

EIR Strategic Overview

JOHANNES KEPLER & THE DEMOCRATIC CHALLENGE

The New Politics

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A summary of some crucial recent changes in the social-political dynamics of the international situation.

Even the leadership of the Democratic Party's national campaign organization is still bemused by its surprise at the way in which a landslide victory was won in the mid-term election's vote for the U.S. House of Representatives. That is the most crucial lesson which the Democratic Party's national organization, has yet to learn, for the sake of the future of both that party, and of our republic.

The lesson is, that, under relevant circumstances, what is otherwise viewed as an innovation in tactical method, may also be strategically decisive in conflict, whether in warfare, or as illustrated, in principle, by the contribution of a relatively small number of young adults, when they are deployed in a certain way, in producing a potentially decisive, strategic margin of victory in political conflicts such as the recent mid-term election-campaigns. The case in hand which illustrates that point, is the historically significant role of the LaRouche Youth Movement's (LYM's) strategic approach to LPAC (LaRouche Political Action Committee) tactics in the recent U.S. mid-term elections.

This case presents us with the opportunity to study the application of that same method, to the need to outflank the global strategic threat, today's threat of presently impending, generalized, global, physical as well as monetary-financial collapse, of not only the U.S. economy, but also the world's present, physical-economic systems.

The case illustrates the relevant meaning which must be assigned to today's use of the term "New Politics."

Looking, post-election, at both the Senate victory and the

actually landslide victory in the House of Representatives, certain Democratic Party circles were astonished by what the post-election audit showed. They are still wondering: How did an elite group of young adult members of my LPAC youth movement, turn the tide in sufficient key places to set off a marginal avalanche for victory among a crucial, relatively much larger stratum of voters in the 18-35 age-range?

The answer to that question is elementary, as I shall show over the course of this present report; but, like all valid, truly elementary discoveries of principle, the process of getting to the essential truth of a matter of principle is never really simple. As in what became, ultimately, the successful performance of a great contrapuntal choral work of Johann Sebastian Bach, the simplicity of the truth appears only after the sensuous actuality of the true principle has finally been discovered.

In several earlier reports, delivered in the U.S.A. and abroad, I have classified the method by which this was orchestrated as a "mass effect" set off by the well-crafted actions of a relatively small number of young adults. It was precisely the principle of "mass effect" which I had described and emphasized to a meeting of the same type of meeting of young adults, in Berlin on Nov. 3rd of this year, just days before that U.S. mid-term election. The implementation of my prescription of Nov. 3rd, was already in operation, at that time, inside the U.S. election-campaign.

It is most notable, in attempts to define that "mass effect," to contrast the relevant surge which erupted in the two to three weeks prior to the casting of the vote, with the absence of any comparable degree of surge reported in the 18-35 age-range as generated by the programs of the official Democratic Party organization.

This use of the term "mass effect," is interchangeable with



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The LaRouche Youth Movement, an elite group of young adults, played the pivotal role in winning the Nov. 7 elections for the Democrats. Here the LYM are organizing at Union Station in Washington, D.C., after the election.

the physical-science term, *dynamics*, a term introduced to European science by Gottfried Leibniz. This is a term which Leibniz derived, explicitly, from the Classical Greek *dynamis* which Leibniz adopted, explicitly from the usages of the Pythagoreans, Plato, et al. This usage is explicitly contrasted with the notion of mechanics, as “mechanics” is associated with the scientifically failed method of Descartes. It is contrasted to the currently popular, but usually failed, mechanistic-statistical method, as the latter is represented by the widely employed, intrinsically incompetent methods, which are commonly used for the failed practice of commonly accepted economic forecasting today.¹

It is now time, the present time of an already onrushing, global financial-breakdown crisis, for bringing on a new, strategically crucial, tactical factor in politics, a certain kind of return to the political style of President Franklin D. Roosevelt. As in all history, principles reappear, but never in quite the same form as in earlier times of great changes. The essential fact of the present world situation, as much as that of the U.S.A. itself, is that we are presently already seized by an onrushing global crisis, a strategic economic and social crisis comparable to, but more menacing than that of the 1930s. There are certain other kinds of differences also to be taken into account, as I do, in due course, here.

The politics of all the leading parties of western and central Europe, and of the U.S.A., for example, have been a net

failure, by all physical-economic standards, in their influence over the direction of most of trans-Atlantic political history since the mid-1960s. The old politics of today’s yesterday, the customary political style, has shown itself to have been a catastrophic failure when applied to the realities of today’s crises. The surge of the 18-35 vote during the closing weeks of the recent election, is a crucially important, clinical example of what all relevant politics, the new politics, must be. For that, a *New Politics*, with its emphasis on *dynamics*, is now indispensable, as the pioneering role of the LPAC youth brigades has shown the way.

I explain.

1. Human vs. Statistical Behavior

The difference between the dynamic characteristics of the indicated surge of the 18-35 age-group, and other Democratic vote registered during the concluding weeks of the election-campaign, depended upon a fundamental, but, unfortunately, seldom-recognized fact of human sociology, a fact typified as it is expressed by, but not merely deducible from, the mere statistical results of that recent surge.

The defect which may be seen as the root-cause of that difference, is a popularized, crippled conception of the nature of the human individual and society, a misconception which is endemic to the mechanistic way of thinking about mankind, that which is encountered, for example, in customary sociological and related dogmas today. Although the use of the word, “creativity,” is often encountered, the ontological actu-

1. Competent long-range and related economic forecasting is modelled on the example provided by Johannes Kepler’s works for astronomy, as elaborated according to the notion of Leibnizian dynamics expressed by Bernhard Riemann’s approach to physical hypergeometries (e.g., physical tensors).



The mid-Fifteenth Century, Italy-centered Renaissance represented a decisive shift toward unleashing an explosion of artistic and scientific creativity. Here, Renaissance artist Rafael's "School of Athens."

ality of the process of human individual creativity is almost never identified in today's customary definitions and use of that term. The practical point at issue in the subject at hand, is that not only is human creativity, when properly defined, expressed as an experimentally knowable sovereign form of behavior by individuals; it also supplies the qualitative "energy," in the ontological sense of "motive power," of all great, positive changes in direction of development within social processes as such.

Usually, such manifestations of the human individual's innate creative potential, except as they occur, ordinarily, as expressions of individual behavior, are more clearly manifest in the form of actions whose historic significance is expressed in the form of massed social processes; in modern history, in these processes, such as the American Revolution which emerged over the 1763-1789 interval, the eruption is expressed chiefly in the form of a mass movement among strata of young adults in the 18-35 age-interval; it may then spread from that core of younger adults, to the social process on a

broader scale, as this is to be recognized in the effect radiated by my young associates during the successful mid-term campaign.

The principles expressed in such ways, reflect the essential distinction of man from beast.

In the usual reading of, for example, the primary teachings of the Hebrew tradition, Christianity, and Islam, the same conception of the distinction of man and woman from lower forms of life, is consonant with the definition presented in *Genesis* 1: 26-30. This statement is in accord with the historical and related evidence of the historical and like record of the absolute distinction of the characteristics of humanity from all other forms of life. The factor which distinguishes individual human behavior from the behavior of the beasts, is the quality of individual creativity associated with the generation of the discovery of a universal physical principle, or comparable principle of Classical modes of artistic composition.

In the case at hand, the role of the youth factor in the crucial locations of the recent mid-term election, it is the

typical way in which individual creativity is amplified in effect as an organized social process, which was decisive strategically for the net outcome of the election-process, as its lessons to be learned, as a whole.

The best reflection of modern science on this expression of the subject of creativity, is the example consistent with the discoveries of Academician V.I. Vernadsky's rigorous summation of the distinction of living processes from non-living: the Biosphere; and of man from the beasts: the Noösphere. The human creative powers, as typified by the discovery of universal physical principles, appear only in the behavior of the human individual as a living creature, but fail to appear as a factor of potential relative population-density within the bounds of behavioral potential of any other living species.

It is the expression of the individual mind's potential in the form of a coherent mass effect, which is the strategically decisive consideration in efforts to understand the historically crucial upsurges of the struggle for human progress and dignity during the more readily accessible span of approximately the recent three thousand years of European history. These crucial upsurges appear, most significantly, in the way in which revolutionary upsurges of the type which I associate with the indicated type of mass effects, define those crucial upward turning-points in that history, which must be our focus, again, in addressing the monstrously deadly global crises descending on the world at large today.

While some degree of expression of this creative potential is shown in individual cases of normal juveniles and young adults in our society, the combined effect of the prevalent training of the young, training them to rely, unfortunately, upon mechanistic methods of thought, instead of creative powers, dulls the creative potentials of the mind of most in our society; that has been the case, so far, in most of our present time.

For example: the conditioning imposed on the Baby Boomer generation of the upper twenty percentile of households during, and following the 1945-1956 interval, did extensive, and deep-going damage to the targeted individuals' use of this cognitive potential of their minds. The effect of this has been, that a diminishing percentile of that generation's Sophistry-ridden, upper twenty-percentile bracket, expresses the development of the degree of creative potential expressed in the behavior of the comparable strata of the earlier two generations.

