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## The Rebirth of the U.S. In the New Silk Road





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# The Rebirth of the U.S. In the New Silk Road

## EDITORIAL

HELGA ZEPP-LAROUCHE

# Most People Are Still Unaware that We're at a Crossroads of Human History

*Oct. 6—Helga Zepp-LaRouche, the founder of the International Schiller Institutes, began a weekly series of international webcasts on Oct. 5, at noon U.S. Eastern Daylight Time. See <http://new-paradigm.schillerinstitute.com/blog/2017/10/05/webcast-helga-zepp-larouche-october-5th-2017/>. The transcript of this English-language webcast has been edited, and a title and sub-heads have been added.*



*Helga Zepp-LaRouche, Oct. 5, 2017.*

LPAC TV

**Harley Schlanger:** Hello, I'm Harley Schlanger from the Schiller Institute, and I'm very excited to welcome you today to the first of what will be a weekly webcast, to bring to you a full picture of the strategic situation, as well as what can be done to ensure that the situation moves in the right direction.

The world is a very dangerous place right now, as most of you know. And I'm sure you also are aware of the fact that you cannot trust most of what you read in the mainstream media or see on television.

The speaker today and for the next weeks ahead, is Mrs. Helga Zepp-LaRouche. She's the founder of the Schiller Institute and the chairwoman of the German Schiller Institute, and has been at the center of introducing a new dynamic which is known as the New Silk Road or the Belt and Road Initiative (BRI). She's played a role internationally to bringing this to the fore, in spite of the fact that there has been an almost total blackout of the developments that are quite significant in shaping the future of us all.

Now, we're going to hear from Mrs. LaRouche, who will bring us up to date on the developments around the New Silk Road, and also the strategic situation. Helga?

**Helga Zepp-LaRouche:** Yes, hello. We are at a crossroads of human history, much more so than most people are aware of, because right now two totally opposite dynamics exist in the world: One is what we know from the United States and European nations: You have a collapsing paradigm. You have a society which is clearly not functioning, as expressed by many symptoms, such as the Brexit, the election loss of Hillary Clinton, the recent vote in Italy against the change in the Constitution, the German election, which is dramatic, and now the Catalonia referendum—these are all symptoms that something is fundamentally wrong. The effort by the neocons to establish a unipolar world after the collapse of the Soviet Union, and the neoliberal policies which have shattered the livelihoods of many millions of people, have led to an ongoing revolt against this very system.

If you look at all of these different cases I just mentioned, they have one thing in common: the gap between rich and poor is widening, such that those people who are not profiting from this neoliberal paradigm don't see a future any more. They feel despair instead; they don't feel represented through the establishments of their respective countries. So this part of the world is in deep trouble.



But, the opposite dynamic is the growing number of nations which are working together with China on the New Silk Road. The New Silk Road is a very exciting prospective. Most people know that the ancient Silk Road, which existed 2,000 years ago, during the Han Dynasty, brought enormous development to the populations of all the countries which participated in this ancient Silk Road—not only porcelain, and silk, and book printing, but technologies enabling higher productivity of these countries' populations.

Four years ago, President Xi Jinping of China announced that the policy of China henceforth would be the establishment of a New Silk Road. In the four years since then, more than 110 nations have begun collaborating in one form or another with this concept. It has led to an enormous explosion of productivity and development. China in particular, in the last 30 years, created the Chinese economic miracle, the most impressive economic miracle which has ever taken place in history. China, with its New Silk Road policy, has now offered that kind of development to all other nations.

This has completely changed the framework for the nations of the world, because, for the first time, developing countries in particular, have access to credit. China and the BRICS countries, which are working closely with the New Silk Road conception, have established a big number of new and different credit institutions: the Asian Infrastructure Investment Bank; the New Development Bank, the New Silk Road Fund, the Maritime Silk Road Fund, and many others. China has now given credit for concrete development projects for Latin American countries, for Asian countries, even some for European countries, and also, especially, for Africa.

