

# The moral-philosophical foundations of national economy

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In view of the global economic depression and the advanced state of disintegration of the world financial system, a debate has been going on for some time in certain circles of the establishment, which has come out into public view only occasionally here and there, about the kind of world order that is to be established after the collapse of the system.

A number of articles have appeared, mostly in the British press, claiming that the social and welfare state, as it was developed in the course of the twentieth century, could no longer be financed in the future. Instead, one needed Hitler-style fascist dictatorships, or changes of society according to the "Asian model." Lord Rees-Mogg wrote in the *London Times*, that in the future "information society," all necessary knowledge could be produced by 5% of the population, and therefore, universal education for 95% of the population was no longer profitable.

In addition: After the collapse of the Soviet Union and the dissolution of the postwar Yalta order with its division of the world into blocs, there has been an effort—begun by Margaret Thatcher with the organization of "Desert Storm" and lasting to the present day—to transform the apparatus of the United Nations Organization into a de facto world government. Today, the UNO is not far from representing a new empire, with the World Bank and the International Monetary Fund as "pro-consuls," who try to maintain the bankrupt financial system with draconian measures, brutally disregarding the national sovereignty of the governments in question.

The present collapse, of which the dissolution of the Soviet Union was merely one phase, can be compared with the collapse of former "dynasties"; however, this time, for the first time in the history of mankind, this process is unfolding globally, and concerns all regions of the world, due to the close interconnectedness of the planet through communications, means of transportation, and economic relations.

## The oligarchical model

The conflict, which now comes into the open, is the irreconcilable antagonism between the sovereign nation-

state, as it has developed in European civilization since the fifteenth century; and the older forms of "empire," as have been known from the early cultures of Mesopotamia. This "Babylonian model"—also known as the "oligarchical model"—has influenced the history of European civilization to the present day. The Persian Empire, the Roman Empire, Byzantium, the Holy Roman Empire, the Hapsburg Empire, the Czarist Empire, Portugal, the Netherlands, the British Empire, the France of Napoleon Bonaparte and Napoleon III, or the British Commonwealth of today, are all representatives of the "oligarchical model," which goes back to Babylon.

This imperial model had two variants: There was either a dominating landed aristocracy, or, as in the case of ancient Tyre, of the city-state of Venice, or Britain, for example, an urban-based financial oligarchy exerted control. In all these systems, a small, oligarchical power elite ruled over the absolute majority of the population, which was consciously kept in backwardness. Each time, a number of families played leading roles, and secured their privileges through usurious interest and other means of parasitical looting.

In his essay "The Legislation of Lycurgus and Solon," Friedrich Schiller describes Sparta, a city form of the oligarchical model, whose efficient form of organization of the state appears to be very attractive at first. Upon closer investigation, it turns out that everything is sacrificed to the state, while the individual is of no value; the ruling elite may even kill the Helots, whenever it wishes to do so.

## From Solon to the Renaissance

Schiller contrasts this oligarchical model of Sparta to the state order in Athens, where the wise Solon shaped law in such a way, that everything that happens in the state serves the real purpose of humanity—a purpose he defines as nothing less than "progress." In other writings, Schiller describes his ideal of mankind: Man fulfills his potential, only if he can develop all talents and capacities within him to the utmost, and he who does so in a perfect way, is the genius.

Even though in European history, Christianity established the equality of all men before God, as established by natural law, and the likeness of each man to God in his creative reason was understood, it took a long time before these ideas became

operative politically.

Apart from the important stages of development in the Carolingian Renaissance and the spreading of city universities in the twelfth century, 95% of the population was held de facto in a state of slavery, serfdom, or bondage, cut off from any education, until the Italian Renaissance of the fifteenth century.

With the Renaissance image of man and the reforms of Louis XI in France, the modern sovereign nation-state came into being; the republican representative system for the first time enabled the individual to participate in government. This had become possible, because several teaching orders, above all, the Brothers of the Common Life, had introduced a revolution in the method of education, integrating a growing part of the population, including orphans and boys from poor families, into the intelligentsia.

This classical-humanist form of education was no longer the mere learning of dogmatic propositions established by the authorities; rather, it revived the Platonic principle of revolutionary discovery. Through the manuscripts of different thinkers, it mediated the individual qualitative progress of knowledge. By thus reproducing in their own minds the discovery of new principles, the students were able to truly understand knowledge, and to recognize the process of progress as the primary fact.

This form of universal education, which mediated the Platonic method of hypothesis formation, produced geniuses such as Thomas à Kempis, Nicolaus Cusanus, Louis XI, Hieronymus Bosch, or Erasmus of Rotterdam. Nicolaus Cusanus, who must be acknowledged as the conceptual founder of the nation-state and of modern natural sciences, established a new ideal of education, that every human being should know the entirety of knowledge produced by humanity up to that point, at least in its fundamental aspects, in order to be able to define the next necessary steps in research. Nicolaus emphasized, that in such a way the entire evolution of the universe would be reproduced in the mind of every individual.