Nonetheless, such creative potential can be fostered in the young, notably among the young-adult generation, as my own experience, and my study of this factor in history, has shown this to be true. However, happily, under what have been, historically, unusual circumstances of the type which Percy Shelley emphasized in the concluding pages of his *In Defence of Poetry*, in certain periods of history of cultures, such as the mid-Fifteenth-Century, Italy-centered Renaissance, or the Classical insurgency in Germany and elsewhere during the

1750-1789 interval, veritable mass explosions of the wider influence of Classical artistic and scientific creativity, do occur.² Shelley's *In Defence of Poetry* reflects his experience with the pre-1789 wave of cultural optimism associated with the radiating effects of the leadership shown by the collaborators Moses Mendelssohn and Gotthold Lessing.

It follows from this retrospective view of that history, that it were feasible to foster eruptions of periods of the increased, impassioned views respecting man and nature, matter we should recognize as a Renaissance. Those crucial, exceptional features of the recent Democratic Party victory, to which I point here, illustrate the case.

What was done by the LPAC's LYM in catalyzing the "18-35" surge among young Americans in crucial sections of the voting population, was to employ the dynamic method of organizing creatively, around ideas, in such a way that a relative handful of the population was able to evoke a mass effect, consistent with Shelley's principle—the *Renaissance principle*,—within significant regional clusters of the generation between 18 and 35. These ideas, so put into circulation in a dynamic way, led to the simple decision to go and vote your conscience.

What happened on that account, during the closing weeks of the run-up to election, was entirely a lawful, if, admittedly unusual development during recent decades. Not only can such accomplishments be deliberately fostered for the time immediately ahead; such developments are necessary to make possible the rather drastic improvements in government policy-shaping needed as a response to the presently onrushing, global monetary-financial and cultural crises,

Two Sources of Dynamics

Modern European science owes its notable forms of systematic insights into this matter, chiefly, to two, respectively ancient and modern, well-known currents of thought. The *first* is associated prominently with the Pythagoreans and Plato; the *second*, the modern, with the exemplary influence of the Fifteenth-Century Cardinal Nicholas of Cusa, who is the founder of systemic forms of modern experimental science, as the results of this are typified by his followers Leonardo da Vinci, Johannes Kepler, Pierre de Fermat, Gottfried Leibniz, and the circles of Carl F. Gauss and Bernhard Riemann. The latter, is the precedent from which Vernadsky traced his own

2. Consider my wife Helga's frequent reference to Friedrich Schiller's epoch-making judgment on the awful implications of the French Revolution's terror for history: *a great moment has found a little people*. The transformation of the leading trend in cultural optimism and powers of scientific and artistic conception, from the creative energy spread from the combined effects of the Classical Renaissance of Moses Mendelssohn, Gotthold Lessing, and the American Revolution of 1776-1789 which had energized the European civilization of that time, was superseded by the decadent Romanticism of the early Nineteenth Century, especially in the wake of the combined effects of Adolf Hitler's predecessor, Martinist Freemason Count Joseph de Maistre's concoction, Napoleon Bonaparte, and the 1814-1815 Congress of Vienna.



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V.I. Vernadsky, the Russian scientist, was a leader in developing the modern dynamic method of science, as distinct from failed mechanistic-statistical, Cartesian-like methods. Here, Vernadsky on an expedition in 1910.

dynamic methods, as distinct from failed mechanistic-statistical, Cartesian-like methods.

The contrary, irrational, but, recently, more popular trend in modern European culture, is traced, most significantly, to the influence of the “New Venetian” dogma of the Paolo Sarpi famous as the master of his house-lackey Galileo Galilei. Sarpi is the author of a modern *reductionist dogma* known as *empiricism*, from which crude forms of modern materialism, and also positivism and existentialism, are merely derived. This empiricist doctrine, from which the presently most popular teachings on the subject of sociology have been derived, not only rejected both the ancient and modern forms of science reflected in the work of Cusa, Leonardo, Kepler, et al., but it was also, ironically, at the same time, a change from the worst aspects of medieval European culture, in that it allowed for limited technological progress, although it banned the study of the actual processes through which experimentally validatable universal physical principles are generated, as by the methods of Brunelleschi, Cusa, Leonardo, Kepler, Fermat, Leibniz, Gauss, and Riemann, for example.

Unfortunately for many, most popularly taught modern sociology, political theory, and economic forecasting, at the university level, have been premised on the reductionist ideologies derived from the influence of Paolo Sarpi’s empiricism.

To illustrate the point which is relevant to the sociology of the recent Democratic victory, take Vernadsky’s mid-1930s definition of living processes, as *dynamic*, as an example. Vernadsky emphasized, that although the same range of atomic matter appears in both living and non-living processes, the way in which processes are organized in living processes, differs absolutely from the organization of the non-living processes. This defines the domain of living processes and their products as the *Biosphere*, a domain which is distinct from

the domain of non-living processes as such.³

Similarly, the way in which both non-living and living processes are organized in specifically human history, expresses characteristics, those of Vernadsky’s *Noösphere*, which do not exist in either the non-living domain or Biosphere as such. Moreover, the behavior of the domain of human history is of a higher order of anti-entropic development than either the non-living domain or Biosphere.⁴

The world has recently entered a new general phase of history, especially modern European history, in which the successful development of science and technology, when applied, in fostering both growth and longevity of populations, has now produced a situation in which the attempted conduct of *protracted* warfare as an instrument of policy, is no longer a policy of practice available to sane governments. It has also presented mankind with the urgent obligation to unleash the rule of nuclear fission, globally, as, for example, an indispensable means for economical production of power and means for urgently needed mass-desalination. We are also at the verge of the need to realize the extensive use of thermonuclear fusion, not only as a source of power, but as an instrument for management of the more broadly defined natural resources of the planet as a whole.⁵

As the old habits, which governments have generally acquired during recent decades, break down, and new challenges appear, politics must move away from the habits associated with the cultural and economic down-slide of trans-Atlantic society during the recent forty or so years. It is time for a new politics, defined by a new quality of emphasis on the role of individual scientific and Classical-artistic modes of creativity, a change which must be rooted in the development of the individual and coordinated creative potentials of our young-adult population.

2. The Old Politics

The “old politics,” as still practiced as a form of belief, even in the U.S.A. today, was based, predominantly, axiomatically, on the practice of the Olympian enemies of the fabled Prometheus, as the case is typified by the ancient dramatist Aeschylus in *Prometheus Bound*. Prometheus was condemned to perpetual torture by the virtual Satan of that drama,

3. Lyndon H. LaRouche, Jr. *Vernadsky & Dirichlet’s Principle*, June 3, 2005.

4. *Ibid.*

5. E.g., the concept of the “Eurasian economy,” the notion of a set of respectively sovereign nation-states, engaged in long-term development of their separate and combined economies, built, chiefly, around long-term treaty-agreements, under an echo of President Franklin Roosevelt’s Bretton Woods system of relatively fixed exchange-rates at low terms of simple interest. On this, see the 2006 proceedings of the first LPAC Berlin, Germany webcast conference. (See *EIR*, Sept. 15, 2006.



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The “old politics” has been consistently based on the degradation of mankind to a beast, a policy that has continued to present-day cultural expressions such as the “Rocky Horror Picture Show” cult, shown here.

the Olympian Zeus, for having informed mortal human beings of the use of fire, or, as we would say, nuclear fission as a power-source, today.

This tradition of keeping the human population in a relatively bestial state of a dumbed-down condition, kept almost like cattle in a field or barn, was the fated condition of most of humanity in known ancient, medieval, and even modern history. The Spanish, Portuguese, Dutch, British, and French backers of the slave-trade, up to the point of U.S. President Abraham Lincoln’s victory over the British backing of the Spanish monarchy’s Nineteenth-Century slave-trade, is a relatively extreme example of the policy of the pro-Satanic Olympian Zeus as depicted by Aeschylus. Notable are the death-sentences used to enforce the ban on literacy among the slaves in the London-backed Confederacy.

Even the break with Europe’s promotion of slavery in Africa and the Americas, a watershed of change defined by President Abraham Lincoln’s leadership in defeating imperial Lord Palmerston’s deployment in support of the slaveholders’

Confederacy and the proto-Nazi Emperor Maximilian in Mexico, did not necessarily free mankind from the implicit slavery to cultural decadence. This decadence continued to be expressed as the populist’s substitute of bestial leanings in desires, for the role of the creative powers of reason in improving man’s condition.

Those needed changes in conditions are brought about by changing man’s mind through emphasis on the development of the creative powers associated with the highest expressions, in history, of scientific and Classical-artistic revolutions in ideas. The old Satan, the Olympian Zeus of Aeschylus’ *Prometheus Bound*, still reigned within the bounds of most populist and related opinion. Men have been ruled by tyrants, because they failed to rule themselves in the only way possible, through abandoning a populism rooted in helotry, by making themselves the representatives of what I have termed, here, as a *New Politics*.