As a result, right now a completely new spirit exists. It's called the "New Silk Road Spirit": It's the idea that nations, for the first time, can hope to overcome under-



*Nigel Farage of UKIP was anti-EU.*

cc/David Holt



Xinhua/Yin Bogu

*Losing candidate Hillary Clinton.*



courtesy of James Rea

*German Chancellor Angela Merkel.*



Xinhua

*Demonstration rejecting referendum in Italy.*

development, to overcome poverty—China is committed to alleviate all poverty in China by the year 2020, and China already has fewer poor people than the United States, namely 42 million, as against 43 million officially in the United States. China is also committed to eliminating poverty on a global scale, in collaboration with the rest of the developing countries.

This is a very exciting perspective, and what we are trying to do, with the activities of the Schiller Institutes, is to make people aware of this alternative. It is our explicit aim to win over even the United States to work with China, with Russia, with India, and with other leading countries of the so-called "developing sector," to establish a completely new paradigm as proposed by Xi Jinping, in which countries would cease to have geopolitical confrontations, and instead work together with a win-win perspective of mutual benefit.

This perspective is now taking place. In response, the people who represent the old paradigm—the neocons, the neoliberals—are absolutely freaked out about the success of the New Silk Road: They are in the process of launching one attack after the other, accusing

China of doing the same thing that Anglo-American imperialism, or other colonialists did before.

We, however, want to analyze in depth of what's happening, and as weeks pass by, we want to explain why what is happening with the New Silk Road is really a completely new model of international relations, and it is not a repetition of what existed in the past.

So therefore, I'm very happy to have this discussion with you, and you should send in questions and participate in this discussion, and help to spread the news everywhere.

**Schlanger:** Helga, you attended the May 14-15, 2017, Belt and Road Forum in Beijing. Over 100 nations were there. Just describe a little bit, the sense of optimism that you experienced there.

**Zepp-LaRouche:** I was privileged to be one of approximately 2,000 delegates from 110 countries which attended. There were 29 world leaders who spoke: First, President Xi Jinping of China, then President Putin of Russia, President Erdogan of Turkey, Antonio Guterres, the Secretary General of the United Nations, in addition to many others. And listening to these speakers, it was really clear to many delegates I spoke with afterwards, that we were participating in the formation of a new world economic order, and the beginning of a new era of civilization.

In a certain sense, people understand that if you stick to geopolitics, if you stick to the idea that one nation has the right to fight for its interests against other nations, or go as far as escalating to open warfare in the worst case, or if a group of nations defends their so-called geopolitical interests against another group of nations, or try to maintain a unipolar world, that, in this era of thermonuclear weapons would potentially lead to the destruction of civilization.

Therefore, for people who participated in this summit, it was not only the idea that the new policy approach will bring economic benefits to all participating countries, but that a new form of thinking, first about mankind, and then thinking about national interest, is absolutely necessary. President Xi Jinping has expressed that many times by saying, "We are a community of a shared future, of a shared destiny of mankind."



Schiller Institute/Stefan Tolkstdorf

*Helga Zepp-LaRouche (second from left, first row) at the Belt and Road Forum in Beijing, May 14-15: "We were participating in the formation of a new world economic order."*

## Will Our Species be Successful?

To begin to understand what this new paradigm will make possible, we have to concentrate first on the common aims of mankind, such as earthquake prediction. The case of Mexico again underlines why the ability to predict earthquakes is absolutely crucial. Other common aims of mankind include: overcoming poverty, developing energy and raw materials security, and developing joint space research and travel.

There are so many exciting tasks, which, in the final analysis, will determine if our human species will be successful and maintain adequate conditions for its life for the future. And that is what the new paradigm is: That we must grow up as a human species, that we absolutely have to stop having wars. We cannot have war as conflict resolution in a time of thermonuclear weapons. And that was the spirit of the New Silk Road which was very much present at the Belt and Road Forum in May in Beijing.

Attending the Forum was a very, very incredible experience. And I think all the people who participated in it—almost everybody had that feeling. There were a few exceptions, like the EU: Its representatives disagreed, saying "No, we make the rules." But that was a



minority. And most people from most countries were extremely excited that finally, an alternative to a collapsing system does exist.

