

Where Franklin Roosevelt Was Interrupted

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So far, since approximately October 1997, when the present, terminal phase of the present global financial crisis began, most of the governments and principal financial institutions of leading nations, have concentrated on supposed, short-term, “crisis management” schemes. The common feature of these schemes, is that each is intended to delay the onrushing collapse, rather than cure it. No such schemes could possibly succeed. At most, some such schemes might delay, ever more briefly, the moment of reckoning.

Usually, as we should have learned from the abortive crisis-management “successes” at the beginning of 1998, the pent-up crisis temporarily postponed in this way, soon erupts with more savage effects, than had it not been postponed. In most cases, such as the repeated, virtually suicidal, hyperinflationary measures taken by Japan’s Hashimoto government, the attempted evasion of reality soon makes the situation much worse than had no such “crisis management” been attempted. The obsessive fixation upon “crisis management,” which grips the deluded government of Japan, the IMF, and many others, is, itself, presently, the most immediate, single threat to the world economy.

Thus, the underlying problem of policy-shapers is, that, until now, no more than a relative handful is prepared to consider any proposed action which does not find support in prevailing, established, false beliefs about economic policy. Better said: so far, the majority of influential institutions and political parties, have insisted on limiting corrective measures to those actions which do not contradict the very same succession of ignorant prejudices which have governed U.S. economic policy, increasingly, since the late 1960s.

The characteristic mental disease, which affects popular opinion and leading institutions today, is the obsession with “democratic solutions,” delusory solutions, which, rather than consider the truth of the situation, seek to minimize the perceived affront given to the prevailing prejudices among powerful bodies of opinion. In such circumstances, a consensus is always a flight from truth, to disaster. The essence of the matter, is that it is precisely those hitherto prevailing prejudices on the subject of economy, especially those of the recent thirty-odd years, which are the cause for the present crisis. Thus, as the case of Japan’s recent

hyperinflationary follies illustrates the point, so far, governments and related institutions are attempting to cure the sickness with an overdose of the same disease.

This folly should be recognized as the fruit of a twofold blunder.

The case of Japan's suicidal flights forward exemplifies the leading source of the "bail-out" lunacies which continue to grip the governments of Japan, the U.S.A., and others. As a senior figure of Japan pointed out, sadly, there will be no return to sanity in Japan's policy-making until the presently dominant financial-political forces in Japan, merely typified by the Hashimoto government, eliminate themselves from the scene by the inevitable consequences of their own folly. Thus, in similar fashion, did the fabled Belshazzar prepare the way for the transition to Mesopotamia's Achaemenid dynasty. The presently ruling circles in Japan do not give a damn for the economy of Japan, or the savings of its ordinary citizens; for the ruling financial-political circles, it is the political and financial power of their faction which constitutes their perceived self-interest. Until that "class" is eliminated from power, there is no hope for sanity in Japan's policy-making, or the policy-making of any nation presently in an analogous situation.

This is typical. In western Europe, as in the U.S.A., political power is presently concentrated under the control of a class of financial parasites, which find a substitute for both patriotism and even simple morality, in their lunatic personal instinct for financial speculator's greed. For them, it is the perpetuation of that larcenous power, even for another few weeks, which is everything. The people and the real economy of the nation mean nothing to those who are still ruling policy-shaping in the U.S.A., western Europe, Russia, and most other locales.

Apart from the satanic greed of such presently powerful financier circles, the more general blunder controlling public opinion, is the increasingly hegemonic, false assumption of recent decades, that the performance of economies should be regulated by those, actually anti-scientific rules of thumb, which have been taught as conventional financial and monetary measures: rather than by rational forms of physical-economic policies.¹ The concomitant folly expressed by such leading opinion of academics, those of today's "Sixty-Eighter" and younger generations, is a deluded faith in the magical powers of "liberal democracy." Today, when unpleasant truths are mentioned, most among the "Sixty-Eighters" and "Generation Xers" simply "switch the channel:" "We don't go there!"

In economic policy, as in physical science, a philosophy of policy-making opinion which prefers the ethics of the "sensitivity group," or public-opinion polls, to a sense of truth and

¹ The monetarist seeks to explain everything in terms of price, as the marginal utilitarians do. It seems not to occur to such "economists," that the salary received by a Hollywood actress is usually not a mark of the film's artistic value.

justice, defines a society which, like the empire of Belshazzar's Babylon, lacks the moral fitness to survive. The most excellent of all political arts, is that which awakens a people to reject its own well-established opinion, in time to save itself from a self-imposed doom. Those who reject such a change in opinion, are fools doomed by their own stubbornness; they would rather defend their blind prejudices, than discover a solution which cured them of the fatal consequences of their own ignorance.

Until the untimely death of U.S. President Franklin Delano Roosevelt, the post-war policy of the U.S.A. was to have been the elimination of the dominant role of what Roosevelt described as the two most obnoxious features of Britain's imperial policies. These two leading targets of Roosevelt's intended such reforms, were, chiefly, the elimination of the dominant "British Eighteenth-Century methods" (liberal economic policy of Adam Smith) in world economic affairs, plus the eradication of the Venetian, financier-oligarchical relics of British, Dutch, French, and Portuguese imperialism.²

The U.S. objective had been, to establish an "American Century," based on the principle of cooperation among a post-imperial world of perfectly sovereign nation-state republics, each and all enjoying access to those same opportunities for benefits of scientific and technological progress, which U.S. patriots had fought Britain and its puppets, several times, to secure for ourselves.³

For those who know the history of the modern European struggle to free mankind from feudal, financial, and bureaucratic forms of oligarchical rule, and who know the related history of the United States' mortal conflict with the British monarchy on this account, President Franklin Roosevelt's anti-Churchill policies for the post-war world, are a reasonably consistent, and effective expression of that for which every true patriot of the United States stood in earlier centuries, and should stand today.

Unfortunately, since that President's death, the past fifty-odd years of U.S.A. and world history, have turned our nation away from its patriotic heritage. As a result, the world has wandered, step by step, downhill, toward the present, global, systemic financial and

² The rentier-financier oligarchy and matching political system of "liberalism," which developed in Portugal, and in Sixteenth-Century Netherlands and England, were directly implanted "clones" of the imperial model of Thirteenth through Fifteenth Centuries' Venice. The French Empire, established by Palmerston stooge (Louis) Napoleon III, was chiefly a Nineteenth-Century clone of the British Empire.

³ Elliott Roosevelt, *As He Saw It*, 1st ed. (New York: Duell, Sloan and Pearce, 1946). See, also, *Life*, October 12, 1942, in which publisher Henry Luce writes that the United States was not fighting the war in order to perpetuate British imperialism. On the history of the American patriots' conflicts with our British enemy, see Anton Chaitkin, *Treason in America*, 2nd ed. (New York: New Benjamin Franklin House, 1985), and H. Graham Lowry, *How the Nation Was Won: America's Untold Story* (Washington, D.C.: Executive Intelligence Review, 1988).

monetary collapse. Unless we reverse course now, the planet as a whole shall be plunged, very soon, into a “new dark age,” a catastrophe which echoes the disastrous mid-Fourteenth-Century collapse of the Lombard banking system, but, this time, repeated on a planet-wide scale, and perhaps extended so during a period of two or more generations.

The practical issue is, whether some leaders of several, or more, key, both “industrialized” and “developing,” nations, can come together, to act in concert, to make those radical, global changes in financial, monetary, and economic policy, by means of which civilization might still be saved. Clearly, the best chance for success of such an effort, would be a leading role, among such a group of nations, of U.S. President Bill Clinton, in their joint action to force through, as emergency action, the establishment of a revived Bretton Woods system echoing the best features of the pre-1964 Bretton Woods system, and also fulfilling President Franklin Roosevelt’s aspirations for a just new world economic order, minus the “Adam Smith” system, George Soros, and the sundry kindred relics of British, French, Dutch, and Portuguese imperialism. The practical issue is, whether such leaders are able to recognize, that the cause of all the principal disasters of this planet today, is those ideas which have become tolerated as virtually traditional popular opinion among the leading circles and the majorities of the populations. The question is: are there men and women with the qualities of intellect and will to make such a drastically radical change of direction of policy-shaping, away from today’s institutionalized opinion, even at this proverbial last minute?

Consider the relevant lessons now urgently to be adduced from the past fifty-three years’ changes in policy and practice, from this standpoint.

Eight Periods of Post-1945 History

Until the 1945 death of President Roosevelt, it could be assumed, that a post-war cooperation established among the U.S.A., China, and the Soviet Union, would counterbalance the combined pro-imperialist, international financier interests, the same imperialist interests, of the British Empire and Commonwealth, the Netherlands, Belgium, France, and Portugal, which were, and still are, presently, centered in the City of London.⁴ This counterbalance would enable the U.S.A. to bring into being a period of world history whose characteristic feature would be a political-economic order based upon the traditions of a United States under Benjamin Franklin, George Washington, Alexander Hamilton, the celebrated Careys, John Quincy Adams, and the Abraham Lincoln legacy. All peoples were to enjoy the right to the principles of national sovereignty set forth in the 1776 U.S.

⁴ This is illustrated, most luridly, by the case of the proposed conditionalities imposed upon looted Indonesia. The effort, by the British and some Australians, to split off a former Portuguese colony from Indonesia (allegedly in the name of “human rights”) illustrates the damnable hypocrisy of contemporary liberalism in general.

Declaration of Independence, and the right to the American (Hamilton, Carey, Clay, John Quincy Adams, and Lincoln), “protectionist” model of use of scientific and technological progress to foster the increase of the productive powers of labor. This is a fair description of that mood, and outlook which became known, under FDR, as “The American Century” doctrine for the post-war, last half of the Twentieth Century.

Unfortunately, under a misguided President Harry Truman, the crucial features of Roosevelt’s policies were quickly overturned. The deceased Roosevelt’s then-leading political adversary, Britain’s Prime Minister Winston Churchill, and his accomplices assembled around the Harriman-Stimson Wall Street cabal,⁵ used this opportunity to eradicate most of those features of Roosevelt’s post-war policy which the Churchill gang was committed to destroy. But for one outstanding exception, the Kennedy policies of 1961–1963, the entire span, since Roosevelt’s death, to the present date, has been dominated by a succession of radical shifts in U.S. economic and foreign policy, most of these changes in policy compounding the ruinous economic effects of each and all of the predecessor periods.

The present world-wide financial and monetary collapse of 1998 should be recognized, as shaped by a succession of eight distinct changes in U.S. economic, social, and foreign policy during the 1945–1998 post-Roosevelt years. This process of ongoing, post-war destruction of the economic and foreign policy of the U.S.A., should be assorted as follows.

1. 1945–1952: The Truman Years. First, there was Truman’s adoption of the world-government perspective of Bertrand Russell and Winston Churchill, a policy launched by the unnecessary nuclear bombing of Hiroshima and Nagasaki.⁶ This was

⁵ Henry A. Kissinger, “Reflections on a Partnership: British and American Attitudes to Postwar Foreign Policy, Address in Commemoration of the Bicentenary of the Office of Foreign Secretary,” May 10, 1982, Royal Institute of International Affairs (Chatham House), London. Excerpts are published in *EIR*, September 22, 1995, p. 33. See also, H.A. Kissinger, *A World Restored: Metternich, Castlereagh and the Problems of Peace 1812–1822* (Boston: Houghton-Mifflin, 1957). The career of Kissinger, a protégé of both British agent (and, Nashville Tennessee “Fugitive”) William Yandell Elliott, and Henry Stimson’s McGeorge Bundy, typifies the implicitly treasonous current in U.S. policy-shaping during the recent fifty years. President Teddy Roosevelt brought Morgan-Harriman lawyer Stimson into government as U.S. Attorney for New York, to tie prosecutorial power to the London-New York axis. Morgan was the official British Crown financial agent; the Harrimans’ railroad empire was British Crown-financed. Stimson led the Yale secret society, Skull and Bones—a typical sponsoring center for the British-U.S. “special relationship” and the Harriman, Bundy, and Bush families. Stimson protégé McGeorge Bundy emerged from the Stimson-Harriman power clique, which reoriented U.S. military strategy and structure along British lines after FDR’s death. See Webster Tarpley and Anton Chaitkin, *George Bush: The Unauthorized Biography* (Washington, D.C.: Executive Intelligence Review, 1992), Chapters 4 and 7.

⁶ The nuclear bombing of Hiroshima and Nagasaki, was the outgrowth of a British nuclear-weapons policy dating from the period of World War I. In both fictional and other propaganda, beginning that period, Fabian leader H.G. Wells proposed the use of nuclear weapons as a weapon so terrible that nations would be terrified into giving up national sovereignty and submitting to world government (i.e., London-run global empire). This

the same policy which underlay the Harriman-led war-time and post-war vilification and hatred of General Douglas MacArthur, a MacArthur whose ouster by Harriman's Truman contributed a crucial part to ending the U.S.A.'s commitment to its traditional principles of strategic self-interest. Second, immediately following the end of the war with Japan, there was the Truman administration's adoption of an anti-Roosevelt, pro-Churchill, pro-monetarist, imperialist policy, backing the restoration of the British, Dutch, French, and Portuguese traditions of looting of the former colonies of those powers.⁷ Third, there was the Truman administration's and Federal Reserve System's affirmation of an anti-Roosevelt, monetarist orientation, as established by the deep, unnecessary economic recession of 1946–1948. These three elements, complementing the lunatic "McCarthyism" of the Truman (1946–1952) phase of the U.S.-Soviet nuclear conflict, are the landmarks of the Truman period.

2. 1953–1960: The Eisenhower-Khrushchev Years. Fortunately, Eisenhower's election ended the most rabid expressions of "McCarthyism,"⁸ but was otherwise, less fortunately, dominated by a shift toward a semblance of early 1920s "normalcy" in

policy was continued by the Fabians Wells and Bertrand Russell during the 1920s and through World War II. Russell, who played a pivotal role in launching the U.S. atom-bomb project, was the principal architect of what was imposed as U.S. and British nuclear-weapons policy with the nuclear attacks on Hiroshima and Nagasaki. See, Bertrand Russell, in *The Bulletin of the Atomic Scientists*, September 1, 1946. There was no military reason for that bombing. The forces under General Douglas MacArthur's U.S.-Australia alliance, aided by massive U.S. naval blockade of the islands of Japan, ensured the collapse of Japan's continued resistance, with no need for an actual invasion of the islands. Furthermore, the Emperor of Japan, through Vatican channels, had already accepted the terms of surrender to the U.S. *et al.*, prior to President Roosevelt's untimely death. Indeed, the case could be made that Truman *et al.* were effectively qualified to be tried for "crimes against humanity" under the Nuremberg Code. The present drive toward world government, dates from agreements reached, beginning 1955, between Bertrand Russell and representatives of Soviet General Secretary N.S. Khrushchev.

⁷ Japan forces in Indochina were ordered, by the Anglo-Americans, to resume occupation of the former French Indochina colony, pending the arrival of French imperial military forces. This overturned the pre-Truman policy of the U.S., under which Roosevelt's administration had deployed OSS forces to work with U.S. friend Ho Chi Minh, to set up an independent republic of Indochina based upon the model of the U.S. Declaration of Independence. See, Archimedes L.A. Patti, *Why Vietnam? Prelude to America's Albatross* (Berkeley: University of California, 1980), pp. 53, 223.

During 1977–1983, *EIR* editors, including LaRouche, had the opportunity to speak with a number of veterans of the Office of Strategic Services, who served in the Pacific Theater during World War II. Several of these individuals were directly involved in the mission to arm Ho Chi Minh at the close of the war. Although Ho was associated with communist movements, he expressed his admiration for the Declaration of Independence and the U.S. Constitution, and vowed that he would base an independent Indochina, free from the yoke of both Asian and European imperial designs, on the American republic.

During the war, OSS "Unit 202" provided weapons and support to Ho against the Japanese. The unit was headed by Paul Heliwell, with Willis Bird as his deputy. Bird proposed that the Vietnamese Constitution's preamble be some form of the U.S. Declaration of Independence.

⁸ E.g., the U.S. Senate's Army-McCarthy hearings.

