

A Sociologist in Deep Denial

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According to his article in *USA Today* for August 12, sociologist Amitai Etzioni's current state of denial of reality, has carried him to the hysterical extreme, of asserting that no conclusion about the current state of the economy should be based on the now massive evidence of a currently accelerating, global collapse of the world's financial and monetary systems.

He insists that no one could know, that the crashing world economy might not recover. Rather than live with the anxiety of wondering whether it will collapse, or not, he makes a blanket attack on forecasting in general. In effect, he whimpers like a mid-1960s draft-evader, "I don't go there," implying, "Therefore, it could not possibly affect me."

Etzioni does not improve his own reputation when he also writes that he invokes supporting authority for his views on forecasting, from deceased, British Africa colonial officer E.E. Evans-Pritchard. Among his other notorieties, E.E. was complicit in such deplorable outcomes as creating the British press's Ambrose Evans-Pritchard.

Etzioni's efforts at denial should remind the most insightful reader of the case of the man, who, when faced with the evidence that his legal wife had given birth to puppies, insisted: "There was no way I could have possibly foreseen this!"

I have consistently made successfully accurate economic forecasts, but have also described with precision those features of the process which ensure a continuing long-term slide into a systemic global financial crisis. Most of my putative rivals had denounced me for my success, and many of them even went so far as to insist, that the world economy would soar to ever greater prosperity. Then, in due course, my so-called critics were presented with the moral equivalent of their authorship of crib-fulls of new-born puppies. Given their evident passion for dogged denial, the reaction of the latter would probably be to register the puppies immediately for future studies at Harvard University: shades of H.G. Wells' *The Island of Dr. Moreau*.

So, the spectacle produced by the like of Etzioni, might be turned into a form of health-giving laughter, thus helping to clear away some liberally accumulated litter from the minds of the students. Granted, as Rabelais and Cervantes would certainly agree, Etzioni is a pompous fool; the question is, what benefit can the students obtain from the amusing spectacle he makes of himself?

Reduced to essentials, the lesson the students should draw from the proverbial horrible example set by Etzioni, is the following.

What Did Prometheus Know?

Any competent forecaster knows, whether he or she works in what we call physical science, or in peeking into future history, that there are several rather precisely defined outer limits to anyone's ability to forecast precisely. I briefly summarize the nature of these limits, and then the conclusion to be drawn from them in addressing the disastrous economic developments onrushing at this time.

First, using standard classroom Euclidean geometry as a standpoint for making comparisons, in any real-life process being considered, we must always anticipate the existence of some axiom-like characteristics of the universe which we do not yet know. That does not mean that we can not forecast competently; it means that the competence of our forecast depends upon our understanding of the significance of those axioms we have yet to discover.

Second, in dealing with political-economic forecasting, we have a special added factor to take into account: what is called "free will." However, the existence of human individual "free will" does not mean that meaningful forecasting is not possible. In the area of human "free will" there are also axioms, in the same sense we employ "axioms" as a term in mathematical physics.

On the published record of the past thirty-odd years, including my uniquely successful long-range forecast of what became the August 1971 collapse of the old Bretton Woods System, I have been the most consistently successful long-range economic forecaster of the past four decades. Obviously, I have known something important which my rivals and opponents in the field of political-economy did not.

The reason for my outstanding success as an economist, is the result of the way I have defined the relevant political-economic processes as "systems." My approach has been to detect the prevalent, built-in axioms of the economic system. I have pin-pointed both those adopted axioms which were false, and also emphasized those additional axioms which needed to be taken into account to foresee the actual long-term effects of certain trends in policy-making.

Sometimes, on relatively rare occasions, I have been able to pin-point an important event about to erupt during the relatively short or medium-term, as, during November-December 1979, I forecast the February 1980 beginning, and likely continuation through mid-1982, of the U.S. recession which swept President Jimmy Carter out of office. Similarly, in the Spring of 1987, I forecast the likelihood of a mid-October eruption of the worst U.S. financial-market crisis of the post-1971 period. Again, during the 2000 national election-campaigns, I warned of the imminence of that financial crisis which erupted with full force about the time George W. Bush, Jr. was inaugurated as President. Usually, my forecasts have not been short-term forecasts, but long-term forecasts of systemic trends within the economic process as a whole.