**Schlanger:** And the United States was represented there by Matthew Pottinger, who was sent by President Trump. What's your view of Trump's relationship with this new paradigm, and his relationship with Xi Jinping. Is the United States about to join this? Or can the United States be brought into this?



U.S. Department of State  
*U.S. Secretary of State Rex Tillerson (second from left) meeting Sept. 30 with senior Chinese officials, preparing for President Trump's November visit to China.*

**Zepp-LaRouche:** During his election campaign, President Trump was quite famous for China-bashing, but President Trump is not what the western media describe him to be. As a matter of fact, all the people who have met with him, and who have communicated that to me or to other people from the Schiller Institute, have confirmed that he is actually quite capable of judging the situation on his own, and that he is absolutely determined to do the right thing for the American people.

Fortunately, when he met President Xi Jinping for the first time in April, in Mar-a-Lago, Florida, the two presidents hit it off really well, and developed a very positive chemistry between them.

China has extended an offer to the United States to join the Belt and Road Initiative, and the Schiller Institute has been leading a campaign since 2015, for China to invest in infrastructure development in the United States. China has \$1.4 trillion worth of U.S. Treasury bonds, which could be put to very productive use in the United States if China were allowed to invest in building the absolutely urgent infrastructure requirements in the United States. In addition, American firms could invest in the many projects along the Belt and Road, projects along the new Maritime Silk Road, and the New Silk Road.

As a result, the possibility of a very positive perspective exists between the two countries. And I'm quite optimistic that when President Trump makes his state visit to China in November this year, in the context of a larger Asia trip, that there is a good possibility that these opportunities for mutual investments in each leader's country will come up, and that some more

formal arrangements on this mutual development front could be made between the United States and China.

I think the improvement of relations between these two nations, which are the two largest economies in the world, if they can find a way to work together, along with a successful improvement of relations between the United States and Russia, could lead to the three largest and most important nations of the world—the United States, China, and Russia—finding a way to cooperate. Who could be against that? And who would want to be against it? I think that that is within reach, and all people who love peace should help to bring the knowledge about this New Silk Road conception, because that is the only workable perspective for this to happen.

**Schlanger:** We're told daily in the trans-Atlantic media that the issue of the so-called Russia-gate controversy is Russian meddling in the U.S. elections and Trump's collusion with Putin. But you said that it has much more to do with what you were just discussing, the potential for the United States to break out of the old geopolitical paradigm, the unipolar world. How do you see this process developing now?

**Zepp-LaRouche:** Well, Russia-gate is basically out of the window, since the VIPS, the Veteran Intelligence Professionals for Sanity, these former intelligence officials of the United States, have proven that there was no Russia hacking. See: [https://www.larouchepub.com/other/2017/4430\\_vips\\_expose\\_rus-gate.html](https://www.larouchepub.com/other/2017/4430_vips_expose_rus-gate.html)

The whole reason for Russia-gate and other scandalizing of President Trump, is exactly that he repre-

sents the potential of improving the U.S. relationship with Russia and China. And from the standpoint of the old empire, what we generally call the British empire—it's not the British people, it's the unipolar world faction which emerged after the collapse of the Soviet Union. They are horrified about the U.S. relationship with Russia and China!

The whole game-plan of the British empire—with the specification that it's not the British people—this construct of central banks, of investment banks, of hedge funds, of insurance companies, the whole financial structure which has emerged basically in the trans-Atlantic world—their whole game has always been to manipulate, to divide and conquer, to play one against the other, and to create wars. If you look at the efforts of the unipolar faction—which we have now found out is not identical with the U.S. President, but does exist in Great Britain, and it exists in other parts of Europe—the way they have tried to impose a unipolar world in the postwar period was through policies of regime-change, color revolution, or even wars based on lies as we have seen in the Middle East.