U.S. economic and domestic social policies. The 1953–1962 interval, between the death of Stalin and the “Cuba Missile Crisis,” was a transitional phase in our national policy. This irony was underlain by the paradox of a commitment toward limited rebuilding of the anti-Soviet, economic strategic potential of western Europe and other parts of the world, while also introducing “détente.”⁹ In economic policy, Arthur Burns’ role as a key Eisenhower advisor, typifies the degenerative trend within the policies of the U.S.A. and its anti-Communist allies, during nearly a decade. The deep U.S. “recession” of 1957–1960 reflected the inevitable impact of the Eisenhower years’ economic policy.¹⁰

3. 1961–1963: The brief exception, was the brief period of the convergence among President John F. Kennedy, President Charles de Gaulle, and Chancellor Konrad Adenauer. From the standpoint of economic history taken in the large, this is to be judged as, chiefly, an effort to move U.S. policy back in the direction of President Franklin Roosevelt’s paradigm.
4. 1964–1976: The Triumph of the Baby Boomers: the post-Kennedy wrecking of the world economic order, a turn pioneered by such notables as Britain’s Harold Wilson, Stimson’s McGeorge Bundy, and Henry Kissinger’s Richard Nixon. This was the turn to a radical, “post-industrial cultural-paradigm shift” which has been, to the

⁹ The pivotal issue for the Churchills and their Wall Street “cousins,” was to destroy the Yalta agreements which FDR had imposed, temporarily, upon Churchill’s Britain. To bring this off, the Truman administration unleashed what later came to be known as “McCarthyism,” better named “Trumanism.” The strategic doctrine informing that witch-hunt atmosphere of the 1946–1952 interval, was Bertrand Russell’s outlined intent to bring about world government through heating up the imminent threat of a general nuclear war between the Anglo-Americans and Soviet powers. As Russell had prophesied in 1946, the death of Stalin brought to power in Moscow a stratum, typified by Khrushchev, which was prepared to negotiate acceptance of Russell’s proposed path to world government. As soon as Stalin was dead, therefore, the role of Eisenhower’s intervention into the Korea conflict became crucial. Only a figure of such relatively unblemished military and Anglophile credentials as Eisenhower, could have pulled off that process of beginning the U.S.-Soviet détente process, and, also, bringing to an end the chaos which the continuation of an out-of-control “McCarthyism” portended for the U.S.A. itself. To this effect, three events of 1952–1959 are outstanding: General Eisenhower’s gambit for armistice in Korea; the temporary shut-down of the U.S.A.’s Huntsville rocket-program; and, the abortive, but exemplary “Spirit of Camp David” posturing. Thus, during the mid-1950s, some wags spoke occasionally of an “Eisenhower” administration: not too much of this, or too much of that.

¹⁰ The author’s first long-range economic forecast, was anticipated in his projecting, at the close of 1956, a deep, somewhat prolonged, 1957–1958, economic recession in the U.S.A. This 1957–1958 forecast was premised upon a study of the characteristic features of the consumer-credit-driven expansion of the mid-1950s, a credit expansion rooted largely in the thinking of key Eisenhower advisors such as Arthur Burns. The actual long-range, global forecast, projected, during 1959–1961, for the second half of the 1960s, was based upon the success of the author’s earlier forecast of the 1957–1958 recession.

present day, the principal continuing cause for the onrushing collapse of the world's present financial and monetary order.

5. 1977–1980: The Carter Years, the Wrecking of the Essential Institutions of U.S. National Sovereignty. Deregulation, and the wrecking of the U.S. financial and monetary system, are the leading characteristics of the 1977–1982 interval of the Carter administration and its immediate aftermath.¹¹
6. 1981–1992: The Bush League Moved In. Increasingly, during the Reagan years, and under Bush himself, Paul Volcker-like policies were introduced—such as Garn-St Germain, Kemp-Roth, etc., which looted savings and loan, and other banks, unleashed the lunacy of Junk Bonds, and introduced the post-1987 reign of the financial “Bubbleheads.”
7. 1989–1992: Brought the Thatcher-Mitterrand Gang, the Rule of the New Vandals, including the genocidal looting of what had been the pre-1989 Warsaw Pact, and accelerated genocide of a similar form against what used to be referred to as “the developing sector” generally. Reacting to pressure from the government of the United Kingdom's Margaret Thatcher and the infinitely corrupt French President François Mitterrand, U.S. President Bush forced the Anglo-French cabal to accept the reunification of Germany, but, then joined with Thatcher and Mitterrand to impose conditions upon Germany, and also the former Comecon states, which ensured the systematic wrecking of the economy of Germany.¹² These trends relegated the former Warsaw Pact economies to the presently ongoing “sudden

¹¹ The ruinous combination of Garn-St Germain and Kemp-Roth, although nominally offshoots of the Reagan-Bush period, are actually offshoots of the Carter administration's ruinous deregulation and monetary-financial policies.

¹² An *EIR* documentary Special Feature will be issued shortly on this matter, titled “The Thatcher-Mitterrand Plot to Destroy Post-1989 Continental Europe” (also to be published, simultaneously, in German, as a Special Report of Executive Intelligence Review Nachrichtenagentur GmbH). Briefly, during the last quarter of 1989, Britain's Thatcher regime reacted with mouth-foaming frenzy against what it denounced as the imminent threat of a “Fourth Reich,” a reunified Germany assuming a powerful economic position as partner for the reconstruction of the shaky economies of eastern and southeastern Europe. The initial impulse of both Britain and Mitterrand's France, was to prevent the reunification of Germany at virtually all costs. The Bush administration policy, typified by the advice of Brent Scowcroft, was to reject the radical German-hating rantings of Thatcher and Mitterrand; a compromise was reached, under which Germany would be reunified, but the economies of the former Warsaw Pact nations virtually destroyed through a combination of measures including radical monetarist “reforms,” coupled with the elimination of any future independence for Germany's economy, under the so-called “Maastricht” treaty. The Kohl government is now releasing important chunks of the heretofore secret diplomacy deployed to force Germany to submit to such conditions.

death,” represented by the genocidal reforms which are still being continued under the direction of the IMF *et al.* to the present date.¹³

8. 1993–1998: Now, a cabal of President Bill Clinton’s enemies, a cabal mustered and directed by, chiefly, the London and other monetarist madmen, continues to push the already ruined world economy of 1992–1993 over the edge.¹⁴ From 1992 to the present, the entire planet has been plunging into the worst financial and monetary collapse in history, threatening to dump the world as a whole planet into a “new dark age.”

There is a crucial paradox in the unfolding of these eight, successive periods. The two elements of this paradox may be summed up as follows.

1. Each of these eight periods is dominated by its own, distinctive policy-matrix. The outstanding inconsistencies among the overall policies of any of these periods, when each were compared with any other period, work to such effect that the economic and strategic policy-matrix of each of these periods is crucially distinct from that of all the others. Although many elements of the policy-matrix of each new period shared some features in common with the predecessor, in overall effect, each of the eight such new policy-matrices was, taken as a whole, inconsistent with the predecessor. Said otherwise: The “rules of the game” were different in each period than in any among the others.
2. Yet, with the exception of the brief, Kennedy period, the remaining seven periods form a well-defined series, a step-by-step descent, away from the patriotic American tradition, a steady, willful march, toward radically monetarist financial, monetary, and economic policies, and the accompanying, rapid elimination, world-wide, of the institutions of the modern nation-state. Bertrand Russell’s radioactive (“Pugwash”) dream, of use of world government (“globalization”) as a means for eliminating the continued existence of nation-state economy, has become, apparently, hegemonic.

The problem of analysis posed by this paradox, is of a well-defined type, a type which should be familiar to students of the present writer’s work. The idea that there might exist some strict *consistency*, or *non-consistency*, among the terms of any of these eight policy-matrices, is an idea which may be conveniently borrowed from the classroom of Euclidean geometry.

¹³ Russian economist Sergei Glazyev’s characterization of the reforms imposed upon Russia as “genocide” is a fair assessment of both the effects and the intent of those “liberal reforms.” His latest book, *Genocide*, is discussed by Rachel Douglas in “The Financial Crisis in Russia,” *EIR*, July 3, 1998; see also Sergei Glazyev, “Key Measures for a Transition to Economic Growth in Russia,” *EIR*, March 27, 1998.

¹⁴ See reports of *EIR* on the combination of London-directed forces, and right-wing Zionist (i.e., fascist) forces, behind all of the attacks upon President Bill Clinton.

That is, any such set of policy-assumptions can be compared to the multiply-connected interaction among the elements of a total set of definitions, axioms, and postulates underlying a Euclidean geometry. Such a set of definitions, axioms, and postulates, is termed an *hypothesis*. Any alteration of such an hypothesis, produces a new “geometry,” such that no theorem in the first “geometry” is fully consistent in its implications with the theorems of the changed “geometry.”

Excepting the Kennedy period, in each among the seven other cases identified, we are presented with a distinct hypothesis, which, as a “mental map,” does not coincide either with any other of that series, or with the real-world economy. Those who believe in any one such policy-matrix, believe, implicitly, or otherwise, that that matrix is a model, of a type analogous to a “mathematical model.”

The prevailing tendency in today’s law-making and related policy-shaping practice, is to treat such current matrices as actual models of the real world. In fact, no such correlation with the actual world exists. Each deviates from the real world in a significant, self-destructive degree. The most recent ten years of this degeneration, 1988–1998,¹⁵ has presented the worst of the policy-thinking of the entire 1945–1998 periods; however, in all cases, excepting the brief, 1961–1963 brush with economic sanity, under President Kennedy, in all of these periods, there is a fatal discrepancy between those effects which the “true believer” insists the policy-matrix will yield, and the actual consequences.

Take as an example of the axiomatic fallacies permeating the relevant seven of the eight periods, one of the pervasive delusions of post-1945 policy-shaping. Consider today’s most popular delusion of classroom and layman alike, the widespread, deluded belief in the “free trade” dogma of Adam Smith *et al.*

Smith’s idea of “The Invisible Hand,” is borrowed from the literally pro-satanic models previously developed by Thomas Hobbes, John Locke, Bernard Mandeville, and François Quesnay.¹⁶ Smith stresses the special requirement, that, in the final analysis, the best price is

¹⁵ e.g., since the 1987 stock-market “crash.” It is the interval from that “crash,” through the introduction of the anti-Germany “Fourth Reich” doctrine of Prime Minister Margaret Thatcher and President François Mitterrand, which marks the onset of the most precipitous phase of collapse of the world economy, with the physical economy of the U.S. no exception to this trend.

¹⁶ The most blatantly pro-satanist among these prophets of “liberal economics,” is Bernard Mandeville (*The Fable of the Bees, or Private Vices, Public Benefits* [London: 1934, reprint of 1714 edition]). Mandeville is the model upheld by the late Friedrich von Hayek, the leading spirit of the Mont Pelerin Society. The Heritage Foundation and American Enterprise Institute are prominent among those cults purveying this satanic doctrine of Mandeville, von Hayek, *et al.* Otherwise, all those mentioned, together with Jeremy Bentham, John Stuart Mill, *et al.*, represent the same algebraic doctrine of economics practice. Notable are Hobbes and slavery-apologist John Locke. The root of “liberal economics” is the teaching and influence of two Venetian

the lowest price, the policy under which imperial Britain and its Dutch, French, and Portuguese oligarchical partners, looted the colonial world of the Eighteenth and Nineteenth Centuries.¹⁷ In no case in history, did such a dogma of “free trade” work as Smith or the Mont Pelerin Society ideologues argue; directly the contrary is true in every case. Smith’s system looted most of the world, caused one “World War,” and laid the preconditions for a second.¹⁸ All of this was to the purpose and effect of enriching the financial interests of a collection of British and kindred parasites, all this done to the purpose of stopping the spread of modern economy throughout Eurasia, and for strengthening the grip of the Anglo-Dutch rentier-financier class over the U.S. economy itself. The result was seldom to the benefit of the British people, but the result was always to the ruin of most of the rest of the world, especially continental Europe and what we refer to broadly as “the developing sector.”

figures, Paolo Sarpi (1552–1623), the father of modern empiricism, whose influence dominated the reign of England’s King James I, and Leibniz’s principal adversary, Abbot Antonio Conti (1677–1749). Sarpi’s empiricism is derived by him from the teachings of the medieval William of Ockham. It was consistent with Sarpi that such of his followers as Thomas Hobbes should attempt to derive a social theory from a kinematic model of percussive interactions, in which the principal motives of the members of society are presumed to be “The Seven Deadly Sins.” Conti, himself, the mentor of Voltaire and pro-feudalist François Quesnay, typifies the period of Mandeville, is the architect of the Eighteenth Century’s English and French Enlightenment, and, is, thus, the spiritual father of that imbecilic, Phrygian rabble which ruined France under the leadership of Robespierre, Barras, Napoleon Bonaparte, and the pestilence of French positivism.

¹⁷ The inevitably ruinous effects of Adam Smith’s low-wages policy are well documented in the relevant sources. As documented by the leading U.S. economists, Mathew Carey and his son Henry C. Carey, the resort to slavery, the lowering of wages, reduction of infrastructure development, and emphasis upon cheap, unskilled labor, have the effect of looting the preconditions of continued production at existing per-capita levels. The widely used term to describe this method of cheapening wages and lowering prices of imported goods, is *primitive accumulation*. As U.S. Treasury Secretary Alexander Hamilton pointed out, so prophetically, in his December 1791 Report to the U.S. Congress, *On the Subject of Manufactures*: The highest rates of per-capita capital formation are achieved through intensive development of basic economic infrastructure combined with capital-intensive, energy-intensive modes of fostering increase of the productive powers of labor. Increasing the length of the working-day, decreasing investment in basic economic infrastructure, and other such apparently “cost reduction” measures, impoverish not only the victims of such a cheap-labor policy, but ruin the economy of the nation foolish enough to tolerate such practices.

¹⁸ Contrary to the widely accepted truism, Britain and Britain alone was the chief culprit in the war-guilt for World War I. The issue was the influence of the 1861–1876 Abraham Lincoln scientific and technological boom, which caused directly the industrial development programs of Japan, Germany, Alexander II’s Russia, and Sun Yat-sen’s movement for the rebuilding of China. What offended Edward VII’s Britain most highly, was the adoption of a trans-Asiatic railway corridor, from Germany, through Russia, to Japan, etc. It was Britain’s effort to defeat this trans-Asiatic development which inspired Britain to organize 1) The revanchist Anglo-French “Entente Cordiale,” 2) The Pan-Slavist operations in the Balkans, 3) The Russia Pan-Slavists’ suicidal folly of allying with Britain and France for aggressive, two-front warfare against Germany. Britain’s success in this venture was largely provided by two treasonous U.S. Presidents, Teddy Roosevelt and Woodrow Wilson. In the case of World War II, it was chiefly British intervention, including actions by the British royal family itself, which brought Hitler to power in Germany, thus setting up the conditions for World War II.

Below, we shall examine the reasons why this is necessarily the case. For the moment, this illustrates the frequent cases, in which the policy-matrices corresponding to generally accepted belief (“hypotheses”) are essentially bad fairy-tales, producing what are ultimately more or less terrible consequences for the duped “true believer.”

However, before focussing upon the direct comparison of the eight indicated periods, several background considerations must be put into focus for the purposes of making the comparison. For regular readers of *EIR*, some of these considerations should be familiar ground. All are brought into common focus for the purpose of showing the results and implications of the indicated comparison.

The Marginal Failure of Post-War Conversion

To situate the comparison of the eight periods, begin by identifying the most crucial blunder in the Truman administration’s policy. The tragedy of the Truman administration’s economic policy, is centered in its failure to implement a sufficiently rational post-war industrial-reconstruction policy.¹⁹ Taking the 1945–1952 economic policy of the Truman administration only in the narrowest sense, as an economic policy designed to meet the domestic economy’s own, most superficially defined income-requirements, at home and in foreign trade and financial dealings, it might be argued that Truman’s errors were only marginal; nonetheless, they proved ultimately crucial. Granted, there were precedents in the nearly fatal errors of the Jefferson and Madison administrations, and also the treasonous blunders of Jackson, Polk, Pierce, Buchanan, Andrew Johnson, Cleveland, Teddy Roosevelt, Woodrow Wilson, and Coolidge; Truman set his foot down a bad road, leading in the same direction as the combined national and global catastrophe which immediately threatens the continued existence of our republic, today.

