian neighbors and far beyond. That Russia is the neighbor of a sometimes densely populated set of regions, including the territory of a China which now depends largely on improvements in trading relations with, notably, Russia, Japan, and Korea, and also the U.S.A., combined, for both the mobilization of supply of both mineral resources and science-driver assistance.

The recent commitment of a China which had been lured into use of its relatively cheaper labor force, as one organized to undersell, and replace the output of U.S.A., European, and other locations, resulted in China's vast dependency upon the long-term viability of those, and other, foreign markets for its exports. In the case of China and comparable other cases, "Globalization" has turned out to be not only a terrible mistake, but a grave immediate danger to these nations.

There have been two cruelly ironical outcomes of

this experience by China to present date.

There has been, as I have just noted, a collapse in the export markets for China's goods. Under present trends, those foreign markets for China's exports will continue to collapse, and will not only remain collapsed, but continue to fall at accelerating rates, for as long as the present world monetary system is continued, for a generation or more, and also for as long as the present world monetary system exists. In short, China was caught short, as having gained the high-point of its recent export-levels, by selling China exports so cheaply as it had done. Thus, there is no foreseeable long-term recovery for China in any attempted to simply return to those recent export strategies.

There should be no mystery why the London-directed international cartel introduced the policy of "globalization" under which nations living in a semi-colonial past were induced to absorb the function of a cheap-labor market for the elimination of leading industries in North America and Europe. The immediate effect of globalization was the destruction, in Britain's adopted self-interest, of the economies of the nations of North America and Europe, including the former economies of Eastern Europe and the Soviet Union.

The next step was globalization of the world market, such that each nation was forced to rely on purchase and consumption of essential elements of its consumption which had been produced by other nations. Each nation being dependent on a world market controlled by the London-centered cartel of "globalization," was the essence of this swindle, up to a certain point.

Now, another shoe has dropped. At the same time that the margins of monopolist profit by the international swindlers have enriched them, the economies of formerly productive nations, such as those of North America and continental Europe have been looted through this "free trade" system. This has come lately to the point, that the collapse of the nations of the market for China's relevant exports has brought about what is presently a permanent collapse in the economy of China, in particular for as long as current international monetary systems continue to exist.

### ***Back to Growth!***

However, under the conditions defined by a turn to the Hamiltonian credit-system, rather than a British-steered imperialist, Keynesian monetarist system, very clear, new qualities of more fortunate opportunities for China's future appear.

Only through the establishment of a Hamiltonian form of international credit-system, could China escape this present trap; and, if China goes so, the world in general, as all of Asia, would dwell in Hell for generations to come.

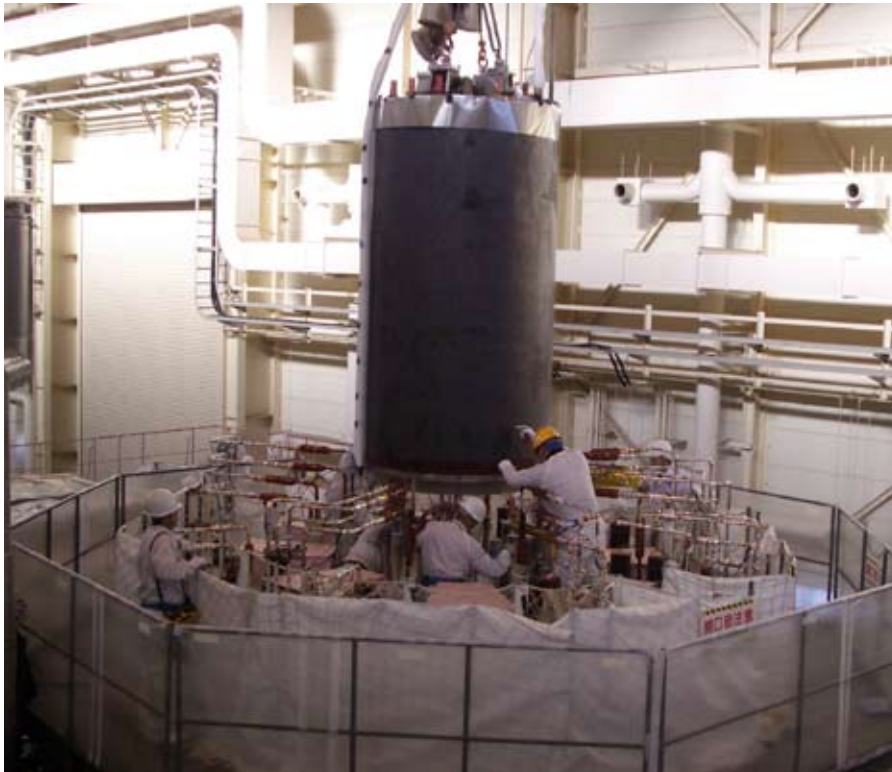
Admittedly, until a recent time, it has been possible to maintain the form of useful trading relations which pertain to programs of internal development of nations, especially those of so-called developing nations. Many of the principles expressed in such development are still valid in principle, and are useful references for the future; however, their fault lies in the limitations within which such useful measures are situated. That is to say, that we can use the lessons of this presently limited work on development within and among nations as a kind of "school of technology" which can then be applied, on a larger scale, to a happier global climate for development. The maintaining of an active cadre of qualified specialists in this work today, will be indispensable aid for development on the more serious, broader scale tomorrow. The necessary enlargement of such development programs is no longer possible under the presently collapsing, world, pro-Keynesian system.