Sarpi’s empiricism, and that of his followers Galileo, Sir Francis Bacon, Thomas Hobbes, John Locke, Descartes, de Moivre, D’Alembert, Leonhard Euler, Lagrange, Laplace, Cauchy, et al., banned knowledge of actual universal physical principles, as their protagonist, Voltaire, sought to transform both physical science and art into the production of rubbish, such as the music of dead souls of Rameau and Fuchs. The canons of the empiricists, then as now, permitted, begrudgingly, a certain amount of intellectual pregnancy, on the condition that the seminal methods of intellectual reproduction were not only concealed, but virtually denied.

In modern European society, the outcome of the empiricists’ “Enlightenment” ban against public knowledge of the method of discovery of universal physical principles and Classical-artistic principles, was the promotion of various forms of “populist” paeans to the alleged virtues of popular ignorance of the lawful principles of discovery in physical science and of Classical artistic composition. The ideologies of “popular science” and “popular entertainments” today are often a reflection of the way in which modern Liberals and others promoted a cult of worship of popular ignorance: ignorance of the principles which are expressed as the functional distinction of human individuals from the lower forms of life.

The role of the U.S.-backed promotion of the pro-satanic Congress for Cultural Freedom (CCF) in post-Franklin Roosevelt Europe, and such expressions of that pro-satanic campaign as the U.S. backing of the existentialists of the circles of Heidegger, Adorno, Horkheimer, Arendt, et al., and the kindred promotion of Bertolt Brecht, are merely typical of this application of a U.S. adoption of the tradition of Anglo-

Dutch Liberal Europe, as a kind of policy of human cultural *neoteny* (or, *neotony*),⁶ as I have described the intended role of induced *neoteny*, in a recent paper of mine.

This development typified by the virtually satanic role of the CCF in Europe, and a parallel program with the same intent directed against the population of the U.S.A., was designed by the relevant Anglophile currents within the U.S., in collaboration with Anglo-Dutch Liberal partners, to bestir the roots of the oligarchical legacies within “Old Europe,” to promote thus a new expression of Sophistry premised, like that of Pericles’ self-doomed Athens, on the presumed changelessness of the traditions in which the embedded oligarchical influences lurked, like dragon’s teeth, readied to rise and grip the nation, in the name of tradition, once again. To do this, reawaken the cultural “childhood diseases” of humanity, especially those lurking, ready to be quickened, within the infected soils of “Old Europe.”

The Notion of ‘Old Europe’

What became our United States, with its anti-empiricist Declaration of Independence and Federal Constitution, was a creation of Europeans, who were instructed by prudence to establish a true republic, with the best traditions and ideas of Europe, at a relatively safe distance from “Old Europe” and its deeply ingrained rot of oligarchical traditions.

The primary impulse for this process of colonization of the Americas, came from what is classed as “The Golden Renaissance,” the birth of modern civilization in developments centered around the great ecumenical Council of Florence. The setbacks to the implementation of the design adopted in the setting of that Council, setbacks caused by the fall of Constantinople and Spain’s modern unleashing of religious warfare within Europe, by the revival of the medieval Inquisition, impelled relevant Europeans to beyond the troubled vicinity of the Mediterranean in search of locations in which to realize the principles which that Council represented.

The first proposal to that specific effect had been made by the relevant doctrine of the Cardinal Nicholas of Cusa who had also founded modern European science.

Cusa’s reaction to the aftermath of the fall of Constantinople, was a proposal to explore across the oceans, to build ties on which a future world order among peoples could be premised. The proposal by Cusa, who died in A.D. 1464,

6. A neo-logism (var. *neotony*), echoing a notion introduced by UNESCO’s Julian Huxley et al. The alternative is *neoteny*, both echoing the Classical Greek. Alternate connotations are the generation of the change, or, the state resulting from the change. I strain the two options, for the purpose of emphasizing the act of inducing the change.



EIRNS/Philip Ulanowsky

European republicans were able to establish a true republic in the United States, at a relatively safe distance from “Old Europe.” Here, Helga Zepp-LaRouche holds up the Schiller Institute’s “Declaration of the Inalienable Rights of Man,” a 1985 document based on the U.S. Declaration of Independence.

came to the attention of a Genoese Atlantic sea captain in the employ of Portugal, Christopher Columbus. Columbus’s correspondence with Cusa’s associate, the Italian scientist Paolo dal Pozzo Toscanelli, in correspondence circa 1480, amplified Columbus’s knowledge of Cusa’s work, and supplied Columbus with crucially important scientific assistance in preparing master navigator Columbus’s re-discovery of the continent across the Atlantic.

During this time, the influence of Cardinal Nicholas of Cusa’s works spread deeply and widely as leading ideas underlying the emergence of modern European civilization from the self-inflicted ruin of the previously reigning, *ultramontane* alliance of the Norman Crusaders and the Venetian financier-oligarchy, most emphatically, his defining the modern sovereign nation-state (*Concordantia Catholica*), modern experimental physical science (*De Docta Ignorantia*), and the ecumenical principle of peace among religions (*De Pace Fidei*) (the latter, the precedent for Cardinal Mazarin’s later role in crafting the 1648 Treaty of Westphalia). These developments, reenforced by the new form of commonwealth society, established by Louis XI of France and Henry VII of England, set the stage for the attempts, by the Massachusetts Bay commonwealth of the Winthrops and Mathers, the intent, as echoed by Sir Thomas More’s *Utopia*, for establishing new republics in the Americas, to plant the best ideas and traditions of Europe as a new form of commonwealth societies at a strategically discreet geographical distance.

These Fifteenth-Century developments define the concept of “Old Europe,” as distinct from the systemically differ-

ent species of society presented by modern Europe. It was the revival of such legacies of the medieval *ultramontane* system by echoes of the combination of feudal systems and Venetian financier-oligarchy, which implanted the curse of what had been “Old Europe” within the internally conflicted body of the new.

The Crisis of Modern European Culture

The works of the great François Rabelais as echoed in Miguel Cervantes’ ridicule of the rotten moral and intellectual decadence of Habsburg Spain, are exemplary points of reference which help us to typify the internally conflicted outcome of the cultural warfare pitting the Fifteenth-Century Renaissance against the *new dark age* mentality launched, from Spain, by the evil Grand Inquisitor Tomás de Torquemada, a tradition of Hitler-like criminality launched, from Spain, during the same year as Columbus’s first voyage to the Americas, in 1492.

The London-connected Savoyard Count Joseph de Maistre defined the anti-Renaissance policies which have set the standard for vicious opposition to the heritage of the Fifteenth-Century “Golden Renaissance” in Europe since 1492, to the present day. This is a standard rooted in the precedent of a radical return, from 1492 onward, to the medieval, *ultramontane* alliance of Venetian financier-oligarchs and Norman chivalry, in their launching savage persecution of the Jews, and a return to that medieval Crusader warfare against Islam, a combination which has been the central feature of the traditional force of greatest evil within Europe itself to the present day. The entire interval from the expulsion of the Jews from Spain, in 1492, until the adoption of the 1648 Treaty of Westphalia, is the watershed from which European civilization, now implicitly of world-wide influence, has remained a division between the forces of modern civilization and the barbarous Venetian-Norman legacy, to the present day.

To understand the significance of this role by Torquemada, it is essential to study the writings, and outcome of the Martinist freemason, de Maistre, who promoted the pro-Satanic policies of Torquemada, as a juridical precedent for the mass-executions by the Jacobin Terror. It was de Maistre who personally tailored the new personality of General Bonaparte, remaking Napoleon as the forerunner of, and model for the crafting of the public personality of an Adolf Hitler whose anti-Semitic and kindred policies and practices are traced directly, by way of the Jacobin Terror and Napoleon, to Grand Inquisitor Torquemada, a tradition actively expressed still today by the presently active form of the fascist international, and not only the Synarchist, Pinochet-linked fascist gangs of Central and South America, but related, right-wing networks associated with members of the family of William F. Buckley, Jr.

Such has been the principal division of political trends stretching from western and central Europe into the Americas,



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Napoleon Bonaparte epitomized the modern variety of fascism, which the European financial oligarchy has used to threaten the American tradition.

and beyond, today. This was the division of Europe, in the time of Grand Inquisitor Torquemada, to the present day. It was this evil which pursued the European colonists across the Atlantic, and which is the principal force of evil operating, in concert with relevant Venetian-style financier-oligarchical interests, around the world today.

Thus, Columbus’s 1492 voyage does not represent the transport of such evil into the Americas. Rather, Columbus and Torquemada exemplify the conflict between the opposing forces of good and evil within Spain itself at that time. The drowning of modern Europe in the blood of the persisting conflict of the 1492-1648 interval, is key to understanding the conflict which has been the only true ocean of separation of the founding of our own constitutional republic from the pestilence of the oligarchical traditions which have yet to be uprooted, as a force of moral corruption, within, most notably, western and central Europe still today.

There are complications thus introduced also into what became our U.S.A., of course.