During the period of the two World Wars, 1914–1918 and 1939–1945, the U.S.A. had provided, overwhelmingly, the decisive margin for the combined military victory of the U.S.A., the U.K., France, and their allies,²⁰ through a U.S. agro-industrial mobilization

¹⁹ One of the most notable parallels to the post-1865 rise of Albert Pike’s Ku Klux Klan, and FBI Chief J. Edgar Hoover’s, racialist Kappa Alpha Society, was the later emergence of a slyly pro-Confederacy, militantly decadent ideology, centered upon Nashville, Tennessee, and grouped around writers and politicians such as Robert Penn Warren, John Crowe Ransom, and (Henry Kissinger’s Harvard University mentor) William Yandell Elliott. The latter group, sometimes identified as the “Fugitives,” are otherwise named the “Agrarians.” This sort of anti-industrial (“agrarian”) sentiment, was a significant political factor among some U.S. Southern Democrats and others, a factor found among those Democrats who have turned Gingrich-like Republicans during the recent elections. This tendency played a significant political part in inhibiting rates of post-1945 U.S. economic development.

²⁰ Without this role of the U.S.A., Britain and France would have been defeated in 1917, and Hitler would have triumphed in 1945.

modelled on the 1861–1876 success of the program launched under President Abraham Lincoln.²¹ As we have already stated, this, Henry C. Carey’s 1861–1876 American model, was adopted, with great success, by Bismarck’s Germany (from 1877 onward), by Meiji Restoration Japan of the 1870s, and by the Russia of Alexander II, D.I. Mendeleev, and Count Sergei Witte, and was the basis for the agro-industrial development program designed by China’s Sun Yat-sen.

Had the same war-time, Roosevelt program of 1939–1945, been adapted to the rapid, post-war, agro-industrial development of new nations freshly freed from the debilitating hand of British, French, etc. imperialism, the U.S. and its partners would have enjoyed a continuing, post-war economic growth. The policy-shaping institutions established under the first two decades of such a post-war conversion program, would have virtually ensured further, planetary growth and stability throughout the 1945–1998 interval.

As we have stressed repeatedly, in earlier reports on this matter, the most crucial, “post-Hamilton” feature of Lincoln’s “American System,” and its revivals during two World Wars of this century, lies in the development of the principle of machine-tool design, originally by France’s Lazare Carnot, and the continued implementation of this, during 1794–1814, by Carnot collaborator Gaspard Monge’s *Ecole Polytechnique*. This work of Carnot and the *Ecole* was, like the economics of Benjamin Franklin and Alexander Hamilton, directly a continuation of the development of the principles of physical economy, and physics in general, by Gottfried Leibniz. The link to Lincoln’s industrial revolution, was provided by the influence of the *Ecole Polytechnique* in the 1814–1815 transmission of these principles of machine-tool-driven technological progress to the United States Military Academy under Commandant Sylvanus Thayer. It was the scientific and engineering tradition of Thayer’s West Point, as exemplified by the international role of Benjamin Franklin’s great-grandson, Alexander Dallas Bache, which exemplifies the way in which the U.S. Army and Navy developed the foundations of the great U.S. economic triumph of 1861–1876. It was this model to which the military planners of Woodrow Wilson’s and Franklin Roosevelt’s incumbency turned, to provide the sinews of victory for two World Wars.

Look at the immediate prospect for post-1945 development of the economies of the former British, Dutch, Portuguese, and French colonies from this vantage-point.

²¹ On the Lincoln-Carey program of 1861–1876, see Anton Chaitkin, “The ‘Land-Bridge’: Henry Carey’s Global Development Program,” *EIR*, May 2, 1997, p. 32.

As stressed by U.S. Treasury Secretary Alexander Hamilton,²² there are two keys to the development of a poorly developed land-area into a prosperous economy. On the one side, there is basic economic infrastructure: public transportation, water management (both latter substantially public works), and energy supplies. The other side, is what Hamilton identified as “artificial labor:” the increase of the productive powers of labor (per capita, and per square kilometer) through investment in scientific and technological progress. Obviously, capital expenditures for these two categories of items increase the total cost, measured in physical units of production, per capita and per square kilometer; but, this is more than offset by gains in net productive powers of labor.

In the eyes of the competent historian of economy, Hamilton covers this adequately,²³ but the ignorance among today’s policy-shapers, especially among followers of the Mont Pelerin Society and U.S. House Speaker “Newt” Gingrich, shows the need to emphasize a few crucial points. Begin with transportation.

The typical function of public works in transportation, is to decrease significantly the cost and delay of moving goods (and people) from one specific location on the map, to another. Savings in time of transport, the vastly greater economies of rail over highway transport for long distances, reduction in spoilage, and so on, are savings to the economy (per capita and per unit of total land-area) which more than offset the capital investment required to create, develop, and maintain efficient public transport. For example, the ability to get cheap, reliable transport to and from East Oshkosh, may determine whether East Oshkosh, and the people within it, are able to function with reasonable competitiveness. In other words, rearranging the landscape to facilitate productive and related human activity.²⁴

²² *Op. cit.*, note 17.

²³ *Ibid.*

²⁴ No “privatized” arrangement could meet this requirement. The responsibility for development of all of the land-area, and all of the population, of a nation, or region of the world, which must include benefits shared with both the best and worst investment-opportunities, is a responsibility of government. The presumption that “private entrepreneurship could do the job better,” is a delusion of people who do not think clearly. Often, privately owned public utilities and contractors make excellent contributions, but this in the form of contractors operating within regulated standards of performance. The benefit of “farming out” public utilities to private management, lies in freeing the capital which the state invests in initiating such projects, to be recycled in new state ventures. The use of governmental regulation, to ensure that the required performance of the utility is achieved, and a fair price paid to investors in public utilities, is the essential feature of the state-utility partnership. The essence of this division of labor, is that the government has a unique responsibility for developing and maintaining all of the area, and all of the population, in such a manner as to enhance the performance of all of the society, all its economy; whereas, the private utility, like other private operators, assumes only the responsibility for the operations and areas associated with its undertaking. Notably, the Carter administration’s elimination of effective public regulation of freight-rates and time-tables in railway, trucking, and air transport, wiped out economies of entire regions of the U.S.A., as if at a single blow.

Similarly, water, in short, is life. The history of our national economy, over two hundred years to date, is that our agriculture, our forests, our climate, require constant increase of the intensity of both fresh-water management, and of water purification and desalination. The quality and quantity of managed water-supplies, directly supplied to agriculture and other human consumption, have the most direct bearing upon the fostering of life. Otherwise, public waterways are, by far, the cheapest form of mass transport, per ton, per unit price, of bulk freight. Only when slower delivery would increase substantially the inventory-cost of supplying high-priced goods to the economy, do rail, truck, and air transport represent required options.

That economic history also shows, that, chemically, and otherwise, the level of technology which can be achieved, is delimited by both the quantities of energy supplies, and also the energy-flux-density of the energy-supplies applied to productive and other processes. All other things considered, the quantity and energy-flux-density of energy-supplies determines the level of technology which can be realized, and, thus, has a direct effect upon the possibility for increasing the productive powers of labor. This reshaping of the energy-profile is, like the development of public transportation, a shaping of the physical-economic landscape in a mode which enhances man's per-capita and per-square-kilometer power over nature as a whole.

The role of Hamilton's "artificial labor," is expressed, in effect, in terms of required increases in the capital-intensity of production. The reader must note, that capital-intensity is not to be measured in financial-accounting terms, but in physical-economic terms. The following rule of thumb applies.

Reconsider here, the leading points stressed in the present author's introductory textbook in physical economy²⁵. Take the total per-capita output of productive labor (labor directly employed in agricultural and industrial products, or, in engineering and related services essential to the physical maintenance of productive capacity and product quality):
"T" = "Total." Compare the percentile of this total labor-output with the corrected ration of physical goods and related essential services required to maintain the labor-force at the existing level of skill and productivity (the British "classical" economists' and Marx's "Variable Capital," or "V"). In a similar way, compare, as capital costs, the ration of total output required for basic economic infrastructure, plus the ration required as production and closely related capital (similarly, "C" = "Constant Capital"). The latter includes the required flow of goods in intermediate stages, as required to maintain current output.

²⁵ Lyndon H. LaRouche, Jr., *So, You Wish to Learn All About Economics?* 2nd ed. (Washington, D.C.: Executive Intelligence Review, 1996).

Now, still referencing the present author's textbook presentations, make the following rough calculation. Include " d ," as the general overhead expense of society, apart from V and C . Then, subtract $d+V+C$ from $T = P'$ (margin of physical-economic profit). Then, it is required: $P'/(C+V)$ increases as the ratio C/V increases, and the physical-economic content of V , per capita, also increases. In part, the margin of gain of $P'/(C+V)$ is the result of development of basic economic infrastructure; in the final analysis, all gain, including that from development of infrastructure, depends upon the impact of investment in scientific and technological progress. Thus, $P'/(C+V)$ increases as a function of per-capita C , which increases as a function of C/V . In short, a true "anti-entropic" function, rooted in those uniquely human (cognitive = creative)²⁶ processes of validated discovery of scientific and cultural principles by means of which scientific and technological progress are generated.

We must stress here, once again: The key to the large-scale, sustained successes of modern society in this venture, since the 1792–1794, revolutionary reforms of Lazare Carnot, lies within what is best fairly described as "the machine-tool design" sector. By "machine tool," we signify the notion of a machine-tool principle as developed by Lazare Carnot. However, our emphasis is upon the fact that any perfected design of a proof-of-physical-principle experiment, is also a model for a machine-tool principle, a *technology*. It is through such machine-tool designs, that scientific discoveries are transmitted efficiently into production. It is that transmission which is the chief source of the high rates of physical-economic gain seen in the 1861–1876 U.S. industrial boom, in the copying of that American model so successfully by post-1876 Germany, the war-time mobilizations of 1914–1918 and 1939–1945, and in the U.S. space program. Such a combination of high rates of forced-draft scientific and technological progress, mediated through the channels of an expanding machine-tool-design sector, is the key to the possibility of a general, sustained rate of physical-economic growth, per capita, in South, East, and Southeast Asia today (for example).

In other words, had the Truman administration not swung over to Winston Churchill's anti-American policies, the proper course of action for the post-World War II U.S.A., would have been to mobilize and expand the U.S. machine-tool-design sector as a whole, to supply the nations of Asia, Africa, and the Americas the high rates of development of infrastructure and technology needed to fulfill Roosevelt's vision of a post-war "American Century." Instead, we substantially collapsed the levels of production, rather than capitalizing the

²⁶ The reader is reminded, that the cornerstone of the philosophies of Immanuel Kant, the empiricists, and positivists, is that actual creative mental action (i.e., actual cognition) does not exist. In other words, they deny that a knowable method exists, by use of which a mind might generate a new principle of nature, the latter which presents a validatable solution to an otherwise insoluble paradox. See Lyndon H. LaRouche, Jr., "The Substance of Morality," *EIR*, June 26, 1998.

accumulated investment in war-production capacity as an active new industry for development of the world as a whole. Under circumstances proposed here, the U.S. war-debt would have been rolled over, and ultimately liquidated, thus, by using it as a source of credit for large-scale, global ventures.

Although today's conditions are far from those of 1945–1963, some of the most relevant features of a global development approach remain either the same, or are similar. Still today, the admittedly withering machine-tool-design sector of the world economy is limited to a few nations. Most notably, these are a few industrialized nations led by the U.S.A., Germany, and Japan. The largest potential for expansion of this supply lies in the military-scientific complex of the former Soviet Union, if those resources could be harnessed for this purpose, especially supplementary contributions to the machine-tool requirements of China, India, and relevant other nations.

The lessons for today, may be summarized as follows. The functions which must be performed have three aspects:

1. In developing nations such as China and India, to supply these nations with sufficient machine-tool-design inputs to enable those nations to effect high rates of increase of productive powers of labor. Without that, adequate rates of capital formation (in social terms) could not be sustained.
2. As an included part of this requirement, to assist such nations in establishing adequate local machine-tool and machine-tool-design capabilities. These must be adequate to provide machine-tool and related services (locally) within the economy.

Within the leading machine-tool-design export nations, the division of labor allotted to machine-tool-design and related capabilities must be increased to levels corresponding to relevant obligations on accounts 1 and 2.

3. Not only must the quantity and ration of the machine-tool-design sectors be increased accordingly. The rate of scientific and technological progress within the combined economies must be accelerated, by task-oriented, “science-driver” methods, to provide the required degree of second-order increase of productive powers of labor.

On these accounts, the task-orientation which should have been adopted for the 1945–1956 interval, parallels the admittedly different specific set of requirements for today.

Not everything we did during the late 1940s and 1950s was wrong on these accounts; the limited successes, such as those of the space programs of the 1950s and 1960s, were precious demonstrations of what could have been accomplished, had these virtuous undertakings, and

their specific passions, been carried to broader and further accomplishments. There was simply not enough of the good, or even merely passable efforts which were mobilized; the good done did not rise to the threshold of overcoming the increasing rates of attrition which the U.S. and other economies suffered from the middle to late 1960s, onward, especially after 1971.

On the subjects of basic economic infrastructure, required rates of capital-intensive investment in the entire economy, and so on: There is a widespread error of presumption respecting the causal interrelations between so-called “micro-economic” and “macro-economic” scales of economic activity.²⁷ The worst of these presumptions, is the popular delusion of those “social Darwinists” who assume, that by eliminating “inefficient” firms, for example, the remaining firms will represent a prosperous economy. Such fellows overlook the fact, that the performance of a (world, or national) economy is its performance as a whole: this, in terms of nothing less than its entire population, its entire land-area, and so on. It is the relationship of the total population to the totality of (ultimately) the universe, and, more immediately, the land-area occupied by that population, which defines the success or failure of economies. The totality of the social-economic process represents an interdependent system.

To prepare the reader for the promised, explicit comparison of the eight periods, the following, several additional points of review must be provided, on background.

Economy Is Uniquely Human

Above, we have stated, once again, the central principle upon which any competent study of economics depends absolutely. Recently, we had stated this afresh in our *EIR* report, “The Substance of Morality.” We have identified this as the principle of *anti-entropy* repeatedly, in the author’s introductory textbook, and numerous other published locations. Economy requires a persisting rate of growth in what some might regard it as convenient to label “the per-capita rate of profit,” a rate of physical-economic growth, per capita, which depends upon increasing both the relative physical-economic expenditures for members of households, and increased per-capita rates of expenditure for basic economic infrastructure and productive-capital investments: e.g., $[P/(C+V)]_1 < [P/(C+V)]_2$; $(C/V)_1 < (C/V)_2$; $|V|_1 > |V|_2$.²⁸

²⁷ The very terms, “macro-economic” and “micro-economic,” are faddish follies born of the illiteracy of most of the present generations of professional economists.

²⁸ Values of household income per capita of labor-force, are measured in terms of types and quantities of comparative qualities of entries in bills of consumption of both physical products and functionally required services. Two successive arrays of the bills of consumption (per capita of labor-force) are then compared again, this time in terms of the percentile of the output of the labor-force required to replenish the indicated

The origin of such increases in the productive powers of labor, is society's realization of validated discoveries of principle. As set forth in "The Substance of Morality,"²⁹ these discoveries, both cultural and physical-scientific, are each typified by validated discoveries of physical principle. As stated in earlier locations,³⁰ such validated discoveries of physical principle form a Riemannian series, $n \rightarrow n+1$, in which the expansion of the series corresponds to the ordering of the increase of mankind's power over nature, both per capita and per square kilometer of the Earth's surface-area.³¹ The characteristic of man's action upon nature, per capita, is enhanced in degree by each transition from n to $n+1$.