For Nicolaus, the correspondence of the lawfulness of the macrocosm—the physical universe—and the microcosm—creative reason—meant that the cognitive processes in the material world were efficient. If the hypothesis formulated by the human mind is adequate, it will lead to the discovery of a valid new physical principle. The resulting scientific and technological progress increases the efficiency of man's control over nature, leading to an increase of productivity per capita and per kilometer of land area on the planet.

The access of a larger part of society to universal education after the fifteenth century resulted in a visible change of the demographic characteristics. The population potential had, until then, been only 300 million men for the entire planet; the demographical curve has, since then, developed hyperbolically to the present population potential of approximately 5.2 billion men on Earth.

While the ideas of Nicolaus Cusanus and the Italian Renaissance, which culminated in the Council of Florence, created the conceptual framework for this breakthrough of humanity, Louis XI in France established the first modern nation-state in this period. Its characteristic was, that it was no longer the power interests of a small oligarchical elite which shaped the foundations of politics, but rather the common good of the state. This orientation to the common good demanded that the state be committed to scientific and technological progress, since this, when applied to manufacture and agriculture, would lead to an increase of the productivity of the labor force and thus to an increase of the wealth of society.

### **Universal education**

During the reign of Louis XI, which lasted from 1461 to 1483, the national income of France and the living standard of the population doubled. Even if the number of youth enjoying a classical humanist education, was only a small fraction of the population, which lived under conditions of serfdom, with the success of the method of Peter Abelard at the universities of Paris, and the manifold efforts of the Brothers of the Common Life, the "class barrier," which had strictly separated the nobility from 95% of the population, had been broken. A growing percentage of poor children, children of craftsmen and peasants, was gradually integrated into the city-based intelligentsia.

This commitment to universal education of the population represents the most important aspect of the modern nation-state. With it comes the shaping of social institutions, which enable the highest possible participation of the population in cultural, scientific, and technological progress in the labor process and other areas of life. Furthermore, the state must not only define the common good for the present population, but also for the coming generations of mankind as a whole, whose interest must never stand in opposition to the interest of the nation-state.

These principles, which for the first time lifted the serfs to the state of citizenship, allowing them to participate through education in the achievements of progress, and which founded the state on the community of its population rather than on the authority of the oligarchical elite, constitute the decisive characteristics distinguishing the France of Louis XI from all previous forms of society. This principle of statecraft, to make universal Classical humanistic education possible for all, is also the fundamental difference between a republican and an oligarchical society.

Contrary to the false assumptions of the free market, which say the possession of raw materials, or the right to "buy cheap, sell dear," usury, and speculation, are the sources of social wealth, wealth is actually created by the creative reason of the individual, and his capacity for creative discovery. If new scientific discoveries are introduced into the productive

process as new technologies, this leads to an increase of the productivity of labor, generating greater wealth.

### **The essential role of the nation-state**

In opposition to an empire, in which an oligarchical elite tries to make the greatest profit by extracting the maximum from a population kept in backwardness and poverty, the sovereign nation-state has a totally different interest. A state organized as a republic will do everything possible to ensure that all its inhabitants will be citizens, which means that they represent the interests of the state as a whole, and are so educated, in a universal manner, that each can undertake any task in the state.

How might the condition be achieved, that each citizen were self-motivated to take responsibility for the entire state, and ultimately, for mankind? The answer to this question leads to the key point, why the sovereign nation-state is essential to the successful, continued existence of humanity.

As Nicolaus Cusanus first laid out, the republican national state—which is based on the representative system, not on a pure democracy—is the only form in which the individual can participate in self-government. Therefore, this is the only way in which the freedom of the individual, inalienable and rooted in natural law, could be realized.

Between the government and the governed, stand the elected representatives, who are in a legal relationship to both. They must represent the rights of the individual in relation to the state, so that these individuals can develop their abilities to the utmost. On the other hand, they mediate for the state, such that each citizen can support the common good of the state to the best of his ability. As these representatives are accountable to the citizens and must stand for election, this is the only way that the individual can effectively participate in the government. Friedrich Schiller described this as the “greatest possible unfolding of the individual, as the state is in fullest bloom.”

The lack of accountability, is the main reason why any supranational government or institution, will ultimately lead to oligarchical rule by a small power elite. The examples of the United Nations Organization and its supra-organizations, the International Monetary Fund and the World Bank, or the European Commission in Brussels, demonstrate that the ability of the citizen to influence the government, *de facto*, disappears, if policies are decided by bodies which are no longer at all accountable. It is always a symptom of the oligarchical system of rule—whether it be in the communist East or the capitalist West—that the majority of citizens are unable to assume self-motivated responsibility, but are committed only to their selfish interests.

### **The von Humboldt educational program**

It was Wilhelm von Humboldt, the author of the best example of universal education, who demonstrated how re-

sponsible citizens can be developed. In his different curricula, he argued against the “practical” education which was common in his time, as well as against the training of “experts.” Von Humboldt rejected the exaggerated evaluation of specialization, as counter-productive to the development of the state and detrimental to the character of the individual.

Wilhelm von Humboldt insisted, that children and youth would develop into true citizens only if their education were not special knowledge in itself, but the universal development of their character. He even went a step further, in demanding that man’s “beauty of character” be the essential goal of education.

