

Learn the Lesson of Dec. 2, 1971

by Robert Ingraham

Oct. 20—In the Oct. 20, 2017 issue of *Executive Intelligence Review*, an article, written in 1996 by Lyndon LaRouche, was republished, under the title “[Why Are Nearly All Economists Quackademics?](#)” Given that we all now exist within a society increasingly driven by a “24-hour news cycle,” and that millions of people are addicted to the hour-by-hour gossip that is spewed out from hundreds of “experts” and commentators, this would be an appropriate time to pause, and to reflect on a few of the observations made by LaRouche in that very insightful and accurate, short piece.

On any given day, or even any given hour, the average “consumer” of cyber-world news can now read wild predictions of an imminent financial crisis. This can take many different forms, from a “replay of the 2007-2008 crisis”; to the danger of a “1987-style stock market crash”; to a “collapse of the over-the-counter (OTC) derivatives market”; to a “failure of several too-big-to-fail banks.” Like a stopped clock that tells the right time twice a day, several of these “predictions” obviously contain elements of partial truth, and the imminence and magnitude of the crisis we are now facing is staggering. But! Why would anyone accept the opinions of these “authorities”—be they central bank heads, Treasury secretaries, hedge fund managers, IMF officials, or sundry other economic commentators?

The overwhelming majority of those now making specific predictions of disaster are the very same people whose influence and policy proposals were responsible for creating the crisis we are now in. The shame of their years-long incompetence is a matter of public record. Axiomatically, they do not know how or why we got into this mess, and their solutions are absurd, if not outright evil. The hegemonic view among all of these utterly amoral individuals is oligarchical monetarism,

where monetary profit takes priority over human lives.

At the same time, history does not repeat itself, and any analysis which begins by saying that we are going to have “another 2007-style crisis,” or “another 1987-style crash,” does not represent reality, but only the limited, linear mental processes of those making such utterances. The crisis we are now facing is much larger, more daunting, and far, far more dangerous than anything seen to date, and the steps taken to deal with it must start with a precise comprehension of the approach that is required.

Listen to LaRouche

On Dec. 2, 1971, at Queens College, New York, Lyndon LaRouche engaged in an hours-long debate with the noted economist Abba Lerner. Lerner had been chosen by the New York establishment to dis-



New York Stock Exchange.



EIRNS/Alan Yue

Abba Lerner, speaking at a 1971 debate with Lyndon LaRouche (left), at Queens College, New York.

credit LaRouche and to stop his growing influence, in the wake of LaRouche's uniquely singular and correct forecast of the collapse of the Bretton Woods Monetary System—a collapse which had occurred in August 1971—and one which no other leading economist had foreseen.

For our purposes here, what is notable about LaRouche's defeat of Lerner in that debate is not simply that he exposed the entire profession of leading establishment economists as incompetent fakesters and quackademics, but that he demonstrated that the economic policies which were mandated by those charlatans' choice of economic methods must lead to an adoption of outright fascist economic policies, policies which require a brutal rape and looting of the population, as carried out by Hitler's Finance Minister Hjalmar Schacht: Austerity, impoverishment and death.

The stunning fact of LaRouche's forecast of the 1971 collapse of the Bretton Woods Monetary System is that LaRouche was right, and **everybody else was wrong**—Nobel Prize economists, Treasury secretaries, bankers, and college professors—all of them were

wrong. So why would you believe those failed Lilliputian voices today?

Lyndon LaRouche has advanced the **Science of Economics**, as that rigorous science was developed by Gottfried Leibniz, Alexander Hamilton, and others. It starts from the standpoint that human survival, a future for the human species, is only achievable through scientific discoveries and inventions, discoveries that increase mankind's power over nature, and that this increase in the productive power of humanity depends absolutely on an increase in the noëtic power of the population, such that the potential to make new discoveries is increased. The sole purpose of competent economic policy is to increase and accelerate that potential cognitive power. That defines human progress. It also defines the basis for sustained economic development. Any violation of that intention must lead to economic crisis and financial collapse.

A Reality Check

America now has a population of about 324 million people, of whom roughly 250 million are over the age of eighteen. According to the government's own (and usually conservative) figures, of that 250 million, about



New Solidarity, the LaRouche movement newspaper for many years, covering the end of the Bretton Woods system.



creative commons

A retail salesperson at a food hall in Plaza Hotel, New York City.

7 million are “officially” unemployed, another 95 million are “not in the labor force,” and 35 million of the employed Americans earn less than \$10.55 per hour. That’s a total of 132 million Americans—more than half the adult population—who are barely subsisting, if that. Poverty is the new paradigm in the America produced by the prescriptions of the quackademics who took control of the nation’s destiny—and advised every President—after 1971. The increase in the death rate, the drug epidemic, the suicides—these are now killing off millions of “useless eater” Americans: All this is a result of the hegemonic economic philosophy which has ruled the nation since 1971.

At the same time, energy use per capita, water use per capita and other physical-economic indicators have plummeted over the last 40 years. For example, there has been a 36% decrease in water consumption per capita since 1980. This includes not only water for people, but for industry, agriculture, and other vital needs. This destruction of the ability of the population to physically reproduce itself has been escalating, particularly under the Bush and Obama Presidencies. Today, among those who have jobs, 8 million are employed in the “financial sector,” 16 million in “leisure, tourism, and hospitality,” and 15 million in retail sales. America no longer has a productive work force capable

of producing the next two to three generations.

During these recent decades, we have witnessed one after another quackademic win the Nobel Prize for economics—usually for devising a new mathematical formula to manipulate the money markets or a new behavioral approach to enforce Nazi “work makes you free” productivity schemes. The most urgent truth to be learned is that none of these idiots actually understand why we are in this crisis. They simply don’t understand the science of human reproduction, as LaRouche always has. They are circling the ring of the Inferno inhabited by John von Neumann and Norbert Wiener.

There is no “financial” or “monetary” solution to this crisis. Granted, emergency measures must be taken, but as LaRouche specifies in the article referenced here, a competent economic recovery approach must include:

1. A universal Classical form of education for all young members of society.
2. Wage income must conform to what is necessary for the cultural level of an improved productive work-force.
3. Improvements in infrastructure, per-capita and per-square kilometer, must become a Characteristic Function of physical economy.
4. The rate of development in scientific and technological progress and Classical cultural development must also conform to the necessary Characteristic Function of physical economy.

The only additional requirement is to take the necessary financial and banking measures—utilizing Hamiltonian methods of National Banking—to put the old, sick, deranged, speculative monetary system out of its misery. Simply put it to sleep like a rabid dog now beyond all hope. End it.

This insistence, by LaRouche, that the **people** and the **rate of real physical economic development** are the only things that matter, is what none of the frauds who pass themselves off as financial experts can swallow. Forty years of immersion in linear quackademic nonsense has destroyed their reasoning.

Stop listening to the idle chatter from fools who know nothing about physical economy. Study LaRouche’s [Four Laws](#). Study the articles by LaRouche we are republishing in *EIR*. It is up to you.