The indicated Riemannian series suggests a crucial point respecting sustainable preconditions for global economic development. View the economic implications of education and longevity, for all members of households, from the standpoint of this series.³²

The development of the realizable cognitive potential at level n , is in correspondence with the individual's accumulation of the experience of the mental act of replication of each among the relevant historical series of acts of discovery. The economic function of the nurture of each young individual, within the family household and education otherwise, must be situated in terms of that Riemannian function. The same applies to the series $m \rightarrow m+1$ of multiply-connected principles of a Classical-humanistic artistic nature, as compared with physical-scientific aggregation $n \rightarrow n+1$. The quality of social and material circumstances in the family household and community, the quality and duration of education and related cultural activities, and the corresponding vitality of adult life, are prerequisites of the level of productive and related powers to be considered.

Thus, to develop and maintain a certain per-capita potential productivity within the labor-force, the total, per-capita household standard of living, must be maintained (and improved), as Leibniz already warned in his 1671 *Society & Economy*.³³ This means, that to

consumption. The desired case is one in which the superior household income (measured in both quantities and qualities) is cheaper, as a percentile of national per-capita output. In the latter case, the national-income content of superior unit of consumption, $|V|_2$, should be less, as a percentile of national income, than inferior quality-quantity of consumption $|V|_1$. In the history of the improvement of the standard of living of the middle- to lower-range family households of agricultural and industrial operatives in the U.S.A., this pattern of correlation between technological progress and income-rises is modal.

²⁹ *Op. cit.*, note 26.

³⁰ See, for example, Lyndon H. LaRouche, Jr., "Leibniz from Riemann's Standpoint," *Fidelio*, Fall 1996; LaRouche, "Riemann Refutes Euler," *EIR*, Nov. 3, 1995; LaRouche, "Truthful, or Merely 'Factual'?" *EIR*, January 9, 1998.

³¹ As man explores space, the ratio of human action in space to the Earth's surface-area remains a good yardstick for measuring the performance of the population of "earthlings."

³² Lyndon H. LaRouche, Jr., "The Substance of Morality," *op. cit.*, note 26.

³³ Gottfried Leibniz, *Society & Economy*, John Chambless, trans., *Fidelio*, Fall 1992.

maintain a potential productivity of one employed member of the household, the average living standard of the entire household must represent that standard of living. This does not signify a fixed productivity. It requires a rising productivity, and, therefore, a standard of living reflecting increased constructive leisure and education, together with rising (physical) energy-density³⁴ and (physical) capital-intensity, for virtually all members of the household.

It does not mean education tailored to fixed individual skills,³⁵ but, rather, a life-long process of continuing upgrading of knowledge and technological capabilities, for all of the population, during each span of more than three successive generations. Just as a successful form of modern agro-industrial society requires an increasingly high composition of science and machine-tool-design related employed, so the cultural characteristics of the entire population's education and daily life, must reflect this technological-cultural composition of the total division of labor of the population.

The conditions of household life, and education, of the entire population, required for a growing productive power of labor of a population functioning on the basis of technologies equal to a 1963 standard for the entire U.S. labor-force (for example), are a convenient, rule-of-thumb basis for defining the real content of a household minimum wage for an average household of that period. Implicitly, the standard for education and cultural life should be the Humboldt standard, as otherwise represented by the early U.S.A.'s best New England schools and Alexander Dallas Bache's model for Philadelphia Central High School.³⁶ This also assumes, at a minimum, the standard for maintenance and improvement of public works implicit in the conscience of the war-time Franklin Roosevelt administration.

³⁴ In all cases, increase of "energy density" tends to include increase of joules per capita, and always includes (secularly) increase of the cross-sectional joules per square centimeter cross-section of throughput ("energy-flux" density). See, the Fusion Energy Foundation's table of typical "energy flux-densities" of energy-sources, by type. Thus, as fission energy is orders of magnitude cheaper than thermal sources, so fusion energy will be orders of magnitude cheaper than fission, whereas "matter/anti-matter" reactions, when developed, perhaps during the latter half of the Twenty-First Century, will be, perhaps, three orders of magnitude more effective than fusion.

³⁵ E.g., Friedrich Schiller's denunciation of educational programs designed for production of *Brotgelehrten*. Such degenerate practices in the name of education, are typified by the attempt to impose a "trade-school" curriculum, which limits education of students to the requirements of the plough to which they are to be harnessed for obedience. The same ruinous practice is typified by the self-brainwashed secondary or university student, who wishes to be burdened with no "information" which is not scheduled to "come up as my examination-question." In generation, the dim-wits are those happy to enjoy an education based upon "information," as opposed to a Classical-humanist form of education, which latter is indispensable for transmitting knowledge.

³⁶ Anton Chaitkin, "Humboldt in America," *EIR*, June 26, 1998, p. 25.

Take, as an example, the increasing poverty of average quality of university education, first under Truman, later under Eisenhower, and, later, under Johnson and Henry Kissinger's Nixon.

One of the leading positive features of the post-1945 periods, 1945–1964, was typified by the combination of such war-time programs as ASTP and of the post-war education portion of the “GI Bill of Rights,” to expand the standard of public education. Generally, veterans studying under the provisions of the “GI Bill,” were emotionally and intellectually more mature, and better performers than the comparable pre-war campus populations had been. There were, unfortunately, three “down sides” to this change in standards for education: 1) the tendency for intellectual mediocrity among aging veterans rushing to get on with building a career to support the family life-style they were fixed on establishing—what Schiller derided as the education of the “*Brotgelehrten*,” 2) a generalized moral-intellectual sterility, fostered by the combined impact of Truman-era “McCarthyism” and so-called “security” conditions attached to higher-paying careers—it was better for your standing with the Federal Bureau of Investigation, not to offend the FBI by exhibiting a tendency to be an independent and original thinker; 3) the cluttering of education with a proliferation of “garbage courses,” the latter predominantly by-products of increasingly faddish influences of junk literature and “culture appreciation” courses, complementing the usually dubious influence of psychoanalysis and radical-positivist currents.

For the convenience of today's reader, the degenerating trends in popular entertainments and typical conversational patterns observed from the Teddy Roosevelt, Woodrow Wilson, and Calvin Coolidge periods of U.S. moral decay, cast important light on the immediate experience (from the northeastern and midwestern regions of the U.S.A.) of a child and adolescent from the U.S. 1920s and 1930s.³⁷ From 1929, until Pearl Harbor 1941, the special effect contributed by the experience of the 1930s “Great Depression,” was the sense of most families that they were *déclassé*, their nostalgic attitudes colored by a blend of fact and fantasy about their social status in the “better times” before the “Big Crash.” There was a lot of Arthur Miller's Willy Lohman,³⁸ and, perhaps, also more than a bit of Japan's Prime Minister Hashimoto, in most of the population from those 1930s. A vivid recollection from what we then still considered “the shoe city” of the manufacturing world, Lynn, Massachusetts of the late 1930s, is relevant.

Still, in mid-1930s Lynn, Massachusetts, the main street-railway lines and Boston and Maine Railway passenger terminal, with its urine-reeking waiting-room area, intersected at Central

³⁷ The writer's youthful experiences, until 1940, were principally in his native New Hampshire, and the greater Boston, Massachusetts area.

³⁸ Arthur Miller, *Death of a Salesman* (New York: Viking Press, 1949).

Square. The overhead railroad bridge was the short base of the triangular shaped square. Along one of the two longer adjacent sides of that triangle, lay the principal cafeteria, Huntt's Restaurant. The cafeteria's touch of modernity was a black glass facing. Against the glass, downcast men leaned quietly, but ostentatiously, methodically applying toothpicks to their mouths, suggesting the meal which most of those leaners had been unable to afford, that day, from the cafeteria within. For those men, it was a convenient place to lurk, in hope of "a hustle."

Among most of the families whose children and adolescent offspring were maturing in the "Great Depression" years, the ugliest word in that period's Nazi-like, *Gleichschaltung* dogma,³⁹ was "be practical." "Popular" served generally as a substitute for truthfulness. "Be practical," signified doing nothing to suggest that one was an independent thinker in any serious sense of the term.

That was the bad side of the post-war 1940s and 1950s. Not all capitulated entirely to the corruption of "being popular" and "being practical."

Take two cases from the popular ideology of the science classroom, the myth of Isaac Newton and the related dogma of Euler, Lagrange, Laplace, Cauchy, *et al.*, that the interval of action is linear in the infinitesimally small. The proof against these popular classroom dogmas is elementary, but, nonetheless, all but a handful refuse to risk their popularity among fellow-professionals, or others, by showing that elementary proof. Yet, within those limits, most of the serious scientists and engineers from the 1940–1972 interval, did *some* serious cognitive thinking on the subject of particular physical principles, or related matters. Most of those, however, avoided challenging the most fearsome of the popularized myths: the Isaac Newton myth, for example.

Take the case of Classical musical education and practice. Consider a few exemplary points. Begin with tuning.

An approximation of Classical musical tuning, centered upon C=256 and a scale otherwise nearly well-tempered, has been found in bells from ancient China, and was established in Classical Greece. In modern times, the influence of Florentine *bel canto* voice-training, combined with the functionally related development of polyphony by J.S. Bach, established the modern Classical tuning, at C=256, and A= (approximately) 430–432. It is known, that

³⁹ Under the influence of Nazi Propaganda Minister Josef Goebbels' reign of terror, *Gleichschaltung* was the preferred term to identify the blindly ritual conformity of the German who wished to "stay out of trouble." The widespread use of the interdependent injunctions "be popular" and "be practical," or their successors under "McCarthyism" later, had approximately the same significance as Nazi *Gleichschaltung*, or, for that matter, George Orwell's fictional worlds of *Animal Farm* and *1984*.

singing in voice-training modes other than Florentine *bel canto*, does not permit the best result. It is also known, especially among Classical singing artists, that an “elevated pitch,” of A=440 or higher, leads to an “early death” of the professional singing voice.

Yet, on the combined authorities of the Russian bandmasters participating in Clement Prince Metternich’s 1814 Congress of Vienna, and the later authority of Nazi Propaganda Minister Josef Goebbels, the official “concert pitch” was set, by the English-speaking world, at A=440, or higher.

The principles of Classical polyphonic composition, from J.S. Bach through Johannes Brahms, are strictly defined, both by the relevant compositions themselves, and the best performances.⁴⁰ Departure from Classical, to Romantic or “free-wheeling” readings of the score, produces a mish-mash of sensual effects, which, like Liszt’s notorious effort at use of Mozart’s K. 475 principle, falls apart in the performance.

As the career opportunities of the Classical professional musicians became scarcer, the urgency of propitiating the commercial side of the concert and recording industries, grew, and the critical sensibilities of leading and other musical performers grew more and more opportunistic. The result should call the reader’s attention to the discussion of justice, in Book II of Plato’s *Republic*.⁴¹ In proportion to the degree, these students and scientific or artistic professionals were serious thinkers, a relatively greater, if only partial emphasis was placed upon reenacting original discoveries of physical (or, artistic) principle, from case to case. However, with very rare exceptions, no efficient standard of truthfulness existed for the populations of the post-1945 period. Their ability to think cognitively, was shrunk, until, recently, among the strata born after 1939–1943, it virtually no longer exists.

Thus, from the mid-1960s onward, a standard of truthfulness virtually did not exist for the “Sixty-Eighters” and “Generation Xers.”

This trend has meant, that those cognitive qualities which set the human individual apart from the beasts, have virtually vanished from the active life of the population generally, and, thus, from the economic process. Public and university education has become, today, a ruse by means of which learning much “information,” is deployed successfully, to free the students from the act of actually knowing.

⁴⁰ The pinnacle of polyphonic composition is, without doubt, the Fourth (E-minor) Symphony of Johannes Brahms. The root is chiefly Beethoven, including the crucial quotation from the *Adagio Sostenuto* of Beethoven’s Opus 106, and, deeply, Bach. In this, Brahms goes beyond Beethoven in counterpoint, but never departs from the relevant challenge presented by Beethoven.

⁴¹ *Plato: The Republic*, Loeb Classical Library (Cambridge, Mass.: Harvard University Press, 1963). The Loeb Classical Library translations include the Greek text on the facing page.

In a related matter, bearing upon education and cultural development of family households.

To understand how the Truman-Eisenhower periods' monetarist financier interests looted the post-war U.S. population of its unpaid labor, take the case of what happened to a post-war innovation known as the National Defense Highway System.

From the late 1940s, onward, especially beginning the Eisenhower years, the pre-existing major urban centers of the U.S. were encouraged to become the prey of parasitical real-estate and related financial speculators. Thus, beginning with Long Island's Levittown experiment, the ordinary wage-earner was obliged to lose an increasing percentile of the hours of the living day in commuting. The heyday of this trend began when the National Defense Highway System was energetically "privatized." Shopping centers dominating adjoining tracts of suburban residential development, increased the number of hours of the day consumed by commuting, while the traditional income-streams into the former industrial-residential cities dwindled. For this increased tax on his and her life, the victim of commuting received no compensating income.

How many hours are spent in commuting, from work to home, these days?

Add to this, the increase in the number of incomes a household requires today, not to reach the levels of real income of a comparable household from the late 1960s. Adding the commuting factors caused by a cancer of real-estate speculation, to the increased number of jobs required per household, we have the resulting destruction of the emotional and intellectual life of most of the children and adolescents of the household, all situated within a rising burden of commuting-related unpaid labor, relative to the pre-1945 period. The result of these combined factors, is a savage "dumbing down" of virtually all strata of the U.S. population.

Truman versus MacArthur

Go back to the U.S. military training camps of 1940–1945. The first assembly of each crop of recruits on the Basic Training Center's company street, brought together young men (chiefly) from virtually every niche of city and countryside throughout the nation. The challenge of the training and related programs, was to bring most of the new recruits up to no less than a common standard of literacy and relevant other skills. The common interest, and the general welfare, of the nation and its citizens, was the dominant trend in thought. For the greater part, this effort succeeded fairly well.

This leads us, more immediately and narrowly, to an interesting contrast in morale, between the veteran being discharged from service, at the close of the war, and what that retired veteran became, a few months later. Examining the same matter more deeply, we are led to

the deepest issues of the Roosevelt versus Truman conflict: in other words, that Truman-MacArthur conflict which directly misshaped virtually all U.S. strategic thinking since 1951.

Throughout the span from “Boot Camp” to discharge from military service, the general tendency among the soldiers and sailors, was a tendency for an increase of personal and mutual self-confidence. With the reign of the Congress during President Truman’s first term, that personal and mutual self-confidence dwindled significantly. If only in approximation, a useful comparison can be made to German veterans returned to civilian life after the close of World War I, notably those “rootless ones” who were drawn, in large numbers, toward the Nazi Party, during the course of the 1920s. For most U.S. veterans of World War II, the mounting fear of return to the 1930s Great Depression, overlapping the rise of political witch-hunts, became, quickly, a tendency to withdraw from morality, into an attitude of “every man for himself.” Under Truman, the veteran sensed that there was no longer any clearly visible, common moral authority which could reliably compel even government itself to provide justice to the victimized individual. Thus, “Trumanism” revealed itself as “McCarthyism.” By 1948, Orwell’s *1984* was no longer prophetic: until the Army-McCarthy hearings, the hateful faces of “Animal Farm” specimens such as Roy M. Cohn and Senator Joseph “Tail Gunner Joe” McCarthy (“some pigs are more equal than others”) filled in for “Big Brother.”

The question which the war had posed, once again, to the citizen-soldier, was: “Are there values so urgent, that one must prefer to die, rather than allow those values to be betrayed?” “For what are you willing to die, if necessary?” “Are you willing to sacrifice your life for others in a just cause? Where is the breaking-point, at which you, unlike U.S. Attorney General Janet Reno, will refuse to be a depraved accomplice, a refusal you make simply because you know you are morally obliged to stand up for truth and justice?” In today’s philosophy and social-studies classroom, where the common existentialist traditions of Nietzsche, the Nazi Heidegger, and Jean-Paul Sartre prevail, such moral values of the now long past, war-time period, seem very strange to most. Today, one might kill or die, to express one’s existentialist self, rather than for a higher social purpose. In this transformation which has developed during 1945–1998, we witness the state of a contemporary culture, which, like the Biblical Belshazzar, has lost the moral fitness to survive.