The February 1763 Peace of Paris, launched the open conflict which we may recall today as the struggle for political liberty from the imperialistic tyranny of the Anglo-Dutch Liberal East India Company of mastermind Lord Shelburne. As the core of the relevant history has been elaborated by my associates Allen Salisbury, Anton Chaitkin, and H. Graham Lowry,⁷ the developments in London from February 1763 onward divided the most influential circles within the American English-speaking colonies between two factions, the one

7. Allen Salisbury, *The Civil War and the American System: America's Battle with Britain, 1860-1876* (New York: Campaigner Publications, 1978); Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman* (New York: New Benjamin Franklin House, 1985); H. Graham Lowry, *How The Nation Was Won: America's Untold Story* (Washington, D.C.: Executive Intelligence Review, 1987).

typified by the internationally renowned scientist and patriot Benjamin Franklin, and Franklin's opposition, typified, in New England territory, by the same faction as the former adversaries of the Winthrops and Mathers, the notorious assets of the British East India Company, the so-called Essex Junto. Traitor Aaron Burr, an agent of Lord Shelburne's Foreign Office controller Jeremy Bentham, typified the traitors-in-fact, who, through their descendants, and such additions as representatives of the Bonaparte family, continue to be the core of my own most impassioned of personal political enemies within the U.S.A. today.

The mobilization for victory of U.S. President Abraham Lincoln's U.S.A., over London's creation, the Confederacy, unleashed the U.S.A. as the world's leading nation-state and rising rival to the armed maritime power of the Anglo-Dutch Liberal financiers' British Empire. By the time of the Philadelphia Centennial of 1876, through 1879, the U.S. model of national economy had been spread as a leading influence into Germany, Russia, Japan, and elsewhere. For London, this spread of the American System of political-economy was a mortal threat to the imperial supremacy of British imperial maritime power.

So, with the 1890 ouster of Chancellor Bismarck in Germany, by the Kaiser's British uncle, Prince Edward Albert ("The Lord of the Isles"), and the case of Prince Edward's other, ill-fated nephew, Russia's Czar Nicholas II, a process was set into motion, over the period from the 1890 ouster of Bismarck through the death, on Sept. 14, 1901, through assassination, of the U.S. President and patriot, William McKinley, which brought the U.S. circles tied to two children of the Confederacy, Theodore Roosevelt, the nephew of the head of the London-based Confederate intelligence service, and Ku Klux Klan fanatic Woodrow Wilson, into the U.S. Presidency.

Excepting the cases of Presidents Taft and Harding, over the entire sweep of the early Twentieth Century, from the assassination of President McKinley, in 1901, until the inauguration of President Franklin D. Roosevelt, on March 4, 1933, U.S. policy was radically changed, from recognition of London as the center of our nation's principal adversary, to alliance with Britain's Edward VII et al., as supporters of Britain's imperial geopolitical warfare against the nations of the continent which had adopted the American System of political-economy as their model for development!

With the death of Franklin Roosevelt, on April 12, 1945, and the inauguration of his successor, a trend in a reverse direction, back toward the legacies of Theodore Roosevelt, Wilson, and Coolidge, occurred. Presidents Eisenhower and Kennedy were exceptions, as President Lyndon Johnson showed similar intentions, but with the inauguration of President Richard Nixon, London returned to occupy the saddle of U.S. economic and related doctrines, as under Theodore Roosevelt, Wilson, and Coolidge, earlier.

That division within European culture, is the indispens-

able key for understanding the situation, the existential threat, confronting the U.S.A. today.

Today's Threat From Old Europe

As the comparison of the Presidency of Franklin Roosevelt with his referenced predecessors in office illustrates, the institutional legacy of the American Revolution and its Constitution, are a powerful, deeply embedded part of the American political tradition and character. An animal is, predominantly, culturally, born yesterday; a human being, a society, is chiefly a product of the intellectual history of its people, and therefore, the individual in the society inherits deeply embedded "germ material" which may spring forth, afresh, as with new-born life, within the society in which that legacy has seemed largely dormant over intervening generations.

That is what our foreign adversaries, especially those in Old Europe, fear from us today. The British oligarchy is especially sensitive to the remembered hurts it has endured at American hands over past centuries, and that oligarchy being divided from one another by what is allegedly a common language, Britain's spymasters and kindred ideologues are acutely aware of the danger to their system which our tradition represents, should we choose to free ourselves, as Presidents Washington, Lincoln, and Roosevelt did, and as President Eisenhower understood very well, from the grip of the corrupting influence of the intellectual shackles of Anglo-Dutch Liberalism.

A similar difficulty is met in other regions of Old Europe. In France, it is chiefly the Napoleonic legacy; in Germany, it is chiefly the oligarchical tradition of social castes. Italy is, in many ways, the closest to us from all of western and central Europe, and there are reasons for that.

However, we can, and must be more precise on this point. The key to the pervasive moral-political and other cultural corruption of western and central Europe today, is the fact that these governments have sold their birthright of freedom for a legendary bowl of pottage, the adoption of parliamentary systems under which governments are essentially, usually, as today, the lackeys of private financier interests in charge of central banking, and have no real sovereignty at all in matters touching those aspects of sovereignty which are enshackled by the Liberal authority of privately-owned central banking systems in the Venetian financier-oligarchical tradition.

This oligarchical trace of potentially fatal flaw in the conception of sovereignty among those Europeans, is the most essential corruption, the virtual essence of Old Europe in the modern Europe of today.

Under the conditions in which misguided Europeans and others view Anglo-Dutch Liberalism as to be preferred to the customary constitutional culture of the U.S.A., the Europeans, in particular, are more readily the potential slaves of an Anglo-Dutch Liberal form of dictatorial system of economic and related forms of rape. They tend, on this account, to prefer to be raped by Britons, than search for the prospective plea-

tures of marriage to Americans. However, for our immediate attention here, the problem is, that they lack the engrained sense of moral authority, of the type which Franklin Roosevelt showed from March 4, 1933 onward, a quality of national sovereignty which is typically our own.

3. The New Monetary Policies

It is my current estimate, that, given the present global conditions in progress now, were the mortgage-bubble-, and hedge-fund-driven rate of collapse of the U.S. dollar, to accelerate toward the presently probable 20-30% range in near-term relative depreciation, this would probably set off a chain-reaction disintegration of the existing world monetary-financial system, and a probably ensuing breakdown-crisis of the global, physical-economic system itself.

That is but one of several reasonably expected scenarios; but, all of those converge, similarly, on the same type of outcome, and within approximately the same time-frame.

In that case, no part of the world would actually benefit from such a collapse of the U.S. dollar. All dollar-holders globally, would be caught up in the maelstrom, and the markets on which “low-price labor-market economies” depend, would be plunged into rapid and deep collapse, a collapse from which, at most, few existing such nations would emerge as intact sovereignties.

So-called economists, and related “experts” who do not recognize the set of circumstances which that case only typifies, who do not recognize their almost certain, early consequences, are behaving as worse than incompetents, as self-deluded, wishful fools.

The pivotal problem in dealing with the members of the Congress and their staffs, now, is the prevalent, fear-filled tendency to limit urgently needed reforms, wishfully to measures which must lead to the equivalent of a war lost in advance, a virtual war to be lost, chiefly, because people in positions of political power, were unwilling to do enough, soon enough, as if all at once, to save not only the U.S.A., but also the world at large, to save the world from an early plunge into not a mere economic depression, but a general, global breakdown-crisis of the type associated, in history, with “a new dark age.” In fact, we are presently threatened with a relatively immediate plunge into a global new dark age and a consequent catastrophic disintegration of civilization.

Yet, nonetheless, objectively, were relevant political forces prepared to take timely action, soon enough, such a catastrophe could be avoided.

I do not actually share the pessimistic view with which I have just opened this section of my report. I only report what my associates and I encounter, at least up to the present moment, as still prevalent among leading political and related circles in the U.S.A. I would, quite reasonably, hope to be able to improve that situation, soon, were I afforded the relevant opportunity to help in doing so.

Otherwise, meanwhile, there were absolutely no hope of an effective initiative from among the governments of western and central Europe at this time. Nonetheless, despite the eerie want of a sense of reality prevalent in most leading circles of western and central Europe, there is still reason to rely on the hope that the U.S. might rally itself to provide the initiatives on which the needed cooperation in survival of global civilization now depends.⁸ A relevant U.S. initiative, must provide the matrix used to bring a crucial portion of the world’s national systems into the needed form of cooperation jointly needed by us all.

Therefore, despite the high-ranking doubters and pessimists of today’s world, there is an available way in which to

8. A particular U.S. President might be insane; but it were not probable that a majority of our elected members of the U.S. Congress would be stupid. Stubborn, cautious, a bit opportunistic, and so on? Yes. Stupid? No. The new crop of members just harvested give us reason for hope.



EIRNS/Bill Jones

There is every reason to be optimistic that the incoming Democratic Congressional leadership will be pushed to take the necessary measures to save the economy. Here, House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid, celebrating on election night.

avoid such a global calamity as that immediately threatening us. Still, the worrying fact remains, that, when we take the temper of the present ranks of leading political circles of the Trans-Atlantic community and beyond, it would appear, until now, that the existing remedies will not be adopted in time to prevent a general breakdown of civilization, world-wide. That is, essentially, the false, pessimistic opinion abroad, the prevalent opinion which we must change during the immediate interval ahead.

