

EIR Strategic Overview

A CERTAIN CONDITION OF OUR ECONOMY

‘Come Forth, Lazarus!’

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October 3, 2006

At last report, the world’s present, floating-exchange-rate monetary-financial system, although faltering, is still in motion; but, at the same time, like two drunken, Japanese businessmen leaning against one another to hold themselves up, the famous Japan carry-trade has entered a terminal phase of its existence. The morning will find those drunks collapsed in the streets, having never actually reached home.

The present world financial system is, functionally, in a hopelessly morbid condition. There is no possible way in which the present world monetary-financial system could continue to exist much longer, in its present, hopelessly decadent, teetering, drunken condition. The world’s present world monetary system is virtually as good as dead.

There is no way in which this system could be resuscitated by some form of conventional financial reorganization. It could only be replaced by a new world system; but, not merely the system of a single nation, or even a group of some of the world’s nations. It must be completely replaced, and that suddenly, under a new set of rules, by a new global system of perfectly sovereign nation-states, each and all based on the principle of the sovereign nation-state.

The needed reform will have a hereditary resemblance to the reforms made under President Franklin Roosevelt. Only if those conditions are satisfied, under those kinds of early, ruthless, and thorough reforms, could the presently ongoing disintegration of the world’s physical economy be prevented.

There are two most notable turning-points in the history of the way in which this present, lunatic, hopelessly bankrupt, global monetary-financial system, came into existence.

The first of these occurred during the 1971-1981 interval. It occurred in two successive phases. The two 1971-1981 phases, were, first, the crucial 1971-1972, arbitrary collapse of the Bretton Woods, fixed-exchange-rate, gold-reserve-based



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"Money has no intrinsic value; the monetary process has no intrinsic value," writes LaRouche. "There is no Law of Value, except as an object of superstitious worship in the pagan temple of Greed." Here a \$1 million winner of the Illinois state lottery.

monetary system, done under President Nixon. The second phase of this first part, was the catastrophe of a sweeping deregulation of the protectionist economic system, a deregulation, orchestrated by the Trilateral Commission, which occurred under Zbigniew Brzezinski's 1977-1981 role as National Security Advisor.

The second part of that process of self-destruction of the U.S. economy, was launched by then incoming Federal Reserve Board Chairman Alan Greenspan in the immediate aftermath of the 1929-like, October 1987 crash of the New York stock market. Greenspan turned what would have been a 1929-style depression, into a wave of global mass-insanity echoing the outburst of Europe's Fourteenth-Century "New Dark Age."

Greenspan's crucial role in launching the kind of "faith-based initiatives" called by such names as "financial derivatives," has impelled a world economy based on the U.S. dollar's negotiability, into a degree of hyperinflation in mortgage-based securities beyond all possibility of even drastic modes of financial reorganization of the existing system. Greenspan and his confederates thus converted a cyclical depression into a global, general breakdown crisis. Greenspan planted the harvest which has become the present threat of a very early, chain-reaction collapse of our planet as a whole, a collapse, in fact, into an immediately threatened, planet-wide, new, New Dark Age.

Only the introduction of a new world system would permit the organization of a successful, durable form of general physical-economic recovery from the presently onrushing catastrophe. Somewhere, as from afar, I hear the ancient news

commentator Gabriel Heatter's redolent voice once more, intoning: "There's good news in the old world tonight!"

First the Sickness, Then the Cure

Until Johannes Kepler discovered the universal principle of gravity, most people relied on silly superstitions to attempt to explain why and how things, including financial markets, fall as they do. When you drop your shoes from your feet, why do they not fly to the ceiling, or simply float in mid-air, rather than fall to the floor? Thus, most true believers in the arcana of today's prevalent cult of Anglo-Dutch Liberal economic witchcraft, tend to think that the present world monetary-financial system would never collapse, if enough of us believed, hard enough, that it could never fall.

As the wise old family doctor said, "There may be a cure for your problem; but, first, we must know the disease."

