

Economics as Human Science

It shouldn't take a whole lot of intelligence to realize that almost all economic "experts" today know absolutely nothing about the real economy. They jabber on about "recovery" when even the average person knows that the trans-Atlantic world is enmired in depression. They claim there's no inflation, just because they have defined the index by *excluding* most of the relevant items people need to buy to live. And then they dare to prescribe the measures that must be taken—harsh austerity and ever-more hyperinflationary bailouts—to allegedly "cure" the continuing problems with the economy.

Why should anyone listen to them? Why does anyone listen? As one economic pundit put it in a recent article about the hyperinflationary prescriptions of Geithner et al., these schemes call for psychiatric, not financial analysis.

Take the most blatant example of the recent insanity—that shown by the case of Greece. The Greek nation has been effectively under European Union diktat for at least a year and a half, mandated by the EU, IMF, and European Central Bank to slash government spending and wages dramatically, and increase tax collections, allegedly in order to reduce the government deficit.

The result? The Greek economy is running at a higher deficit than ever! Yet the "markets" were "surprised" when this news came out Oct. 3, and they went into the predictable tailspin over the looming Greek default.

Of course, no sensible person should be surprised. As in every other situation where this "remedy" was tried—take the state of California, for example—the outcome of reducing living standards and employment is an attack on the very basis for productivity in an economy—and thus worsens real economic performance. Yet, this pre-

scription continues to be demanded, not only of desperate European countries and U.S. states, but also of the entire population of the United States, as the mandate of the so-called Congressional Super Committee shows.

Where does the solution lie? To get an idea, we recommend that you read, and watch, Lyndon LaRouche's Sept. 30 Presidential Address (our *Feature*), paying special attention to the interchange on the question of credit. What LaRouche, the world's most reliable long-term forecaster, says there about the definition of credit, applies to the science of economics as a whole.

The fundamental point is a profound one, which has been understood in principle by relatively few philosophers and statesmen, most of them back in the days before economics became corrupted by "pure mathematics." Economics is the science of human development, and no measurement of the performance of an economy is possible without starting from that understanding. The whole idea of profit cannot be measured in money terms, mathematically, but only in terms of the qualitative improvements in the potential for future human existence. The human aspect is not only indispensable, it is primary.

What a contrast with Barack Obama! As his Administration insists (relatively quietly these days) on continuing massive bank bailouts, and accelerated slashing of health and old-age benefits, he arrogantly declares: Just do the math. Forget the fact that the "math" will result in accelerated death rates of human beings, the very core of a thriving economy.

It's time to turn to the alternative—LaRouche's human science of economics, the path to a prosperous future.