That empire policy is about to be overtaken by the new dynamic which I just described. They are frantically trying to prevent Trump from having China work with the United States, and right now, there is a huge campaign of anti-Chinese propaganda. *The Economist* of the City of London, in the last week of September, had on their cover story, a mean-looking panda bear, saying basically that China has plans to take over the world. Then you had other reports: Fox TV basically described a certain woman, Anne Pierce from the Churchill Society, who described quite well what China is doing: Building all this infrastructure, and railroad building, for example. She made the outrageous statement that even the Confucius Institutes are trying to portray a positive image about Chinese culture! Can you imagine such a thing?

They're on a rampage, trying to poison the minds of people against this new perspective, especially because the possibility that President Trump would move in this direction is extremely high.

I'm optimistic that the New Silk Road dynamic cannot be stopped. It is moving in Africa—we should talk about that separately; it is even in Eastern Europe, Central Europe, the Balkan countries, the southern European states. They are all getting onboard—Switzerland, Austria, they all want to be hubs of the New Silk Road. So I don't think this dynamic can be stopped,

except, for the fact that there is the danger still of conflict-creation and manipulation. I think the good people of this world would want nothing better than to move the world onto a safer plane, onto a higher level of reason, where people and nations can work together for the common good of all.

**Schlanger:** Helga, I think one of the other things that most people don't realize, is that those who have been calling the shots, the unipolar people, the regime-changers and others, are very weak right now because of the collapsing financial system. And something that was said by President Trump, just in the last 36 hours, probably sent tremors through Wall Street, when he said that Puerto Rico should just wipe out its debt.

Talk a little about this financial crisis, because this underlies the whole danger to the trans-Atlantic elites, and also is partly opening the door for this new paradigm,

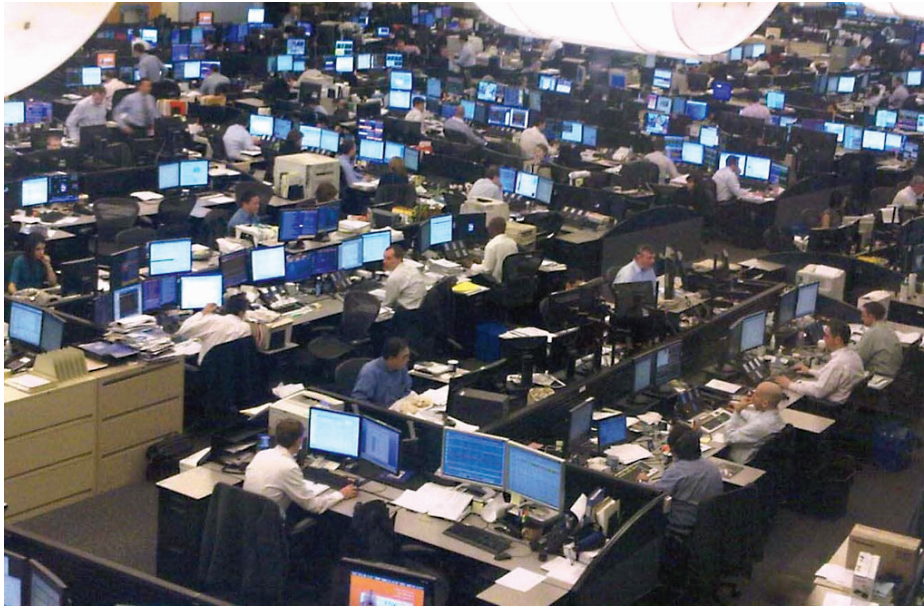
**Zepp-LaRouche:** If you really look at the economic parameters of Europe and the United States, you can see that the trans-Atlantic financial system is collapsing. The growth rates in China have been approximately 7.2% average over the last five years, and before that, they were even higher. In the global economy, the average was only 2.5%; but there was stagnation or even downward development in the United States and Europe. For example, the life expectancy in the United States is going down! If you ever have seen an economic parameter which tells you what the directionality is, it is the fact that people have a shorter lifespan.

Now, there have been warnings by many people—even the Adam Smith Institute in London or the former Economic Minister of Italy, Giulio Tremonti—who all agree with us that the next financial blowout is due in a very short period of time, basically because the central banks have done absolutely nothing to remedy the causes which led to the 2007-2008 crisis.

