

## Europe and The U.S.A. Today

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*To intervene into the increasingly strong, but thus far ineffective European reaction to the disasters of the global imperial war doctrine of Dick Cheney's Bush Administration, EIR in Europe is issuing a special report, The World After the Iraq War: Analyses and Perspectives. This is Lyndon LaRouche's leading contribution to that special report.*

Never since the 1814-1815 Congress of Vienna, have the relations between the U.S.A. and the world at large been so severely strained as now. At first, the shocking events of September 11, 2001 had provoked a swelling wave of sympathy for the U.S.A.; but the combination of President's Bush's January 2002 State of the Union address, and the rabid behavior of a U.S. delegation composed of Senators Lieberman and McCain and neo-conservative Richard Perle, at Germany's March 2002 Wehrkunde Conference, sent horrified shudders around the world. Since those events, the perception of the U.S. around the world has turned, increasingly for the worse. Presently, since the outbreak of the open U.S. warfare against Iraq, the world-wide view of the U.S.A. under President George W. Bush, Jr. from nations around the world, is, with a few remarkable exceptions, the worst in U.S. history.

As a result of those kinds of U.S. developments since Bush's January 2002 address, the growing fear and hatred of President Bush's U.S.A. is expressed as a reaction against the often mistaken, wishful, cowardly, sometimes maliciously gleeful delusion concerning the Bush government, that the U.S., having become an empire, is now in the process of destroying itself, and, therefore, that, soon, once the U.S. has collapsed, things would go happily better for the rest of the world. The range of those wishful anti-U.S. views, such as those conceits, is, in itself, dangerous, far-spread and spreading further, and presently growing deeper.

This trend constitutes a lurch toward wishful illusions which grows more or less in proportion to the degree that the actual danger of a global catastrophe increases. As the developments in Iraq warn us, those are the kinds of wishful dreams which are ultimately as dangerous to the believers as to their apparent



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opponents. Such beliefs by such governments, such public opinion among nations, unless changed, will tend, as in the case of the 1914-1917 war, to bring upon the heads of all of the nations and peoples of the world the very sort of holocaust which they delude themselves might be soon put behind them.

Therefore, many governments need to be reminded today, that had the weakling Czar Nicholas II not been wishfully deluded, he would have prevented that general mobilization which caused the immediate outbreak of general war, World War I, which led to the virtual certainty of the fall of the Czarist government, soon, down the line. Or, had the foolish German Kaiser not supported the more grotesquely foolish Austrian Kaiser, the war might have been avoided in that way. The British and French were determined to have the war, but unless it were conceived as an effective nutcracker of a two-front war against Germany, they might have been impelled to hold back their intentions, however grumpily, out of military prudence.

Looking back to such examples, we must recognize that the trend toward last-ditch fascist nuclear-warfare by desperate circles in the U.S. and Israel today, poses the question to all nations: What are you doing to prevent the U.S.A.’s being taken over in that way? Avoiding responsibility for preventing others from engaging in such folly, does not free one from suffering the sometimes extremely fatal consequences of such negligence.

Therefore, let the leading nations of the world, in particular, become serious, at long last, about some very serious matters which affect the future of them all. How must the behavior, of not only the U.S. government, but of many other nations, especially leading nations, be changed, if the world as a whole is to avoid the catastrophe careening in the direc-

tion of all of us now?

Today, we have a world situation, in which nearly all leading governments, including that of the U.S.A., and U.K., are wobbly, to say it as gently as truthfulness allows. These present governments are poorly suited to make decisions premised upon sound strategic estimates. In the case of the U.S., looking back to the 2000 elections, my Democratic Party rivals, then as now, such as Senator Joseph Lieberman, or former Vice-President Al Gore, are only somewhat different types than we have seen expressed in government under George W. Bush. Government under those Democratic nominees would have been as bad or worse than under Bush and Cheney, if in a slightly different way. Despite the lesson which should have now been learned, from experience of both of those Democratic and Republican candidacies of 2000, people today are, apparently, still more likely to make decisions based upon what they might wish were true, than face up to the reality which demands respect for considerations they are presently more than merely reluctant to take into account. Such is also more or less the prevalent situation within other leading political circles of leading nations around the world today. The fact that the proffered choice of U.S. Presidential tickets for 2000 was equally bad, shows us that the problem was, and remains systemic; that no competent candidate was allowed to appear on the November 2000 ballot, and the forces behind those choices of 2000 are still prepared to make choices today as bad or worse than those then. That systemic subjective feature of the situation, to the extent it persists now, is, itself, the most deadly feature of the present world crisis.

What I have described above is the widespread wishful misestimation of the effect of a U.S. internal crisis, among

many governments and others. This situation is usefully compared with many similarly wishful fallacies of composition from the past.

For example, if the U.S.A. were to continue to follow the decadent trends in economic and foreign policy of the recent decades, since the aftermath of the assassination of President John F. Kennedy, the U.S. would, indeed, destroy itself, as the present Bush Administration is doing. As a result of such fallacies of composition among most governments today, the world is confronted by the presently ongoing decline and threatened fall of a U.S. nuclear-weapons-armed power which is being driven as mad as current trends in the wicked policies of Vice-President Cheney and Attorney-General John Ashcroft imply. However, what the wishful dreamers of Eurasia fear to acknowledge, is that the fall of a U.S.A. which continued to be led by radical right-wing conservatives of the types associated with both Vice-President Cheney, and those of similar political perversions around the Democratic Party's National Committee, would take most of the rest of the world down with it in a common catastrophe of all mankind. The fall of that U.S. tree, in whose branches not only the financial, but the physical economies of the rest of the world are now entangled, would bring the forest down.

For example, since the 1971-1972 Bretton Woods monetary system was replaced by the "floating exchange-rate" mode of the IMF's present world monetary-financial system, the U.S.A., the U.K. and other formerly leading producer powers, have transformed themselves into what are presently virtually bankrupt, post-industrial pleasure-seeker societies, feeding themselves on the exploitation of the cheap labor of nations whose currencies have been driven down to ever lower relative values. That is to say that the present pleasure of the few is supplied at the price of not only the growing pain of the increasingly many, but the threatened common, ultimate doom of them all. Until recently, these predatory policies of the IMF and World Bank toward poorer nations, have thus ensured the feeding and clothing of the so-called "industrialized" nations at savagely, bureaucratically lowered world-market prices of exports supplied from, largely, the wretched toil of the world's poor, even the world's poorest. Now, that predatory system as a whole is doomed, in one way or another; either we put that self-doomed system, the present IMF system, out of its misery, or it will put all of us out of ours.

That is, whether they like it or not, the most crucial issue before all nations, especially leading nations today.

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## 1. How We Got Into This Mess

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Throughout the world, as I have said above, only self-doomed fools among governments will gloat over the way the U.S. "empire" appears to be destroying itself. To restate the case appropriately, we have the following.

The system now in the process of disintegration, is one

that has been based on increasingly savage measures of deregulation of both national and world economy generally. As a result of those so-called "free trade" policies, the world's physical economy has become a physical, as much as monetary-financial-political appendage of the Anglo-American post-industrial power, based upon the past thirty-odd years devolution of the present world monetary-financial system.

There is no allowable excuse for any sane government to gloat over what is happening to the U.S.A. today. The abrupt collapse of the U.S. economy by about one-half, as occurred during the prior world depression of 1928-1933, would be a social and political, as well as economic catastrophe for, among others, China and the rest of the world in general. Any informed view of that presently impending threat of U.S. monetary-financial collapse, evokes the image of the Biblical Samson (the U.S.A.) pulling down the pillars of the temple, causing the roof to fall in upon all the Philistines (the U.S.-hating rest of the world).

Presently, as I write these lines, Vice-President Cheney and his associates are threatened with what we might all desire; their expulsion from government by a process with notable similarities to the "Watergating" of the 1969-1974 Nixon Administration. Since the Summer of 2002, I have been, personally, an active part of that process inside the U.S.A. which has been organizing for that ouster. If the so-called neo-conservative faction were not purged from controlling positions in the present government, and also the control over the Democratic National Committee, the worst possible outcome for both the U.S.A., and, therefore, the world generally, were assured for the several years and more immediately ahead. There is no competent opinion to the contrary, but only cowards who fear the truth more than the consequences of denying it.

These conditions should remind us of a similar, but not identical situation, which was created by the aftermath of that Versailles System which was established by the predatory victor-governments of the 1914-1917 general war.

That Versailles monetary-financial system of the 1920s was a world system based upon the assumption of extracting payment of defeated Germany's war-debt to the British and French, thus providing the means for the British and French to hope to meet their otherwise unpayable debts to the U.S. bankers. For a time, despite the Germany crises of 1923, that Versailles system staggered through the 1920s, but these successive rescue efforts led fatefully, crisis by crisis, into the 1928-1933 spread of a general world depression. In the U.S.A., this process led to the fortunate election of President Franklin D. Roosevelt. In a failed Europe, it led to the worst possible outcome, the Hitler dictatorship, and the war of 1939-1945.

A similar, if not identical choice presently faces the world as a whole today. The most dangerous aspect of the present world situation is expressed by those who, like the German Social-Democrats of early February 1934, consoled them-



*The difference between the U.S. Constitutional and Hamiltonian national banking tradition, and the central-bank-dominated Anglo-Dutch Liberal parliamentary model which has been the rule in Europe, becomes crucial whenever an existential form of general monetary-financial-economic crisis erupts, as now. European political systems are swept away repeatedly in such crises with the emergence of "Beast-Men," from the original, Napoleon Bonaparte, to Hitler (with his financier-sponsor, Hjalmar Schacht, at right of this 1931 photograph).*

selves by their own foolish bragging: "Hitler's temporary political success is paving the political road for us." Never gloat over the epidemic breaking out in the neighbor's house, let alone your own.

It should become clear, that the solution for the presently worsening world crisis depends upon a new form of cooperation between the U.S.A. and Europe. I do not intend to imply that the rest of the world is not to be consulted in this; I mean that the leading representatives of European civilization's core must reassess their own roles, in order to understand and deal competently with the matters which must then be decided by the world at large.

There are chiefly two general topics which must be considered by the nations of this planet. One, is the issue of the institution of the modern sovereign nation-state. We must defy all of the recent pro-globalization freakishness by governments; we must refresh the authority and role of that institution as if the continuation of civilization depends upon that; it does. But, in our patriotic enthusiasm for the precious institution of the sovereign state, we must also understand its role better than we have done generally so far. Second, what must be the positive forms of necessary economic cooperation among the perfectly sovereign nations of the planet?—a cooperation based not on the notions of beast-man Thomas Hobbes, or pro-slavery John Locke's notion of property, but the great principle of the 1648 Treaty of Westphalia: *the advantage of the other*.

As I emphasize this in this report, the crucial topic on which my attention is focussed, is the necessary role of the

U.S.A. and its government, in contributing to bringing nations together, quickly, for adoption of a mutually advantageous, global solution to the combination of the present monetary-financial and military-affairs crises. My task here is to expose the reason why winning the U.S. government to play a certain role in its own and world affairs, is the virtually indispensable basis for any hope of successful approaches to both those present threats to civilization as a whole. My immediate task is to clarify the role of the relations between the U.S.A. and the nations of Europe in establishing the preconditions for establishing the new institutions which are indispensable for meeting the currently self-interested, objective requirements of all nations.

From the standpoint of my personal professional advantages in knowledge and experience, relative to a very large majority among other politically active adults, even those in leading positions of government, living around the world today, I can report with special authority, that the greatest problems a political leader of a people faces, in looking at both his nation's present government and the general population of that nation, are chiefly two.

First, that most people, even among leading political figures, think in the small. They think of immediate, real or imagined personal advantage—"my personal interests, my family, my community"—rather than thinking of those issues of policy which determine the fate of nations and their populations as a whole. They would repair the local street, or do some other small thing, rather than do anything so un-local as save the national economy as a whole. Sometimes, the

politician's prostitute-like adaptation to that kind of popular small-mindedness, is called "politics."

Second, similarly, but a deeper moral problem: Most adults today, even among leading circles, have no true sense of immortality. The so-called religious fundamentalists, whether nominally Protestant or Catholic, are no exception to this, but worse than most on this account: passionate screaming is not a proof of sincerity, or truth. Most Americans, for example, do worship not the Creator, but a Romantics' household gods. For this reason, they are usually incapable of understanding the long-wave processes which exert their perceptibly determining effects upon entire societies over time-spans of no less than a generation or two. They seem to say, "The ship may sink, but, in my cabin, we shall be safe."

So, out of a flight into the fox-holes of personal smallness of mind and spirit, they flee into momentary pleasure-seeking, as a diversion from the real world, a real world which is being threatened with destruction by their own lack of efficient moral concern for humanity at large. They lack true concern even for their own nation, even the generation of their parents or children. They may even wish the accelerated death of their aging parents "to save money for our generation." Such are the challenges confronting populations of Europe and the Americas today. These are challenges to today's political leaders, challenges which reflect a collapse of the general level of morality of those populations since approximately the middle of the 1960s.

By a sense of immortality, I mean this: We are each certain to die, sooner or later. Whether we live to fifty or a hundred, it were the same; death comes sooner or later. Therefore, where does the individual's true interest, as an individual, lie? For the inferior species, the poor beasts, there is no true answer to that question which could satisfy the needs of the human individual. We care for the beasts, who may therefore have a sense of participating in our existence, as Nicholas of Cusa emphasized this point; but the beasts have otherwise no personal form of immortal existence, such as that which Plato, Archimedes, Cusa, Leonardo da Vinci, Kepler, Leibniz, et al. have for us who have relived the experience of their discoveries today. It is what our lives contribute to the unfulfilled tasks of past generations, and the building of the world for our posterity, which supplies us a practical notion of both a sense of mission and an associated sense of the immortality, the sense of our own permanent, immortal place in the whole existence of mankind, and in the universe, an immortality expressed in one's continuing service of that mission on behalf or all past and future humanity.

It is that sense of immortality which inspired a Jeanne d'Arc, the sense of immortality which gives us the needed enormous strength to do what we recognize that we must do, even against all apparent odds. The question for us, then, is: How might we know, truthfully, what it is that we must do? How must each of us spend mortal life's penny, the only

penny we have, to what immortal purpose? What is the truth of that matter?

Classical science and Classical artistic modes of composition, are examples of this set of truthful connections. Christianity as richly portrayed by the Apostles John and Paul, is an example of this, as participation in the adequate performance of J.S. Bach's St. Matthew Passion, the passion and crucifixion of Christ as a living re-enactment of that experience, a re-enactment which bridges two millennia as in an instant of contemporary experience, today. Here lies the source of the courage of those martyrs on which the subsequent emergence of civilization from the evils of the Roman Empire depended.