Give this relative moral decadence of the post-MacArthur period a name; call it “the Adam Smith factor.” In place of the joy of participating in a common higher purpose, the all-too-typical representative of the Truman period accepted one’s self-degradation into becoming, at least relatively speaking, an utterly selfish opportunist, in that world of percussive interaction outlined by such Mephistophelean moralists as Thomas Hobbes, John

Locke, Friedrich von Hayek's Bernard Mandeville, Adam Smith, and Jeremy Bentham. Admittedly, some people were still willing to risk death, and make other sacrifices, for a common purpose; however, this was rarely done out of a moral commitment, but out of a kind of conformism which should have reminded us of Propaganda Minister Josef Goebbels. To this day, most of the population of the U.S.A. has never fully recovered from the radiated impact of "Trumanism:" "keeping out of trouble with the authorities" usually outweighs any regard for truth and justice. "Let any ox be gored, as long as it is not my own."

President Truman's baiting and firing of General Douglas MacArthur cohered, in character and effects, with the broader spectrum of changes which the Truman administration imposed upon the returning World War II veteran. This is not a remote connection; *the entirety of U.S. strategic, and domestic economic policy-shaping, since 1950–1951, has been cursed heavily with the implications of Truman's folly in the MacArthur affair.*

During World War II, and in his conduct of the early months of the war in Korea, General MacArthur's performance ranks with that of the greatest commanders in all ancient through modern history: with Alexander at Arbela, Hannibal at Cannae, Frederick the Great at Leuthen, Lazare "Author of Victory" Carnot of 1792–1794, our William Tecumseh Sherman, Germany's old Moltke in France, and Alfred Graf von Schlieffen. Despite his critics from within the U.S. news media, and also an Anglophile faction of the Navy Department, MacArthur, in World War II, won more war, over a greater area, more quickly, with relatively far fewer combat losses to both sides, than any military force engaged in Classical warfare, during modern history.⁴² The Inchon flanking operation was of the same caliber. Furthermore, nothing in military science justified Truman's position, whereas every evidence demanded of reasonable professionals that MacArthur's policy be followed. The subsequent 1960s war in Indo-China proved the case against Truman in full.

In its most immediate effects, Truman's policy in sacking MacArthur, introduced the endless Korean War, not resolved to the present day, now nearly a half-century later. The result there has been a parody of Bolshevik military commissar Leon Trotsky's untenable dealings with the German military, near the close of World War I: Trotsky's vanity-stricken posturing, "neither peace nor war." Truman's Korea war continues to the present day, as an armistice which is not peace, and, yet, not exactly war. In the longer haul, in the present Japan crisis, the unresolved issue of reunification of Korea, has become a reawakened, deadly factor of potential strategic instability in the Asia situation as a whole.

⁴² The bombing of Hiroshima and Nagasaki were not events of World War II, and should not be counted in keeping score on the actual Pacific war. MacArthur *et al.* had already won the war before those nuclear bombings occurred. These were, from a classical military standpoint, post-war attacks upon an already defeated nation and its people.

In short, Truman's antic firing of MacArthur unleashed a neo-feudalist revival of Eighteenth-Century "cabinet warfare," as a new, determining factor in the conduct of U.S. strategic policy as a whole, world-wide. Truman shifted the U.S. military tradition, away from that of Lincoln, Grant, and Sherman, to the neo-feudalist, "cabinet warfare" heritage of the dubious McClellan and the Confederate commanders directing the treasonous slaveholders' insurrection. After MacArthur's firing, the U.S. officer corps was in the process of being degraded into the assigned role of "assistant cookie-pushers" for a Kissinger-like Department of State. The sheer awfulness of that "cabinet-warfare" folly came to roost in the 1964–1975 U.S. War in Vietnam.

Consider the deeper, axiomatic implications of that change.

The U.S. military policy which developed under leaders such as John Quincy Adams and Sylvanus Thayer,⁴³ had a deep root in Christian doctrine, specifically St. Augustine's warnings on the issues of *justified warfare*.⁴⁴ The particular significance of the corresponding U.S. doctrine, is located in the *historically exceptional* quality of the American Revolution and its Federal Constitution, an historical specificity which, still today, is unique in all of human history to date. It is from this standpoint, that President Truman's terrible folly and ignorance of elementary principles of statecraft, in the MacArthur affair, shines forth in its relevant implications for all of U.S., and world history since.

As I have elaborated the case in earlier locations, the modern nation-state republic came into existence as a product of western Christianity's doctrine respecting the nature of man. Christian principle required that all forms of oligarchism, including the one-worldist and other feudal institutions of western Europe, be uprooted and eradicated, in order to establish a form of perfectly sovereign republic governed by the principle that all men and women are made equally in the image of the Creator, and that the state has no legitimate function but to enhance the conditions and world-historical mission of individual life, accordingly. The state must never become, in any way, the property of a governing class of oligarchs, but a state

⁴³ Reference is made to Adams' policy-shaping as President Monroe's Secretary of State, as in the instance of the 1823 Monroe Doctrine, and to the developments associated with Commandant Thayer's West Point Military Academy.

⁴⁴ The "just war" doctrine of St. Augustine of Hippo (354–430) is developed in his reply to Faustus the Manichaean, his letter to Pope Boniface, his *Commentary on the Sermon on the Mount*, his book *On the Lord's Words*, and his book *Eighty-Three Different Questions*. St. Augustine's concept of just war can be summarized as follows: 1) war should be conducted only as a last resort, since it were better to stay war with a word and to procure peace by peace than to slay men with the sword and to achieve peace by war; 2) however, the legitimate sovereign of a state has a natural right to conduct war to defend the common weal; 3) such a war requires a just cause in the form of some injury inflicted and the failure to make amends; and 4) in the event of a just cause, war to remain just must have a right intention and be waged mercifully, in the spirit of a peacemaker.

whose will must be subordinated to the world-historical national interest of all members of the nation, and also humanity as a whole, as reason defines that interest.

Unfortunately, the victory of Venice in the war of the League of Cambrai, prevented true nation-states from existing in Europe, except in the degree that Europe was later influenced by reforms inspired by the establishment and development of the U.S. Federal republic.⁴⁵

This imposed a peculiar, historically specific, strategic mission upon our U.S.A. We must not make war for the purpose of imposing our system upon other nations, but we must never betray the principle represented by our Declaration of Independence, 1787–1789 Federal Union, and the great reforms instituted under the leadership of President Abraham Lincoln. We must never act to support, or condone the forceful imposition, upon the people of any other part of the world, of a political order contrary to the principles upon which our own Federal Union was established and defended by President Abraham Lincoln.

Otherwise, our military policy is essentially an Augustinian one. In brief, our strategy must be, to defend ourselves, while fostering a circumstance in which other nations should prefer to emulate our best example. In war, our strategy for peace, is the Christian principle of atonement.

The resulting policy is, that if we are faced with fighting a war we can not otherwise avoid, we must prepare to win that war, or to avoid a futile battle, if by retreat.⁴⁶ We must use our capacity for military victory, when we have gained it, to induce adversaries to accept reasonable alternatives. We must never tolerate a degradation of our military forces into that semblance of feudalist mercenaries associated with the British and other conduct of

⁴⁵ Exemplary of the error of those who might wish to quarrel with this account, witness the fact, that virtually every government in western Europe is of a parliamentary form derived from feudalism! Under those arrangements, there is a state, ostensibly represented by a permanent, unelected bureaucracy, and a so-called “government,” which can be overturned almost at whim, on the point of a parliamentary vote of confidence. What credulous observers mistake for “democracy,” is a long history of increase of the role of consent of an inferior agency, parliament, to exert influence over the sensibilities of a state which remains, more or less, beyond the effective control of elected government. The U.S. Federal Union, is the constitutional standard against which the distinction between dubious “parliamentary democracy” and true representative government must be measured.

⁴⁶ For example, it was Secretary of State John Quincy Adams’ doctrine, on the occasion of formulating the 1823 Monroe Doctrine, that since the U.S.A. lacked the power to defeat Britain militarily in South and Central America, we reserve our policy until such time as we had the power to expel the British (as well as the Holy Alliance powers) from the Hemisphere. The turning-point in that direction came under President Lincoln, who ordered the British-French-Spanish puppet-emperor, Maximilian Habsburg, expelled from Mexico. The treaties which President Ronald Reagan violated and betrayed, in condoning Defense Secretary Caspar Weinberger’s corrupt assistance to the British in the case of the Malvinas War, were the reaffirmations of the Monroe Doctrine reaffirmed by President Franklin Roosevelt’s U.S.A. in the case of several solemn treaties, including the Treaty of Rio de Janeiro.

Eighteenth-Century “cabinet warfare.” Ours is not a doctrine which seeks war, but rather one which prefers always to create the preconditions under which it were unlikely we were obliged to fight war. In his time, against an errant President Truman, General MacArthur was a bearer of that tradition.

In most U.S. and NATO quarters, as in the corrupt agreements tolerated in the recent Balkan wars, instead of that noble tradition which General MacArthur bore, strategic thinking has been degraded into a blending of immoral forms of diplomacy with a variety of British blood-sports. Send the football fans, as hooligans, to fight and kill, letting survivors live to kill another day; between matches, let the diplomats keep score. A time in which a Henry Kissinger, or an empty-headed babbler such as Samuel P. Huntington, is cited as a “strategic thinker,” is a time in which civilization as a whole has already gone to Hell.

The heritage of General MacArthur’s ouster became the legacy of President Dwight Eisenhower, the legacy of *détente*. Look at this outcome, which Eisenhower inherited from the Truman period, from the vantage-point of what had been intended as Franklin Roosevelt’s “American Century.”

Roosevelt was aiming for total strategic victory. His mission was to use the circumstances of the war and its ending, together with the U.S.’s relation to a post-war Soviet Union and China, to mold a world-order which would be both durable and in keeping with the global interests of the U.S.A. By using U.S. world-hegemony in machine-tool-design capability, to provide the U.S.S.R., China, and other states, a truly just world economic order, the economic principle of the American System would define the world-order within which all nations operated, and would define the global relations among those states in a new way.

There was nothing “leftist” or otherwise naive in Franklin Roosevelt’s design for dealing with a post-war Josef Stalin. Step back for a moment, and consider the relevant, deeper strategic lessons of all of the past thousand years or so of modern European history.

The emergence of a post-feudal form of perfectly sovereign nation-state, had been defined by Cardinal Nicholas of Cusa’s *Concordantia Catholica* (1431), a work which was itself an echo of the same principled theme underlying all of the leading writings of Dante Alighieri, with notable emphasis upon the latter’s *De Monarchia* (c. 1312). It was Cusa’s work which had led him to lead a break within the Conciliar movement, toward reestablishing the previously disorganized Papacy. These were the same considerations which had led Cusa, the founder of modern experimental physical science, to contribute a leading role in organizing what became the A.D. 1439–1440 sessions of the great ecumenical Council at Florence, the Council which is the watershed for both modern European civilization in general, and the

historically exceptional mission inhering in the founding of the U.S. Federal Union in particular.

A crucial problem intervened. The ruling oligarchy of Europe saw the emergence of a modern form of sovereign nation-state as a mortal threat to the continuation of the power of the ruling combination of landed aristocracy and financier oligarchy. The sly tactic of inducing the Vatican to corrupt itself in the false cause of maintaining a system of Papal states within Italy, in opposition to the unification of Italy as a sovereign nation-state, became—*until the Twentieth Century!*—a crucial flank in the efforts of the landed aristocracy to prevent the establishment of truly sovereign nation-states in Europe.⁴⁷

The immediate, post-Council of Florence provocation for this pro-feudalist obstructionism, had been the formation of the world's first modern nation-state, by France under King Louis XI, a role which Louis had acquired, as Dauphin, with notable encouragement and assistance from the Fifteenth-Century Renaissance patriots of Italy. The defeat of France and the League of Cambrai, through the treachery of Pope Julius II and the King of Spain, did not succeed in destroying Louis XI's France, but the defeat of Cambrai shelved the establishment of any truly modern form of nation-state in Europe, until the Nineteenth-Century approximations appeared, the latter based, chiefly, upon the world-wide impact of President Abraham Lincoln's victories over the British Empire's relevant, neo-feudalist puppet-states of that period, the Confederate States of America and Maximilian's Nazi-like occupation and looting of Mexico.⁴⁸

From the end of the League of Cambrai, until the end of World War II, the dominant force within European civilization as a whole, was either Venice's financier-oligarchy, or Venice-like financier oligarchies, such as those of the Netherlands and London, which had been built up as clones of Venice. With aid of its incitement of Catholic versus Protestant butchery, Venice set every state of Europe against one another, while otherwise setting

⁴⁷ Until the first decade of the Twentieth Century, the Habsburg Emperor retained veto-power over the nomination of any Pope! This despite Pope Leo XIII! Under Habsburg oligarchical influences, the Catholics of Italy were prevented from assuming their natural leading role in the political life of Italy. It was this which provided Palmerston's Mazzini the opportunity to make the anti-Christian, freemasonic party, the largest force for the unification of Italy. Hence, in contrast, the importance of the post-World War II Christian-Democracy of Italy.

⁴⁸ The qualified exceptions to this were the efforts of France's King Henry IV, and of Cardinal Mazarin and Jean-Baptiste Colbert. France, as the leading nation-state and economy in Europe, until 1789, was the principal target of its oligarchical enemies throughout the Sixteenth through Eighteenth Centuries. Through wars orchestrated by Venice's financier-oligarchy, France was undermined and debilitated under a foolish Louis XIV, a subversion and waste which culminated in the successive nightmares of the Jacobin Terror and the Corsican bandit-king, Napoleon Bonaparte. After Napoleon, the glory of France departed, to the nadir reached during the post-Mitterrand period.

Europe bloodily against itself in Spain's wars against the Netherlands, and, subsequently, the notorious Thirty Years' War of 1618–1648. In this fashion, world power, and world trade, were under the domination of Venetian-style financier oligarchies, from the defeat of the League of Cambrai, until the developments of World War II. For a clearer view, summarize the world strategic situation over the period from the Napoleonic wars through silly Woodrow Wilson's Versailles.

From 1789 onward, the common objectives of Britain and the Holy Roman Empire's *Fürstentum*,⁴⁹ were the destruction of both the United States of America and the influence of the United States' Federal Union as a model, which both Britain and the continental landed aristocracy were desperate to ensure must not exist in any part of this planet: the personal and official policy of the British monarchy's ultrareactionary Prince Philip, to the present day.

The Castlereagh-Metternich cabal's policy was a virulently anti-American view which is shared, with shameless openness, to the present day, by a confessed agent of British influence—a virtual, British, enemy spy, and all-around scalawag, Henry A. Kissinger.⁵⁰ Thus, from Pitt and Bentham through Palmerston, British Foreign Ministers and Prime Ministers, joined with the continental party of Habsburg chancellors von Kaunitz and Metternich, against the dreaded American influence. After Castlereagh, under Canning and Palmerston, Britain's apparent affections for its Holy Alliance partners waned, becoming Palmerston's and Giuseppe Mazzini's outright hostility to Metternich. Let President Clinton be warned by the fall of Metternich, as Palmerston himself put the point famously before the British Parliament: Britain has no permanent allies, but only permanent interests.

Nonetheless, the anomalies of 1848–1849 taken into account, until World War II, the world was dominated by a combination of chiefly imperialist, continental European forces, forces whose actual power has come to be centered, increasingly, in the financier-oligarchies of Prince Philip's Britain and the Nazi-SS veteran Prince Bernhard's Netherlands.

This was already the circumstance faced by U.S. President George Washington's administrations, the reality which prompted the President to warn the U.S.A. against any

⁴⁹ In the aftermath of the (1618–1648) Thirty Years' War, the council of princes of the Holy Roman Empire was reduced to a rump composed of a nominal Catholic Party from Italy, south Germany, and Austro-Hungary. As the assassination of many of the protégés of the Habsburg Emperor Joseph II, including Wolfgang Mozart and his friends, attests, the real power behind the Habsburg throne was usually the Chancellor (*Kanzler*), who was the controller of the secret police (*Geheimpolizei*), and, sometimes, also, like Metternich, chief pimp of the realm. Thus, Wolfgang Mozart, like Ludwig van Beethoven, was personally close to the nominally reigning Habsburg family, whereas the office of the Chancellor was the enemy of both.