Once we have said and understood that qualifying observation, we are free to consider the larger reality of today.

The issue so posed, is: how much development, both in quality and in scale, represents a well-defined technological development program, as much as of a break-even level of development of a nation? China needs expansion in productive powers of labor, per capita and per square kilometer even more than it clearly does require growth in the scale of useful production and services. This can not be done without a physical, capital-intensive transformation.

China requires long-term physical capitalization of a shift into in-depth, capital-intensive modes of development of its population as whole. We are speaking of a period of capital development of the productive forces of China, per capita, and per square kilometer, during an initial, interim period of about a half a century. This means two generations of step-wise increase of the culturally determined productive powers of the population, combined with a relevant inflow of raw materials, and also an increasingly capital-intensive accumulation of investment in physical capital relevant to production.

The design of such an urgently needed reform in



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*The success of the new world credit system discussed here requires a primary emphasis on nuclear fission and fusion technologies. Shown here, a test coil being built for the ITER Poloidal Field coil, at the Naka Fusion Institute in Japan, January 2008.*

perspective is not possible under any system with the intrinsically imperialist characteristics of a Keynesian or comparable international monetary system. No competent remedies would be possible under a continuation of that presently London-dominated world imperial system, especially for as long as President Obama remains a victim of that British imperialist monetarist system.

Under the introduction of a Hamiltonian credit-system, and excluding a Keynesian or kindred monetary system, as President Franklin Roosevelt had intended, China's neighbors Russia, and other former associates of the Soviet Union, Korea, and Japan, and the U.S.A. and Europe, must be regarded as the principal sources of capitalized credit and technological cooperation uttered for global development. The goal of such development must be in the order of a century of fair estimates and a more definite half-century of intentions supported by treaty-agreements under a world credit-system, now replacing the presently dying monetary system. The possibility of success of such a program demands a primary emphasis on nuclear-fission

and thermonuclear-fusion sources of power, as being the specific modalities corresponding to the degree of a physical-chemistry of development and defined potential energy-flux density required to support the technologies which are indispensable for such a program of a half-century to century-long perspectives. This also requires the immediate reserving of plutonium-supplies for charging uranium and thorium nuclear reactors in Asia as in other parts of our gravely troubled world.<sup>41</sup>

To realize those objectives for China and Russia, there must be a vigorous rebuilding of the cultural potential for high-technology development within western and central Europe and North America. This case for Russia and China is paradigmatic for the urgent reform of the world credit-system as a whole

Explication in related directions, for other exemplary cases, is

sufficiently well implied. Therefore, return for consideration of the example I just indicated, to attention to the matter of the global implications of the system of long-term, fixed-exchange-rate-driven capital formation, which the case for China, just summarized, implies.