These two, widespread kinds of moral errors among most of today's world leaders, the prostitution to smallness, and the lack of a sense of immortality among populations and leaders alike, must be corrected, if we are to lead the world in general out of the presently cascading avalanche of horror. A people without a sense of an immortal mission can not find its way out of a crisis, unless that people were inspired by leaders who do possess that quality of devotion to the future outcome of what they must not fail to do today. Today, thus, we are ruled chiefly by intellectual and moral weaklings, and we seem often to prefer such defective leaders, because they do not represent a threat to a popular devotion to pettiness.

For example, a drastic change in the culture of Europe and the Americas was introduced, abruptly, during the short interval of 1962-1964, the interval from the 1962 Missiles Crisis, through the 1963 assassination of U.S. President Kennedy, and the 1964 launching of the official U.S. war in Indo-China. The reaction to that terror was a flight into denial of reality, a paradigm-shift of plunge into denial. This cultural paradigm-shift exerted its most immediate effect on the tender, draft-dodging souls of young people entering adulthood, especially those in the age-group of university student populations. That generation, or, the greater part of it, fled into virtual holes in the ground of their imagination, practicing fantasies or often drugged escapes from sanity, which gave them a momentarily pleasurable escape from facing the frightening realities from which they were fleeing.

The effect of this rather sudden shift in mass-cultural trends, was a long wave of what was sometimes described as a cultural paradigm-shift. The central economic feature of this shift in Europe and the U.S.A., was away from the modern European standard of a producer society, toward that of a post-industrial, consumer society. The effects of this cultural paradigm-shift on the economy struck initially within the U.S.A. and the United Kingdom, as under the first Harold Wilson government. This trend spread from the U.S.A. and the Commonwealth, into continental Europe, with symptoms such as the shift in 1968, continuing through the course of the 1970s and beyond.

The cumulative effects of this change from producer society, to what is called a "consumer" or "pleasure" culture,

were embedded in the generation which had graduated from adolescence during the middle through late 1960s, to become the dominant generation in positions of influence in and over society today. That development is the central feature of the tendency of failure of governments and leading political parties today.

Now, we have reached the point in the processes of the post-1945 Europe and the Americas, that we are confronted by the evidence that the changes which erupted in the aftermath of 1962-1964 were, in the main, a terrible mistake. So, to report that this has been a terrible mistake all along, is taken as an unconscionable insult to the pride of an entire generation, a generation whose sense of personal identity is associated with habits acquired over the course of about forty years. Were it better to allow them to destroy themselves, and also their society, than to insult their sense of pride? Unfortunately, those of us from the generation which went through the lesson-giving experience of war during 1939-1945, are either dying out, or are gripped by infirmities which prevent them, as a generation, from exerting a relevant degree of influence over the policy-shaping of nations today. Yet many of us are still sufficiently alive and capable today, to say flatly that the behavior of leaders from the 1960s youth generation is not only wrong, but threatens to lead society into a new dark age. The generation chiefly in power rudely asserts: "We do not wish to hear it; therefore, we insist it could not be true."

It must be taken into account, that it was the generation of the 68ers, which has played a leading role in implementing those reforms in education which have uprooted expressions of that Eighteenth-Century Classical humanist movement on which the existence of the most valuable reforms in globally extended European society had depended. Classical culture, even barely competent forms of education in history and physical science matters, are rarely accessed by the present generation of students in secondary and higher education, in Europe or the U.S.A.

This so-called "cultural paradigm-shift" of the youth movements of the middle 1960s and beyond, has defined a long wave of decadence in the opinions of the people and practice of governments and business and other institutions over the course of four decades since the 1962 missiles-crisis. Compare those recent four decades with a lesson from the self-inflicted doom of ancient Athens expressed in the history of the Peloponnesian War.

That war revealed the decadence already rampant in the generation of Athens under Pericles. The self-destruction inflicted upon Greece under the rising influence of those sophists such as the democratic party of Athens, including the judicial murder of Socrates by those sophists, had reduced the viable portion of the population of Greece to a virtual remnant rallied around the great Plato. The death of Plato and the assassination of Alexander the Great left behind a positive factor, a heritage of the Classical tradition of Solon, Socrates,

and Plato, within the Hellenistic system, but did not prevent the imperial triumph of Rome. It was not until the Fifteenth Century, with the large import of Greek literary treasures into Italy, that European civilization picked up from where it had destroyed its greatest cultural treasures, destroyed by the ruin and aftermath of the Peloponnesian War.

Any qualified statesman has that sense of immortality which impels him, or her not only to think always of the welfare of the present generations, but to lay the foundations for a renaissance, should the present generations fail to deal competently with the crises which they have, as today, chiefly imposed upon themselves. That means that all competent statesmen today will work for an urgently needed reversal of crucial aspects of the induced cultural paradigm-shift which has accumulated during the recent four decades. Very, very few in leading positions in globally extended civilization today, have the inner courage needed to assume that specific, needed role of care for both the present and the future of their people, their civilization.

I know this very well. In several particular instances, during several recent decades, I have been privileged to exert some few, particular, but crucial, somewhat lasting influences on the course of current history. For my near-successes on account of such attempted changes of policy, I have been savagely vilified, and severely punished, sometimes through corrupt sections of my own government, and always by the order of those influential forces which feared my influence. In several officially documented instances, sections of the establishment worked to the stated intent to bring about my political assassination through complicit channels of government. As one notable figure communicated to me in 1988: "You made policy, without paying your dues [to our club]. For that you are being punished." I was never attacked by "the establishment" for being unimportant, but for being all too effective, too potent, in their eyes. If one takes into account, today, the numerous long-range economic and related forecasts I have made, and compares each and all of these with the outcome, it is astonishing even to me, and to others who have studied that history, that I have always been right, and my opponents wrong in these matters of policy.

Why, despite that evidence, did so many responsible figures reject my warnings? Was it their ignorance of competent economics, or similar shortfalls? In part, for the case of many among them, yes. Today's relevant professionals are much less qualified than those educated before the 1939-1945 war, and those educated after the spread of the influence of Dr. Alexander King's 1963 Paris report of the OECD on education, almost a relatively lower species in this respect. But such forms of relative ignorance were not the chief cause for the phenomenon. The cause was, chiefly, the influence of a trend in popular opinion, a so-called cultural paradigm-shift, on the mass behavior of the generation which came to adulthood from about the mid-1960s on. It was this kind of "other-directedness," this lack of the moral-intellectual strength for inde-



*The French Revolution—launched by Britain’s Lord Shelburne’s agents against the American Revolution, and against France’s “American” leadership of Bailly and Lafayette—was the origin of the Synarchist “beast-man” legacy of imperial terror since Napoleon.*

pendent professional or comparable personal judgment, which has moved whole sets of nations, like a mass of legendary lemmings, to the brink of, or over the figurative edge of that cliff which is the crisis gripping our world of today.

Thus, the essential problem of the most immediate crisis of globally extended European civilization today, is the present effects of nearly four decades of cultural paradigm-shift, from capital-intensive modes of development of basic economic infrastructure and technology-driven increases of the productive powers of labor, to the decadence of a “post-industrial” “consumer society,” a decadence akin to that which emerged in, and ultimately doomed Rome, from a time coinciding, approximately, with the end of the Second Punic War. A return of the U.S. to the imperatives of President Franklin Roosevelt’s reforms, minus the effects of the Churchill-Truman orchestration of nuclear conflict, would be a useful approximation of the reforms which would suffice to pull the world out of the presently onrushing disaster. It is the habituated resistance to such needed reforms among the presently dominant strata of “68ers,” which is the most significant obstacle to be overcome, and that as quickly as possible.

So, I, like every other significant leader of nations from around the world today, am now confronted with an extreme expression of that situation. The world which followed the trend of cultural paradigm-shifts over the recent four decades, has now reached the stage of over-ripeness of the present concatenation of crises. From this point, either fundamental sweeping changes in policies and institutions must proceed, or the world as a whole will be plunged into a deep, prolonged dark age. The solutions needed are available in fact; but, the

existence of the combined knowledge and will to recognize and adopt such solutions, is in doubt. This lack of will expresses the indicated cultural defects prevalent in Europe and the U.S.A. today.

We must pin-point the underlying cultural processes which impelled today’s globally-extended modern European civilization into not only the two great wars of 1914-1917 and 1939-1945, but the whole sweep of developments from approximately July 14, 1789, up to the present time. What were the cultural dynamics of that longer period of history, which created the preconditions for the great wars and similar conflicts, the wars of 1914-1917, and 1939-1945, and the age of threatened general nuclear warfare, 1946-1992?

When we depart the domain of popular small-mindedness, it becomes possible for us to look at long waves of world history as lawful processes of change, and to see the way in which the accumulated experiences of successive generations embed in populations certain deep-rooted cultural assumptions, which are passed on, and continue to evolve over even thousands or more years, or longer. The history of language is a prime example of this specific characteristic which distinguishes humanity from species of apes. It were wisely said, that whoever does not know a long sweep of history in this way, should humbly admit that he knows almost nothing about himself.

### **The Present Strategic Crisis**

Therefore, to understand competently the forces at play in producing our present strategic crisis, we must look back no less than several centuries, to those roots of this present

crisis which must be found in the course of the Eighteenth Century.

Then, as now, the impulse toward war was coupled with the strategic effects of an ongoing general breakdown crisis of the currently ruling elements of the existing world monetary-financial system. In all cases, the period of the French Revolution of 1789-1815, the onset of the 1914-1917 war, the onset of the 1939-1945 war, and the crisis-situation of today, the factors of existential crises in extant monetary-financial systems and the impulse toward imperial forms of warfare were interdependent ones. Throughout this entire period, two principal factors of world affairs have shaped the way in which such general monetary-financial crises lead into general warfare.

First, during the 1780s, the imperialist British East India Company led by Britain's Lord Shelburne preorganized the induced bankruptcy of France's monarchy, and the French Revolution. Shelburne's efforts, from no later than 1763 onward, had two most immediate objectives. First, to crush the international influence of the simmering struggle for independence of the British colonies in North America's British colonies. Second, to destroy the leading continental European challenge, from France, to the emerging global-imperial, financier-maritime power of the British East India Company.

Second, in furtherance of both aims, Shelburne and his lackeys, such as Jeremy Bentham, orchestrated the role of agents on continental Europe, agents such as Philippe Egalité and Jacques Necker, London-trained and directed British agents Danton and Marat, and a monstrous sort of freemasonic cult known as the Martinists. The cult, controlled by a network of private banking interests, was the leading factor in the French Revolution, in the tyranny of Napoleon Bonaparte, and, among other matters, in the guise of the Martinists' continuation as today's international Synarchist association, which was the key factor in both the 1914-1917 and 1939-1945 war.

To see the deep-rooted, determining cultural connection between the developments of the Eighteenth Century and the present time, look at some of the cultural and related institutional effects which the Eighteenth Century transmitted to become what recent generations have experienced as leading features common to the world situation of 1928-1933 and that of today.

Despite all desperately wishful thinking to the contrary, the world as a whole is presently wracked by a general breakdown-crisis of the existing, post-1971 form of a floating-exchange-rate form of monetary-financial system. Although the timely installation of a new global system could save the threatened economies, the present monetary-financial system is itself doomed, together with those nations which choose to cling to it.

That presently doomed system, dating from 1971-1972, introduced increasing radical departures from that fixed-exchange-rate, regulated system which had been essential to the

post-1945 economic recovery from the combined effects of the earlier world depression and war. These changes in favor of increasingly radical "free trade" ideologies, wrecked the economies of the U.S.A., U.K., and much of the rest of the world.

Predictions in the economic processes of nations are virtually impossible; but forecasts of upcoming points of crucial decision-making are both feasible and necessary for all competent practice of statecraft. As one on record as the most successful, published forecaster of the past several decades, I am able to forecast now, that very soon, perhaps even before this *EIR Special Report* is printed, or, perhaps later, the present world monetary-financial system will crash, *unless Synarchist coups and wars intervene to bring an alternative nightmare*. That is the Classical form of any competent economic forecast. Either way, unless certain specific emergency reforms are introduced and enforced, the effects of this crash, or in the alternative, a new escalation of warfare, will emerge quickly as something far worse than Europe and the U.S.A. experienced following the 1928-1933 interval.

In principle, there exist readily accessible emergency reforms which could not only bring that crash under control, but unleash the greatest long-term economic upswing in world history to date. However, there is no reason to assume that existing governments will readily accept the urgently needed changes in policy. We dare not assume that, to prevent those reforms, certain private financier interests, representing the Synarchist tradition still today, as over the past two centuries, will not unleash coups d'état, spreading wars, or both, as a means of preventing urgently needed reforms of the presently doomed world monetary-financial system.

The needed remedies for this threat require, in turn, a very special degree of common leadership from my U.S.A. and Europe. We of the U.S.A. and Europe combined, could not solve the problem by ourselves; but, our cooperation is indispensable to successful action among the nations generally. To this end, we must proceed from a clear understanding of the differences in the ways which are associated with the two principal, different branches of globally extended European thinking about nations' economic policies, the European versus the American. We have, thus, on the one hand, the economic thinking associated with the U.S. Federal Constitution as read by Alexander Hamilton. We have, on the other hand, the kind of Anglo-Dutch Liberal parliamentary model associated with the Eighteenth-Century British East India Company and its influence on the political and monetary-financial institutions of most of Europe up to the present today. The conflict between those two, opposing, but connected systems of economic culture, is the chief root of the crisis internal to today's globally extended European culture.

The U.S. system of Benjamin Franklin, Alexander Hamilton, the Careys, Friedrich List, Abraham Lincoln, and Franklin Roosevelt, is a Presidential system of government, in which the Executive Branch enjoys the constitutional author-



ity to act, with the consent of the Congress, to exert a monopoly on the creation of currency and national credit, and to regulate the control of the flow of monetary aggregates through the internal economy and in matters of external affairs.

The U.S. has often violated important features of its Constitution on this point, as with its unconstitutional consent to the creation of the Federal Reserve System installed at the prompting of Britain's King Edward VII's New York City agent, Jacob Schiff. Despite the subversive influence of foreign agents such as Albert Gallatin, Martin van Buren, and so on, the notion of pro-Leibnizian American System of political-economy defended by the United States' first Treasury Secretary Alexander Hamilton remains the organic expression of the constitutional system expressed successively by the Leibnizian 1776 Declaration of Independence and Federal Constitution. This is the tradition of the Clay-Carey Whigs, Lincoln, Garfield, Franklin Roosevelt, and other notables. This is the underlying organic difference which separates the American constitutional system from the Anglo-Dutch Liberal parliamentary models of Europe. The history of the U.S., so far, has been, that up to a point, although the U.S. government's practice may wander away from that organic tradition over extended periods, but, under certain kinds of conditions of existential crisis, the inclination for the American System of political-economy pops out again. We may hope, now.