Humboldt cast the human ideal of his friend Friedrich Schiller, the ideal of the beautiful soul, in the form of an educational program. He insisted that certain areas of knowledge were absolutely essential, if the character of the scholar were to be formed and to blossom.

The foundation of such a humanist education, must be the imparting of mankind’s universal history, because only an individual who realizes his identity in this historical process, perceives the responsibility which emerges for him out of the countless contributions and strivings of all generations leading mankind to that state of development. Only an individual who understands this, can know and decide how his own talents can best be used to achieve something durable for future generations. The mediation of universal history, as understood by Schiller, means primarily the development of the history of ideas which contributed to man’s progress.

The next important foundation of universal education, is the mastery of one’s own literate language, which means, above all, the study of the greatest Classical works, both drama and poetry. In Classical tragedy, the audience can observe whether the hero succeeds in finding a solution on a higher level, to prevent a tragic outcome, or fails to meet the challenge. The audience “sees,” as it were, the method of hypothesis-formation played out on the stage. In a Classical poem, the content is never located on the literal, prosaic level. Rather, the composition as a whole contains a metaphor—a meaning—which goes beyond what is said directly. In both cases, the composition addresses that level of the intellect which is capable of grasping that the pathway of human progress passes through absolute discontinuities; that is, points of absolute separation between one set of basic assumptions, connected to a given domain of experience, and another, different set of assumptions. That is why the experience of metaphor in Classical poetry involves the same level of reason which is responsible for revolutionary discoveries in science. For Humboldt, therefore, re-experiencing the most important moments of discovery in natural science, is not only the way man reaches any given stage of knowledge of the laws of the universe—and thereby realizes a natural relationship of man to nature—but, it is, at the same time, the method by which the student, in the process of re-experi-

encing hypothesis-formation in his own mind, masters the method of hypothesis itself.

Humboldt's educational method also includes mastering a highly developed classical language (Sanskrit or Greek), because the student thereby becomes self-conscious of his own language, and learns to think about language as the geometry of thought. Learning one or more foreign languages is just as necessary for learning to think as a world citizen, as geography. Humanist education also includes music, sculpture and painting, and sports.

### Schiller's 'beautiful soul'

Once the student has gone through all these disciplines, and has been inspired by the original research of the teacher, then the preconditions for character development, which Schiller called the "beautiful soul," have been reached. But a beautiful soul is not just a person for whom necessity and desire coincide—who, in other words, has developed his emotions to the point that he can always be sure they agree with reason. This "beautiful soul" is, in reality, a genius, whose creative reason, knowing and respecting the laws of the universe, is constantly discovering new degrees of freedom.

If the sovereign nation-state wants to develop the creative

capacities of its citizens to the highest possible degree, education must be oriented to these ideals. If the present process of collapse is not to plunge us into a new dark age and global chaos, we must study how mankind succeeded in overcoming previous crises. So, for example, the catastrophe of the fourteenth century was overcome through the spread of universal education and the revival of the Greek classics, leading finally to the Golden Renaissance of the fifteenth century. If today we want to finally free our planet from the evil of oligarchical dictatorship, then we must create a community of nations, an entente of sovereign republics, which strive together for their best possible, mutual development.

In that case, our common universal history will emphasize those periods in which each culture made its greatest contributions to the progress of humanity. This would include, for example, the tradition of Confucius and the Sung dynasty, as well as the period of the Vedic hymns and the Gupta period, the Arab and Andalusian Renaissance, the Italian Renaissance, the tradition of Leibniz, Pushkin, and Schiller, and the civil rights movement in the United States. Once mankind succeeds in overcoming the childhood disease of oligarchism, the citizens of the sovereign nation-states will become world citizens as well.

## For further reading

The Summer 1996 issue of the Schiller Institute's quarterly journal, *Fidelio: Journal of Poetry, Science, and Statecraft*, contains several articles on subjects raised by Helga Zepp LaRouche in this paper.

In "The Classical Curriculum of Wilhelm von Humboldt," Marianna Wertz analyzes Humboldt's reform of the Prussian school system, which produced the best-educated citizenry the world has ever known.

Zepp LaRouche contributes a discussion of "Peter Abelard: Discoverer of Individuality in the Feudal Age." "I would even go so far," she writes, "as to call Abelard a predecessor of Friedrich Schiller and the idea of the beautiful soul, because he was developing a criterion for the judgment of morality, which comes very close to that of Schiller." Accompanying her article is a translation of Abelard's "Dialogue Among a Philosopher, a Jew, and a Christian" (1136-39).

*Fidelio* features works about Schiller on a regular basis. See also the Schiller Institute's three-volume set of translations of Schiller's works. Contact the Schiller Institute, Inc., P.O. Box 20244, Washington, D.C. 20041-0244. Subscriptions are \$20 for four issues in the United States; \$40 airmail overseas.



Wilhelm von Humboldt (1767-1835), author of the best program for universal education ever devised. Humboldt saw the cultivation of man's "beauty of character," in the Schillerian sense, as the essential goal of education.