To explain this use of the technical term “systemic” to students and others, I point to the example of ordinary classroom Euclidean geometry. That entire geometry is premised upon an interdependent collection of what are called definitions, axioms, and postulates. In that case, these assumptions are purely ivory-tower assumptions. They are called “self-evident,” because to the suggestible student they appear to coincide with a student’s belief that his or her senses are a kind of transparent window through which to view the actual world outside the student’s skin. To this day, the most popular varieties of mathematical systems, are based on similar kinds of axiomatic assumptions.

The poorly educated person, even one burdened with the title of “professor,” assumes that nothing exists outside what is allowed within the kind of mathematical physics which his or her chosen set of ivory-tower definitions, axioms, and postulates allows. Contrary to such professors, the history of the progress of modern physical science has always been, essentially, a series of collisions between a currently popular equivalent of a mathematical physics and the experimental reality which these mathematicians attempt to stuff into their currently fashionable systems.

The result of those head-on collisions between ivory-tower varieties of mathematical-physics systems, and experimental reality, is what is called physical science: the overturning of the some of the previously defended, “most sacred” assumptions of generally accepted mathematical systems, by the discovery of an experimentally verified universal physical principle. The combination, of uprooting false assumptions, and adding needed discoveries of verified universal physical principles, defines what is properly identified as a change of a system; it is a change in what passes for the axioms governing the way in which that system behaves. That is the most essential, defining feature of all forms of application of experimental scientific method.

What I have done, from the beginning of my own original discoveries in a branch of science called physical economy, is to apply this definition of always revolutionary, experimental

physical science, to the view of political economies as systems. Therefore, I would never trust myself to publish a forecast, unless that forecast were based on the inevitable implications of some axiomatic feature of the political-economic system being studied.

The 'Goldfish Bowl' Principle

The next issue to be addressed takes the form of the rather obvious question: "Exactly how free is free will?" To clarify that question, I have often used, as a classroom talking-point, the popular belief that a goldfish, dumped from a bowl to swim freely in a pond, will continue to attempt to swim within goldfish-bowl-like limits. People usually do something like that.

Take "popular opinion" as an example of the commonplace "goldfish bowl"-like behavior of most U.S. persons today. Most of what U.S. children, adolescents, and adults do, most of the time, is dominated by fear of "not being popular" among some selected strata of the population.

For example, in the clothes they wear, the entertainment they prefer, and the opinions they express, most of our people, most of the time, are not really thinking; they are "going along, to get along." That is to emphasize, most of the behavior of most people, is plainly not rational, but predominantly propitiatory. Indeed, it is impossible to understand the Twentieth-Century history of the U.S.A., in particular, without taking into account the way in which powerful financier interests use their control of the mass media, including the so-called entertainment media and the news media which can be scarcely distinguished from them.

Through such use of controlled mass-media, schools, and so on, the opinions and behavior of most U.S. persons are shaped to about the same effect, as the Roman Emperors' control of Roman popular opinion through such mechanisms as weird religions and "bread and circuses;" the latter should remind the sentient members of present-day society of mass popular sports, especially bodily-contact spectator sports, especially blood-sports, of the stadium and video screen.

Not only is most individual and mass human behavior manipulated in manners and degrees beyond the ability of most persons to free themselves from such equivalents of "brainwashing." Acceptance of such induced habits of belief, forms an essential, intrinsic part of the political-economic system. They become, thus, an integral part of an inherently predictable system of mass behavior. Of course, that is not the end of the story, or the human species would have eliminated itself from this planet long ago.

In social processes, such as political-economic systems, as in what is generally recognized as the category of physical science, there are the alternatives of progress, or decadence. Societies move forward, or backwards, as the U.S., for example, has slid backwards, culturally,

morally, physically, and economically, over the course of approximately thirty-five years to date.

Just as the discovery of a universal physical principle transforms the characteristic features of the entire body of science to which it is introduced, so there are changes in the axiomatic features of belief which, on the one hand, carry a society forward, as President Franklin Roosevelt freed the U.S. as a system from the ruin of the Coolidge legacy; or, on the other, carry society into a relatively decadent system, as Nixon's 1966–1968 "Southern Strategy" campaign produced the decadence which most of the people, notably the lower eighty percent of family-income brackets of the U.S., are suffering today.

The most important developments in history are those qualitative changes in the characteristics of society as a system; changes which are typified by either the overturning of bad axioms, as by President Franklin Roosevelt, or their introduction, as by Presidents Nixon and Carter. Competent long-range forecasting is limited to focussing attention on those kinds of axiomatic breaking-points, at which a system passes over from its present functional characteristics, to a better or a worse one.