The crucial point of argument is, therefore, that if the U.S. returns to its Constitutional tradition, as it did under President Franklin Roosevelt, the survival of the U.S. in its present constitutional form is virtually pre-assured. The difference for Europe is, that if it clings to the presently ruling Anglo-Dutch Liberal model of parliamentary system, its present political institutions will not survive. That Liberal parliamentary model is a continuation of the empiricist tradition of the Eighteenth-Century system of Lord Shelburne's East India Company, a tradition expressed today by what are called "independent central banking systems." If the U.S. fails to demand the model of the American System of political-economy, of Hamilton et al., the model referenced by President Franklin Roosevelt, then the U.S. Constitutional system is doomed in any case, and Europe, almost assuredly, goes to spend a generation or more in Hell.

I explain this crucial issue, on which the fate of both the U.S.A. and Europe for the near term, now hinges.

In any general crisis of the world's monetary-financial system, the effect of the authority assumed by central bankers of the Anglo-Dutch Liberal model, is to put the monetary-financial private interest, even maliciously, above the interest of the nation and its people. Such was the case in the formation of the Bank for International Settlements, whose policies helped to shape the conditions of aggravated crisis under which Adolf Hitler was brought to power in Germany. Such is the role of the so-called "vulture funds" which demand the destruction of the nation and population of embarrassed

nations such as Argentina today.

In Europe today, the pressures of an accelerating general monetary-financial crisis of the present world system, have impelled thoughtful leading political circles to measures such as the European Investment Bank and the Tremonti Plan. These are good measures, but pitifully inadequate to match the scope and depth of the presently accelerating collapse. Adding a reform to the present philosophically Liberal system will not succeed. The reform might succeed, but only under the condition that the diseased organ, the present world monetary-financial system, were reformed in ways which permit governments to launch economic-expansion programs adequate to the presently skyrocketing need.

Therefore, under the present conditions of terminal crisis of the world's present monetary-financial system, if the Anglo-Dutch Liberal model of parliamentary system prevails, and if the "Adam Smith" model persists in the U.S.A., the world is going to spend time in a Hell from which few of the world's present nations would emerge.

Objectively, the case for my argument is clear, and should be received as irrefutable by sensible, reasonably well-informed people. Unfortunately, life is not quite that simple, nor are people and their governments quite that rational. It is therefore indispensable to bring to the surface of attention, and to propose to eliminate, as Socrates would, those deeply rooted prejudices which tend to blind governments, and also large parts of the population, to those realities on which the continued survival of a system of government may immediately depend. To that end, the following argument now becomes indispensable.

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## 2. The Deep Psychology of Political-Economy

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As I have already emphasized here: It is in that aspect of the nature of man which sets mankind apart from and above the beasts, that the deep character of nations is lodged. This character of a living nation resides less within that portion of popular opinion acquired by a current generation or two, than within often conflicting traditions rooted in centuries, even millennia before the present time. The case of Plato's powerful influence in European culture, still today, is merely typical. The Gospels of the Apostles of John and Paul illustrate the importance of this impact on history most dramatically. So Europe, the United States, and the relations between the two geographically-defined strata of acquired opinion, must be understood under the conditions of crises which wrack this planet at the present moment.

For example, just as the 1929-1933 financial collapse triggered the revival of that deep, patriotic tradition which President Franklin Roosevelt represented, lifting the U.S. again from the depths to which the 1901-1933 succession of Presi-



*"The behavior [today] of leaders from the 1960s youth generation is not only wrong, but threatens to lead society into a new dark age. The generation chiefly in power rudely asserts: 'We do not wish to hear it; therefore, we insist it could not be true.' "*

dent Theodore Roosevelt, the mysterious death of President Warren Harding, and Presidents Calvin Coolidge, and Herbert Hoover had led it; so, in that way, in times of crisis, such as now, long-term traditions may suddenly overwhelm more recently acquired ones. Thus, especially under conditions of systemic, existential crisis, like those of the present time, the recent trends of even a generation or more, may be overwhelmed by a rather sudden upsurge of earlier traditions. In Franklin Roosevelt's case, the memory of a notable ancestor, Isaac Roosevelt, the ally of Alexander Hamilton, bridged more than a century of personal family associations in shaping President Roosevelt's outlook. On this account, it is urgent to note, under today's conditions of crisis, that of all the ideas deeply embedded in a nation and its institutions, only a small fraction has actually been accumulated within the span of one or two generations.

Not only seemingly old traditions must be taken into account in this way. There are also deeply embedded, but rarely recognized, or previously undiscovered ideas which may exert a powerful influence, as if exuding from silent, blank walls

of the consciousness; seemingly, these, almost always, vanish from the corner of the eye where the passing of their presence might have been hinted.

A culture viewed in that way has, speaking of comparisons, a certain pedagogically useful resemblance to a formal geometry, such as that of Euclid. That geometry is regulated by certain deeply underlying beliefs, beliefs akin in their effect to the irrationally arbitrary (so-called "self-evident") definitions, axioms, and postulates of a formal classroom geometry. However, unlike the doctrine taught by teachers as textbook geometry for tender minds, many among the array of axiomatic assumptions which govern the general behavior of real-life societies, are often hidden from the consciousness of even leading actors; in relevant instances, the manifest influence of those old assumptions, if pointed out, would often be vehemently, but mistakenly denied, not as a matter of intent to lie, but the impulse to deny that which one strongly wished had not existed, or were happier that it remain a mere pre-science, not to have been discovered.

The greatest Classical dramas, such as Aeschylus' *Prometheus Bound*, Shakespeare's *Julius Caesar* and *Hamlet*, or the dramas of Friedrich Schiller, typify the way in which the principles of Classical drama, especially Classical tragedy, may bring to the surface some of those important, deep, usually hidden assumptions and principles which had otherwise escaped conscious recognition. The part which the crucial importance of a sense of immortality in leaders plays in avoiding an otherwise inevitable tragedy of that leader's culture, in *Hamlet*, is an appropriate illustration of the point. The Classical humanist tradition in physical science, is rich in examples of this same principle.

These often hidden kinds of deeply embedded, assumed beliefs, usually appear reflected on the surface of the individual's awareness as what passes for "self-evident beliefs"; but, even when the beliefs are known, the believer usually has little or no comprehension of how those beliefs came into existence, or how they function to control his behavior, or that of his society. These beliefs may be compared to deeply embedded genetic potentials which may erupt to the surface after generations of apparent biological inertness. So, since many hidden beliefs exert an axiomatic kind of influence over the personal behavior of whole populations, or nearly all of each of them, the believer usually has no efficient knowledge of the origin of the greater part of his or her beliefs of that character, or of their importance for the way in which entire societies, or sections of them, behave.

An examination of the subject of those hidden assumptions is the key to understanding how economies actually succeed, or fail over the long term, over a term of one or two generations or more. It is ignorance of this usually hidden aspect of economic and related decision-making processes, which has led society, so often, down the pathway of merely apparent short-term, or medium-term success, to terrible crises such as the great financial collapse of 1928-1933 and

the onrushing final stage of collapse of the present world monetary-financial system today.

To understand the origin of the prevalent differences in current world-outlook between Europe and the U.S.A., we must situate the relevant questions in historical processes defined in that way. To clear the way for addressing the pivotal matter of this report, the subject of long-wave economic processes, consider some elements of myth and fact which are intermingled to determine the somewhat different ways in which the educated strata among North Americans and Europeans see themselves and their nations' respective places in the world at large.

## Europe and the Americas

Usually, for example, both the Europeans and the Americans make the mistake of saying that "Christopher Columbus discovered America." Some people in the Americas are even less clear-headed; they say the contrary; they argue to the effect, that "Columbus discovered nothing; we were here all the time." Ah, the European retorts, "But your ancestors knew nothing about us! We discovered you!" Such are the entertaining delights of dialogues among sundry varieties of populist chauvinism.

Actually, Columbus led a voyage of *rediscovery* of the American hemisphere. He had a map, which had been drawn for him by his correspondent, the Italian, Toscanelli, one of the leading scientists of Renaissance Italy, and an associate of that German, Cardinal Nicholas of Cusa, who had founded modern experimental science. That map was made possible by the work, circa 200 B.C., by an Egyptian scientist, Eratosthenes, who had measured the great circle of the Earth with fair precision. Eratosthenes was of the sea-faring tradition of his native Cyrenaica, educated in the Platonic Academy of Athens, and recruited to become the leading scientist of Egypt. It was Eratosthenes' students, led by navigators from Cyrenaica, who conducted the discovery of the Pacific Coast of the Americas in a great expedition by a flotilla which they led. Their voyage had been intended to prove Eratosthenes' revolutionary discoveries in astronomy and geodesy. The later, Renaissance rediscovery of the Atlantic coast of the Americas was set into motion, as a long-range strategic projection launched under direction from Cusa's Italy, as part of a general strategy of transoceanic exploration launched by Cusa personally. In sum: It was materials supplied by a Portuguese associate of Cusa, which led Columbus into a correspondence with Toscanelli. This material from Cusa and Toscanelli led veteran Italian-born Portuguese sea-captain Columbus, a decade later, to sail across the Atlantic, under the sponsorship of Queen Isabella of Spain. Such are the "melting-pot"-like processes of ongoing change in history taken in the large.

It was an historical process, not some freakish choice of will for adventure, which sent Columbus on his mission. Only a loutish illiterate could separate the action of Columbus from

a process of history traced back to a member of the Athens Platonic Academy working in Alexandria, Egypt, circa 200 B.C. Only an illiterate fantasist could overlook the processes centered in Fifteenth-Century Renaissance Italy, which reactivated and applied Eratosthenes' discovery of the circumference of the Earth.

Even Columbus' error in assuming that the goal of his voyage was the coast of Asia, strengthens, rather than weakens the claims on Columbus' behalf. The error was embedded in the map supplied to Columbus from the work of Toscanelli. Toscanelli's extension of the coast of Asia to approximately the actual Atlantic coast of the Americas, was based upon lies generated, as political disinformation, by Venetian tricksters such as Marco Polo. Thus, Columbus not only rediscovered America; he also discovered, as Dante Alighieri and Niccolò Machiavelli might have told him, that prominent Venetians could prove to be cosmic liars.

To grasp the origins and significance of Columbus' discovery, the political motives of Cusa's circles are as interesting as they were astronomical.

Cusa was a leading figure in that Fifteenth-Century birth of modern Europe which separates medieval from modern European culture. The concept of the modern form of sovereign nation-state, already developed to a high degree by the work of Dante Alighieri, was clarified by the major work of Cusa's young manhood, his *Concordantia Catholica*. Cusa, who played a crucial role in organizing the great ecumenical Conference of Florence, later supplemented the *Concordantia* with his first published work toward founding modern European science, his *De Docta Ignorantia*. This role of Cusa, taken together with the Fifteenth-Century founding of the first modern nation-states, Louis XI's France and Henry VII's England, typifies the separation of modern European civilization from the succession of both the ancient Roman Empire and that Venetian-Norman alliance which had dominated medieval Europe since the Norman invaders' occupation of northern France.

The history of the emergence of the states of the Americas coincides in every way with the convulsive birth of modern European man from the Venetian-Norman brutishness of medieval Europe. To describe Columbus' discovery in any different way is, at best, the folly of an illiterate. The re-discovery of the Americas by Columbus, reflects a long-ongoing process of change occurring within Mediterranean-centered European and associated civilization, a process of ongoing change extended, in first approximation, to the span of history from the influence of Egypt in the emergence of the Greece of Thales, Solon, and Pythagoras, to the beginning of the Sixteenth-Century's tumultuous conflict with the imperial maritime power exerted by that Venetian financier oligarchy, which had dominated Europe, through its deployment of Norman chivalry, since about the time of the Norman conquest of England. These Venice-led forces worked in the effort to set the clock of history back to medieval Europe, that

permanently.

It was this circumstance of the Sixteenth and Seventeenth Centuries, from the accession of Charles I as the reactionary King of Spain, through the 1648 Treaty of Westphalia, which determined the way in which the modern states of the Americas came into being. It was not an event, the discovery of America, which produced that process of change; it was an already ongoing, Fifteenth-Century process of continuing change, which generated the event, and governed the ensuing process of outcome. This, already, began to shape an emerging difference in the ways of thinking of most Americans and most Europeans.

From about the time of that Charles I of Spain, two overlapping, conflicting impulses for change governed the process of colonization. One, was the intent of the colonizing powers to use resources in the Americas to tilt the balance of power among contending forces in Europe. The introduction of African slavery into the Americas, by Portugal and Spain, the looting of the Americas by Spain, and the effort to reduce the Mexicans to peonage with a system of haciendas, are typical of this impulse. The second factor was another aspect of that ongoing process of colonization.

Residents of the Portuguese settlement at Provincetown, in what is now known as Cape Cod, Massachusetts, guided the Mayflower party to the area of Plymouth, where a language known to the Portuguese was already spoken by the peoples with whom the fishermen of Provincetown had intermarried. A year or two at a time spent on the New England coast, packing up salted cod for the European market, has a long history in that part of the Americas, including provision of the sea-going capabilities of the late Eighteenth-Century and early Nineteenth-Century Britain and U.S.A. as sea-going powers. The Pilgrims scarcely discovered Plymouth Rock; Plymouth Rock, assisted by the Portuguese fishermen of Provincetown, discovered on their doorstep, and assisted a ship-load of refugees known to us as the Pilgrims.

The point I am emphasizing by aid of such ironies, is that history is not a connecting of the dots called events, or isolated "facts"; history is a lawful process of change, which creates those objects which some statisticians, pedants, and other cognitive illiterates regard as self-evident dots, events. *It is not events which produce change; it is processes of change, as ancient Heraclitus, and Plato insisted, and as Johannes Kepler's unique discovery of gravitation proved for astrophysics, which produce events of a crucial historic-scientific significance.*

In ordinary times, where the apparent short-term changes are often more or less predictable in terms of a more or less linear apprehension of currently ongoing trends, there are always processes of qualitative change in cultures under way; but those processes themselves may be rather easily overlooked by careless persons, and usually are. Thus, in times of eruption of systemic crises of one kind or another, the most widely habituated way of so-called practical thinking fails

more or less miserably. It is that kind of thinking which finds itself perplexed, and frightened, as if by something strange and frightening which had erupted as if from under its ground. What has actually happened, is that the ongoing, longer-term, underlying process of long-term change had erupted to produce effects contrary to those considered possible by generally accepted public and other opinion.

For example, if we observe living plant-life, especially weeds, over the short term, we observe no movement being generated from within the plant itself. With aid of lapsed-time photography, we see something akin to willful movement. For the ignorant, this "willfulness" exhibited by the plants has mystical charm; for the scientist, such anomalies, like those of the elliptical orbits treated by Kepler, lead to discovery of some previously hidden principle governing processes on a universal scale.