Under the urgently needed, happy reform, we will be, admittedly, building a vast capital debt as a result of the uttering of debt-based, very high-technology capital formation within the uttering by national-banking systems. However, under the replacement of the present

41. Since any future warfare among leading powers would be a thermonuclear war from which little would survive, it is not necessary to reserve plutonium stocks for preparing for a war which everyone would lose. Such wars must be prevented. It is important to note here, that the imperialist method has depended, since the Peloponnesian War, on inducing intended victims to destroy one another, so that the real imperial force, such as the Anglo-Dutch Liberal financier gang, might gain and hold onto ruling imperial power. Next time, instead of a new "Seven Years War," invade Britain immediately, instead. The mere decision to adopt such a strategic policy, would keep the Anglo-Dutch agencies from pursuing the traditional method associated with the name of Julian the Apostate.



global, and now hopelessly bankrupt monetary system, by a fraternal system of Hamiltonian credit-systems, this debt will be secured by the created actually physical, productive and closely related assets it has been used to create, and by the debtors' gain of the means, through gains in per-capita productivity, to sustain that growing debt with greater comfort and security in each nation's own sovereign powers.

Instead of building a debt to alien, imperialist interests, the debt will be based on credit shared among sovereign nations in the mutual economic and related interests of those nations themselves. Such was always the specific intention of the American System as informed by the reforms introduced by Alexander Hamilton.

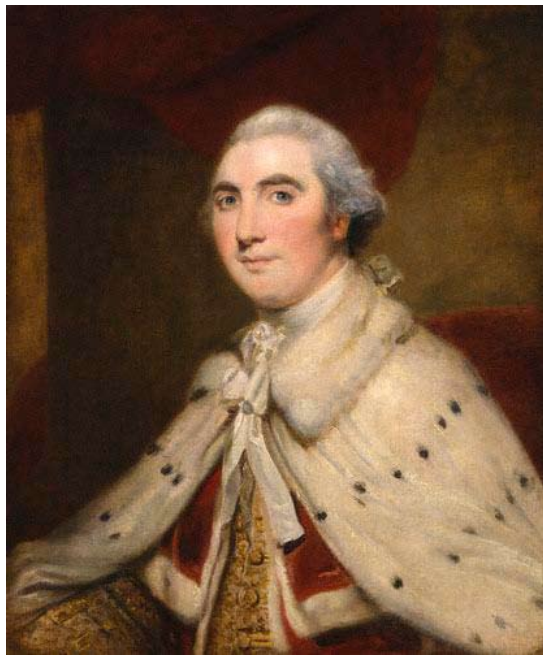
We must think in terms of physical economy, primarily, and enslave money-economy to the service of those physical-economic goals.

### ***The U.S.A.: History & Perspective***

This will be a realization of the benefit of the inherent superiority of the traditional, Hamiltonian, American constitutional method, a method, which has succeeded whenever adopted and employed by the U.S.A., as in that revival of the U.S.A. economy under President Franklin Roosevelt which came after the ruin of that economy earlier, as under the Anglophile policies of such defective Presidents as (actually) Theodore Roosevelt, Wilson, Coolidge, and Hoover.

This idea of a credit-system, rather than a European monetary system, had soon built up, from its inception, a fragile colony along the Atlantic coast of North America, to develop into becoming the once-mighty nation which had become the greatest economic power the world might have imagined up to the time of Franklin Roosevelt's death.

The admittedly onerous price that must be paid for recovery of both the presently bankrupted world economic and monetary systems, is the urgently immediate



*The head of British East India Company operations, Prime Minister Lord Shelburne (1737-1805), adopted the "divide and rule" methods of the Roman Emperor Julian the Apostate. Tony Blair follows the same tradition today.*

termination of that hoax of Britain's Prince Philip called "environmentalism." For, if we do not uproot and terminate that intrinsically fraudulent ideology, it were inevitable that the world as a whole would, indeed, degenerate immediately into a global "new dark age," under which clearly fascistic Prince Philip's stated goal, of reducing the world population from a presently estimated 6.7 billions persons, to less than two billions, would be realized, beginning with a rather immediate effect felt like a sudden jerk, over a mere two or slightly more generations. This would cause a far-greater genocide than was launched, by exactly the same policies as, for the present moment, at least, the present Obama administration, the

exact same domestic social policies which Adolf Hitler, writing in his own hand, introduced to Germany in 1939. Hence, the pre-planned mass-murder health-care policies which the Obama administration has presently imported from the United Kingdom.