⁵⁰ See, Henry A. Kissinger's address to London's Chatham House, May 10, 1982, *op. cit.*, note 5. See also, Kissinger's *A World Restored*, *op. cit.*, note 5.

“entangling alliances” with European powers. Although the U.S.A. did develop Nineteenth-Century friends in Europe, such as the circles of Lafayette and Carnot in France, the followers of Friedrich Schiller among the Prussian reformers in Germany, and the Russia of Czar Alexander II and Count Sergei Witte, the hegemonic combination of ruling forces in Europe was implicitly those enemies of the United States who had inherited the foul victory from the defeat of the League of Cambrai.

This is the key to understanding the role of Franklin Roosevelt at Yalta. This is key to understanding the implications of Truman’s strategic folly.

By Spring 1945, the opportunity to exert a new world power, superseding entirely the kind of financier-oligarchical world-power hitherto exerted by Britain *et al.*, lay within the reach of the U.S. President. Under Roosevelt’s post-war policy, the U.S.A. would be no empire; nonetheless, we were in a position to determine the shared, characteristic features of the global financial, monetary, and economic relations among sovereign nation-states. Under those historically specific circumstances, we in the U.S. had nothing to fear from the power of a Soviet Union or China, nor need we desire to establish imperial authority over their internal affairs. It was we, the U.S.A., who were now in a position to determine the global set of financial, monetary, and economic rules of the game, rules which would affect the relations among all states of this planet.

If only we had seized that wonderful opportunity.

From the founding of our sovereign republic, until World War II, world power had been divided between the minority force represented by the U.S. and its immediate, anti-British friends, on the one side, and a thicket of world-dominating financial-oligarchical powers and outrightly feudalistic relics, on the opposing side. In that specific sense, world power, especially power over the world’s financial and monetary affairs, lay in the hands of imperial, rentier-financier forces which were the enemies of our republican constitutional principle. As Secretary of State John Quincy Adams said of our enemy, Canning’s Britain, there existed no community of principle between the U.S.A. and those forces which dominated the world from Europe.

Under those circumstances, the principles of practice governing well-informed U.S. strategy were necessarily, actively adversarial; we shared no community of principle with the leading concert of the world’s powers. However, as Adams emphasized this future prospect for the Americas, when the time came, when we had the power to change this fundamentally, to establish an hegemonic ordering of international financial, monetary, and economic power, our strategic doctrine must change to conform to this changed order within world affairs.

At the close of the war, we held global financial, monetary, and economic hegemony. What we required of the world, was a rallying of states which would join with us to oppose the relics of British, Netherlands, French, and Portuguese imperialism, to provide to those liberated regions of the world the immediate advantages of a fair and just world economic order. Our duty, our self-interest, was to inaugurate that new, just world economic order, and to assume a leading role in defending that order as the common interest of a group of nations representing the vital interest of the overwhelming majority of the human race.

What had we to fear from anyone, then, or today, as long as we proceeded on that basis? This is what Truman, and other small-minded Hobbesians either never understood, or chose not to understand.

The SDI Example

In this light, consider as a most appropriate, exemplary case, my original design of what President Ronald Reagan named a “Strategic Defense Initiative (SDI).”

The crucial feature of the President’s March 23, 1983 offer to the Soviet government, marks the SDI, publicly, to this day, as a product of my work, work focussed upon a private, exploratory back-channel discussion which I conducted, in U.S. interest, with Moscow’s representative, during the interval February 1982-February 1983. It was an exploratory effort, a further step in promoting a program which I had launched, in August 1979, as a feature of my 1980 campaign for the Democratic Party’s Presidential nomination. It was a campaign which I conducted publicly, from mid-February 1982 on, in the U.S.A., with high-ranking flag officers and other leading strategic circles in the U.S.A., France, Italy, Germany, and elsewhere, past the close of 1985. Admittedly, there are state secrets involved, which I have not told,⁵¹ but, otherwise, all the essential features of my role in authorship of that SDI proposal were open, and openly acknowledged by some relevant agencies of the U.S. government, beyond the end of March 1983.

From the point of my first barely significant intervention into world affairs, beginning the mid-1960s, I adhered always to the attempt to revive the kind of U.S. relationship to the world at large which I had envisaged, while still serving in the China-Burma-India Theater, at the close of World War II. As early as the first months of 1947, for example, my zeal was focussed upon the importance of U.S. fostering of the development of nuclear-fission energy-sources as the obvious, best, and perhaps only key to the general improvement of the

⁵¹ In respect to the back-channel itself, I was operating under national-security rules. Thus, those secret aspects of the back-channel discussion which were under national-security have never been revealed to unauthorized persons, by me, to the present date. Nor was there ever a good reason to do so; all the essential facts of the history of SDI were always fully visible in the public domain.

conditions of life of the *entire* population of India. From the mid-1960s onward, the same view was expressed as the proposal, that joint commitment, by the U.S.A. and Soviet Union, to rapid development of the technology of the developing sector, was the “way out” of the continuing strategic dilemma of that time.

During the second half of the 1970s, I was in a great deal of official and covertly deployed troubles, which I suffered at the hands of such circles as those of Secretary of State Henry A. Kissinger and National Security Advisors Brent Scowcroft, Zbigniew Brzezinski, and, of course, the same FBI which, according to its own official documents, worked with the leadership of the Communist Party U.S.A., to promote my “elimination,” as early as 1973. This occurred partly as a result of the role of my associates and me, in exposure of certain interesting background facts concerning developments of the late 1960s and early 1970s; initially, it occurred chiefly as a result of my too nearly successful 1974–1977 interventions on behalf of a “just new world economic order,” interventions in which I found myself intellectually allied, openly, with some governments of the Non-Aligned Nations group. It was my 1982–1985 role on behalf of what became known as the SDI, which persuaded certain international forces to conduct their 1982–1989 effort to have me eliminated finally and permanently from any further influence upon U.S. and world policies.

During this 1977–1982 period, I came to emphasize the significance of dual-use development of strategic ballistic missile defense based upon *new physical principles* (such as beam weapons), as the available strategic alternative. My point, from the second half of the 1970s onward, was, that on condition that both superpowers sought a common interest of our planet in the equitable development of all of the peoples and nations of the planet, that common interest could lead the world back to the kind of American Century goals which one should associate with the work of Franklin Roosevelt.

The key, was always to shift the frontier of economic technology forward, to what was, at each moment, the most advanced among the existing levels of machine-tool-design potentialities. Large-scale infrastructure programs, combined with the most advanced “science driver” programs of economic development, were the key. Those were my policies during the late 1960s, the middle 1970s, in my authorship of what became known as “SDI,” and in my proposals, beginning October 1988, for a post-Communist reconstruction. Those are my policies still today.

Consider the case of the public attacks upon me, and also Dr. Edward Teller, on the issues of “SDI,” by the subsequently deceased Lt.-Gen. (ret.) Daniel P. Graham, during the period from Summer 1982 until March 23, 1983. This involved an issue which Graham had earlier raised, while still head of the Defense Intelligence Agency (DIA), during the administration of President Gerald Ford. Graham was fanatically opposed to the role of science in defense

systems; he insisted, that “off the shelf” technologies, presently reposing in the inventories of defense contractors, ought to be used, instead, even if that meant relying upon systems, typified by Graham’s “High Frontier” recipe, which had become hopelessly obsolete more than a decade earlier! The connection of Graham’s views to his association with that Mont Pelerin Society subsidiary known as the London-directed Heritage Foundation, was no coincidence. The Heritage Foundation dim-wits proceeded from their induced, crude, Anglophiliac ideology, to argue against government-funded science-driver programs. This was reflected in their gobbledygook propaganda arguing the allegedly principled distinctions between “fundamental” and “applied” research.

Soon after President Reagan had announced the “SDI,” Heritage Foundation ideologue Graham turned about, to profess himself a born-again advocate of the very strategic ballistic missile defense system for which he had attacked me and Dr. Teller so violently during the Summer and Autumn of 1982. During the Summer of 1983, an uneasy compromise was struck between the respective representatives of Graham and Teller; Graham prevailed with his emphasis upon obsolete conceptions of “kinetic weapons” technology. Consoling bits of money were passed around to Teller’s backers, to keep the troops quiet; I was pushed out of the way; and, despite President Reagan’s clear voice at Reykjavik, “SDI” was soon virtually dead as an ongoing strategic conception.

The crucial point to be stressed here, is the following.

Start with what has been my repeatedly stated principle: the power of mankind over nature, per capita and per square kilometer of the planet’s surface, is located entirely in the realization of scientific and technological progress as an effective increase of the productive powers of labor. In that sense, and in that degree, the origin of essential strategic power is precisely that. This is expressed either as the realization of such modes of increase of the productive powers of labor, or, from the Mont Pelerin Society and other opponents of progress, the suppression of such development.

We witness this principle at work in the rapid rise of the per-capita income and power of the France reconstituted by King Louis XI. We witness this in the impact of scientific and technological progress in Europe since Brunelleschi’s early Fifteenth Century. We witness this in the role of France’s Jean-Baptiste Colbert. The strategic principle of the science-driver effect, is shown, in the most brilliant fashion, under the leadership of Lazare Carnot, during 1792–1794. This is shown, again in the most brilliant fashion, in the explosive upsurge of the U.S. economy in its generalized machine-tool revolution, during 1861–1876.

Compare this with a relevant, telling observation made by a friend.⁵²

As the family of Empress Maria Theresa might agree, Prussia's Frederick the Great was not a nice person; but he was, political follies such as Voltaire aside, a military genius. Alfred Graf von Schlieffen's account of Frederick's brilliant, double-flanking victory over the Austrians, at the Battle of Leuthen, illustrates the same military-strategic principle otherwise demonstrated by science-driver cases.

In brief, the principle of the flank, as documented by von Schlieffen's *Cannae*,⁵³ is not a principle of the sand-box as such; it is a principle of the mind. For example, if my enemy is operating on the basis of Riemannian set n , then I must outflank him by operating on the basis of Riemannian set $n+1$. Hannibal's counteroffensive, from a seemingly hopeless, back-to-the-wall situation, to effect defeat of the relatively much superior Roman forces at Cannae, was not a matter of sand-box principles; Hannibal's *mind* was superior to that of the self-misguided Roman commanders. Frederick was vastly outgunned at Leuthen, and confronted by what might pass for a perfect, Cannae-modelled flanking assault; but, the combined discipline of Frederick's vastly outnumbered troops and the thick-headed formalism of the Austrian commander, enabled the mind of Frederick to outflank, and rout a vastly superior Austrian force, not once, but twice on the same day.

If one can confront a prospective adversary with the fact of the economic impact of realized scientific superiority, then, that adversary must either adapt to that principle, or accept defeat. There is a military parallel for this in General William Tecumseh Sherman's continual hammering of his flanking operations all the way to and through Atlanta. It was, above all, the superiority of Sherman's mind to that of the Confederate commanders, which is the crucial fact of that situation. The most relevant fact was the moral and scientific superiority of the Union forces over the pack of neo-feudalist degenerates dominating the Confederate command. Once Lincoln was able, after Gettysburg, to purge not only the dubious McClellan, but other liabilities, from the U.S. military command, the preparation for the delayed Union victory took shape. The Confederacy was not a "lost cause;" it was the cause of a pseudo-nation which, from its inception, had lacked the moral fitness to survive.

If one is in a position to assume the high ground, both culturally and technologically, and also globally, one will thus shape the direction of changes in political-economic practice among the nations so affected. It is not necessary, nor desirable, to attempt to dictate the internal affairs of individual nations; rather, let each nation shape its own internal

⁵² Andreas Ranke, "Schlieffen, Carnot, and the Theory of the Flank," *EIR*, February 6, 1998.

⁵³ General Fieldmarshal Count Alfred von Schlieffen, *Cannae* (Ft. Leavenworth, Kansas: The Command and General Staff Schoolpress, 1931).

development, through the natural process of its attempts to adapt successfully to the global environment within which it is located. Concentrate, therefore, on shaping that global environment.

In 1945, the difference was, that, prior to the close of World War I, the financier-oligarchical forces centered around Britain and the Netherlands controlled “the world market,” a position which the British had regained from the U.S.A., between 1873 and 1879, through the establishment of the British gold standard and the accompanying adoption of the treasonous U.S. Specie Resumption Act, that by a corrupted U.S. Congress. We see today, how the bandits running international financial and monetary institutions, such as the International Monetary Fund, are able to affect the piratical looting of entire groups of nations, seemingly without any available recourse by the victimized nations themselves.

Conversely, we should be able to recognize, that without a new global financial and monetary system, modelled upon the pre-1959 Bretton Woods system, no recovery from the presently ongoing, global, financial, monetary, and economic collapse could be expected at any time during the decades immediately ahead: without that change, and very soon, the United States, and virtually every other nation of this planet, is hopelessly doomed to a decades-long passage through the virtual Hell of a prolonged “new dark age.” Control the rules of the international financial and monetary system, and subject that system to domination by the exigencies of realized scientific and technological progress, and the objectives of Franklin Roosevelt’s “American Century” image could be realized, even beginning today.

So, situate the Truman-MacArthur controversy with respect to the original, March 23, 1983 proffer of SDI.

From this latter vantage-point, the principal problems of 1949–1951 were, that the U.S.A., in its foolish excess of power-sharing with the British and other dubious allies, had surrendered the sovereignty of the U.S.A. to an increasing degree of meddling by supranational authority. Thus, the same U.S.A. which had assumed principal responsibility for the state of the world, had surrendered its ability to meet that responsibility, by denying itself access to means which might not be pleasing to the Bertrand Russell and Winston Churchill devotees of a nuclear march toward world government. The farce of making the war in Korea a “United Nations war,” was the root of the problem.

Had MacArthur been allowed to pursue a sovereign U.S. solution to the challenge, there would have been no war with China; it was the weakness of the U.S., as demanded by the British-dominated UNO, and self-imposed by Truman, which lured, and virtually provoked China into the war. China did not cause the expansion of the war; it was the disgusting

weakness displayed by Truman and the UNO command, which incited the attack from China. Had MacArthur been allowed to assert his clearly enunciated, and militarily obligatory set of rules of engagement at Korea's northern border, there would have been no further war, and the world would have become, rapidly, a far better place than it has been since 1950, to the present date.

In matters bearing upon strategy, and vital national interest, globalization and national sovereignty are mutually exclusive notions. Without honoring in full a clear community of principle respecting the economically "protectionist" form of *perfectly sovereign* nation-state established under the U.S. Federal Constitution of 1787–1789, there exists no tolerable, durable basis for supranational condominiums. We should never have tolerated, for a single day, the agreements of that sort which have become increasingly popular since the establishment of that lunatic "floating exchange-rate monetary system" which has proven itself the present undoing of the world economy as a whole.

A Tour Through Mediocrity

There were many good ideas in circulation among Republicans, and others, during the Eisenhower administration. Veterans of that administration's time, whom I came to know either as friends or friendly acquaintances during later years, were unquestionably moral, professionally capable, and valuable persons with whom to exchange ideas. Eisenhower's "Atoms for Peace," was among the good things set into motion during that period. It was a far more comfortable period in which to live and work, than during the nightmare of the Truman years; but, nothing seemed to be able to break through that confining envelope of mediocrity which controlled the administration from its inception.

On this account, that administration's economic policy was its worst side; the case of the temporary abortion of the Huntsville rocket program, typifies the way in which the administration's mediocrity in economic matters spilled over into its strategic practice generally.