Look at that typical, pitifully superstitious American of today, who is suffering from the epidemic mental disease whose common symptom is, "I believe in the system of free trade!" That is his disease.

The funny thing is that many of the advocates of that disease call themselves "Christians." Now, one would think that such fellows, such as those often identified as Republican members of the U.S. House of Representatives, would have accepted the famous verses 26-31, from the first Chapter of *Genesis*, verses which read in the Authorized King James Version as, "So God created man in his own image. . . ." Then, why do the lustfully usurious rich treat the lower eighty percentiles of the family-income brackets of our people as if they were animals, rather than creatures made, in the likeness



Federal Reserve Board Chairman Ben Bernanke inherited from his predecessor, Alan Greenspan, the “wall of money” policy which has impelled the world economy into hyperinflation. In a speech on Oct. 4, Bernanke conceded that there were some problems with housing inflation, but insisted that the main task at hand is to cut Social Security and Medicare as the Baby Boomers hit retirement age.

of the Creator? Why do we tolerate a condition of oppression against the lower eighty percentiles, and more, of our people inside even the U.S. itself, when the best men of England revolted during the late Fourteenth Century, to write and repeat: “When Adam delved and Eve span, who was then a gentleman?” Why do we, in our Federal Republic, with its Declaration of Independence and Federal Constitution’s reigning principle of constitutional law, its Preamble, tolerate the tyranny among us of our native imitations of that regrettable class of tyrannical critters from which we escaped when we thought we had left behind us the pestilences known as the aristocracy and usurers of “Old Europe”?

Our nation lost its honor on this account, about the time of the riots which spread from the upper-class university campuses, about 1968. As a matter of impassioned convictions, the ideology proclaimed by the political upper crust of the 68er generation, was a professed abhorrence against the creativity of physical science, against the progressive technology of industry and agriculture, against improvements in the basic economic infrastructure of production and family-community life. Buying and selling, buying and selling one another’s property, and buying and selling the existence of one’s neighbors, became the new ideology which made possible the willful destruction of the greatest economy which had ever existed, our own, in favor of a return to the merciless cruelties of an increasingly morally and physically decadent society, whose characteristic was the replacement of science-driven production, by the buying and selling of people and their property.

As the net achievements of the modern European civilization sprung from the Fifteenth-Century Renaissance have

shown, the greatest net achievements in globally extended benefits in modern European society have been the improvement of the productivity, freedom, and standard of living of populations, including great leaps in life-expectancy which had been achieved, even though often reluctantly, over the recent nearly seven centuries.

These net achievements have been typified by the Renaissance in Classical culture unleashed by the Fifteenth-Century European Classical Renaissance, and by the creative force of modern experimental scientific discovery and employment of universal physical principles, as typified by the fertile proceeds of the great discoveries of Johannes Kepler and such among his followers as Fermat, Leibniz, Gauss, and Riemann, and of the great followers of the Kepler-Riemann legacy such as Albert Einstein and Academician V.I. Vernadsky.

All of that achievement, like earlier similar progress since as far back as the existence of the human species is known today, is to be seen as the affirmation of verses 26-31 of *Genesis* 1. Man, in the image of the Creator, expresses true humanity by those discoveries in physical science and Classical modes of artistic creativity, such as those of Leonardo, Raphael Sanzio, and J.S. Bach, which express man and woman and their society as a species made in the likeness of the practice of the Creator.

True economy exists not as buying and selling people and their property in the manner of the gambling casino our nation has become under the Greenspan Era and its forerunners of the Anglo-Dutch Liberal tradition of social parasitism. Economy is essentially an expression of the benefits of the creative impulse expressed as scientific, technological, and Classical-artistic progress. It is these creative improvements, by which

the natural wealth and Classical artistic social development of society's planet and Solar system is increased. It is through creativity defined in those terms, and in no other way, that true physical value is produced by the efforts of man and woman and their collaboration.

There is no intrinsic value in money. The law of value, as taught by the British Empire to its dupe Karl Marx, is a hoax. Money has no intrinsic value; the monetary process has no intrinsic value. There is no Law of Value, except as an object of superstitious worship in the pagan temple of Greed.