Something akin to that same problem of method arises when we attempt to explain social processes in terms of the experience of a decade, or even a generation. The time-scale adopted for the observation being made, is too brief to show us statistically the underlying process of change whose effects will explode to the surface at some point down the line. Thus, policies adopted on the basis of relatively short-term experience, often blow up in the face of the believer in the slightly longer term.

Economic cycles, such as the 1964-2003 cycle which has brought on the presently ongoing collapse of the world's present monetary-financial system, are like that.

The tragedy of post-1945, post-Franklin Roosevelt, modern European civilization, actually began at the Democratic Party nominating convention of Summer 1944, but the long wave of decadence which has gripped the present world monetary-financial system erupted in 1962-1964, in the wake of such crucial events as the 1962 missiles crisis, the assassination of President Kennedy, and the official launching of the U.S. war in Indo-China.

Looking back to the way in which the collapse of the 1944-1964 Bretton Woods system occurred, the present world economic crisis took root in 1964-1966, and took control of world affairs with the 1971-1972 adoption of the presently bankrupted "floating-exchange-rate" monetary-financial system. People who insist, "You can't put the toothpaste back in the tube," as a way of defending the continuation of recent trends of a decade or even a generation, are therefore panicked when the egg which they have been nurturing hatches to produce an aggressive, homicidal monster, such as a new systemic form of general economic depression. Even today, when the inevitable doom of the present monetary-financial system is overwhelmingly obvious, desperate fanatics and similar fools are still groping for signs of a spontaneous recovery of that doomed financial system.

That experience of 1964-2003 should have pointed attention to the reason why statistical analysis is usually incompetent in respect to defining the long-term effects of short-term

or medium-term trends. The linear, reductionist methods of statistical analysis are intrinsically incapable of defining the non-linear processes which are suppurating, but concealed within an estimable range of margin of error in the customarily simplistic form of shorter-term calculations. History is intrinsically revolutionary in its nature, and the inevitable revolutions have usually caught established institutions and habits unawares. At such times, the deep-rooted longer-term processes of history have erupted to mock the habits, and decadent establishments of the recent times.

So, when we consider the long term, we are shown, once again, that it is the underlying processes of change which determine events; it is not mere events which define such change.

### Colonization As a Complex Process

To understand how the present cultural differences between Europe and the Americas developed, look at the process of change which brought this about, a process dating from the close of the Fifteenth Century, and the ensuing three centuries' role of colonization of the Americas.

Such a process of change *per se*, unleashed by Europe's Fifteenth-Century Golden Renaissance, and also by the hateful reaction of the old system to that Renaissance, governed a process of colonization for its own sake, a complex process, which included man's natural disposition for discovering that which is universal, and that conflict which was accelerated by the long wave of Venice-orchestrated religious warfare in Europe.

Prior to the Treaty of Westphalia, the Massachusetts Bay Company is the outstanding example of the effort to set up true, sovereign republics in English-speaking North America. Under the Restoration Stuarts, the keystone Pennsylvania colony—chiefly between Virginia and New England—emerged, with an embedded intent similar to that of the original Massachusetts venture under the Winthrops and Mathers. With the awful accession of the Brutish William of Orange, and of what was to become the Anglo-Dutch India Company of Barings, Lord Shelburne, et al., the American break with the newly established British East India Company's monarchy of 1714 was a more or less inevitable impulse, as my recently deceased associate, historian H. Graham Lowry, has presented this case.

During the interval 1763-1789—the interval of the rise of the Benjamin Franklin-led cause of American independence—the temper of the leading intellectual currents of Europe and the emerging U.S. republic, converged almost to the point of being identical. The freedom of the new republic in the Americas was the adopted cause of every decent leading intellectual circle in Europe, the Classical humanists of the second half of that century, most notably. The division came in 1789-1815, since which the Classical humanist movement in Europe has never fully recovered its leading influence, to the present day.



*LaRouche compares the underlying causes of the recent four decades' decline of Europe to consumer societies with "small" leaders, to "a lesson from the self-inflicted doom of ancient Athens expressed in the history of the Peloponnesian War. That war revealed the decadence already rampant in the generation of Athens under Pericles."*

Currently, the cultural tradition of Classical humanism is not in notably good repair in the institutions of the present U.S.A., either. However, the historically determined, post-1789-1815, marked difference in direction of organic outlook between the U.S. and Europe, persists as an underlying, embedded difference in characteristic outlook on both sides of the Atlantic today.

The most efficient, continuing determinant of the difference, is the effect of the continued existence of the Constitutional institution of the U.S. Presidency, from 1789 to the present day. It is the ebb and flow of the quality of the U.S. Presidency, more than the legislative branch, which chiefly determines, and is determined by, the shifting moods in the population and popular institutions at large. Meanwhile, it is the historically determined difference between the Anglo-

Dutch Liberal model of independent central-banking-dominated parliamentary government, as hegemonic in Europe, which pin-points the most important of the more deep-going systemic differences, and resulting frictions, between the U.S.A. and Europe today.

Just so, to show the other side of the matter, the legacy of Colbert and Lazare Carnot has not yet been uprooted from the living history of post-1789, post-President Carnot France, as shown by Hanotaux, Jaurès, or my late friends Madame Marie Madeleine Fourcade and General Gabriel Revault d'Allonnes. It is in the U.S. Presidency to which all significant patriots are attached by instinct, that the ongoing processes of historical change within the U.S.A. are centered. The continued development of the deeper, long-term processes of cultural development, will erupt to reassert itself on the surface of events, sooner or later. So, despite all troubles, a human species, which, were it ape-like, would never have exceeded several millions living individuals, is represented by a population estimated at more than six billions today.

In the long term, living processes dominate non-living, more and more, and the power of man over both non-living and lower living species increases. The stubborn resurgences of human progress reflect those long-term forces of history which, ultimately, overrule contrary shorter-term trends. In the end, it is those creative individuals whose work coincides with the intention of the long-term processes, which will prevail. The challenge, is to get humanity through the shorter-term periods of aberration as safely as possible.

Typical of these differences within the processes of modern history, is the delusion, widespread among Europeans one might think would know better, that the original work at Bretton Woods was largely the outcome of the influence of John Maynard Keynes. Keynes represents the characteristic workings of an independent central banking system, whereas Franklin Roosevelt was an American in the conscious, directly opposite tradition of first Treasury Secretary Alexander Hamilton. Roosevelt led the world to victory over the Synchronist International's forces through the resources mustered under as close an approximation of traditionally American System notions of national banking as were possible at that time. The post-war, highly regulated system of fixed exchange-rates expresses that same intent for anyone who has studied the policy-making crises of the Roosevelt era closely, as I have done, partly first-hand, largely by historical studies. This system is possible only under a Presidency of the constitutional characteristics of the U.S.A.

We Americans, at least those who know much of anything about our nation and how it operates, especially seriously qualified and dedicated Presidential candidates, as I am, are in fact an organic part of our Presidential institution, who identify ourselves primarily with the responsibilities inhering in the constitutional character of the Presidency as an institution. There are other functionally determined points of more or less organic cultural difference between Europe and the

U.S.A., but this matter of the Constitution's relationship to the functioning of the Presidency, as distinct from the typically Anglo-Dutch Liberal notions of parliamentary rule, is the most significant difference in philosophy divided by the Atlantic waters; this difference becomes a crucial one whenever an existential form of general monetary-financial-economic crisis erupts, as now.

As I shall emphasize in the closing portion of this report, the critical fact of the present terminal phase of an ongoing collapse of the existing world monetary-financial system, is that no solution for Europe, in particular, exists within the existing framework of an Anglo-Dutch Liberal tradition. The attempt to make the existing Anglo-Dutch Liberal tradition "work better," is a fool's errand. The fact that every monetary-financial crisis of Europe tends to sweep parliamentary government into the waste-basket, to be replaced by some other form of government, even fascism, expresses the intrinsic impotence of the Anglo-Dutch Liberal modern of parliamentary rule.

It is that tradition which must be superseded, as the leaders of the American Revolution have known since Benjamin Franklin's time. This was a lesson which should have been learned from the aftermath of the great monetary-financial crisis of 1928-1933. The attempt to cling too long to the assumed constitutional sanctity of an hegemonic Anglo-Dutch Liberalism, created the conditions under which only a change to the American constitutional model of national banking, or a tyranny, were available alternatives. A parallel consequence of the Anglo-Dutch model threatens to throw the nations of Europe into chaos, and threat of new dictatorships today.

Therefore, under the presently hopeless breakdown-crisis of the present world monetary-financial system, no solution for Europe and the world generally, still exists, except as Europe might become willing to adopt the American constitutional model of national banking, in partnership based on "the advantage of the other," a partnership with a U.S.A. under an at least slightly improved state of the U.S. Presidency. To effect that change in relations, we must examine certain of the hidden axiomatic assumptions which, unless unmasked, will prevent such indispensable cooperation from occurring.

## **What Is Physical Economy?**

In addition to the systemic flaws of design in Europe's parliamentary governments, the chief, associated functional flaw is the embedded adoption of the cultural myth of that "free trade" system associated with so-called independent central-banking systems. The tenacity with which those flawed institutions grip the will of the victim, reflects the widespread awe expressed for what is widely taught as one or another, systemically empiricist varieties of political-economy. Those doctrines of political-economy, in all their sundry differences in details of religious devotion, are the ideology which often motivates the self-inflicted national catastrophes of a fresh period of crisis.

What is taught as economics, or political-economy, in universities today, is, like the famous doctrine which the British East India Company's Thomas Malthus plagiarized from an English translation of Giammaria Ortes' 1790 *Reflessioni sulla popolazione*, a bastard offspring of the Venetian influence in shaping the development of Anglo-Dutch Liberalism. Include Shelburne lackey Adam Smith's plagiarizing of "invisible hand" from the *laissez-faire* of such neo-Cathars as the Physiocrats Quesnay and Turgot. Both dogmas, Malthusianism and "free trade," are expressions of the policies of what was known as "The Venetian Party," the name for the political current expressed by the Eighteenth-Century British East India Company. "Venetian Party" was also the name for the empiricist British and French "Eighteenth-Century Enlightenment" in general, the empiricist, pro-Romantic Enlightenment which was the principal adversary of that century's Classical humanist revival out of which the American Revolution was created. "Invisible hand" is a revealing term; it signifies the dipping and groping hand of Old Fagin's Artful Dodger. Did you lose something from your pockets recently, perhaps your health care, your pension, or your employment? Your life lost for the sake of their profit: obviously a case of what the followers of Adam Smith and John Locke consider "a fair trade."

Already, before the 1776 appearance of the British East India Company's famous anti-American propaganda-tract, *The Wealth of Nations*, by Shelburne's lackey Adam Smith, a science of *physical economy* had been well-defined by the 1671-1716 work of the greatest scientist of that time, Gottfried Leibniz. This work of Leibniz had been transmitted into the English colonies of North America, where its influence is reflected to the present day in both the 1776 Declaration of Independence's adoption of Leibniz's anti-Locke formulation, "the pursuit of happiness," the concept of "the general welfare" in the Preamble of the 1787-1789 U.S. Federal Constitution, and in the official reports to the U.S. Congress by the republic's first Treasury Secretary Alexander Hamilton. To the degree the U.S.A. has had the opportunity and will to shape its national economy according to those Leibnizian principles expressed by Secretary Hamilton's three celebrated reports to the U.S. Congress, the U.S. economy has performed as the most successful economy of the planet *during such periods*. The revolutionary development of the U.S. economy over the interval 1861-1876, and under Franklin Roosevelt, 1933-1945, expresses those features of the American System of political-economy.

To take a firmer grip on the world's present monetary-financial crises, look at the U.S. and British economies since about the beginning of the United Kingdom's epochally disastrous first Harold Wilson government. Look at the 1967-1968 monetary crises which were the early consequence of those 1964-1967 changes in direction of the policies of the British and U.S. governments. It is relevant to stress here, that I had already forecast the danger of such financial crises as early as

1959-1960, in a relatively more limited circulation of the following warning.

Based upon my 1956 forecast of an imminent deep U.S. recession caused by the effects of certain post-1954 policies of Arthur Burns, policies reflected in such forms of pyramided credit-schemes in automobile and related marketing, at the close of 1956, I, in my function as a professional consultant at that time, had warned of an immediate likelihood of a deep U.S. recession caused by the accumulated effects of this Burns-cued financial bubble. The recession actually hit, in fact, on my schedule in February 1957, and was even widely acknowledged as having occurred by late Summer of that year. The success of this forecast had encouraged me to craft a long-range forecast of 1958-1960 to the following effect.

I said the following, and repeated this often throughout the period through 1967. *If* the U.S. government were to continue the Arthur Burns-steered policies of the immediate post-war period deep into the 1960s, *then*, the result would be, that a series of monetary crises would erupt during the second half of the 1960s, leading toward a breakdown of the existing, Bretton Woods monetary system. The Harold Wilson crisis of 1967, and the ensuing dollar crisis of January-March 1968, were the first among my forecasted shoes to actually drop. The Nixon crises of 1970-1971, led to the role of Henry A. Kissinger, George Shultz, and Paul Volcker, to induce President Nixon to take the fatal step of wrecking the Bretton Woods system, on Aug. 15, 1971. The affirmation of that change, at the direction of Shultz in the Azores conference, committed the world to the spiralling decadence which has dominated world markets increasingly since 1964, and especially since U.S. fiscal year 1966-1967.

In response to President Nixon's actions of mid-August 1971, I warned that were these policies to continue, the result must be the threat from a long-term movement toward a fascist world order, the situation which the resurfacing of the Synarchist International, as around the U.S. neo-conservatives and the Arnold Schwarzenegger candidacy, typifies today.