Obviously, the present Obama administration will not survive much longer, unless it soon changes its policies, away from the Hitler-copied policies of the circles of Larry Summers and the behaviorist psychologists such as Peter Orszag and Rahm and Ezekiel Emanuel, into the new directions which I have outlined here. The full effect of the currently onrushing general, world breakdown-crisis is already approaching at a highly accelerated rate.

Mass-murderous health-care policies, such as those which had been intended, for 2005, by the George W. Bush, Jr., administration, are once again on the launching-pad, this time by the Obama administration. The rates of mass-murder of U.S. citizens, by Hitler methods, are already pre-planned in the fairly calculable effects of the inherently mass-murderous copies of specific Adolf Hitler policies already uttered by the Obama administration, especially by the freak-show of the gang associated with the prospective "Adolf Eichmann-

like” expression of that administration’s curiously perverse bent, toupéed Peter Orszag. These policies are not, of course, original to either Hitler’s Germany or Obama’s U.S.A.; they were then, as today, primarily British, policies which had been copied, in conception, by a Hitler regime which had been created, in fact, by the British monarchy, as that pattern is now being echoed in other parts of Europe already, today.<sup>42</sup>

### ***The Deeper, Physical Policies***

There is no rational form of “natural” money-price in economies. As economic history since August 1971 has demonstrated, a “free trade” system is, by nature, the most immoral, most crooked of all gambling systems, run, almost inevitably, and almost invariably, by the most crooked and most powerful manipulators in the international system.

Most societies known to historians today, as in the cases of ancient Asian empires and such expressions as the Delphi Apollo cult, expressed cultures of what came to be named as representing the “oligarchical model” associated with the Delphi cult’s role in orchestration of the war between the two would-be maritime imperialist powers, over monetary primacy, of Athens versus Sparta. Such was the intent expressed by British adoption of the named tradition of Julian the Apostate by the Lord Shelburne who is the putative predecessor of Britain’s morally degenerate Tony Blair.

The wars which engaged a foolish French King Louis XIV, and, then, the Seven Years War, the Napoleonic wars, and such later wars launched by the British empire, as the Japan wars against, successively, China, Korea, and Russia, beginning 1895, the British use of the silly Habsburg Kaiser to spark the Balkan wars, World War I, World War II, the so-called “Cold War,” the perpetual state of warfare in Southwest Asia since 1945-46, and the Iraq wars, are each and all examples of religious, or quasi-religious wars, which the British Empire has orchestrated according to its adoption of the tradition of the Roman Emperor Julian the Apostate. Such were those Napoleonic wars, orchestrated by Britain’s European freemasonic channels, from which Britain emerged, at the expense of foes and allies alike, as

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42. After all, it was the British empire which actually created Benito Mussolini and Adolf Hitler, just as London was the center of radiation of similar-to-Hitlerian population-management policies of the same Harriman family which played a leading role, together with the Bank of England’s Montagu Norman, in crafting the placing of Adolf Hitler into power in Germany.

the dominant imperial force in the world, a wave of wars which continued until the time of London’s defeat by a United States led by President Abraham Lincoln, over the British empire. Thus, the British responded to President Lincoln’s victory geopolitically, by creating a series of what became, since the ouster of Bismarck, in 1890, every major war fought on this planet, since then, to the present day, especially long and worse than useless, wasting wars in the likeness of H.G. Wells’ “The Shape of Things to Come.” Such was the meaning of Britain’s 1890 ouster of Germany’s Chancellor Otto Bismarck, which started all the major and local wasting warfare since that time, including the threats implicit in an attempted fascist takeover of the administration of President Barack Obama, by the British empire with its Hitlerian policies of genocide through health-care and pension “reform” of today.