The fairest summation of the Eisenhower administration's performance, overall, is that it was a post-MacArthur administration. There was no compelling commitment to anything reflecting the kind of "American Century" outlook of the early 1940s. There was no impulse to drive scientific and technological progress beyond immediately visible boundaries, no commitment to accelerate the ratio of the machine-tool-design element within the composition of U.S. employment and output. No Everests to climb, no frontiers to breach. There was nothing inspiring. Even the Eisenhower administration's reluctant revival of the moribund U.S. rocket and space program, occurred only as a result of prodding by the insistent beeps of the Soviet *Sputnik*. The ill-fated Eisenhower consumer-credit expansion of

the middle 1950s, brings the generalized, characteristic mediocrity of the period's policy-making into the clearest focus.

The retail passenger-vehicle sales expansion, typified the folly of Eisenhower economics. The use of increasingly loose consumer credit to sustain an expansion of new car sales, involved sundry, high-binding and kindred accounting and marketing tricks. In summary, by late 1956, the unpaid balance on a predominantly mature thirty-six-month automobile loan, was in the vicinity of the point that the replacement of that same make and model, on a used-car lot, was less than the balance due on the original new-car loan. During the same period, the trend toward "value engineering" approaches to product cost-control, which were employed at the manufacturing end, assured that the useful life of the vehicle was probably less than the life-span suggested by the terms of the thirty-six-month new-car loan. A similar pattern pervaded the area of large-ticket home appliances, and so on.

The result of this combined folly of the administration and the automobile manufacturers, was the 1957–1958 recession, which broke out in February 1957. Although the rate of recession slowed in mid-1958, there was no genuine economic recovery until a candidate doomed by the price of the Eisenhower administration's economic mediocrity, Richard M. Nixon, was pushed aside for the inauguration of President John Kennedy.

The strategic implications of the Eisenhower policy of economic mediocrity, are most usefully stated in terms comparable to those we have employed in discussing the Truman-MacArthur controversy.

Define the term "military technological attrition," as signifying the combination of technological superiority of weapons and related systems with increased productive powers of labor in producing functionally equivalent, or superior systems. It is on precisely this point, that the Eisenhower administration fell down on its economic-strategic responsibilities. A peaceful world order, under established adversarial conditions, depended upon *a margin of growing absolute superiority of the U.S.A. in terms of rates of technological attrition*. The tempering of U.S. strategic growth, which was prompted by a combination of pro-monetarist economics mediocrity and quiet probing of Khrushchev's willingness to accept Russell's design for détente, should be viewed in this light.

Consider the Teller-Oppenheimer "thermonuclear bomb" controversy as casting some light on this matter. It is not necessary to go into great detail on that matter here. Two points are sufficient. On Oppenheimer's side, he was tuned to the more radical version of Bertrand Russell's tactics on the issues of nuclear-weapons policy; his leading points of difference with Teller, over H-bomb development, are located adequately in precisely that point. Teller, on the other hand, was correct in principle, in the degree that, respecting scientific and

technological progress, one must always crash the strategic frontiers, whatever one's strategic guesstimates might be otherwise. The specific kind of bitterness injected into the dispute at that time, was unnecessary; perhaps Dr. Teller should have been less reluctant to reference the sometimes complicated connections among himself, Eugene Wigner, and Bertrand Russell, and thus provide more clarity and less mud to the controversy of that time. It was on this same point, that the mid-1950s semi-mothballing of Huntsville's rocket program, was typical of the military strategic side of the Eisenhower administration's leaning toward strategic mediocrity.

Kennedy: A Few Golden Years

"New Frontier" was an apt choice of term.

President John Kennedy represented my own generation from World War II; he was slightly older than I, but not that much. After living through the bad Truman years, and the mediocrity of the Eisenhower years, my generation was entering the leading executive positions in government, professional, and corporate life. The change showed in the growing support for the Civil Rights movement. The change showed also, in the explosion of a pent-up passion for breaking out of mediocrity, for pioneering into new frontiers. For my generation, the memories of FDR were strong, still fresh and vigorous. That made the difference in the 1960 election-campaign, and during the President's performance as an incumbent.

The special historic significance of the Kennedy period is most clearly shown in the coincidence of the strategic interventions among Kennedy, France's Fifth Republic President Charles de Gaulle, and Germany's Konrad Adenauer. These implications lingered, with a crucial, if somewhat attenuated impact, even after the death of Kennedy and ouster of Adenauer. Three of de Gaulle's most crucial actions are to be emphasized: 1) de Gaulle's push for a "Europe from the Atlantic to the Urals," de Gaulle's own efforts to pick up on Franklin Roosevelt's approach to projected post-war dealings with Stalin's Soviet Union; 2) de Gaulle's open and sudden break with NATO, largely in response to a London-dominated NATO's persisting efforts to conduct a *coup d'état* against the French state; and, 3) the *Force de Frappe*, de Gaulle's response to the lunacy of the post-MacArthur legacy of strategic follies.

Overall, the sum and substance of the Kennedy period, is the slogan "New Frontier." The thrust of the Kennedy Presidency, and the joint impact of Kennedy, de Gaulle, and Adenauer, was to break free of the sodden nightmares left over from the Truman and Eisenhower periods, to break out, to dare the limits, and reach beyond. This was a moment

of anti-entropy, a short-lived interruption of that reign of entropy which has otherwise ruled the post-Franklin Roosevelt world until the present day.

Despite the 1962 Missile Crisis, the initiatives associated with Kennedy, de Gaulle, and Adenauer, during, and immediately following the Kennedy period, remain today a point of reference for relaunching the essential features of that brief, happier period of recent history.

The good times did not last for long, even if one included the 1964–1969 phase of the space program. While President Kennedy lived, pleasant, nostalgic echoes of the FDR years encouraged followers to follow; but, in the wake of the President's assassination and the Warren Commission caper, few among those disposed to follow still possessed the passion to lead. The shock of the 1962 "Cuba Missiles Crisis," followed, by the November 1963 assassination of the President, left mostly emotional rubble in the aftermath.

After the horrors of 1962–1963, a deep cultural pessimism gripped the youth entering university during the 1960s. President Johnson's capitulation to McGeorge Bundy's insistence on the war in Vietnam, put the political detonator on the explosive social charge. The notorious "cultural-paradigm shift," the shift to the "rock-drug-sex counterculture" and to "post-industrial" utopianism, emerged as relatively hegemonic campus and post-campus phenomena of the 1964–1972 interval.

British Proconsul Kissinger

For what happened after the assassination of President Kennedy, two historic reference-points are perhaps the most appropriate. The first is the case of the ancient, Phrygian cult of Dionysus, the terrorist cult otherwise associated with the satanic worship of Gaea-Python and the Roman cult of Bacchus. The second, the post-World War I spread of a theosophical, existentialist youth-counterculture throughout Europe, as typified by the rise of Nazism, the influence of Georg Lukacs, and the rise of the satanic cult otherwise commonly referenced as the "Frankfurt School" of Theodor Adorno, Hannah Arendt, *et al.*⁵⁴

⁵⁴ In treating the terrorist-linked and related radicals of the post-1963 "rock-drug-sex counterculture," the Maxim Gorky paradigm must be referenced. Gorky, who used the satanic center of Axel Muenthe *et al.*, at the Isle of Capri, for his training sessions, was the "mother" of the training of the hard-core agents of Feliks Dzherzhinsky's Cheka (predecessor of the KGB). Hate-filled, homeless youth were developed as a hard core of agents, of exceptional ruthlessness and lack of human sensibilities. Like György Lukács, or such of the latter's "Frankfurt School" followers as Theodor Adorno and Hannah Arendt, the essence of the psychological conditioning of the Gorky, Lukács types of leftist agent-types, was blind, irrational hatred of the "existing culture," the "existing society." The worst G.D.R. "Stasi" types, for example, fit into this profile, as do those hard-core eco-terrorists, of "criminal energy," at the center of the murderous, large-scale guerrilla-warfare mayhem in 1970s and 1980s France and Germany. There is no essential difference between leftists of Bertolt Brecht's "Jenny" type, and professed Nazis such as Adolf Hitler, Josef Goebbels, and Martin Heidegger. These

The key to the rise of this counterculture, is twofold.

The modern roots of the rock-drug-sex and post-industrial countercultures, are traceable to two key events of post-Napoleonic Europe: the Congress of Vienna itself, and the fascistic Carlsbad decrees of 1819.⁵⁵ The virtual banning of the influence of that Friedrich Schiller who had been the chief intellectual author of the reforms underlying Germany's 1813–1814 Liberation Wars,⁵⁶ defines the spirit of hatred erupting during the period in which a gifted Trier Johann Hugo Wyttenbach student, Karl Marx, born in 1818, was later recruited into virtually satanic cults, first at the University of Bonn, and, later, under the influence of the circles of the fascistic G.W.F. Hegel and Karl F. Savigny, at Berlin. The case of Arthur Schopenhauer, one of the key forerunners of Friedrich Nietzsche and Adolf Hitler's Nazis, is another relevant case. Related is the case of the two Mazzini followers, Wagner and Bakunin, who came to play leading roles in establishing the cornerstones of both modern European satanism and Nazism within Machian late-Nineteenth-Century Vienna, Budapest, and the Bayreuth of Houston Stewart Chamberlain and Richard "Parsifal" Wagner.

As we have already pointed to this, the right-left commonalities of these satanic cults are aptly represented by the perverse union between Hannah Arendt and Nazi existentialist Martin Heidegger, both in common with the satanic figures of Theodor Adorno and the de facto den mother of the "Frankfurt School," Georg Lukacs.

The currents of Romanticism, Modernism, and post-Modernism spawned out of the post-Vienna-Congress, post-Carlsbad-decree cultural pessimism of the middle Nineteenth Century, gained an increasing influence in the organized intellectual life of European civilization on both sides of the Atlantic, including the Massachusetts and South Carolina

types are essentially neither "left" nor "right," but only and always satanic in the specific sense of the Phrygian cult of Dionysos, or the ancient Gaea-Python cult.

⁵⁵ The murder of the popular writer Kotzebue by the radicalized student George Sand was used by Prince Metternich as a convenient pretext to clamp down on the political ferment in Germany, for German reunification under a constitutional government. In 1819, Austria got the Deutscher Bund, the alliance of a whole array of feudal German mini-states, to adopt the Carlsbad decrees. These meant severe restrictions of the freedom of press, speech, association, etc., under the cover of "pursuing the demagogues" (*Demagogenverfolgung*). As this was a joint decision by the feudal princes, the victims could no longer escape prison or other punishment by fleeing across the border of their respective mini-state. Hundreds of courageous political leaders went to prison during those years, for nothing more than expressing their anti-feudal political convictions. Many escaped imprisonment by fleeing to Switzerland, France, and, notably, the United States.

⁵⁶ Under the regime of the Carlsbad decrees, it became highly risky for journalists to quote certain works by Schiller or for theatrical directors to perform Schiller's plays in an uncensored version. This concerned, especially, his drama *Wilhelm Tell*, but also *Don Carlos* and *Kabale und Liebe*, in which Schiller both attacked and ridiculed life and politics at the corrupt feudal courts. Interestingly, the same aspects of Schiller's works, later fell victim to Goebbels' censorship during the Nazi regime.

branches of Palmerston protégé Giuseppe Mazzini's "Young America" organization.⁵⁷ The influence of Bertrand Russell, is a key element in the corruption of intellectual youth, such as Norbert Wiener and John von Neumann, on both sides of the Atlantic. Under the conditions of the Truman and Eisenhower periods, these spores of existentialist pessimism found the culture-medium for which they might have been intended.

The qualified amorality which overtook the majority of U.S. citizens, for example, during the Truman and Eisenhower years, exploded into such forms as the rapid spread of the "rock-drug-sex counter-culture," from 1964 through 1972. The continuation of the war in Indo-China was among the crucial factors in bringing about the emerging hegemony of an anti-science movement, "post-industrial" utopianism.

The fact that emergence of an organized youth-counterculture around "post-industrial" utopianism reflected the emergence of the forementioned types of psycho-social conditioning, should not be read as evidence that the emergence of the movement itself was in any sense "spontaneous," or "natural." Very little in modern history has been less natural, indeed more unnatural, than the self-styled nature cult which has grown up, "on behalf of the environment," around the 1961 initiatives of Prince Philip's and Prince Bernhard's reactionary World Wildlife Fund. The members of the new youth-counterculture were virtually campus-laboratory guinea-pigs, whose behavior was induced and directed, from the top-down, from the outset. The environment preparing this operation was established as early as the 1920s, under British Brigadier Dr. John Rawlings Rees of the London Tavistock Clinic. The entire operation was dominated by relatively highly refined methods of mass-brainwashing, assisted by such networks as the Lewin centers at the Massachusetts Institute of Technology and Ann Arbor, Michigan, and the network of Freudian and kindred brainwashing networks, such as "MK-Ultra," spun out from under the direction of Julian Huxley at the UNO and the London Tavistock Clinic.

During the most relevant years, during 1964–1972, I was directly involved in exposing and opposing this "brainwashing," on the scene, with first hand, and often detailed knowledge of the agencies, including Kissinger sponsor McGeorge Bundy's Ford Foundation, and many of the key personalities, such as Herbert Marcuse, playing the key day-to-day roles of Mephistopheles in corrupting their pathetic "Fausts" of the 1967–1969 Columbia University and other campus scenes. The Foundations and funding of the process leading from McGeorge Bundy's and Herbert Marcuse's interventions into the Columbia University situation, into the 1969 emergence of the offshoot known as the "Weathermen" terrorists, or the related case of the Jonathan Jackson Brigade, are exemplary. To this day, a check of

⁵⁷ The New England "Transcendentalists" and the Charleston, South Carolina racists were both representatives of Mazzini's "Young America" agents of Lord Palmerston.

Foundation grants and related connections is often still key to tracking the actual pedigrees and motives of most of the still operating, exotically “radical” operations built up with aid of coordinated mass-media puffery.

This youth-counterculture development of 1964–1972 did not occur in a political-economic vacuum. It overlapped two leading economic policy-developments of the same period: the 1966–1967 take-down of large parts of the forward, cutting edge of the U.S. space program, and the process leading into the August 1971 sinking of the U.S. dollar. It also overlapped, in a most significant degree, the rise of the Queen’s own Henry A. Kissinger to the position of virtually acting President of the United States.

The changes experienced during this 1964–1972/1976 interval, intersect the fact, that, excepting a few brief, extraordinary developments during the first Reagan administration, since the murder of President Kennedy, no President of the U.S.A., to the present date, has actually provided that quality of Presidential leadership for the United States we associate with even a Truman, an Eisenhower, or a Kennedy. Carter, Reagan, Bush, and Clinton, have been, usually, like the virtually anonymous Presidents we tend to view as the janitorial agency which locks up after the parliamentary government has gone home for the weekend; moreover, none of them seemed able to do anything to change this. As in Clinton’s case, even if he wished to act as a real President, a cabal of combined mass news media, right-wing Congressional “Robespierres,” and permanent governmental bureaucracy, has not allowed him to so do. There is no mere coincidence in this; the underlying reasons for the post-“Watergate” shift, from a Presidential to a Europe style of parliamentary government, are elementary, and historic.

Most citizens, and members of both judiciary and Congress, appear to have forgotten the time, before “Watergate,” when we ran our government differently. This is among the policy-matrix changes which has occurred since 1964–1976.

The emergence of “post-industrial” utopianism, as the hegemonic trend in policy-shaping, on all fronts, is the characteristic, dominant, if not exclusive, policy-shaping factor in the administrations of Presidents Carter, Reagan, Bush, and Clinton-Gore. Blindly plummeting entropy is the dominant mood of politics in these times; the 1964–1972 interval, from the assassination of President Kennedy, until the establishment of the post-Bretton Woods “floating exchange-rate system,” marks the transition, away from all semblances of earlier patriotic standards of U.S. economic policy-shaping, into the lunacy of the junk-bond and derivatives age. With the inauguration of President Jimmy Carter, the U.S. Presidency degenerated rapidly, seemingly irreversibly. The continuing cause for this process of degeneration was the increasing hegemony of the cult of “post-industrial” utopianism. The sap was out of the tree, and the branches were dying.

Consider the political and economic revolution of 1964–1976 in light of its correlation with the “post-industrial utopian” form of cultural-paradigm shift.