Look at the result of the trends already set into motion during the mid-1960s from the standpoint of using a physical market-basket, rather than monetary, household-income standard of the mid-1960s. Compare net physical output per capita with per-capita ratios for monetary and financial aggregates. The result is depicted by the pedagogical "triple curves" which I have employed since late 1995, to describe the resulting long-wave trends in the U.S. and world economies. [**Figures 1a-1d**]

Since approximately 1966, there has been a soaring inflation in nominal financial-market assets, relative to a physical standard for the mid-1960s. Since that time, there has been a tendency for accelerating decline in the physical-economic values of household consumption and medium- to long-term capital investment in production and basic economic infrastructure. At the same time, there was an accelerating expan-

FIGURE 1A  
**LaRouche's Typical Collapse Function**

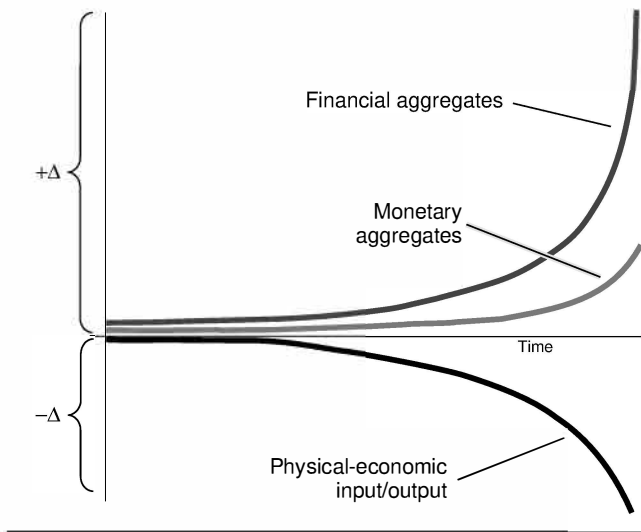


FIGURE 1B  
**The Collapse Reaches a Critical Point of Instability**

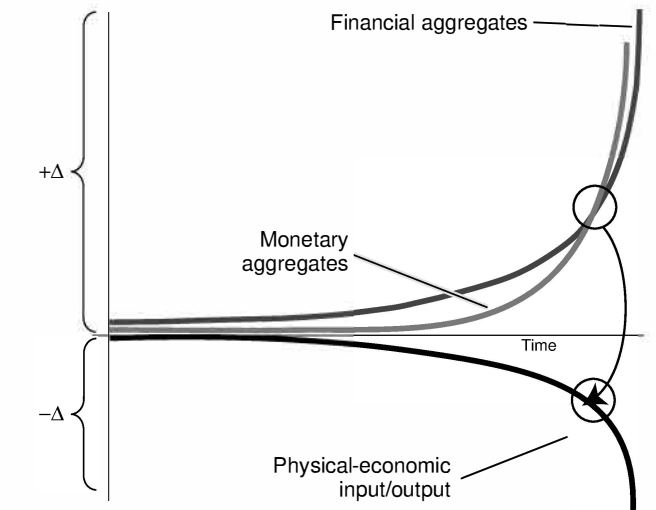
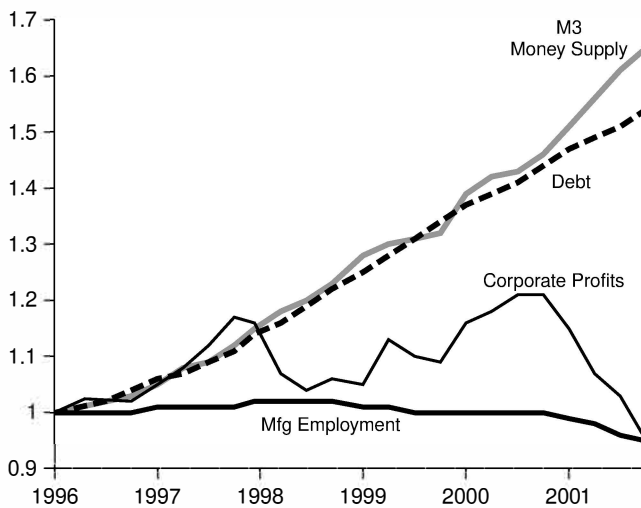


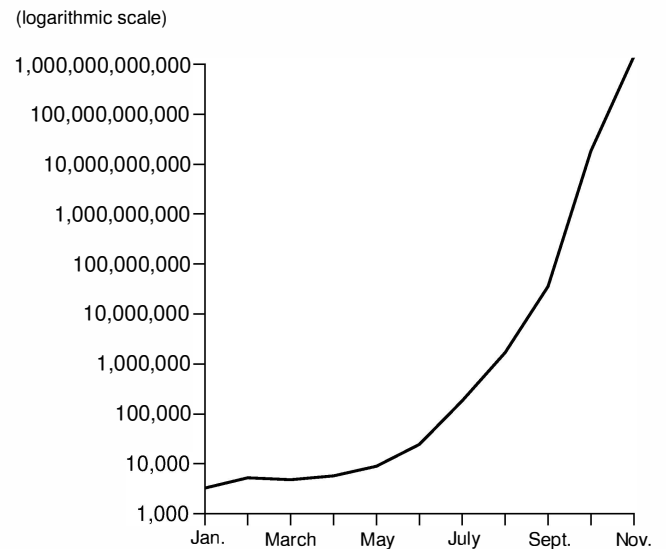
FIGURE 1C  
**The U.S. Economy's Collapse Function Since 1996**



Source: EIRNS.

sion of monetary aggregate, which was used to fuel a speculative inflation in nominal financial-market holdings. During 1999-2000, the rate of U.S. monetary expansion required, to hold up the shaky financial markets left over from the 1967-1968 crises, grew more rapidly than the financial markets which the monetary efflux temporarily sustained. That three-fold relationship among physical, monetary, and financial ag-

FIGURE 1D  
**Weimar Hyperinflation in 1923: Wholesale Prices (1913 = 1)**



gregates, defines a classical hyperinflationary spiral, as the famous Germany hyperinflation of Summer-Autumn 1923 typifies this.

At this point, there is no hope for a recovery of the world monetary-financial system in its present form.

The Triple Curve paradigm helps to emphasize the deter-



mining role of the underlying physical-economic relations as the reality of the economy, and the monetary-financial processes as merely shadowing the underlying physical reality. The uttering of money, or equivalent forms of credit, by the nation, must be a monopoly of the government, and that government must regulate the way in which prices are arranged, taxes applied, and so on, to the proximate end-purpose that the value of money remains in conformity with the relative price of a standard bill of consumption and physical costs of production and distribution. The relations illustrated by the Triple Curve pedagogical typify a national economy, and its current government, run wildly, recklessly out of control, a government thus leading its nation toward a systemic, even a breakdown crisis.

### **Socialism or Fascism?**

The threat to the world, that the U.S.A. might be taken over by an explicitly fascist regime, is the primary concern of every thoughtful government and comparable circles throughout the world. The roles of U.S. Attorney-General John Ashcroft, Vice-President Dick Cheney, and neo-conservative varieties of fascists such as Richard Perle, Paul Wolfowitz, and Marc Rich's Lewis "Scooter" Libby, have shown us, since September 2001, how near to a fascist takeover we have already experienced there. The apparent election of Hitler-like beast-man Arnold Schwarzenegger as putting an imported fascist Austrian head of state into power in California, as in 1933 Germany, is like the loud sound of a second shoe dropping from the floor above. The cases of Cheney, Ashcroft, and now Schwarzenegger, will now prompt the issue of mobilizing a "left-wing" resistance to this fascist threat to civilization as a whole.

There has been much chatter since August 1971 about the title, "Socialism or Fascism," of my August 1971 response to Nixon's fateful actions. Most of that has come, unfortunately, from wishfully or otherwise confused minds. In a sense, I did mean the long-term threat from some Hitler-like phenomenon, like Cheney, Schwarzenegger, et al., today. I did mean to appeal, then, to the image of President Franklin Roosevelt's leadership during the 1932-1945 interval. However, although I am an expert on Karl Marx and socialism generally, and did pay my intellectual dues to socialist circles during the period we were fighting against Joe-McCarthyism together, neither Franklin Roosevelt nor I were socialists in the Marxian sense.

In any case, especially since the fall of the Soviet Union and the present threat of a fascist dictatorship as bad or worse than Hitler's under a beast-man like Schwarzenegger, the time has come to finally lay the ghost of socialism to rest. My own experience is perhaps the best point of reference for such a clarification of the issue of socialism in general.

Since the aftermath of the Jacobin Terror, the sometimes positive role of movements in the name of *socialism* has always appeared in connection with reaction against the inhumanity inhering in that Venetian Party model which is traced,

in modern times, from direction of the French Revolution of beast-men Danton, Marat, Robespierre, and the first modern fascist dictator, Napoleon Bonaparte, by Lord Shelburne's British East India Company. The relatively important role of nominally socialist resistance against fascism was greatly energized by the 1928-1933 depression and the rise of Synarchist (fascist) dictatorships around Mussolini, Hitler, Franco, et al. This specific usage associated with that term arises out of the need, in such times of threatened existential crises, to mobilize broad popular forces for resistance to the fascist tendencies inhering in any unchecked application of the Anglo-Dutch Liberal model. However, lest we praise socialist movements more than is good for our posterity's health, we must recognize that there is also a streak of intellectual cowardice in socialist movements as typified by the German Social-Democrats' and some trade-union leaders' January 1933 displays of "parliamentary cretinism" on the matter of the pro-Hitler plot directed by von Papen, Schacht, et al., against the von Schleicher government.

Go back to my experience as a returning veteran of military service, in 1946. Roosevelt was dead, and something akin to the fascism against which we had just fought war, was running rampant under President Truman's leadership. In 1947, I appealed to retired General Eisenhower to run for the Presidency; I cited the prevalent aspirations for the post-war world which I had shared with most soldiers I had known overseas, and the betrayal of those implied promises by the Truman Administration. He replied briefly, concurring with my argument, but stating that it was not yet the time for his candidacy; on reflection, I would concur with his estimate on that account.

Fascism was on the move. Senator Joseph McCarthy was, in fact, a fascist, a right-wing Synarchist type; but his political career as a beast-man was also nothing but a natural outgrowth of Trumanism. By 1948, only a remnant of those who had admired Roosevelt during the 1930s and the war, had not gone over, fearfully or otherwise, to support for the proto-fascism of both Truman and Roy M. Cohn's Joe McCarthy. The Synarchist stratum of the U.S. today, that associated with Marc Rich, Vice-President Cheney, and Conrad Black's Hudson Institute coven of neo-conservatives, is the same fascism as Hitler's, on the move behind such Hitler-like figures as the Nietzschean beast-man-type groping his way into politics from the garbage-buckets of Hollywood, Arnold Schwarzenegger today.

So, I fought Trumanism and McCarthyism in the newly adopted role as a socialist, in 1949-1953.

Meanwhile, Truman's mad lunge toward risk of nuclear war with his Far East adventures, had run up against his miscalculation known as the Korea War. The wiser circles of the U.S. decided, prudently, to dump Truman and a Democratic Party polluted by Truman's role. Eisenhower as a popular military traditionalist, became the instrument to effect a partial disengagement of the U.S. from Truman's Korean war,

and did much to slow down the efforts of that utopian Synarchist cabal which he once identified publicly as a “military-industrial complex.”

After enjoying the relief of seeing the purging of McCarthy by the Eisenhower Administration, I looked again at my socialist allies of the 1949-1953 resistance; they were hopelessly stupid, if, in some important part, well-meaning, but of no visible, or prospective relevance to the issues of the new situation. I was, after all, a man of action for ideas; for all their phrase-mongering, they were not. In battle against McCarthyism, they had performed not badly. In “peace-time,” they were useless, a waste of my valuable time. I simply walked quietly away, with no rancor, no bad feeling against those former associates. I did hope, that at some future time, they would play a useful contributing role in resisting future atrocities of the like of Trumanism and McCarthyism, but one must face the fact, that they were intellectually bankrupt, emotionally worn-down, and all this and more seemingly hopelessly so, as if by instinct. So, I walked quietly away.

I found no occasion to return to any sort of active politics until the aftermath of the 1962 missiles-crisis and Kennedy assassination. When I did return, beginning 1964, it was because my economic forecasts of 1959-1960 forewarned me of the looming danger of a return to something like the rise of fascism during the 1920s and 1930s. That danger had arisen visibly.

Again, teaching at sundry university locations, the factor of socialism, this time as a blending of “Old Left” and “New Left,” dominated the resistance to what became known as the open, Nixon turn toward fascism, from 1966 on. Yet, the intellectual baggage of such forms of socialism showed itself, freshly, to be an obstacle to actually thinking. Such was the pervasive moral flaw among the Baby Boomer generation of youth then dominating political ferment of the late 1960s and 1970s. I was not surprised by this; the problem of the “left” was twofold. The “left” did not understand the difference between the pro-Leibnizian American system and essentially “Enlightenment” traditions of Anglo-Dutch Liberalism. At their best, the socialists opposed some of the cruelties of that British system called “capitalism,” and its effects; but, virtually none of them understood either the American system or the rudiments of that European Classical humanist tradition from which the American system had sprung.

So, the process within which I found myself in August 1971 moved me to new places and events. With my Fall 1971 Queens College debate with Abba Lerner, the future unfolding of my political destiny, and that of my association, was established for the entire period, from that time to the present day. Social-Democrat Lerner’s support for revival of economic policies which he confessed he knew were fascist, typified the political situation among all leading political currents, sundry varieties of socialist included, in the U.S.A. at that juncture. Lerner’s behavior there showed that fascism was on the march again. I trounced Lerner in that debate, but

his friends, including Sidney Hook, vowed, in revenge, that a *cordon sanitaire* would be constructed around my political activities, and they and their friends did just that.

To clear away the confusion which the name of socialism unleashes today, we must be rid of the assumption that socialism is the only alternative to what Lord Shelburne’s British East India Company, and his bestial little stuffed lackey Jeremy Bentham, had, in fact, defined as capitalism. The chief efficient enemy of capitalism in the world today, as the name of Adam Smith implies capitalism, is the explicitly anti-Locke U.S. Declaration of Independence and the clearly anti-Locke Preamble of the U.S. Federal Constitution. Therefore the U.S. patriot, President Franklin Roosevelt, was widely considered by the followers of Adam Smith and Jeremy Bentham, to be a socialist. That was often the view of the U.S. “left”; it was also the view of the snarling right-wing FDR haters, including the fascist supporters of beast-man Schwarzenegger today.

The practical issues which prompt the pro-capitalist hatred of the American System of political-economy, may be summarized as follows.

In the framework of physical science, as defined by the pre-Euclidean legacy of Thales, Solon, the Pythagoreans, and Plato’s dialogues, and of moderns such as Cusa, Leonardo, Kepler, Fermat, Huyghens, Leibniz, Gauss, and Riemann, the increase of the productive powers of labor of a culture depends upon the coordinated role of two functions. The one is essentially a responsibility of the state: basic economic infrastructure of the physical economy as a whole; the other is, broadly, “private initiative,” the role of the creative powers of the free individual mind in inserting both newly discovered universal physical principles, or technologies derived from such principles, into the practice of the nation. In a competently managed modern economy, no less than half of the total economic throughput of the national economy is the responsibility of the state. Some call that “socialism”; wiser voices say, “It is merely a practical way of expressing a little bit of sanity.”

The functional interdependency between these functions of the state and the private individual and enterprise, is a scientifically defined absolute. The private entrepreneur’s function depends upon the role of the state in controlling the development of the basic economic infrastructure and the regulation of the traffic within the economy. The state of relative economic anarchy which the combination of “free trade” and slashing of economic functions of the state ensures, produces precisely the kind of auto-cannibalistic general collapse the U.S. economy is currently experiencing.

If prices fall below the cost of capital formation on which production and productivity depend, doom lies ahead. If a nation shuts off the productivity of its own people, by exporting jobs to foreign cheap-labor markets, the nation is headed for bankruptcy. If the state abandons responsibility for developing and regulating basic economic infrastructure and trade,



*"If the United States fails to demand the model of the American System of political-economy, of Hamilton et al., the model referenced by President Franklin Roosevelt, then the U.S. Constitutional system is doomed in any case, and Europe, almost assuredly, goes to spend a generation or more in Hell."*

the nation will go bankrupt.