### ***Credit & Physical Systems***

My emphasis on a credit-system, is not intended to suggest that the price of money has no meaning. The use of money, and the use of the price assigned to it, have effects; but the mere value attributed to money is a color of a different horse. *As I shall emphasize in this present chapter of the report, true economic value is, functionally, physical, not monetary.*

This brings us to focus our attention on the second great categorical implications of a Hamiltonian appreciation of the role of a credit system and the true meaning of “economic value.” To reach that goal, we must define the relevant relations in physical terms, and, after that, show the way in which physical considerations lead toward the effects shown as the functionally determined relations among prices.

For this purpose, we living today have the great historical advantage given to us, for this purpose, by what I have referenced earlier here as what I have already emphasized as the role of Academician V.I. Vernadsky’s conception of the physical-scientific relations among Lithosphere, Biosphere, and Noösphere.<sup>43</sup>

### ***The Noösphere As an Economy***

As I have emphasized in reports featured in earlier chapters of this present report, if we are speaking in competent, ontological terms of reference, no economy is a money-economy, but a physical economy. Those qualities of change which distinguish the human, from

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43. I have addressed this matter in locations published earlier.



*Hieronymus Bosch's triptych, "Garden of Earthly Delights" (c. 1500) captures the quality of depravity that also came to dominate our culture after World War II. "The depravity is expressed most nakedly," LaRouche writes, "in the moral cancer of belief in an intrinsic value of money."*

an animal species. can not be competently identified, until, and unless we focus on the significance of the uniquely human power of creativity which distinguishes the human individual from members of all other species.

Today, there is no competent form of modern notion of economy, outside the context of what emerged as Academician V.I. Vernadsky's uniquely original ontological definitions of the distinction of the ontologically abiotic segment of the Biosphere from the ontologically abiotic segment of the Lithosphere, and of the ontological distinction of the human species' Noösphere from all other forms of life.

The first step to be taken, in reflections on that body of evidence, is to recognize the role of what is uniquely specific to human individual creativity, in its relationship to, and specific quality of impact on the Biosphere. This set of distinctions provides the framework, within physical science, for today's only competent notion of the meaning of *economy*. All related categorical topics of economy must be confined within the role of the uniquely creative powers of the human individual in creating the phenomena which distinguish the changes occurring as the effect of the Noösphere, from the potential relative population-density within the Biosphere. Here, not in money *per se*, nor within the realm of statistical processes associated with money, lies the essence of any competent discussion of the determining characteristics of political-economy in today's world.

In fact, this has always been true; the difference between then and now, is that, as a matter of science, or making the policy of our U.S.A., there is no longer any forgivable reason for not knowing that this is true.

What I have just said here, can begin to be appreciated more adequately, by presenting a selected few of the points of argument which I have referenced either earlier in this present report, or in earlier publications. As follows.

First, the biosphere: even in past times before the

existence of the human species has been known by the evidence of paleontology, the development of the Biosphere's array of participating species, was increasing the ration of the Biosphere as a whole relative to the Lithosphere as a whole. In the examining of evidence from ancient times, the paleontologist's best proof of the distinction of archeological man from apes, was a fire-side; only the mind of man uses "fire" in any of those expressions reaching toward thermonuclear fusion, and, perhaps, matter-anti-matter reactions. The difference between man and ape, is that human beings are essentially Prometheans.

One of the most important steps taken for the purpose of defining that distinction more rigorously, is made by reference to relevant evidence bearing on the composition of the so-called periodic table of physical chemistry, or, better said, physical biochemistry. What portion of the mass of the planet is represented by material which is either living, or clearly remains of living creatures, or represents items in the periodic table which are specific to the physical chemistry of isotopes or kindred phenomena which are specific to living processes?

Second, when we juxtapose the growth of the Biosphere to the Noösphere, what is the ratio of the Noösphere to the Biosphere in which it has appeared? What are the rates of change in these ratios as considered relative to the current relative mass of each and of both combined?

To be as brief as possible, the Biosphere reflects a principle of life, which tends to result in an increase of the Biosphere, relative to the Lithosphere, whereas the increase of the productive powers of labor requires, and produces an increase of the ratio of the Noösphere to the Biosphere. Such evidence defines the meaning of what may be termed, alternately, as the anti-entropy of life, or, in the higher phase-space domain, of human creativity.