That is what should be understood by the term "systemic crisis."

These turning-points can be foreseen, not by reading the clock, but by understanding the way in which current trends are carrying the system toward a breaking-point. In other words, the forecaster working from that vantage-point, takes the patterns of willful choice in the behavior of the population into account, but he bases his forecast not on the wills of those actors within the society, but, rather, on the contradictory effects produced by that pattern of willfulness.

For reasons which should be rather obvious, the cycles of change which occur within society, are usually closely associated with the span from birth to adulthood of a new generation.

This is complemented by the fact that the most important investments in any economy, are more or less long-term investments, in the sense of investment of physical capital, rather than money as such. The most important and weighty factors in an economy are basic economic infrastructure, which requires a dominant role of the nation-state, and amounts to about half of the total required annual investment for a healthy economy. The other principal factor is investment in scientific and technological progress, as I have addressed this subject in my principal published writings.

'Sally, The System Is Going Down'

To understand how systemic crises occur, and what they mean when they do occur, we must begin with the following definition of a breaking-point in the existence of an ongoing system.

Think of the axiomatic assumptions of a particular culture at a particular time, as a collection of habits, habits which control the shaping of the willful choices of decisions by the people within the system. The breaking-point for a system is therefore to be found in the circumstances in which the responses of either nature, or the people, or both combined, break from the preexisting rules of the system.

Take the case of the French Revolution of 1789–1794, and its Napoleonic sequel.

The pivot around which the French Revolution developed, was the American thrust for independence which came to the surface with the French military defeat of 1763. Once the British recognized that they no longer required cooperation with the Americans to defeat the French, the British monarchy moved to crush the Americans. Largely through the role of Benjamin Franklin, the Americans found a natural ally in the then-burgeoning Classical cultural renaissance in Europe. Through that Classical, anti-Romantic movement in Europe, the Americans acquired the preconditions for conducting their inevitable struggle against their oppressor, the British monarchy. Many parts of Europe rallied to the U.S. 1776 Declaration of Independence; among these, the most important was France, then the most technologically advanced and most powerful state of the European continent.

With the defeat of Cornwallis, and the peace negotiations of 1782–1783, the U.S. secured its independence, but the British state, under the direction of the monstrous Lord Shelburne and his Jeremy Bentham, moved to destroy France from within, by aid of the provisions of the Shelburne agreement of 1782 and the 1783 Treaty. Treasonous forces inside France, centered around the Physiocrats, were deployed under the direction of Shelburne *et al.* from London, including the London-trained terrorists Marat and Danton.

Through King Louis XVI's folly, the British intelligence operatives were able to defeat the new French constitution, and to orchestrate the July 14, 1789 storming of the Bastille, which brought the terrorist faction of Philippe Egalité, Jacques Necker, Marat, *et al.* into power. The Reign of Terror lasted approximately five years, and cleared the way for the creation of Europe's first modern fascist dictatorship, that of the Romantic, and self-appointed Caesar, Napoleon Bonaparte, the Bonaparte on which not only the fascist regime of Napoleon III, but that of Mussolini and Hitler were modelled.

What brought about the destruction of France, was the imposition of the "free trade" doctrine arranged through Shelburne's initiatives, and the complicity of the inherently

corrupt Physiocrats. The bankrupting of the French monarchy, which was solely the result of the “free trade” policy, created the breaking-point, at which France had the choice of one of two new roads available to it during the fateful early Summer weeks of 1789: a constitutional monarchy based on the American model, or a bloody, proto-fascist tyranny which decapitated many among France’s best actual and potential leaders.

Since man’s relationship to nature is the basis on which society’s existence depends, it is usually the intersection of combined trends in political economy and physical economy, which generate the circumstances in which revolutionary breaks, for a better system, or for a worse one, occur.

We are now at such a branch in the highway. We have reached the point at which the present international financial and monetary system can no longer coexist with the physical economy on which the welfare of the population and its future depend. This defines a point at which we either shatter the fetters of those habits built up in the U.S.A., in particular, during the past thirty-odd years, or we are all looking into the ugliest pit any among you have imagined.

In this circumstance, the role of the types of hysterics preaching denial, illustrated by the case of the unfortunate Etzioni, affords us all an insight into the kind of mental pathology which cries out: “No! Don’t change anything!” at a time when the cowering fool’s resistance to considering change, is in itself a worse menace to civilization today, than Adolf Hitler was during the 1930s.