At that point we must emphasize a crucial problem of socialism. As the case of the breakdown of the Soviet economy illustrates that point, unless the role of creative private initiative is fostered, the resulting decadence of the economy will do to any economy what we witness in the outcome of the Soviet case. The achievements of the Soviet Union in developing military technologies, under extremely adverse economic conditions of the economy as a whole, are stunning. The civilian sector of state and other functions was a disaster, as criticisms published in Soviet economics literature showed in some detail. It was the denial of the "voluntarist" role of the individual creative mind, a denial organically embedded in the misconceptions of mind presented as "histomat" and "diamat," and the related poor treatment of the relevant "intellectuals," which is a leading clue to the self-inflicted aspects of the systemic failures of the Soviet system. It was the influ-

ence of the infatuated follower of Napoleon Bonaparte, G.W.F. Hegel, of the truth-denying Immanuel Kant, and of Thomas Huxley on Frederick Engels, which contributed substantially to the tragic paradox that a Soviet Union whose existence depended upon a crucial "voluntarist" role of V.I. Lenin, could make anti-voluntarism an article of state religious faith.

To the degree that professed socialists will rally to support the American System of political-economy against the "Adam Smith" capitalists, or outright fascism, or act to defend the general welfare against predators, that is praiseworthy. We happily accept such volunteers into our armies, but we must not overlook the ruinous consequences of the so-called "materialist" doctrine.

The problem usually posed by the socialists, is that they are "materialists" in the sense of the Eighteenth-Century Enlightenment. Although their compassion toward victims of injustice is commendable, no leadership of society is trustworthy unless it is self-governed by that sense of the human individual's absolute superiority to, and separation from the beasts. As the systemic failures within the Soviet system illustrate, without the Classical humanist view of the human individual, no form of society could succeed. We may have common cause with those who resist what is plainly a wrong, but no ideological quirkyness must be allowed to prevent us from those essential great works which only the Classical humanist standpoint has contributed to the existence of globally extended European civilization so far.

The American System of political-economy is already the best which has existed in the world so far. Therefore, it were sufficient to begin there. The best solution is to educate even those socialists, even kicking and screaming a bit, as they are wont to do, into comprehension of at least the rudiments of the American System of political-economy. It is our duty to educate them in this, in as fraternal a manner as is consistent with that mission.

### **Plato, Gauss, and Economy**

The pivot of all valid science and statecraft, is the fact that the human individual is set absolutely apart from, and above the beasts, by those creative powers whose typical expression is the discovery of an experimentally validated universal physical principle.

This definition of the species-distinction of the human individual dates, formally, from the work of Pythagoreans such as Plato's friend Archytas. The most dramatic modern expression of this same principle respecting the distinction of man from beast, was Johannes Kepler's unique discovery of a principle of universal gravitation, using the same methods employed earlier by Archytas and Plato. Gauss's ruthless attack, in his 1799 clarification of *The Fundamental Theorem of Algebra*, upon the fraud of, most notably, Euler and Lagrange, typifies the way this distinction is expressed within the domain of modern mathematical physics. Notably, al-

though this 1799 paper was only the first step in Gauss's development of those general notions of physical-space-time curvature leading into the discoveries by Riemann, the paper is exceptionally notable for its featuring explicit defense of science against the ideological hoaxes typified by the relevant arguments of Euler and Lagrange, or Laplace, Cauchy, et al. later.

Focus upon the pivotal fact of Kepler's *The New Astronomy*. The refined measurement of the observed orbit of Mars, to the effect of uncovering the elliptical, rather than circular character of the planetary orbits, showed that the orbit was defined by that pervasive rate of change of velocity along the orbital pathway. From the standpoint of the Classical Greek tradition of spherics, this signified the active presence of an unseen, but efficient principle, causing a change at each absolutely infinitesimal interval of action along the orbital pathway. The effect was as if some function, invisible to the senses, was intervening efficiently at all absolutely infinitesimal intervals along that pathway. In Classical Greek terms, this invisible was the kind of mean function expressed by the doubling of the square, or, the double-mean doubling of the cube in Pythagorean's geometrical mathematical physics. The mathematical extension of the pre-Euclidean treatment of the line, square, cube, and, implicitly, Platonic solids, by Gauss's 1799 refutation of Euler and Lagrange, produced the first systemically rigorous modern notion of the complex domain of mathematical physics.

These conceptions by Gauss, et al., were already developed in a related way by Leibniz, in his own definition of both a catenary-curve-cued universal physical principle of least action, and his related definition of natural logarithms. However, the attempt by the Anglo-French Eighteenth-Century Enlightenment to suppress all of Leibniz's work, and also that of J.S. Bach, had produced a relative intellectual wasteland by approximately the close of the first half-century of European Eighteenth-Century culture.

Young Gauss first appeared as a public figure at the close of the second half-century, when he produced this remarkable 1799 paper and also his *Disquisitiones*. Under the conditions of demoralization which spread throughout Europe with the Jacobin Terror and Napoleon's tyrannies, the Classical humanist current, on which the American Revolution's success had depended for support, was crushed, increasingly, by a Romantic insurgency driven by the succession of the Jacobin Terror and the image of the Martinist beast-man Napoleon. In that setting of the early Nineteenth Century, Gauss did not sense himself free, any longer, to discuss openly the relevant discoveries in anti-Euclidean geometries until the discussion was forced upon him by the action of Jonas Bolyai et al., decades later. Nonetheless the relevance and validity of those discoveries of Leibniz, Gauss, Riemann, et al. has been conclusively proven, and therefore stands as a point of reference for insight into those characteristics of the human mind which distinguish human beings from beasts.

*This insight into the social implications of the principle of the complex domain, is the required basis for elementary scientific competence in economics.*

This insight defines the fundamental principle of the science of physical economy, as developed initially by Leibniz over the interval 1671-1716. My own discoveries in this field, during 1948-1953, account for my unique record of successes as a long-range economic forecaster over recent decades, and afford me seasoned qualities of insight into treating the great economic catastrophe now striking the planet as a whole. From my vantage-point in experience, the general nature of the required solutions is relatively obvious. For those too long subjected to the wicked fairy-tales of Anglo-Dutch Liberal economics, comprehension will be, understandably, slower in coming, and a more painfully arduous intellectual, and emotional exertion.

The most crucial of the causes of the mental anguish my words prompt in most economists and statesmen today, is the deeply embedded reductionist tradition, as that tradition is merely typified by the brainwashing in the traditions of the empiricist Eighteenth-Century Enlightenment, such as the work of the depraved truth-hater Immanuel Kant and such among his American followers as the pragmatists and existentialists of the Nineteenth and Twentieth Centuries in the U.S.A. I summarize, as concisely as possible, the relevant point I have elaborated in earlier published locations.

From the standpoint of the geobiochemistry of V.I. Vernadsky's successive development of the case for the *Biosphere* and *Noösphere*, the essential distinction of man from ape, is the fact that today's human population is several decimal orders of magnitude greater than would be possible for any species of higher ape. This signifies that the source of that gain is not genetically determined, but is the result of such mental quality lacking among the higher apes. The expression of that mental quality specific only to mankind, which Vernadsky identifies as *noësis*, is a capability which all of the empiricists, including I. Kant notably, deny to exist. One might say that in his writings, Kant made a monkey of himself.

The case of Kepler's unique accomplishment, in discovering a principle of universal gravitation, is typical of this specifically human quality of *noësis*. Like Plato before him, and also the Archytas who solved the geometric problem of doubling the cube by construction, any experimentally validated discovery of a universal physical principle defines a definite *mental object*, such as gravitation, which is not accessible to direct representation by the human sense-apparatus, but which man's knowledge enables him to use efficiently, as to increase mankind's power to control, and exist within the universe.

The efficient manner of explicit mathematical-physical representation of the efficient effect of these discovered principles is what Gauss defined as the complex domain. In addition to that which is known directly by sense-perception, an additional, universal physical principle is operating, invisibly.

bly, but efficiently, upon the same domain represented by relevant sense-perception. This added action is occurring in a different physical dimensionality than those implied in the geometry of sense-perception. So, the principle of gravitation is operating in a different dimension than the seen planetary orbit. Yet, the effect of its presence is both visible and determining. The process of change represented by the action of the principle is occurring at any possible interval of categorically infinitesimal part of the visible trajectory of the planet; such are the implications of the elliptical orbit.

Through experimentally validated discoveries of such universal physical principles, mankind is able to increase our species' power in and over the universe, as no other species can. The accumulation of these discoveries, and familiarity with their willful employment by mankind, is the functional source of man's increased potential relative population-density and life-expectancy as a species.

These types of universal principles are essentially two. The first type refers to the relationship of the noëtic powers of the individual human mind to the physical universe. The second type refers to efficient principles of social relations, respecting the way in which human minds may cooperate to develop the forms of cooperation which are needed to promote the continuing processes of discovery of physical principles, and the effective use of such principles discovered. The characteristic form of this second class of universal principles, is the principles of Classical artistic composition and performance. The U.S. Declaration of Independence and Federal Constitution, are among the examples of the principles of social relations derived from the work of Classical artistic composition. The role of Plato's dialogues in developing within statesmen and citizens the mental powers to meet the challenges of government, is an example of this.

In both cases, the universal principles which have enabled the human species to soar above the stagnating power of the higher apes, exist for the mind only in the same domain of the imagination as the principle of universal gravitation. This is the case of the work of physical science, of Classical artistic composition and performance, and statecraft.

One more point in this direction is crucial.

The distinction of the modern sovereign form of nation-state which first emerged during Europe's Fifteenth-Century Renaissance, is that, in principle, it banned the continued practice of all known society before then, the practice of reducing the greatest part of the population to the functional state of human cattle, either wild creatures to be hunted down, or herded cattle to be kept, bred, worked, and culled. The potential intellectual powers of the nation were spoiled in this way. The human potential of those treated as cattle was largely undeveloped, and those who herded human cattle reduced themselves morally to the species-status of those they herded. So, despite all those and related evils of modern European society to which I have referred here, and others besides, the quality of the average person in modern European civilization

is of a higher order than in ancient or feudal society.

If we keep men and women as they were cattle, we surround ourselves with a society which drags us all down, morally and otherwise. Your brutalized neighbor's follies, become the afflictions of you and your children.

Therefore, the cultural development of each and all of the members of a society is the principal immediate self-interest of that nation's internal affairs. On that account, we must foster the development of the given language-culture adopted by the nation in such ways as to make that language a medium of communicating those ironies through aid of which existing ideas of principle are transmitted, and additional ideas of such quality generated. A community of sovereign nations so defined, is a precondition for lifting humanity above the perennial descents into relative bestiality which have afflicted our species for so long. The sovereign nation-state is therefore properly understood as a fundamental principle of universal natural law.

This means, that the notion of the human individual in society must be elevated above the relatively bestialized status specified by reductionist conventions such as empiricism, Kantianism, pragmatism, positivism, and existentialism. To this end, the emphasis must be placed upon the reality what Gauss defined as the complex domain. This is to emphasize that what the senses show us is only the shadow which the real universe's effects cast upon our highly imperfect powers of sense-perception. It is through the discovery and mastery of those efficient universal principles which act from beyond sense-perception, that mankind is able to increase its power to exist in the universe, and to recognize in this achievement that species-nature of each and all persons which connects the generations of the most remote past to us, and to those of our most distant future. So, we are enabled to define the permanent place we choose to adopt for our existence in the past and future as much as the present of humanity. Then, we know ourselves to be truly human, and we secure, thus, the power of passion to meet challenges which were otherwise emotionally and intellectually beyond our reach.

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### **3. The Alliance of the Americas and the U.S.A.**

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At the present moment, Europe and the U.S.A. are bankrupt, and, if the presently institutionalized policies of those nations continue, there would be no hope of recovery of those nations in a presently recognizable form. Therefore, we must combine the efforts among our nations to make the certain urgently needed, somewhat radical institutional changes in practice, which will bring us safely and, ultimately, prosperously, out of an unavoidable reorganization in bankruptcy.

Our commitment to such cooperation, will clear away many of the obstacles to forming a new system of global



*The U.S.A., the U.K. and other formerly leading producer powers, have transformed themselves into what are presently virtually bankrupt, post-industrial pleasure-seeker societies, feeding themselves on the exploitation of the cheap labor of nations whose currencies have been driven down to ever lower relative values. . . . The present pleasure of the few is supplied at the price of not only the growing pain of the increasingly many, but the threatened common, ultimate doom of them all." (The boy making softballs is in Guatemala.)*

cooperation around the theme of establishing a just new world economic order, an order which rejects the pro-bestial notions of Thomas Hobbes and John Locke, in favor of the principle of "the advantage of the other" which was the cornerstone of the 1648 Treaty of Westphalia.

In Europe, there is a hint of motion in needed directions, by the emergence of the Tremonti Plan and the proposed role of the European Investment Bank. Unfortunately, although the proposals are sweet in intention, they are pathetically inadequate in scope. Two hundred billions euros is a pitiful sum of capital when compared with the per-capita rate of long-term capital investment, in the order of EU100,000 needed to raise the level of employment and output of even the hundreds of millions of people of Europe, let alone the billions of people of Eurasia. In other words, our minds must think in terms of a rate of physical-capital formation consistent with the requirements of a world economy priced at more than EU40 trillions; we should be aiming for a rate of net physical-capital formation, as growth, of not less than EU2 trillions euro per year globally. Presently, both Europe and the U.S.A. are operating at a substantial net loss in real terms, with economies

hovering at the brink of a sudden collapse comparable to the approximately 50% collapse experienced by the U.S.A. during the 1929-1933 interval.

The form of organization of economic recovery in Eurasia presently, depends upon rates of capital formation aimed in the directions which those rule-of-thumb indicators imply. The market-potentials for launching real economic growth in upward directions, lie chiefly in the opportunity for large-scale commitments of western Europe and Japan, typically, to meet the enormous physical-capital requirements of the development of East, Southeast, and South Asia. This depends upon a specific role of Russia, as a specifically Eurasian nation and culture, as complemented by the role of Kazakstan. Otherwise, no possible recovery of Europe from its ongoing plunge into a deep depression were possible.

Such a trade-related process of internal Eurasian recovery and growth, would be heavily concentrated in large-scale, long-term capital formation in basic economic infrastructure. This is required to meet the preconditions for increases in productivity of enterprises and the population; investments in long-term development of public infrastructure are the most appropriate subject of the needed long-term treaty-agreements among states, through which international credits are generated to allow such multinational development programs to proceed.

The sources of private financial capital would be pathetically inadequate, and almost non-existent today, Several conditions must be satisfied to allow recovery/growth-rates on the indicated scale to occur.