So, the existence of the manifestation of human scientific-technological progress, is to be found in the increase of the Biosphere relative to the Lithosphere, and as the progressive development of the Noösphere increases the cumulative development of the Biosphere. The difference between the Biosphere and Noösphere, in this respect, is that the increase of the Biosphere in itself, is physical, or, as we say, "involuntary;" but, that the rate of increase of Biosphere otherwise, is effected through the action represented by the voluntary human activity driving the growth of the Noösphere which

occurs solely through the factor of willful human activity.

These considerations point our attention, upwards, to some crucially significant higher considerations.

However, although all that I have presented, above, just now, tends to induce complacency respecting our required attention to some even much more significant kinds of evidence. These are matters which bear on the crucial role of Classical forms of artistic composition in physical science, such as the Classical music represented by the discoveries of J.S. Bach, and the great Classical poetry, such as that, for English or German speakers, of Shakespeare, Shelley, and Friedrich Schiller.

When science looks down toward the subject-matter which we, conventionally, consider respectively non-living and living processes, we employ the methods of physical science. However, when we are focussed upon the subject of the social expression of the mental processes wherein the power of physical-scientific discovery resides, sanity lies only in the domain of those forms of Classical artistic composition associated with music and poetry, or the work of great Classical painters such as Leonardo da Vinci, Rafael Sanzio, and the genius of Rembrandt.

In those latter aspects of the expression of the role of Classical modes of artistic composition, it is the human mind as such, which becomes for us the essence of the subject of physical science of the properly conceived universe as a whole. Hence the self-destruction of European culture in Europe and the Americas, since the inauguration of President Harry S Truman, must be attributed to those intrinsically malicious forms of systemic insanity typified, in the post-Franklin Roosevelt world, by the moral depravity intrinsic to the rising post-war influence of existentialism in general and its depraved expression in forms typified by the post-war Congress for Cultural Freedom. It is the sick, sick way, in which man has come to degrade man as man, which has been the root of the evils of our time, as it was in such manifestations as the rise of fascism in Italy and Germany under the prevalent depravity of post-World War I conditions.

The more general expression of such forms of depravity lies in the pathetic attention to the delusion of money which has been the essential characteristic of all imperial systems of rule up to the present time. The depravity is expressed most nakedly in the moral cancer of belief in an intrinsic value of money.

## *Economy & Creativity*

Take the case of Johannes Kepler's uniquely original principle of gravitation, in his *The Harmonies of the World*. Review that discovery by Kepler from the vantage-point presented for the principle of the tensor applied to experimental evidence, by Albert Einstein. For this purpose, look at the tensor from the standpoint of its ontological expression as a physical principle, rather than merely a mathematical form of procedure. The importance of doing this, as for the purposes of the domain of physical economy, is to grasp the essential aspect of Kepler's genius in making his uniquely original discovery of the physical principle of gravitation.

Unfortunately, under the influence of the empiricist methods derived from initiatives of Paolo Sarpi, the modern classroom tends to locate the discovery of what is truly the footprint of a universal physical, or related principle, in the mathematical formulations themselves. The student so misguided tends not to hear what Einstein was actually saying. The formula does not generate the principle of gravitation; rather, the mathematical expression for the manifestation of gravitation is an adumbrated shadow of the principled action which has generated the perceptible, or quasi-perceptible description of the sensed effect of gravitation.

Admittedly, the Eighteenth-century and early-to-middle Nineteenth-century mathematicians seem solidly sane, if only when compared with positivists such as Ernst Mach or such, ontologically, utterly deranged devotees of Bertrand Russell as Professor Norbert Wiener and John von Neumann. Typically, the usual modern mathematician and his like are so thoroughly brain-washed on this account, such that they fail to recognize that our sense-perceptions, are like the laboratory instruments by which we supplement those senses, are merely instruments which measure effects, rather than representing directly that principle of action which causes the effects.