The quantitative easing, which the ECB just announced that they want to continue for the next several years, amounted to putting out a lot of liquidity, which increased the debt—the debt of states, the debt of firms, the debt of car buyers—and now you have a situation such that if you move away from the zero or even negative interest rate policy, you risk a collapse of many firms.

Even the IMF has said that if you only raise interest rates a little bit, 20% of all corporations in the United





and then you have to have a crash program to increase the productivity of the economy.

China is doing that already, but the trans-Atlantic world also urgently needs to carry out these kinds of reforms, if we are to survive the present situation.

**Schlanger:** In talking about the crisis and the dynamic for change, one of the things that's obvious is that across all of the West, there's an anger at the elites, anger at the political parties, and that's what you have referenced with the case in Germany. Now we have this somewhat strange case of the separatist referendum in Catalonia. Is this part of the same dynamic,

of the rejection of the existing establishment?

**Zepp-LaRouche:** Yes, absolutely. You can say that the Catalonia vote is a result of the austerity policy which was imposed on Spain. First naturally, Spain, was hit by the financial crisis of 2008, but then, especially the austerity policy of the Troika—of the ECB, the European Commission, and the IMF—which has increased unemployment, which still averages 18%, despite small improvements, including almost 50-60% youth unemployment. And these figures are still not really true, because you have an enormous brain drain of young people and skilled labor leaving Spain. So the actual unemployment, if you counted the people who left the country, would still be much higher.

### The Undoing of German Unification

And the same condition exists in Greece, in Portugal, and in Italy. And let me just say one more word about the German situation: Because this Sept. 24 election showed the worst result for the CDU/CSU party of Angela Merkel since the Second World War, and the worst result for the Social Democracy since Bismarck, is really an earthquake! But what is even more incredible is that you have a complete divide between the East and West of Germany, because in the East, the vote for the so-called Alternative for Germany (AfD) was so large—not just because it was triggered by the refugee

*One of the speculative trading floors of RBC Capital Markets, a global investment bank that is part of the Royal Bank of Canada.*

States would collapse. You have an Italian banking crisis, and you have a terrible situation in all of Europe because the privileges of speculators were strengthened while the austerity programs hit the poorer parts of the population. This has led to an absolutely catastrophic situation. Such things as the Brexit in Britain, or the German election result, in which a right-wing party with some *really* very ominous and dangerous racist elements within its leadership, has won the third largest position in the Parliament. In addition, in the East, in the new states of the former East Germany, it has become the second-strongest party; and in Saxony, it is the strongest party.

So these are all results of these speculation and austerity policies. And the obvious remedy? You have to do exactly what Franklin D. Roosevelt did in the '30s. When President Trump just announced that he wants to cancel the debt of Puerto Rico, which is \$72 billion, this is absolutely a step in the right direction, towards the full program of what Roosevelt did in the '30s: Glass-Steagall separation of commercial from investment banking; a new financial system, like the Reconstruction Finance Corporation; the New Deal. Then the full package of what the American economist, Lyndon LaRouche—my husband—has prescribed for several years now, has to be applied: You need a full reorganization of the American economy, and actually, the global economy—Glass-Steagall, a new credit system,



*Chinese technician trains Ethiopian maintenance crew of the new Djibouti-Addis Ababa Railway.*

crisis, which obviously was a factor—but the reason that people reacted so very strongly is that they were devastated by the reunification.

Sure, you have beautiful marketplaces, restored housing, and historic buildings there now. But, behind this façade, you have depopulation. The women left to go to the West, the young people left. You have villages which are either completely depopulated, or where only pensioners remain. There is no economic growth in many regions of eastern Germany, and it was that feeling of having been completely deprived of their life's work by the neoliberal system which was imposed on them, which was the reason why people reacted so strongly on this refugee question.