1. There must be a general reorganization-in-bankruptcy, by the sovereign, natural-law powers of governments, of the existing monetary-financial systems.
2. A fixed-exchange-rate, regulated monetary system must be created to support long-term credit and investment at rates not in excess of 1-2% simple interest. The original Bretton Woods system is a model of reference for emergency long-term agreements among governments to such effect.
3. New credits for long-term capital-formation programs must be generated by the sovereign powers of government, either as credit issued by governments as monetary aggregate, or, long-term credit created in the form of treaty-agreements among governments.



*“Actually, Columbus led a voyage of rediscovery of the American hemisphere. . . . His map had been drawn for him by the Italian, Toscanelli, one of the leading scientists of Renaissance Italy, and an associate of that German, Cardinal Nicholas of Cusa, who had founded modern experimental science. That map was made possible by the work, circa 200 B.C., by an Egyptian scientist, Eratosthenes.”*

4. The paradigmatic basis for generation of credit must emphasize long-term capital formation, chiefly in basic economic infrastructure, calculated on a quarter-century to a half-century maturity of physical-capital formation.

Clearly, the possibility of making such indispensable reforms depends on the leading role of the U.S.A., provided the President of the United States were of the disposition of President Franklin Roosevelt. The effort to secure such a role from the U.S.A., would be the orientation of any prudent government in Eurasia, in particular.

Presently, the relevant impulses from Western and Central Europe in such directions have the following notable features.

The possibility of such Eurasian agreements depends essentially on the kernel of development represented by the grouping of nations around the Russia-China-India Strategic Triangle. Such cooperation provides the partner for Western and Central Europe’s large-scale, long-term cooperation with development in Eurasia as a whole. This must envisage this role of cooperation for development within Eurasia, as the pivot for the development of a global system of monetary-financial-economic cooperation in trade and development of the world at large. This suggests the assumption of the existing IMF and World Bank, as effectively bankrupt systems, by the responsible sovereign governments, who take those institutions into receivership for financial and related reorganization.

In effect, this points toward reorganization of the relevant institutions of the international economy itself along the lines of the American System of political-economy, the system of national economy as understood by Alexander Hamilton, the

Careys, and Friedrich List. This is the only model which is available to replace the Anglo-Dutch Liberal system of those independent central-banking practices which must be abandoned if any actual economic recovery is to occur. This will not be, and must not be an invasion of the sovereignty of the nation-state. Within that international framework, each nation is sovereign; the international system provides the framework within which each operates in partnership with the others.

It must be emphasized, that money is an idiot, which knows nothing, and can make no rational decisions. Money must be a sovereign creation of government, which must regulate the generation and circulation of currency and related credit, to such effect that the prices of a standard market-basket of goods do not rise, as the pedagogical Triple Curves reflect the way this inflation has occurred under the floating-exchange-rate system. If we do not regulate to maintain a fixed exchange-rate system, it were impossible to maintain actual long-term credit at 1-2% rates of simple interest. If we do not force money to behave within national economies, as among nations, the system of recovery will break down.

### **Infrastructure and Productivity**

There is nothing arbitrary in the requirement that about half, or more of the total physical-economic throughput of a national economy (and world economy) must be represented by investments in capital formation and operations of what is broadly defined as basic economic infrastructure. Typical are mass transport of people and goods, general water management and sanitation, generation and distribution of power of rising energy-flux-density, urban development, systems of public sanitation, and social welfare systems which include health-care and educational systems.

Ivory-tower academics and simple-minded gossips tend

to suggest that an economy is the sum-total of actions by individuals within society. The lunatic ideology of “free trade,” which has done so much to destroy the U.S. economy during the recent decades, assumes that the cheapest price, or the highest rate of profit, are the properly controlling determinants of economic activity. The result of the practice of such ideologies is, as the recent three decades and more have demonstrated in the U.S., Europe, and elsewhere, a cancerous destruction of the capital structures of agriculture, industry, and such essential elements of basic economic infrastructure as transportation, power generation and distribution, water management and sanitation, and social welfare systems, and a general collapse of the level of living standard, life-expectancies, literacy, and sanity, of the majority of the population.

Today’s typical monetarist ideologue or his dupe, has no comprehension of the functional notion of *physical capital*. He does not grasp the relationship between the productivity of a member of the labor-force and the physical standard of living and cultural characteristics of the relevant household. He does not grasp the relationship between physical capital formation at the legendary point of production and productivity. He does not grasp the fact that it is basic economic infrastructure, that largely provided as public capital investments (and their costs) which determine the relative productivity of employed labor. The estimate of the needed rate of capital investment and related costs of basic economic infrastructure of a national economy as about half or more of the requirement of a modern economy, is overlooked.

Nor does the typical such ideologue understand much of anything at all about the role of technological progress in determining productivity. It is the development of the use of newly discovered universal physical principles—the technological factor in productivity, which is the principal source of increase of productivity, and, therefore, of absolute (i.e., physical) profitability. He does not recognize the way in which technological advances in basic economic infrastructure will determine the difference in relative physical productivity between poorly developed and more developed national economies. He does not understand the relationship between the level of Classical humanist culture practiced by a society and the relative level of social potential for scientific and technological progress of a nation.

Attention to a crucial feature of cooperation among Russia, China, India, and their neighbors, brings an added dimension of the challenge of infrastructure into focus. Call this the Vernadsky factor, so named after V.I. Vernadsky.

The composition of our planet is the interaction among three phase-space domains. These are, first, the portion of the planet which originates from what are defined experimentally as abiotic processes, second that portion of the planet composed of either living processes or fossil remains of living processes (the *Biosphere*), and that portion of the planet which is uniquely the activity and product of those creative powers of the individual human mind by means of which discoveries

of fundamental universal physical principles are effected and the fruits of those discoveries implemented (the *Noösphere*).

Much of the mineral resources required by, among others, the future populations of East, Southeast, and South Asia, reside in a region of central and north Asia, which is variously arid, semi-arid, or Arctic. The development of these resources will require relatively dense human habitation and associated large-scale and other infrastructural development. Furthermore, much of the mineral deposit there is to be found as the fossils of living processes, which had collected and deposited such residues there. In some instances, the rates at which mankind is estimated to be drawing down some of these essential resources is running ahead of the rates of natural replenishment. Science and appropriate development of basic economic infrastructure does afford approaches to overcoming such potential obstacles, but we must obviously begin working on the fundamental-scientific and other developments this implies.

We have comparable situations in other continents, and related challenges in the world at large. We have thus entered a new age in economy. In this setting we must no longer rely on merely drawing down crucial resources; we must assume the responsibility of generating those resources. In other words, we must reach back to a point prior to mining, to develop that which is presently mined. We must, in effect, farm the entire planet as a technologically modern family farm manages both the productive and reserve land of the farm.

This looming mission-oriented challenge to our planetary civilization, puts all of our planet’s nations as if in one boat, on this account. This implicitly defines a new world order of two ironically complementary features. On the one side, perfectly sovereign nation-states. On the other side, cooperation among sovereign nations toward common solutions for the global problem posed, in exemplary fashion, by a new, Vernadskyian dimension in science and technology.

The distinguishing feature of such a set of changes in emphasis, is the economy-driven basis for the understanding that we must now enter into a new world-order, a community of respectively perfectly sovereign nation-state republics.

As John Quincy Adams’ crafting of what become known as the 1823 Monroe Doctrine attests, it is but a step from Adams’ projection of a community of principle among the sovereign states of the Americas, to rise to the larger goal of a global community of perfectly sovereign, globalization-free nation-state republics. This intention is implicit in the processes by which the U.S.A. was brought into being by modern European civilization. Europe must now adopt that child it helped to create, the idea which was the intention of the U.S.A.’s creation. This agreement as to matters of principle between Europe and the U.S.A., applied to the urgency of the general reforms I have outlined here, then becomes the role of globally extended European civilization, in defining a new quality of relationship to the nations of Asia and Africa, as well as those of Central and South America.



# What Is European Civilization?

This extended footnote provides the reader an overview of those highlights of ancient through modern European history which must be required, as available reference, to assist readers approaching the subject of this report. Inevitably, there is, and there must be, some limited overlap between the content of this appendix and the body of the text to which it is attached.

For the purpose of this report, I have defined “European civilization” summarily in the following terms.

The positive features of the development of European civilization, as rooted in the questions implicitly posed by the *Iliad* and *Odyssey*, are also traced by me, to included earlier roots in the Great Pyramid-building tradition of Egypt. I trace the emergence of the development of specifically European civilization’s roots, as such, from within ancient historical Greece. I emphasize such crucial points of reference as Thales, Solon, and the school of Pythagoras. I trace the crucially positive features of that legacy, from that time to the present day, as running through the Socratic dialogues of Plato and to such later representatives of his Academy as that spectacular genius of physical science, Eratosthenes.

The most clearly typical, and most rigorous proof of this debt of Greece’s Classical culture to its Egyptian cultural root, is the role of what the school of Pythagoras defined as “spherics.” By “spherics” was meant that astronomy-based development of what is known variously as the “pre-Euclidean” or “anti-Euclidean,” constructive geometry which was reflected in modern times in the work of modern scientists such as Gauss, Riemann, et al.

The method of constructive geometry associated with Pythagorean “spherics,” is not only the basis for development of the competent varieties of modern mathematical physics. It was also the source of the characteristic feature of the Socratic-dialectical method of Plato’s dialogues, and of the entire sweep of the Classical tradition of the Plato Academy through the work of Eratosthenes. That ancient legacy is also the modern tradition of opposition to the reductionism of Galileo, Locke, Descartes, Euler, Bentham, Kant, et al., a systemic opposition which was already rooted in the Classical Greek. For example, this anti-reductionist legacy of Plato’s Greece, is the modern physical science tradition of Nicholas of Cusa and such among his followers as Leonardo da Vinci, Johannes Kepler, Leibniz, Gauss, and Riemann.

Yet, the legacy of ancient Greek also has an opposing, dark side. This opposing current, is to be traced as Friedrich Schiller emphasized this duality in his Jena lectures. Ancient Greece’s legacy includes a tragic element expressed by the

presently continuing, millennia-long war, between the opposed traditions of Solon and Lycurgus. This war is to be recognized in Socrates’ opposition to the Classical precursor of modern fascism, Thrasymachus. That legacy is continued till today as the heritage of the opposition of Socrates and Plato to the Sophists and to their continuing influence in such guises as the denial of an essential distinction between man and beast.

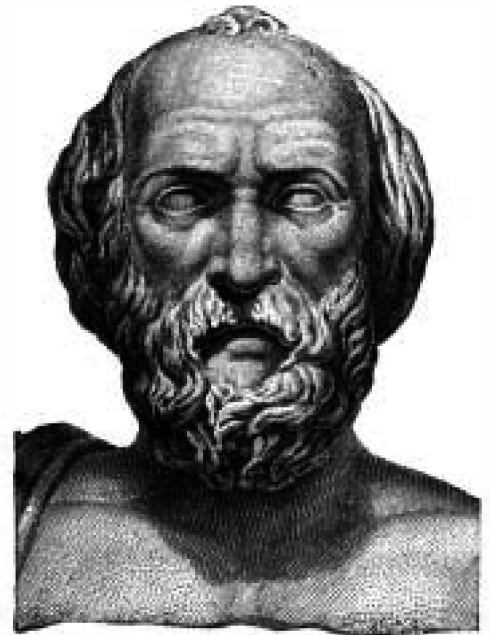
This dark side is expressed today as the denial of man’s essential distinction from the beasts, a denial embedded systemically in such expressions as the irrationalism of the medieval obscurantist William of Ockham and reductionist Paolo Sarpi’s revival of Ockham as modern empiricism.

From the standpoint of the modern mathematical physics of such as Nicholas of Cusa, and such of Cusa’s followers as Johannes Kepler, Gottfried Leibniz, Carl Gauss, and Bernhard Riemann, the essential contribution of ancient Greece, through the work of Plato, is reflected in the notions of pre-Euclidean constructive geometry which Plato traced explicitly from the study of the principle of astrophysics (“spherics”) by the school of Pythagoras. The Socratic dialectic, as applied by Plato to both principles of physical science and social processes, is our earliest known, rigorously systemic definition of the absolute distinction of the human species from all lower forms of life. Hence, for Christianity, as for Moses Mendelssohn, Plato’s Socratic definition of the knowable existence of the human individual soul, defines the foundation of all of the most essential and positive, social, political, and physical-scientific contributions supplied to civilization by European civilization in general.

*In modern times*, Kepler’s uniquely original discovery of the principle of universal gravitation, typifies the mathematical distinction between the quality of sense-perception granted to lower forms of life, and the power of knowing those efficient, universal physical principles of the universe which lie beyond the direct powers of sense-perception. That method of the Socratic dialectic employed by Kepler, is, as Plato emphasized in locations including his *Parmenides* dialogue, the same method of discovery demonstrated by the Plato’s contemporary, the Pythagorean Archytas, as in the example of Archytas’ solving the challenge of doubling a cube by no method other than construction. That, as demonstrated afresh by young Carl Gauss’s 1799 definition of The Fundamental Theorem of Algebra, is the Classical method of scientific discovery, and also of Classical artistic composition and political knowledge.

As Archytas’ work illustrates the principle, the work of the Classical school of physical science, from Socrates and Plato, through Cusa, Kepler, Leibniz, J.S. Bach, Gauss, and Riemann, has produced the greatest contributions of modern European physical science from that conception of man and nature which was already axiomatic to the ancient Greek Classical standpoint.

That is the elementary demonstration of the distinction of man from beast. That is the key to a rigorous understanding



*In extended European civilization, “the legacy of ancient Greek also has an opposing, dark side. This opposing current, is to be traced as Friedrich Schiller emphasized this duality in his Jena lectures. Ancient Greece’s legacy includes a tragic element expressed by the presently continuing, millennia-long war, between the opposed traditions of Solon [Athens’ lawgiver, left] and Lycurgus [the lawgiver of Sparta, right]. This war is to be recognized in Socrates’ opposition . . . to the Sophists and to their continuing influence in such guises as the denial of an essential distinction between man and beast.”*

of both the term “modern European civilization,” and today’s continuing effort to destroy that civilization by forces seeking to turn back the clock of history to ancient and medieval ways. That distinction is the basis for the relevant notion of human progress.

*Modern European civilization*, as distinct from its earlier, ancient and medieval forms, came into existence through the Fifteenth-Century Renaissance’s founding of the modern sovereign form of nation-state. By modern European civilization, we should intend to say, that no longer can we allow those kinds of governments that pursue those kinds of policies among nations, under whose law and custom some men be permitted to hunt or herd other people as human cattle. Instead, the right of any form of the state to exist, must be measured according to its efficient accountability for the promotion of the general welfare of all of the people and their posterity. Since that time, even despite such subsequent horrors as the attempt to return to medieval systems, which was the prompting of the Venice-orchestrated, reactionary religious warfare of the 1511-1648 interval, European influence has supplied an increasingly powerful impetus for progress among the cultures of humanity as a whole. The emergence of the modern notion of sovereign nation-state, and of physical science, as the fruits of study of those means by which the interest of all of the people are served, are interdependent products of this great revolution in political and related forms of culture which was brought into existence through the im-

part of the Italy-centered, Fifteenth-Century Renaissance. That should be the intent of the words “modern European civilization” today.