When the U.S. Economy Stopped Growing

The assassination of President Kennedy marks the point of departure, from the time our nation was still committed to economic progress, until it began to move radically in a downward direction: changes in U.S. economic-policy began which were more damaging than even the worst of what had occurred under Truman and Eisenhower.

The first round of such radical shifts, downward, in U.S. economic thinking, came in two developments of the 1966–1967 interval: the State Department’s initial adoption of population-control policies directed against other nations, and the drastic, if partial shut-down of the space-program during those fiscal years. The “Great Society” hoax was a complement to this process of beginning to destroy the U.S. economy.

The second round of measures leading into the wrecking of the U.S. and world economy was developed during the interval 1967–1972, beginning with British Prime Minister Harold Wilson’s 1967 sinking of the British pound sterling, and concluding with the developments of 1971–1972, nullifying the Bretton Woods agreements, and launching that “floating-exchange-rate monetary system” which has led the U.S. and world economy, step by step, to the present global catastrophe.

Later, during the 1970s, it was argued, that for every penny spent on the space program, more than fifteen cents had been returned to the U.S. economy. The latter benefit occurred as a fruit of the spill-over, into the economy as a whole, of the scientific and technological progress radiating from the space program.⁵⁸ This benefit was precisely what the Johnson administration cut out of the space program and closely related things during 1966–1967. Thousands of the best-qualified scientists and technicians were dumped from the payrolls, creating effects such as a virtual economic depression around Greater Boston’s Route 128 aerospace and related premises. It was said, in 1968–1969, that such throat-cutting acts of national economic suicide would benefit the economy by “bringing the space dollar back down to Earth” in such forms as the (predictable disappointment known as the) “Great Society” program. With only marginal exceptions thereafter, the economic-suicidal pattern of such cuts in high-tech research and development, not only persisted, but was generally accelerated, from 1966 onward to the present day.

⁵⁸ In April 1976, Chase Econometrics released a study estimating that for every \$1 spent in the U.S. space program, \$14 was returned to the economy in new jobs, new factories, and increased productivity from new technologies. See Marsha Freeman, “Space Program Spending Paid for Itself Many Times Over,” *EIR*, February 23, 1996.

As a result, the net physical output of the U.S. economy per capita, has shrunk consistently, and disastrously, from the close of the 1966–1972 interval, to the present day. In fact, there has been no net physical-economic growth in the U.S. economy from that time, to the present day. “More jobs,” yes: but less net physical-economic income per household than when the average number of jobs per-capita of labor-force was fewer.⁵⁹

The tail-end of net U.S.A. post-war economic growth was reached about 1971–1972. What had kept some growth in place during the 1966–1972 interval, was largely to the credit of large-scale infrastructure-building programs set into place by (chiefly) the Eisenhower and Kennedy administrations, and kept moving somewhat under Johnson. After 1971–1972, the amount spent on combined expansion, improvement, and maintenance of basic economic infrastructure, was spectacularly less, in effect, than the wear, tear, and depletion of preexisting programs. The 1975 “Big Mac” collapse of infrastructure in New York City, is only an apt illustration of the general pattern during and since the 1970s.

Typical of the drastic changes in economic philosophy effected under President Richard Nixon, were the imposition of savage wage-cuts imposed, under the rubrics of “Phase I” and “Phase II,” following the President’s decision to sink the U.S. dollar, on August 15–16, 1971. The philosophy, if one may call it that, behind Nixon’s politically fatal follies in economic and monetary policy, is typified by the introduction of foolish Mont Pelerin Society fanatic Milton Friedman as cottage philosopher of the Nixon White House. There had been forewarnings of this under Truman, and in the influence of Arthur Burns over the Eisenhower administration, but Nixon had gone over the wall. The U.S. no longer had an economic policy consistent with our constitutional tradition; the effort to purge FDR’s memory from national economic and social policy was rampant. The arrival of a new editorial figure, Robert Bartley, on the pages of the *Wall Street Journal*, typified a new crew in charge of the thinking of the nation’s financial centers, a Wall Street gone utterly mad.

Here lies the key to the political and moral decay of the U.S. Presidency during the past thirty years.

The exceptional character of the U.S. Federal republic, its historic specificity, centers around the differences in economic and closely related philosophy, which we have already referenced, between the U.S. and an oligarchy-dominated old Europe. The fact that we, in opposition to the evil doctrine of Adam Smith, were the only nation-state committed to such economic principles, required a national defense policy attuned to the continuing global

⁵⁹ The shrinking birth-rate among middle-income ranges of the U.S. population, is merely typical of the drastic cuts from the per-household standard of living since the middle 1960s. The explosion of irrational violence and loss of cognitive potentials among adolescent youth, victims of the collapse of the household standard of living, is also a reflection.

implications of such conflicts in economic and related philosophy. The fact, that our economic system functions successfully only as a “dirigist” system, in which the state plays a specific, if limited, leading role in the national economy, requires qualities of our national executive which were neither desired nor tolerated among the oligarchy-dominated states of old Europe.

The sensible strata of U.S. citizens have always had what might appear to be an instinctive appreciation of these implications of our national historical specificity. All except such pathetic creatures as the “Nashville Agrarians,” recognized the importance of industrial development and matching progress in development of national and regional economic infrastructure. The sensible strata regarded such an orientation, together with national defense, as a crucial part of the job implicitly assigned to our Federal and other levels of government. “More and better” were integral standards of performance demanded of the performance of government, especially the Federal government and its Executive Branch.

The radical changes in economic policy which began during 1966–1968, and accelerated during the Kissinger era, 1970–1976, were an overturning of that traditional commitment to performance around which the role of our Federal government had been defined under all patriotic leaders of our nation since 1776–1789. By nullifying that commitment, the Federal government itself joined in destroying that foundation upon which our Executive Branch’s implicit authority to rule had depended up to that time. Like the Biblical Belshazzar, we had “lost the mandate of Heaven.” We shall not be able to restore the institution of the President until that error is corrected.

Secretary of State Henry A. Kissinger’s role in setting up the oil-price hoax of the mid-1970s, his role in the lunatic Rambouillet monetary summit of 1975, and Kissinger’s emergency flight to Paris, shortly after Rambouillet, in the efforts to head off my influence among Arab and other states, were rumbles of what was to become the economically catastrophic Carter Period.

Carter as a Wall Street Puppet

On paper, the Carter administration was a hand-picked creation of David Rockefeller and Rockefeller’s Trilateral Commission. The content of that administration was supplied by a group, headed by future Carter Secretary of State Cyrus Vance, future Carter National Security Advisor Zbigniew Brzezinski, and Miriam Camps. The details were worked out by the New York Council on Foreign Relations (CFR), under the rubric of “Project for the 1980s.” There was nothing introduced under President Carter, or the early days of Vice-President (and Trilateral Commission veteran) George Bush, which was not spelled out in the 34 volumes of that report.

Not too much blame should be placed upon Carter himself. Prior to his election, apart from his sometime association with the U.S. Navy's nuclear-submarine-development program, he had acquired none of even the rudimentary qualifications of a serious candidate for the President. No evidence shows that he ever actually understood the practical implications of the critical policies of his administration, even those which he appeared to advocate with some degree of personal passion attached. On balance, it would be fair to say that he was used by his handlers.

The one political quality which does stand out as Carter's own inclination, is his leaning toward the prejudices of the Nashville Agrarians. The autobiographical piece published on behalf of his first campaign for the Presidency⁶⁰ strongly suggests this variety of "country boy" leaning, as do many of his public utterances during the 1976–1980 interval of his original Presidential campaign and incumbency. That public relations caper, of searching for Carter's ancestral home in England, was a cynical, raw, and obvious stunt by his handlers. Contrast Jimmy Carter with Huey Long's actual economic recovery programs for Louisiana, and the differences are very clearly defined. Otherwise, be fair: do not search for the blame for the important developments under the Carter administration within Carter himself. The New York boys picked him and used him, and, when the time came, discreetly discarded him as another man who had been "used up."

The Trilateral Commission under Vance, Brzezinski, *et al.*, had one principal mission, under both Carter and Vice-President George Bush: destroy both the U.S. economy and our national sovereignty. They did both rather well.

1. The leading expression of the Carter administration's persisting efforts to destroy the sovereignty of the U.S.A., is typified by the repeated babbling of Secretary G. William Miller, proposing to bring the U.S. Treasury and Dollar under the supranational authority of the International Monetary Fund (IMF).⁶¹

⁶⁰ Jimmy Carter, *Why Not the Best?* (Nashville: Broadman Press, 1975).

⁶¹ G. William Miller occupied the two top national financial policy positions during the Carter administration. On December 28, 1977, President Carter appointed Miller chairman of the Federal Reserve Board; on July 19, 1979, Carter appointed him as Secretary of the Treasury, replacing W. Michael Blumenthal, and bringing in Paul Volcker as FRB head. During these years, the policy was to make the U.S. dollar, and economy, subservient to the IMF, by initiating domestic IMF "surveillance," the use of Special Drawing Rights (SDRs), and related means. In Spring 1979, while Miller was still Fed chairman, a secret memorandum on U.S. financial compliance with the IMF, was prepared for Treasury and State Department officials (see "U.S. Sets Policy for Tokyo Summit: Treasury, State Propose IMF Surveillance Over U.S. Economy," *EIR*, May 28–June 4, 1979).

2. The leading expression of the Carter administration's attempts to destroy the U.S. Constitution and economy, was the package of drastic "deregulation" measures introduced to the area of transportation and other matters.⁶²
3. Carter's actual destruction of the U.S. economy was launched in October 1979, with newly appointed Federal Reserve Chairman Paul A. Volcker's program of "controlled disintegration of the economy."⁶³

These rabidly destructive changes were carried forward in the following administration, led by Vice-President Bush's connections to the Garn-St Germain, and related "junk bond" looting of the nation's savings and loan institutions, and a bonanza to Wall Street parasites known as the "Kemp-Roth" bill. This combination of measures, introduced during the 1977–1982 interval, is what wrecked the U.S. economy internally. It was the addition of an added quality of changes in international financial and monetary, and "free trade" measures, introduced with the backing of a consortium led by Britain's Margaret Thatcher, France's "Francisque" Mitterrand, and President George Bush, which, unless suddenly and dramatically reversed, dooms the world economy as a whole.

Unless those measures, and the earlier establishment of a "floating-exchange-rate monetary system" are reversed, there is virtually no chance that the U.S. as we know it today, will live out the close of the century.

A Decade of Bush-League Strategy

Beginning 1986—perhaps 1985—President Ronald Reagan was becoming increasingly a figurehead within his own Presidency; from the last weeks of 1983 onward, the Reagan team was being systematically ousted from power; a cabal fairly described as "the Bush League," including the ultra-ambitious James Baker III, was taking over. The last illness and death of Vice-President George Bush's deadly rival, Director of Central Intelligence William Casey, virtually eliminated any checks upon the rampages of a gang nominally headed by the de facto head of the U.S. secret-intelligence community, Bush.

⁶² President Jimmy Carter deregulated and helped ruin America's once very efficient transportation grid. On October 24, 1978, July 1, 1980, and October 14, 1980, Carter signed the laws that deregulated the airline, trucking, and railroad industries, respectively. The initiative for these laws came from within the Carter administration and from the Heritage Foundation-wing of the Republican Party. In the case of airlines, direct flights and, in some cases, any flights at all, were eliminated from several American cities; while many industrial sites were eliminated from America's rail freight grid. Both railroads and airlines became the plaything of leveraged buy-out speculators. See, for example, "Deregulation: The Road to Transport Chaos," *EIR*, June 26–1979; and Richard Freeman, "A History of the Push for Deregulation," *EIR*, March 29, 1996.

⁶³ See Jonathan Tennenbaum's two-part study, "Financial Crisis: The End-Phase of a 30-Year Disease," *EIR*, May 22, 1998, and "The Global Financial Crisis Unfolds, 1944–98," *EIR*, May 29, 1998. Volcker told a Leeds, U.K. audience in November 1978: "Controlled disintegration is a legitimate objective for the 1980s."

Bush's most important base of operational power, was within the military side of the secret-intelligence community, typified by a vast army of mixed military and private elements, centered around a section of the military Joint Chiefs of Staff known, since Allen Dulles' days, as "the focal point."⁶⁴ During the Reagan Presidency, Bush's base was located under special secret authorities attached to a December 1981 facility, known as Executive Order 12333. Bush, in addition to being Vice-President, was operating out of his own corner in the National Security Council, as the head of the dirtiest operations run underneath the cover of 12333. "Iran-Contra," including its extensive drug-running operations, including "crack," into the U.S.A., was not run by the CIA; it was run by Vice-President George Bush.⁶⁵

It is not being implied that Bush is an evil genius. His biography presents us with the image of an indelibly mediocre mind, a personality whose position and influence is derived from his father's and uncle's power and influence, both key figures within the extended Averell Harriman clan.⁶⁶ Mediocrities assigned to positions of power, are, like oversized schoolyard bullies, often the worst tyrants. Bush's significance is to be located in his position as a part of the hard-core Anglo-American, Anglophiliac gang, the source of his affinities to Britain's Prime Minister Margaret Thatcher, and, by derivation, to that scurrilous parody of Lord Palmerston's Napoleon III, President François Mitterrand. It is President Bush's dealings with, chiefly, Thatcher, Mitterrand, and Gorbachev, during the crucial period of 1989–1992, which laid the basis for the present, final stage of degeneration of the world economy.⁶⁷

My own role in the events of 1988–1990 is crucial.

During my February 1983 meeting with the relevant Soviet representative, I made the same point otherwise presented to other circles, in other locations. My argument was: *If President Reagan offers your government the package we have been discussing, and if your government then insists on rejecting that offer, the Soviet economic system will disintegrate in about five years.* The point was, that if the U.S.A. and Soviet governments, among others, were to cooperate in a crash program to develop ballistic missile defense based "on new physical principles," and if those technologies were spun off into the Soviet and Third World economies, the resulting technology boom in the U.S.S.R. and related states, would save the world from collapsing into a general economic breakdown crisis. If the Soviets refused such an offer, the Soviet

⁶⁴ Edward Spannaus, "The Focal Point System for Covert Action," *EIR*, December 15, 1995.

⁶⁵ "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" *EIR Special Report*, September 1996.

⁶⁶ Tarpley and Chaitkin, *op. cit.*, note 5.

⁶⁷ *Op. cit.*, note 12. See also, Elisabeth Hellenbroich, "Exposed! The Anti-German Plot behind the Euro," *EIR*, May 8, 1998; and *Der Spiegel*, April 27, 1998.

system was doomed to collapse before the so-called Western economies, in approximately five years.

On October 12, 1988, I delivered an address to a press conference in Berlin, in which I announced the impending collapse of the Comecon system, a process which would probably erupt first in Poland during 1989, and would probably lead to the reunification of Germany with Berlin as the designated future capital. A televised copy of this Berlin address was broadcast to a nationwide U.S. audience that same month. During November and December 1989, I worked with my wife and others, to elaborate a proposed program based upon my Berlin 1988 address, a proposal which coincided in crucial features with a speech prepared for November 1989 delivery by Deutsche Bank chief Alfred Herrhausen—an address never delivered, because Herrhausen was assassinated before it could be delivered.

The clearly feasible alternatives proposed by various circles, including my immediate collaborators, Herrhausen, and others, were never implemented. A cabal of madmen, led by Thatcher and Mitterrand, blocked such moves. Bush reached a compromise with Thatcher and Mitterrand, a compromise which led inevitably to the presently ongoing disintegration of what remains of the economy of Russia. It was this compromise which doomed the world economy to enter the present crisis.

Notably, the proposals of my immediate collaborators, first for a Europe-wide “Productive Triangle,” and then, beginning 1992, for a Eurasian “silk road” development based upon the same principles as the “Productive Triangle,” are an echo of the same “American Century” perspective which would have been carried into effect more than fifty years ago, but for the untimely death of President Franklin Roosevelt.

Relative to the life-spans of individuals, history unfolds over generations. It is world-historical personalities, who think and act on such long-term commitments to principle, who, alone, shape history’s outcome for the better. This is the lesson which the United States government will now learn very quickly, or one can pass off any U.S. election-campaign for the year 2000 as a sick joke.