Thus, in relevant political circles, our efforts to induce governments, especially our own, to take useful actions to prevent the onrushing calamity, have been chiefly blocked, to the present date, by the prevalence of certain objections to even the mere idea of considering types of early actions on which the continued existence of civilization depends. To illustrate this situation, we hear, on the one hand: "Not while Bush is still President"; or, similarly, "Our political system can not work that way."

In fact, of course, contrary to those and similar protests, our U.S. constitutional political system is the best existing design in the world today for taking precisely such kinds of actions, as the Administration of President Franklin Roosevelt demonstrates. Admittedly, the present crisis is far more severe than the economic problems faced in that President Roosevelt's time; but, the principles needed to succeed in setting back the present threat are consistent with the authentically constitutional precedents embodied, essentially, in the all-subsuming Preamble of that Constitution, as used successfully by that President Roosevelt.

I have recently summarized my proposed response to such a development on the occasion of both the opening presentation, and reply to a relevant question, during the LPAC Washington, D.C. webcast of this just past October 31st. Subsequent reactions to that portion of that webcast, from official circles, and others, indicate the growing desire for further discussion of my proposed action as the U.S. Congress prepares for what might probably turn out to be a marathon session. I honor that implied desire, and will continue to do so in the period ahead, as now.

Before proceeding to a somewhat detailed map of the solution for this threatened crisis, *it should be emphasized at this point, that the methods employed by the LYM for the last phase of the recent mid-term elections, provide a foretaste of the approach which must be taken for the purpose of organizing the political forces needed to bring the urgently needed reforms into practice.*

That much said, we most now, here, begin our outline of the immediate situation, with the issue of the definition of both money as such, and, also, debunk the notion of some asymptotic value intrinsic to a monetary process as such. Debunking today's stubbornly popular myths of the street and university classroom, is an indispensable precondition for making clear the nature of the measures which are both indispensable and sufficient for organizing the survival of civiliza-

tion from the currently oncoming menace of a breakdown-crisis of, not only the U.S. dollar, but, global civilization as a whole.

Those ruinous beliefs in such myths, are of a type which can be overcome only by the kind of dynamic method employed by the LYM, with notable successes, in critical times and places of the just recent mid-term election campaign.

This brings us to the needed discussion of money.

3.1 What Is Money?

The existence of money has been a necessity for any modern economy until now; and, this will be true all the way to the foreseeable horizon of future civilized practice. So, by definition, money as such may have utility; but, contrary to popular academic and other myths, money never had, and will never have intrinsic value, in any form of modern civilized economy. That is the crucial point now immediately before us here.

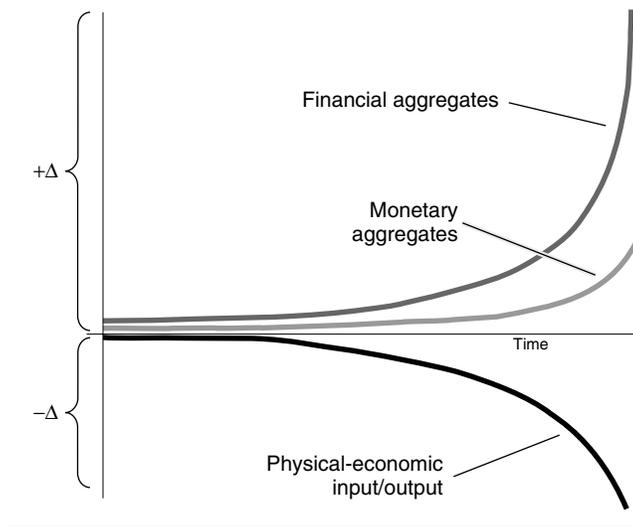
The principal source of confusion on this account, is widespread belief in the myth, as opposed to the reality of money. Any effective organization of the presently imperilled world economy will involve a crucial role by money and banking systems, a role which depends upon the view of money which I express here.

For example, widespread populist delusions proceed from the presumption that money has some intrinsic value, a value which could be determined in "a natural way," were the intervention into the economy by government to be removed. This is not merely a populist type of delusion; it were a deadly delusion for the U.S.A. itself, and civilization generally, in the setting of the presently onrushing crisis. *Money has no imputable intrinsic value. The value attributable to a currency is a socially determined value, a physical value, not a "natural" one. Karl Marx and those Anglo-Dutch Liberals who taught Marx to believe in the British system of political-economy, were, in fact, the dupes which their teachers intended them to become. The Anglo-Dutch Liberal doctrine of money, is merely a deluded belief induced in the believer, to the intended advantage of the system which crafts and spreads that delusion on behalf of its own, intended, predatory advantage.*

The actual, necessary role of money in a sane outcome of the presently onrushing world crisis, is a role, which, to many, would, at the least, appear to be much like those institutions of the U.S.A. prior to the radical changes in the U.S., monetary and economic systems effected, as a pattern, beginning 1971-1981. Therefore, before detailing any prescription for change in the present system, we must, first, sort out the axiomatic differences between myth and reality of modern money-systems. Since we must prescribe remedies in terms which provide for the function of money-systems within and among nations, we must first make clear the definitions of terms under which we should be operating.

Insofar as we are dealing, principally, with a certain conti-

LaRouche's Typical Collapse Function



nuity within the ancient through modern evolution of European money-systems, concern for competent systematic treatments of this subject require that we begin our present argument by tracing the evolution of such systems, if only in outline, from the imperialistic role of the international loan-operations of a syndicate of financier interests organized, at the site of the Delphic temple of the Pythian Apollo, and the maritime operations which were coordinated, throughout much of the Mediterranean, by that center.

The Ancient and Evil Use of Money

Since the early days of maritime-based financier systems of that type, such financier systems were coordinated with what was identified during that time as “the oligarchical model” of society. That model was based on the herding of a majority of the subject populations, herding of classes of the many by the few, as in Lycurgus’ Sparta. The many were treated in fashions akin to those designed for the virtual beasts of an estate, as the wicked Physiocrat Dr. François Quesnay defined the farmers on the landlord’s feudal estate as mere cattle. These were assessed by such Physiocrats, as cattle to whom no increase of the amount of product produced, over product consumed, was attributed. The economically efficient creative function of the individual human mind was not acknowledged by such heathen as Quesnay, Turgot, Adam Smith, Bentham, and their followers.

Similarly, the pro-satanic Bernard Mandeville, whose *The Fable of the Bees*, the virtual Devil’s Bible of the Mont Pelerin Society, Graham Lowry summed up: “. . . the interests of the state were nothing more than the aggregate fulfillment of its individuals’ hedonistic pleasures.”⁹ Or, as I have

9. *Op. cit.*, p. 303.

summed up my own reading of Mandeville: he assumed that the distribution of the proceeds of wealth was being determined by evil little green men casting dice under the floorboards of the universe, devilish little creatures giggling satanically each time the cast of the dice rewarded evil, and ruined good: pretty much as the Mont Pelerin Society’s or American Enterprise Institute’s prescriptions work out in actuality in the U.S.A. today.

Each time a financial crash occurs, the outcome is nothing but a demonstration that the actual, *physical* value of the output of society has been cumulatively far, far less than the value imputed as monetary assets of the system. [See figure.] These discrepancies arise in sundry ways, but all to similar net effect. One typical way this occurs, is through profits on gambling debts, which, in the main, apparently increase the monetary obligations outstanding in society, while, usually, through correlated effects of what is called “primitive accumulation,” actually decreasing the net rate of generation of physical wealth per capita and per square kilometer of relevant territory.¹⁰

The most lunatic form of gambling today is the legalization of financial derivatives under Federal Reserve Chairman Alan Greenspan: which is nothing but an intrinsically hyperinflationary mode of “primitive accumulation.” These forms of “primitive accumulation” increase the mass of nominal financial assets, by collapsing the stock of valuable physical assets. “Hedge funds,” for example, using wild-eyed gambler’s leverage, vastly increase, temporarily, the nominal market valuation attributed to largely worthless financial assets, thus increasing vastly the obligations of society’s monetary system, while collapsing, and that quite savagely, the net physical value of the total product of that society. The official U.S. today, including Paulson and Bernanke, is still floundering in the quicksand-like monetarist lunacies concocted under the regime of the late Ayn Rand’s Federal Reserve Chairman, Alan “Bubbles” Greenspan.

Thus, without mass cancellation of what are, economically, intrinsically worthless claims premised on such nominal assets as financial derivatives in general, and “hedge fund” swindles in particular, no possible survival of the world’s present monetary-financial system could ever occur: hence, the most immediate threat of a plunge into a global new dark age.

The 1998 collapse of the GKO speculation, a collapse caused by the mathematical formula for generating hyperinflationary forms of “primitive accumulation,” then being used by the speculators, as by “hedge funds” now, is an example of the principle; the vast, hyperinflationary expansion of the

10. E.g., the aspect of the matters considered by Karl Marx’s Vol. III of his *Capital*, which poor confused Marx himself could never get straight: a typical result when a fool at the blackboard, or with his computer, assumes that playing with mere numbers could prove anything at all concerning the physical reality of values determined according to physical processes.

same type of bubble, over the intervening eight years, which has transformed the shadow of doom of August-October 1998 to the near certainty of a global monetary-financial meltdown now. Only by wiping the vast majority of the inherently fraudulent, financial-derivatives gamblers' nominal assets, "off the books," could the monetary-financial system as a whole be successfully reorganized to the effect of restoring real physical-economic growth per capita and per square kilometer.