Since the subject of economy is human behavior, rather than that of mere mathematicians who have transformed themselves into self-made mere abstractions, as mere shadows of reality, rather than actually human in their academic and related behavior, the long reign of empiricism, since the rise of Sarpi in late Sixteenth-century Europe, called the "Liberalism" of such wicked quacks as Adam Smith and Jeremy Bentham, has had its virtually decorticating effect on much of what passed for well-educated learning today. So, the idea of money

found in the mouth of the all-too-typical modern mathematical economist, is the typical source of the intellectual incompetence of the relevant typical specialist and relevant official of today.

Economy is essentially physical economy, and the action which defines economy as a process, is essentially human creativity as typified by such fellows as Nicholas of Cusa, Leonardo da Vinci, Johannes Kepler, Pierre de Fermat, Gottfried Leibniz, Abraham Kästner, Carl F. Gauss, Bernhard Riemann, Max Planck, Albert Einstein, and Academician V.I. Vernadsky. It is the discovery of both the fact and the employment of those new physical principles which could never be discovered by deductive methods of thinking, which is the only competent basis for defining either the principles of economy, or effecting the ability of mankind to gain net progress in the productive powers of mankind over attrition.

The principle of creativity, which is also relative to economy as such, does not lie within the bounds of a reductionist form of mathematical argument. On this account, it used to be recognized, especially since the powerful impact of the discoveries of Johann Sebastian Bach on his students and successors of the Eighteenth and Nineteenth centuries, that, since that impassioned commitment to both Classical poetry and musical composition in the principles of well-tempered musical composition in the Florentine Renaissance tradition of tuning, and also in the related role of Classical poetry, these were once the primary site of human individual creativity among the leading strata of the general population. Albert Einstein performing the violin rather regularly in the great Berlin synagogue concurs with such evidence.

It has been through the loss of effective connection in the education of the young, in the decadence which grew up during the Twentieth Century, and grew so ferociously under the influence of the existentialism of Theodor Adorno et al. and Europe's Congress for Freedom, that there was a grave loss of access to those powers of the mind associated with Classical artistic composition and its performance. It had been, since as long ago as we are familiar with European cultures in particular, that the Classical artistic tradition, as typified by Classical modalities in poetry and song, is the principal area of the human cognitive function from which true creativity spills over into physical science and competent notions and practices of economic progress.



EIRNS/James Rea

*Classical artistic culture is the area from which “true creativity spills over into physical science and competent notions and practices of economic progress.” Here, the LaRouche Youth Movement chorus sings Bach’s motet “Jesu, meine Freude,” at a Schiller Institute conference in Germany, 2008.*

### ***Why Human Life Is Sacred***

The most thoroughly evil among all of the many blunders of policy exhibited by the administration of President Obama thus far, has been his rage-driven passion for killing what his advisors, such as a virtually reborn flunky for Himmler, Peter Orszag treat as “useless eaters.” In fact, in all essential features, the stated Obama policy on health-care and pensions is identical, in every implication of practice, with the infamous policy which Chancellor Adolf Hitler both composed and uttered, on the subject of “lives not worthy to be lived,” immediately upon his declaration of what became known as “World War II.” There is absolutely no margin of error in that statement by me.

Obama is reported to be increasingly very angered against me because of my truthful and relevant statements on his policy utterances since his infamous journey, not quite like Dick Whittington’s cat, to visit the Queen, a Queen married to the most monstrous advo-

cate of mass genocide living on this planet today, the World Wildlife Fund’s Prince Philip, a Prince Philip whose Hitler-like policies are faithful replicas of the similar bestiality of the policies of Bertrand Russell.

I must consider anyone who attacks me for what I have said on that issue as lacking any proverbial “leg to stand on” in this matter at issue.

My strong suggestion is that Obama’s rage against me is not because he desires to perpetrate a policy of genocide identical with that launched by Adolf Hitler, but because I had attacked his personal ego, *his* policy. If that is the case, and the available evidence points, predominantly in that direction, his crime were worse, worse because the criminality he introduces is not motivated by a wish to perpetrate genocide, but, if he is not pro-genocidal, were like that of the Emperor Nero, to cause great death for no other reason than satisfy his ego. In that, I would hope I am mistaken, for the sake of us all.