*Unfortunately*, the influence of the combined effects of the history of modern Europe. has been, like the history of ancient Greece itself, both negative and positive.

Despite the negative features, over the span of modern history, from the Fifteenth Century until recently, the power of man per capita in the universe, had increased. This gain persisted, unevenly, but continuously, largely through the impact of the distinctive, specific features of modern European civilization as such. The development of the modern sovereign form of nation-state and the related development of modern physical science, have been beneficial for humanity generally.

Yet, the ancient evil often mimicking the tradition of Lycurgus, has tended to bring even modern European culture, and Europe itself, to a kind of self-inflicted doom akin to that which overtook Athens with the folly of the Peloponnesian War. The two so-called “world wars” of the past century typify such self-destructive impulses, as did the so-called “Cold War” which Bertrand Russell, Winston Churchill and Harry Truman launched during the times immediately following the events of June-July 1944.

*My U.S.A.*, for whose 2004 election as President I am among the several leading candidates today, had emerged as a leading edge of European civilization, from its principal

beginnings in the Massachusetts Bay Colony of the Winthrops and Mathers. As my late colleague, the historian H. Graham Lowry, documented, after the beginning of the Eighteenth Century, the formerly leading role of a partially crushed Massachusetts was assumed by leading circles which came to be associated with Benjamin Franklin, in Pennsylvania and Virginia. It was the contributions of the greatest Classical humanist intellectuals of the pre-1789 portion of the late Eighteenth-Century Europe who made possible that development and establishment of U.S. Federal Republic.

The mission of that U.S.A. of 1776-1789, as seen with the eyes of the great humanists of Europe then, was to have become, as Lafayette expressed this, a temple of liberty and beacon of hope for all mankind. The U.S.A. was an intended product of modern European civilization's effort to use the creation of the North American republic as the precedent designed to rally a similar, great reform within Europe itself. That hope withered considerably, in the wake of July 14, 1789; Schiller described this aftermath of July 1789 as the widely demoralizing effect, throughout Europe of that time, of France's wasting a great moment of opportunity by leaving that great opportunity in the hands of a little people.

Instead of great intellectuals of France such as Bailly, the opportunity of 1789 France fell into the agents of the personal assets of the British East India Company's Philippe Egalité and Jacques Necker, agents of British intelligence's Jeremy Bentham as Danton and Marat, and, in general, the Martinist freemasonic cult of Cagliostro, Mesmer, Joseph de Maistre, et al., which ran both the Jacobin Terror and the tyranny of Napoleon Bonaparte. Great scientists of France such as Bailly and Lavoisier were butchered by the British monarchy's tools in revolutionary France; the Lafayette portrayed by Beethoven's opera as Florestan, was sent into a Habsburg dungeon by order of Pizarro (William Pitt the Younger), and much of the core of France's natural leadership decimated, en masse, in similar way. The men of little minds and still lesser morals took charge; to the present day, Europe has not fully recovered from that awful experience of 1789-1815, nor the later wars of 1914-1917 and 1939-1945. Awful experiences like that leave deep scars on the soul, even into many generations later.

Largely as a by-product of those 1789-1815 events, since the crisis of Europe set off in July 14, 1789, the relations between my republic and Europe have often been troubled ones, as, once again, since the 2002 developments under the influence of its pro-fascist Vice-President Dick Cheney and Attorney-General John Ashcroft.

*Until radical changes in world monetary affairs launched from the U.S.A. beginning 1971-1972, the most frequent sources of conflicts between Europe and the U.S. republic had been from within Europe itself. At the time the U.S. Federal Constitution was first set into place, in 1789, forces in Europe, including leading opponents of Europe's Classical humanist currents, had acted with the intent to prevent American-like republics from coming into being in Europe. These opponents included leading forces within Britain, France, and Habsburg*

circles These forces, steered initially, then, by the British East India Company's Lord Shelburne, launched an orgy of terror in France, through Shelburne's use of the self-styled Martinist cult and its financial backers on the continent of Europe. The aftermath of the events of late 1789 included the Martinist-directed evils of both Napoleon's wars and the combination of the orchestration of the Congress of Vienna and the Carlsbad decrees. These combined developments of 1789-1815, and later, more or less ruined the cause of freedom in Europe at that time, leading Europe and the U.S.A. ultimately into what became the two so-called "world wars" of the Twentieth Century, and the eruption of fascism in Europe, and the Spanish-speaking Americas, during the interval from 1921-1922 through 1945.

Specifically, in the aftermath of the first of those two "world wars," the Martinist association, which had become known as the Synarchist International, produced the so-called fascist dictatorships of Mussolini's Italy, Hitler's Germany, Franco's Spain, and others. This set of dictatorships from the 1922-1945 interval, then in alliance with Japan, were aimed, in June 1940, for world conquest through an intended short and conclusive war against the Soviet Union, and, after that, the use of the vastly superior combined naval power of Germany, Great Britain, France, Italy, and Japan, for the destruction of the U.S.A. The collaboration between Franklin Roosevelt and Winston Churchill, as later augmented by the role of the Soviet Union, doomed Hitler's world-imperial ambitions then; but, the same Synarchist tradition, operating from within both Europe and the Americas today, is key for understanding the presently emerging threat of a spreading set of wars among asymmetrically arrayed, nuclear-armed strategic forces throughout the world.

*The notable difference between the modern world history from the 1648 Treaty of Westphalia and the period since 1945, is the combined impact of a conflict between development of new technologies and of policies which are intended to reverse the direction of development away from technological progress. At the center of this change has been the policy, introduced during 1939-1946, by Bertrand Russell, of developing weapons for the purpose of conducting "preventive nuclear wars" which were intended to induce nations to surrender to Russell's and H.G. Wells' schemes for "world government."*

During the mid-1950s, the U.S.A.'s greatest living general officer of that time, General of the Armies Douglas MacArthur, produced a remarkable testament on the issue of future war: *A Soldier Speaks: Public Papers and Speeches of General of the Army Douglas MacArthur*. He emphasized then, as do many of us in the U.S.A. and Europe still today, that the technology of warfare, especially nuclear warfare, has changed to the point that wars among principal powers and coalitions have developed such an accelerated capacity for general destruction, that great wars as we have experienced them in the past, are no longer tolerable. Yet, it should be added, that the greatest danger from war has come chiefly

from pacifists such as that Bertrand Russell who crafted the 1940s utopian doctrine of “world government through the terror of preventive nuclear warfare.”

On the other side, the fear of nuclear warfare, especially since the events of 1962, has been expressed as a fiercely irrational, lemming-like panic, a Dionysian (Aquarian) panic against scientific and technological progress. The development of computer and related technologies have been useful; however, a cult of “information theory,” concocted by such radically positivist devotees of Bertrand Russell as Norbert Wiener and John von Neumann, has been used to undermine the former commitment to technological progress in production and in development of basic economic infrastructure. The argument for such opposition to technological progress, has been to the effect that the advent of the nuclear age has shown that the process of application of newly discovered physical principles must be checked, even reversed. For those sharing that hostility to scientific progress, only new mathematical rearrangements of existing principles of technology should be tolerated, as by “information technology.” In net effect, the 1966-2003 trend has been a turning toward backwardness and spreading misery of peoples.

Yet, that post-1964 trend of change in the thinking of globally extended European culture taken into account, we have the following threatening situation. With the stated, implicitly Synarchist U.S. doctrine which the neo-conservative accomplices of Vice-President Cheney inserted into President George W. Bush, Jr.’s January 2002 State of the Union address, and since the launching of the U.S. war against Iraq in furtherance of the policy delivered in that address, the world is careening toward precisely the kind of awful military folly against which General MacArthur warned.

There is an alternative to such an awful threatened outcome. There is an alternative to the fatal utopian follies of impulses in the direction of replacing the sovereign nation-state with some approximation of “world government.” That has been my continuing concern over decades. It is my immediate concern expressed in the accompanying report.

## **The European Origins of the U.S.A.**

On that account, today, we must remember, and understand the purpose of Europe in its long struggle to establish sovereign nation-states. That purpose was to free Europe, and the churches, from a Romantic tyranny of imperial, brutishly utopian ultramontanist. We must not be so foolish as to give up that hard-won accomplishment of post-Fourteenth-Century introduction of modern European civilization based upon the adoption of perfectly sovereign nation-states, a modern Europe expressed by the great ecumenical Council of Florence and the establishment of perfectly sovereign, pioneering forms of nation-state republics in Louis XI’s France and Henry VII’s England.

That is the form of republic, sometimes called a “commonwealth,” which is committed constitutionally to those great principles echoed in the Preamble of the U.S. Federal

Constitution: the obligation of self-government to be ruled by efficient devotion to the three great principles of *sovereignty*, *the general welfare*, and *posterity*. This set of principles must be seen today as principles traced from the ecumenical spirit of the Fifteenth-Century Golden Renaissance, and from that 1648 Treaty of Westphalia’s principle, of “the advantage of the other.” which ended the savagery of nearly a century and a half of religious warfare among nations and peoples of Europe.

Respecting those European origins of the U.S.A. relevant to this report, the content of the following summary must be taken into account.

The Fifteenth- and Sixteenth-Century development of Europe’s transoceanic exploration and settlements, was set into motion by Cardinal Nicholas of Cusa’s initiative for Transatlantic and Indian Ocean voyages of exploration. The 1492 voyage of Columbus, for example, was the result of a project developed by Cusa’s associates, a project based upon inclusion of ancient knowledge, as from astronomical measurements by Eratosthenes, of the circumference of the Earth. The Habsburg accession to the recently established throne of Spain, was the pivotal feature of a wave of reactionary wars, chiefly religious warfare, organized by Venice, and spread throughout Europe. This state of affairs, and its sequels, in Europe, was the most important factor in the extensive colonization of regions of North, Central, and South America. The Seventeenth-Century Massachusetts Bay Colony under the leadership of the Winthrops and Mathers, followed by William Penn’s Pennsylvania, is the most relevant typification of that process.

The roles of Jules Cardinal Mazarin and his collaborator Jean-Baptiste Colbert, toward ending the 1618-1648 Thirty Years War in Central Europe and launching a post-1648 upsurge of science and economy, produced the circumstances under which it became possible for European civilization to enjoy the development and influence of Gottfried Leibniz, the greatest philosopher, scientist, and political economist of his adult life-time. The revival of the influence of Leibniz and of J.S. Bach, during the second half of the Eighteenth Century, produced the Transatlantic conspiracy centered around Benjamin Franklin, which created the U.S.A., and the authorship of the U.S. 1776 Declaration of Independence and the 1787-1789 Federal Constitution.

Leonardo da Vinci, the avowed follower of Cardinal Nicholas of Cusa, and the Kepler who was the avowed follower of both Cusa and Leonardo, are the foundations of all the crucial development of modern science by Leibniz and his immediate collaborators. The great European Classical Humanist renaissance of the second half of the Eighteenth Century, notably that around the circles of Abraham Kästner, Gotthold Lessing, Moses Mendelssohn, et al., was the European basis for the development of both Franklin’s leadership and the mobilization of European support for the cause of American independence. It was this tradition, and these circles which crafted the intention for the design of the U.S.

republic; it is those principles, so introduced there, which express the unfulfilled intention for the design of the sovereign republics of Europe, still for today.

Against that background, the necessity for the strictly defined form of sovereign nation-state, free from encumbrances of the utopian delusions of world government, or the like, defines the U.S.'s own constitutional notion of perfect sovereignty as the only kind of institution consistent with individual human freedom. The crucial proof of this point, may be summed up as follows.

The principle of Classical humanist art and politics, is the principle of artistic irony, as employed in great Classical composition and performance of drama, poetry, music, and also the plastic arts. This principle, as made most transparent by Classical humanist conceptions of science and art, and the related development of literate forms of language, defines the meaning and necessity for the sovereign nation-state.

The meaning of civilized speech can not be found in dictionaries, but only intended meanings which lie between the cracks of contrary significances in explicit utterances. On this account, Classical art differs fundamentally from its putative rivals, in respect to the most essential kind of social function of this rigorous Socratic principle of ambiguity essential to literate communication of ideas. Literal meanings point typically to sense-perceptions; Classical irony points, as do discovered universal physical principles, to meanings whose ref-

erents lie between the cracks of sense-perception.

The legacy of ironies embedded in the use of language and art by a people, is the means by which discoveries of principles are shared among that people. Stripped of the national idiosyncrasies of irony embedded in those languages, the individual has no ready means for deliberating upon the principles which his or her society must adopt. Stripped of that feature of a national culture, the individual has no meaningful freedom to determine the policies of his or her society in a rational way. Hence, as under the ancient Roman empire, or medieval European ultramontaniam, any form of world government degrades the people of the world to a state of relatively bestiality, to the virtual status of human cattle. World government in any form, is dictatorship by beasts over men and women herded or hunted as cattle are. Without this role of a sovereign form of a language being developed according to the Classical principles of irony toward which I have pointed, no people could actually understand the culture of their own nation, or that of any other.

On this account, we, as the sovereign nation-states of Europe and the Americas, the principal heirs of European civilization since ancient Greece, must never give up the principle of national sovereignty; but, at the same time, we must now establish new forms of cooperation, not against states of other traditions than our own, but in that quality of principled cooperation with them which the 1648 Treaty of Westphalia defined.

To that end, our goal must be the establishment of a true community of principle among sovereign nation-states. The principle which unites these states to common end, must be the same; but the means by which the pursuit of that purpose must be ordered, must express the principle of irony by means of which a language may be used to establish both a people's knowledge of a principle and the efficient utilization of that principle under the circumstances at hand.

To this end, we heirs of modern European civilization must act, first, to settle certain historical, philosophical accounts among ourselves. We must finally secure the victory of Solon over Lycurgus within European culture; we must establish afresh the commitment to sovereign government among nations, and relations among peoples consistent with the principle of the absolute distinction of man from beast. Settling that account now, restoring that commitment among ourselves now, is the precondition for the quality of broader, global cooperation needed to secure, quickly, a reasonable assurance of durable global peace for the present and future. The report to which this note is attached, is presented as such a proposed policy proffered by one among the presently leading candidates for the 2004 U.S. Presidential election. My mission is to lead the development of relations among peoples to the shores of a new arrangement among nations, the world community of respectively sovereign nation-states which was already implicit in the stated intentions of Franklin Roosevelt for a de-colonized post-war world.