This must be done. Otherwise a planet-wide collapse into a new dark age is the immediate future. However, it must be done according to principles of natural law, not arbitrarily; and it must be executed in a manner which keeps the essential functioning of the lawful American System of political-economy intact.

Looking back to original imperialistic maritime operations of the Delphi cult, we should quickly recognize that the Roman imperial, Byzantine, and medieval Venetian-Crusader systems, were prime examples of conceptions of money specific to imperialist types of monetary-financial systems, including the modern Anglo-Dutch Liberal system traditionally centered in the modern Bank of England under Hitler sponsor Montagu Norman of Brown Brothers relevance. This fact should suggest to us that there is nothing natural about the monetary-financial systems presented in the all-too-typical university classroom and textbook today.

A contemporary Jonathan Swift might recommend, that, as a matter of value, a graduate degree in customarily taught economics today has an impending market value of much less than nothing. In his suggested remedy, perhaps holders of such titles might be justly charged fines for holding onto the award of such degrees.

However, the more useful view of what I have just summarized here, is presented by pointing out that an entirely different, physically-scientifically sound alternative conception of money had been once established as a matter of knowledge. This was, and remains, the science of physical economy, as developed by Gottfried Leibniz over the course of the 1671-1714 interval, and as this same science of physical economy was the basis for the development of an American System of political-economy associated with the work of the U.S.A.'s first Treasury Secretary, Alexander Hamilton. This Leibniz-Hamilton system formed the basis for President Franklin Roosevelt's rescue of the U.S. economy in time to prevent Hitler's forces from becoming a world empire.

In our modern U.S. tradition, the difference between the two systems, the American System associated with such figures as Alexander Hamilton, Henry C. Carey, Abraham Lincoln, and Franklin D. Roosevelt, is the natural adversary of the Anglo-Dutch Liberal imperialism's "free trade" system. There is no congruence between the Anglo-Dutch Liberal ideology and that American System of political-economy which is implicit as the effect of the intent of the Preamble of the U.S. Federal Constitution. It is on that crucial point that the U.S.A., and only the U.S.A., provides humanity the pivot

of actual hope today, of a rescue of the presently imperilled world system of economy.

In that historic light, the obvious remedy might be, to return to the remedies adducible from the history of our Federal Constitution, as Franklin Roosevelt did.

3.2 Franklin Roosevelt's Remedy

Look at what the successive U.S. Nixon, Ford, and Carter Administrations tore down over the interval 1970-1981, over the span from Nixon's shameless embrace of the charlatan Milton Friedman, through the savage pilot measures of "controlled disintegration" of the U.S. economy enacted under the direction and specifications of the Trilateral Commission. The entire system of monetary and international trade and investment stabilization, and the "fair trade" protectionist measures typical of the work of President Franklin Roosevelt's war-winning economic recovery, was junked within a span of approximately a single decade.

Prior to the devastating effects of the protracted U.S. war in Indo-China, the post-World War II U.S.A. enjoyed a span of net technological progress and real (physical) economic growth per capita and per square kilometer of our territory. From 1967-1968, the U.S. economy began a downward slide, which was accelerated by the catalytic effects, internationally, of the terrible British government under that wretched wrecker, Prime Minister Harold Wilson.

On this account, we must recognize the implications of outgoing U.S. President Dwight Eisenhower's warning against what he chose to name "a military-industrial complex." Contrary to much populist misreading of that President's warning, the actual threat to which his address referred, was not the use of military adventures for profit, but the way in which the Anglo-Dutch Liberal imperial interests, intended, by aid of their U.S. accomplices, to destroy the U.S. economy by inducing that U.S. to follow the foolish course of conducting ruinous warfare and attempted establishment of dictatorship: as we have seen this in not only the 1962 Cuban "missiles crisis" and the extended U.S. war in Indo-China, but in all of the principal measures of reform of the internal economy and international monetary system since the advent of the so-called "Sixty-Eighters" and the willful wrecking of the Bretton Woods system, and of the American System of "fair trade," over the 1970-1981 interval, and beyond.

The intention, as also in the fraudulent launching of the desert quagmire of killing spreading, since April 1975, throughout Southwest Asia, has been to induce the U.S.A. to destroy itself, to, thus, clear the way for world rule by a post-nation-state form of Anglo-Dutch Liberal neo-medieval utopianism called "globalization." That is what was intended; that is what has happened, as President Eisenhower's warning against the relevant "military-industrial complex" as it has operated under George P. Shultz's concoction, the Bush-Cheney Administration.



FDR Library

FDR's emergency measures for bringing the U.S. economy out of disaster were informed by the principle of agapē, loving concern for all citizens, starting with those suffering the most. Here, FDR is shown at Warm Springs, the polio center he funded, greeting a child patient.

Under a mentally sound President, and morally sound Vice-President, the follies of the presently spreading wars in Southwest Asia could not have been unleashed as they were. To achieve those results, an intellectually and morally corrupted Presidential administration was indispensable.

Prior to those 1967-1981 developments in the world market and the internal U.S. economy, the U.S. under Franklin Roosevelt had established an open-ended structure of protectionist measures. Malicious idiots have described these measures as, in effect, subsidizing the indolent at the expense of the energetic; those critics were either stupid, or were simply lying, as Liberals of predatory oligarchical inclinations and their demagogic actual, and would-be lackeys, are wont to do. Actually, the effort of these "protectionist" reforms was a system, indelibly consistent with the intent of our Federal Constitution, a system sometimes called "fair trade."

The protectionist system is actually a requirement embedded implicitly in the Preamble of the U.S. Federal Constitution. This Preamble is, itself, inherently, and not accidentally so, the expression of a most fundamental principle of natural law, termed *agapē* in the Classical Greek, and famous otherwise as the principle affirmed by the Apostle Paul in *I Corinthians* 13. It is also known as the fundamental principle of the 1648 Treaty of Westphalia: *the benefit of the other*, on which all civilized forms of modern European civilization,

including the principle of the sovereign nation-state, are premised.

You wish to be an actual Christian, for example? Don't support a neo-con.

The function of this principle of natural law, is not merely the protection of the individual's rights, but the obligation of society to give preference to those activities which are indispensable, or notably beneficial for the promotion of the general welfare, and the actually efficient promotion of human rights, as mankind's divine obligation, as implied in *Genesis* 1:26-30. Thus, the principle of immortality were embedded in our Constitutional law. It is in immortality, the legacy of what the living do to produce the future's outcome of their mortal lives, which is the foundation of all natural law.

We are a living part of a process of Creation, a Creation which is not a fixed thing, but a growing and developing universe, not a fixed order, or an eroding one. We are unique, in the respect that our individual wills, imbued with the powers of creativity, such as scientific and Classical-artistic creativity, natural

to the human individual alone, which provides the measure of the outcome, and therefore the nature of conformity with the guidance of natural law.

This means, for example, that labor is worth its hire, and investments which benefit society, are encouraged, while those which do not, are not. It means, in physical economy, that investments in infrastructure, which are necessary to promote the productivity of territory and labor, must be supported, even at the expense of investments and activities, such as speculative modes of acquiring financial profits, which are not.

At the same time, as history demonstrates, there is no actual principle of nature which predetermines that trends of exchange under "free trade" conditions must converge on a desirable equilibrium in relative prices. In historical fact, the exact contrary effect has been the case.

The system of fixed exchange-rates under the Bretton Woods system, and the use of tariff and congruent mechanisms to effect what we termed "fair trade" conditions, were the characteristics of the most successful organization of economy the world had ever known. The protectionist measures taken on that account, were the foundation of that success, just as the abandonment of those measures has resulted in a clear decline in physical productivity and standard of living per capita and square kilometer of the land-area of the counties and territory as a whole of the U.S.A., since no later

than 1977, up to the present date. The data crafted in the effort to suggest the contrary, have been simply, willfully faked lies by both government and relevant private institutions.

If the U.S. economy, for example, is to recover from what is otherwise the certainty of a general breakdown-crisis of our nation, we must greatly expand the productive and related investment per capita and per square kilometer of our total territory. This can not be done, without great help from public sources of credit. Such credit could not be provided, especially in consideration of the present national financial and related disasters, unless there were a reasonably assured ability to repay over the course of the coming quarter or half of a century (over a generation, or two, that is). This means that the channels of investment and production must be regulated to ensure stable values of currencies, stability of price-structures, and fungibility of incurred long-term obligations over the course of such lapses of time. That requires a fixed-exchange-rate system.

The result of such precautionary provisions, is a regulated fixed value of the U.S. dollar as an instrument of long-term, treaty-based credit in world markets. *Long-term* means the anticipation of settlements of accounts over spans of not less than a span of between a quarter and a half century. This can be done only through the assistance of U.S. Federal and related regulation.