It is the business of constitutional government, and of relevant agreements among governments, to establish those rules of price control, taxation, and credit, which prompt monetary circulation to flow within those channels of production and commerce which are known to be the way in which the flow of money and profit are kept within the bounds of a process of creativity-driven growth in the physical value of national product, per capita, and per square kilometer of area.

In recent times, especially since the crises of 1968 in Europe and the Americas, the economies of Western Europe and the Americas underwent a profound change of direction, from net physical growth, as measurable per capita and per square kilometer, as measurable in terms of product, physical productivity, and infrastructure essential to increasingly productive society, to an overall accelerating rate of decadence and collapse in the economies of Europe and the Americas, most emphatically.

It has been the accelerating failure to meet the minimal physical standards of productivity and related conditions of social life, which has underlain the irony of what I have labelled my "Triple Curve" representation of the post-1971 decline of globally extended European civilization (**Figure 1**). The accumulation of nominal profit has been produced by an accelerating, global collapse, in the conditions of life needed to maintain the present levels and rates of growth of the planet's present population. Thus, the profit of the Anglo-Dutch Liberal system, which dominates the world today, is entirely a gigantic hoax, a fraud which is killing civilization as a whole.

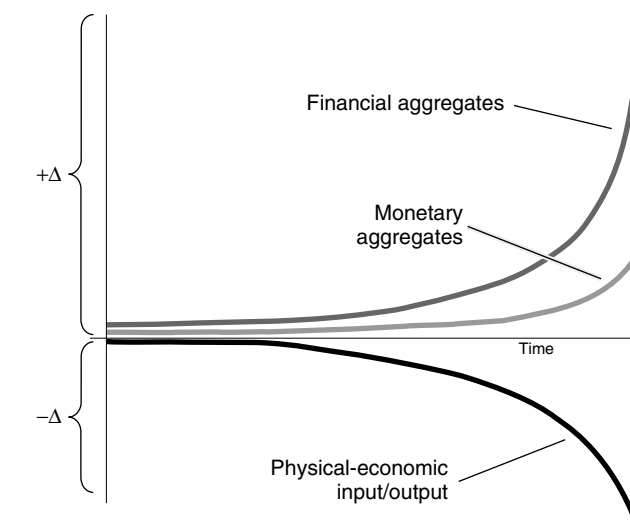
Franklin Roosevelt Again

President Franklin Roosevelt was not a magician; he was, simply said, a true American patriot, an informed and dedicated follower of the founders of our U.S. republic. His innovations in policy were both necessary ones—otherwise, Hitler and his heirs would rule the world as a whole today;—and, yet, at the same time, practical measures required to fulfil the constitutional imperatives built into the foundation and development of that unique alternative to our republic's chief parasitical foe of all modern history since February 1763, the imperial form of the Anglo-Dutch Liberal system.

The measures he took, resulted in a net increase, per capita and per square kilometer, in the physical wealth and well-being of our own population, as those of other nations which

FIGURE 1

LaRouche's Typical Collapse Function



we assisted during the 1939-1945 Great War, and in times beyond, until the changes for the worse of 1968-1981 and beyond.

We have now reached a state of planetary crisis from whose grip we could not escape without qualitative leaps in science-driven increase of the productive powers of labor throughout the planet over the coming half-century. Without bringing to an end the tyranny of attempts as the form of brutish imperialism, known as "globalization," and without a science-driver program of cooperation, within a fixed-exchange-rate system of currencies, credit, and trade, this planet would be plunged now into a new dark age whose bottom lies far below present fair estimates of such a calamity's physical effects on the size and condition of the population and the planet it inhabits.

The good news, we might wish to tell to Gabriel Heatter, is that this planet will probably survive, because we are forced to introduce needed, good changes in policies for the simple reason that continued practise of recent trends would land us all, and our posterity, for generations yet to come, in a certain kind of Hell.

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