Such required measures have the effect of setting a fixed absolute and relative financial valuation of the U.S. dollar.

4. Creating the New Federal System

The measures required to save the U.S.A. from a fatal economic/monetary-financial catastrophe, belong to two general classes. First, we consider the required actions by the U.S. government in the immediate interests of the nation. Second, we shall consider the most essential of the international measures.

The degradation of the physical productivity of the U.S. economy, per capita and per square kilometer, during the period since 1971-1972, and since 1977-1981, has been a product of two principal changes in national economic and related policies.

First, the elimination of the fixed-exchange-rate international monetary system established as the Bretton Woods system. This lowered the physical standard of income from employment in physical production of goods and related



Creative Commons/Dan Smith

The first step required in saving the United States from economic catastrophe involves the Federal Reserve: Declare it bankrupt, and take it under protection, thus turning it into a de facto national bank. Here, the Fed headquarters in Washington, D.C.

employment, while effecting net attrition and other reductions in investment in infrastructure and capital goods.

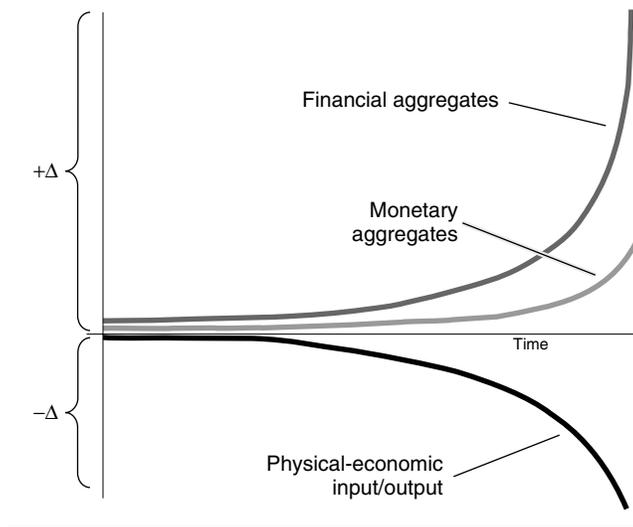
Second, this effect of the first measure was greatly aggravated by the intentional destruction of the system of so-called “protectionist” regulation associated with a “fair trade” policy, in favor of both a cheap labor policy and an accelerating decline in investment in standard of living, productivity-related capital intensity, and basic economic infrastructure.

The net effect of this, over the interval since 1971, has been a decline in net physical productivity, per capita and per square kilometer, in manufacturing, infrastructure, and high grade services, over the entire thirty-five-year interval: since 1971.

The nations of North America and western and central Europe, for example, no longer provide an average standard of living for the lower eighty percentile of family-income brackets, per capita and per square kilometer consonant with levels achieved during the 1960s. Our nation has been self-downgraded from a nation with the predominant characteristics of a republic, to a nation with the type of permanent poor lower eighty percentile, associated with the oligarchical model of a society ruled over by the upper three to twenty percentile.

The downward shift of employment in production of goods and provision of essential high-grade services since 1971-1981, has shifted employment world-wide, toward nations with ever poorer standards of living per capita and per square kilometer. The effect of the shift from developed economies, toward economies of poor people producing for the

LaRouche's Typical Collapse Function



consumption of nations which used to produce for themselves, has been to lower the average productivity per capita and per square kilometer world-wide.

The result of these shifts over the 1971-2006 interval, is illustrated by the “Triple Curve” scheme replicated here [above]. As the net physical output, per capita, of the economies of the Americas and Europe continues, we have reached the critical threshold at which an onrushing chain-reaction collapse of the economies of the U.S.A. and western and central Europe, would collapse not only those regions themselves, but would collapse the exporting Asian and comparable poorer economies on which the stability of the latter economies depend.

The remedy is, stated in bare essentials, to reverse that trend of the recent thirty-five years, but, with the caveat, that we must not lower the rate of realized technological development in the nations of Asia and Africa.

The net effect of this thirty-five-year shift from the Bretton Woods system, toward a so-called “post-industrial,” “globalized” system, has been the lowering of the net productive powers of labor, per capita and per square kilometer world-wide. We have now reached the trigger-point at which the characteristics of this trend to date would be expressed as a general, global breakdown-crisis of the planet as a whole.

Not only must we write off, and reverse the policy-shaping trends in the Americas and Europe over the past thirty-five years. We must recognize that, during these three and more decades, the world has changed technologically, such that without a massive reversal of the anti-nuclear-power and related zero-growth dogmas instituted during the 1970s and beyond, and without a commitment to accelerated progress toward the use of controlled thermonuclear technologies, the planet would not be capable of meeting the needs created

by relative depletion of some natural resources, nor meeting the rising expectations of a growing world population. We have, in particular, reached a point at which the combined development of the sovereign nation-states of Eurasia typifies the new quality of world economy which defines the challenge meeting the world as a whole today.

Therefore, in the U.S.A., as in Europe, we must reverse the policy-trends adopted during the interval since about 1968, while, at the same time, mobilizing to meet the reasonable expectations of development of the peoples of Asia, and also Africa, as well as Central and South America. We must launch the long-postponed Third Development Decade of the UNO, in tandem with the scientific and technological revolutions which are typified by the implications of unavoidable increased reliance of all nations on nuclear-fission and thermo-nuclear-fusion technologies now.¹¹

4.1 The Role of the U.S.A.

The initiative for this reversal of a trend in folly is inevitably centered, as a responsibility, in our U.S.A. The reasons for that are principally twofold. Firstly, despite the developments of 1971-72 and their aftermath, the relics of the Bretton Woods system exist still, unavoidably, today, in the form of the presently inescapable implications of the U.S. Dollar’s role as the International Monetary Fund system’s nominal reserve currency. Secondly, the superiority of the U.S. constitutional system as an instrument for revival of a sickened world-market economy, is such that without an appropriate initiative from the U.S. government now, no recovery of the world from the presently onrushing, global breakdown-crisis would be possible within the span of a generation.

The subject of the needed emergency initiatives required to rescue the world as a whole from a presently onrushing threat of a global chain-reaction form of general breakdown-crisis, is properly assorted, for purpose of policy review, into two sections: the role of the U.S. government in proffering the needed initiatives for reorganization of the global, dollar-denominated monetary-financial system, and the international division of labor among nations required to carry that initiative forward into a programmatic approach to a general recovery.

Thus, the first step required of our U.S.A. is twofold. First: the U.S. government must find the general welfare of the nation to be imperilled, as it is already in fact, by the

11. What might have been considered the attempt to launch a Third Development Decade, occurred at the August 1976 Non-Aligned Conference at Colombo, Sri Lanka. Although a majority of the nations assembled for that event supported the resolution, by the short time of the Autumn meeting of the UNO in New York City, only one representative of the nations assembled at Colombo, the honorable Fred Wills of Guyana still upheld the resolution adopted scarcely a month earlier. Mrs. Gandhi and Mrs. Bandaranaike were toppled from power during this period, and Pakistan’s Bhutto informed us that Henry A. Kissinger had promised to eliminate him, as happened soon after that.

national and global effects of an onrushing general collapse of the U.S. Federal Reserve System. Second: The U.S. government must take the Federal Reserve System, as a bankrupt in fact, into Federal bankruptcy protection, thus, in matter of fact, re-establishing a U.S. Constitutional, "Hamiltonian" form of national-banking system.

The mere possibility of preventing the kind of chain-reaction financial collapse which would probably destroy the U.S.A. as a functioning nation, requires putting the banks and related institutions of the U.S. under full protection as in a state of bankruptcy. The U.S. government must then treat the banks and related institutions so protected, in the manner required to ensure the maintenance of levels of present useful employment and functioning of essential public and private services in each and every county of the U.S.A.

Although regulatory protection of deposits and related matters on the account of these banks, is required, the clearly essential consideration, is the maintenance of the normal functioning of either the county economy, or an economy composed of a set of what are functionally closely related sets of counties.

Anyone who fails to recognize the vital interest of the nation and constituent communities in the protection of such banking functions, should be regarded as like a mental case, perhaps as an obsessed ideologue whose aberrant fantasies are more precious to him or her, than the welfare of the people and their nation. We must have a functioning banking system, which responds, under Federal protection, almost as if no condition of bankruptcy had existed.

To defend those functions of the banking institutions in the vital national interest, large masses of claims must be held, as if frozen, under supervision. Their claims to value are not automatically invalidated; they may, under suitable provisions of law covering each of a variety of cases, continue life as assets; but, their use as such assets were now regulated, pending the resolution of the processes of reorganization in bankruptcy.

In these cases, claims whose character is that of a form of gambling debts, or forms tantamount to proceeds of investments in gambling, are assigned the lowest priority. It would be impossible to save the banking system in a functioning condition, unless we neutralize the free mobility of the great mass of claims arising from transactions which have a quality of origin as something tantamount to proceeds of gambling. The management of such claims must be assisted by relevant adjustments of policies of taxation.

The second step required is the Federal utterance of monetary credit, as financial capital, for both direct investment and investment through either Federal states, or participating private banking and related institutions.

The primary objects of such uttering of Federal credit are three:

First, we must shift employment away from unskilled and semi-skilled forms of optional services employment, to pro-

ductive forms of employment, with specific, targetted goals for qualitatively productive upshifts in the composition of employment per county. This must be accomplished without lowering the level of employment; that must be done through in a manner tantamount to up-shifting employment from relatively non-productive, to physically productive. The object is to increase the useful physical output per capita and per square kilometer, in number of persons, in quality of level of skill, and per capita of population, and to conduct this reform in such a way as to improve the ratio of net productive to non-productive employment, and also increasing the net useful physical output, per capita and per square kilometer of territory within the territory as a whole.

Second, we must bring the level of physical output, per capita and per square kilometer, specifically up to levels which bring the nation up to higher than physical breakeven levels in respect to total production output, and, also, productivity per capita and per square kilometer of county or multi-county area.

Third, we must put a higher priority on technologically more progressive production, than less progressive, except when the specific production is necessary in itself. Preference is given, usually, to closely held local enterprises, which are the bulwark of local economic development, and support for essential public functions, in county or multi-county areas. The national object should to build up the production and fruitfulness of utilization of land-area in county and multi-county regions across the nation. We must, similarly, institute regulatory measures which curb and penalize excessively exuberant flights of capital investment from one firm to another.

The initial emphasis in stimulating economic recovery, will be focus on the matter of long-term improvements in basic economic infrastructure, under guidance of the respecting Federal and state governments. This signifies long-term investments by the Federal Government's power to create capitalized debt, and to assist the states in accomplishing similar ends, in effect.

The objective must be to promote the economic health and productivity of each and every local county of the U.S., and to treat such local development as the platform on which the edifice of specifically national achievement rests. We must return the nation, away from a world of supranational corporate fantasies, to the nation and its people.

On this account, we must return as much of the support of the infrastructure of the economy back to reliance on enhanced means promoted on behalf of the states and counties, away from the national account. To accomplish that, we must build up high-technology regional and local entrepreneurship wherever feasible. The included objective must be promotion of the role of local creative and related skilled leadership of closely held enterprises, represented in sufficient numbers and varieties in each area, to provide for meeting goals of local economic stability in the area. We must prefer technological

competition, where creativity is at home, to price-competition, where predatory financial adventures prevail. Large corporations should be viewed as instruments for realization of products in the national interest, which are reflections of the creative productive powers represented in local, relatively more closely held, smaller enterprises.

We must reverse the existing trends which destroy national economy internally through careening financial operations of globalization. We must uproot the attempted revival of the medieval, predatory lunacy of Norman Crusaders and Venetian financier-oligarchical predators alike.

This second step proceeds in parallel to, and interaction with *a third step*, emphasis on the leading role of development of essential economic infrastructure, either by Federal agencies, or by Federal cooperation with the states.

4.2 Science As Profit

This brings our attention back to the subject of the opening chapter of this present report. What is real profit to society, and how must it be generated, and protected, as an institution of practice?

During the weeks leading into the recent U.S. mid-term elections, the LYM was deployed, in a nationally coordinated mode, into selected areas of national Democratic Party campaigning. A “war room” operation, based in Leesburg, Virginia, was set up, composed of young veterans of the LYM’s earlier political-campaign “wars,” with specific areas of candidacies of individual Democratic nominees, or functionally related groups of nominees, as the assigned LYM mission within the national Democratic campaign-field as a whole.

Post-election audits conducted by known Democratic Party specialists in such matters, have shown that the “landslide”-like margins of elections to the House of Representatives, and certain Senate candidacies have produced what would have been an unexpected surge of Democratic support from both young adults in the 18-29 age-interval, and a larger surge among young adults in the 25-25 range. More significant, for our purposes, than that feature of the post-election survey, were reports of interviews with young voters who had been drawn into these rather sudden, landslide-like surges.

The most significant result of the surveys, was not merely that the LYM’s deployment had been an outstanding factor in the voter turnover, but, the manner in which that LYM deployment emphasizing mass effects, had catalyzed a gain far beyond anything associated with Howard Dean’s teams.

This correlated with the recent survey of newly elected Congressional Democrats assembled at the premises of Boston’s Harvard University. Generally, these winning candidates had been not promoted by Howard Dean’s campaign organization; but, they won their elections nonetheless. The characteristic met among these successful candidates was their national-interest mission-orientation, rather than political-career motivations.

It was the manner in which the LYM deployed, in its contributions to these effects, on which we must focus our attention here. The characteristic feature of the way in which the LYM deployed to produce what I have described, above, as a “mass effect.” Essentially, the LYM, as it has been developed during the course of its beginnings in my engagement with college youth during my Y-2000 Democratic Presidential candidacy, and my ensuing, Summer-Autumn support for Presidential nominee Senator John Kerry’s candidacy, had been my emphasis on fostering scientific-artistic creativity, as I have indicated at the beginning of this present report. The method for producing a “mass effect” in deployment, was premised upon the methods for fostering stimulation of the creative potentials within a population in the referenced age-ranges among young voters.

Those developments reflect what have been the constitutional commitments of my national and international philosophical association, especially the development and application, over about a half-century, of my original discoveries within the domain of a Leibnizian science of physical economy and, during more than forty years of successes in long-range economic forecasting.

The crucial factor in that successfully performed mission-assignment adopted by the LYM, points to the fact that true profit and creative scientific and related creativity are inseparable.

That said, as introduction to the following presentation, the case to be made in the attempt to define a physically sound scientific definition of the true margin of profit in economy, I now focus our attention on the relevance of that to the successful design and execution of a global recovery and growth of the world’s physical economy during the course of the coming half-century and more.

This is the consideration, the point of view, on which the design of our republic’s new Federal system of economic recovery must depend, if our attempt at this juncture is to become a successful one over the two generations now to come.

What Is Creativity?

The essential, natural distinction of man from beast is the power of the sovereign power of the individual human mind, to generate, and to replicate the act of discovery, and of use of ideas which fit the classification of discovery, by sovereign individuals, of fundamental principles of physical science and Classical modes of artistic composition, as the latter are typified by the discoveries of Johann Sebastian Bach and those who continued his discoveries. The most efficient typification of this can be reconstructed in the experience, by gifted adolescent and young adult students, by reliving, step by step the way in which Johannes Kepler presents his uniquely original discovery of universal gravitation, as reported in detail in his *The New Astronomy*. In fact, taking into account the work of such explicit followers



Lyndon LaRouche, here with members of his youth movement, directed the specific flanking action that would lead to the mass turnout of young voters, who won the election.

EIRNS/George Hollis

of Kepler as Gottfried Leibniz and Carl F. Gauss, Albert Einstein rightly emphasized that the essence of all competent modern physical science is expressed as the dynamic process of development linking the discoveries of Johannes Kepler and Bernhard Riemann.

In the bounds of the apparent infinitesimal as defined by Kepler's discovery of gravitation, expressed by the orbital correlation of Sun, Earth, and Mars, the alert student meets the challenge of recognizing the practical physical meaning of the concept of a principle, such as gravity, which is as big as the universe itself, but which is therefore expressed in each minutest instant as an apparent "infinitesimal," which is not a mathematical magnitude as such, but the expressed ontological actuality of the presence of the universal principle at each and every smallest conceivable interval of action.

The same notion of the infinitesimal as the shadow of an ontological actuality, is encountered in the well-tempered counterpoint of Bach, where the comma appears in the performance as gravitation is expressed, as ontologically efficient in the very small, as in Kepler.

In the intersection of the counterpoint of Bach, as in the adequate performance of his motet *Jesu, meine Freude*, for example, the same quality of the human mind registered in rediscovery of Kepler's discovery of gravitation occurs. The qualities of creative intellectual experience, are the ontological actuality of an event we rightly name human individual creativity. This expresses the quality of the individual human mind, which sets the human personality apart from, and above the beasts. This is the infinite/infinitesimal expression of the human mind which betrays the presence of the immortal soul

which lives when the mortal body has passed on. It is these acts, acts of science, acts of Classical forms of beauty, acts implicitly of love for past and future mankind, which set the human personality apart from, and absolutely above the beasts.

It is this quality of specifically human individual activity, which is the power through which true profit is generated within physical-economic processes. This is the state of mind, the state of personal satisfaction, which is the true happiness of the individual in society.

It is the sense of universality so defined, which distinguishes creative forms of human social activity from the Cartesianism of the individual lower forms of life-behavior. It is the treatment of those qualities of ideas which, like the proper singing of a Bach motet, impart a sense of the divine, of universality, to human individual and social action. That was the action which has astonished, and sometimes dismayed, even some among those Democrats who reflected on the role in which the LYM's deployment for "mass effect" contributed to the happier sides of the action expressed by the Democratic victory to which young citizens in the 18-35 interval contributed what is now registered as a unique quality of result.

It is the promotion of creativity, including scientific creativity, in this way, expressed in the cooperative activity of persons in society and in our economy, which is the hope for the future of our nation, and of our nation's potential contribution to the heartfelt well-being of all mankind today, It is the silent song of victory by which the singer knows that he or she is no mere beast.