What I'm trying to explain to an international audience is that Germany, which used to be looked at as the anchor of stability of the European Union, is now in a process of chaos. Germany may not even be able to form a new government now—because the only available coalition, given the fact that the Social Democrats don't want to be part of a grand coalition with Merkel's Christian Democracy any more—would be of those parties which only won in the West, but are not represented—or only very little—in the East.

So the situation in Germany is really chaotic. As I have said many times, the phenomena of the Brexit vote in Britain, the election loss of Hillary Clinton, the “no” to the constitutional referendum in Italy, the German election, and now the Catalonia referendum—all of these things are symptoms of the same injustice, and people are reacting to this injustice; and this will

continue until the causes of this injustice are removed. And the only way to remove them, is, you *must* take up the offer of China to join the New Silk Road. Europe needs reconstruction as much as the United States, and we have to join hands to build up the economies of the Middle East, where countries have been completely destroyed by war. We have to obviously develop Africa, which China is doing in an unbelievable way. But we must get the United States and European nations to join hands, and then we can remedy all problems.

So people should really understand that we *have* to get over geopolitics. If you want to solve any problem, the New Silk Road is the way to approach it.

**Schlanger:** I think just one other thing I'd like to bring up for this program—you brought up Africa a couple of times, and the Schiller Institute has played a leading role for 30 years in promoting a program that will reverse the shrinkage of Lake Chad. And there've been some positive developments on that. Can you say something about that?

**Zepp-LaRouche:** More generally, Africa has been in a really incredible situation. There is no reason why there should be poverty in Africa, but for colonialism, and then the IMF conditionalities, which deliberately kept Africa down. If you look at John Perkins' book, *The New Confessions of an Economic Hit Man*, which is very useful to read in this context, there was never any intention to develop Africa, until China started to invest.

Now, China has, for the last several years, built several incredible projects: A railroad from Djibouti to Addis Ababa, 750 km. It is now building railroads from Kenya, all the way to Rwanda, and Uganda. It has already built industrial parks, hydropower dams, and now this project of the Transaqua—this is something we discovered in the late '80s, or beginning of the '90s, in our efforts to design development plans for Africa. It's the idea that, given the fact that Lake Chad is drying out—it has less than 10% of its original volume of water—and this affects 30 million people in the entire





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*Left to right: Mohammed Bila (Lake Chad Basin Commission), Andrea Mangano, Marcello Vichi, and Claudio Celani (EIR), discussing plans for Transaqua in the Rome Bonifica office, summer 2015.*

region.

There is an Italian firm, Bonifica, and Marcello Vichi, who is a very good engineer, which developed, together with some colleagues at the end of the '70s, the idea that some of the surplus water of the tributaries of the Congo River can be taken, approximately three percent, and this will have no negative effect at all, because otherwise this water will go into the ocean unused. Water from these tributaries will begin from an altitude of 500 meters, flow through a system of canals, and rivers integrated with canals, all the way to Lake Chad, refilling the lake.

In addition, an inland shipping system could be developed, which could benefit twelve nations. Large amounts of water would be available for agriculture. Hydropower would be available for all participating nations.

So this is really a game-changer for the entire African continent. And there is now an agreement to do a feasibility study, involving the Chinese and Italian governments. Recently some Chinese publications gave credit to the Schiller Institute for having promoted this project, because we brought about these connections between the Italian company and China. In the same way, we are now succeeding in getting the Kra Canal in Thailand and the reconstruction of Syria onto the agenda.

So all of these things are live actions. But I can assure you, that because of what China has been doing in Africa, the spirit of the Africans has completely changed: They are no longer willing to be treated as people to whom one can give sermons about “good governance,” and “human rights,” and “democracy.” But they now demand that anybody who talks to them, should talk to them as equal partners, and should make direct investments in cooperation with their governments. There is a completely new spirit—it just should not be the case that large parts of the world should live in these unbelievable conditions of poverty! It’s not a natural condition of mankind!

And this is now changing. People are optimistic, and the possibility that the African continent, in a few years, can be completely free of hunger and poverty, is absolutely on the agenda. And think about all the Afro-

Americans in the United States: They should get excited about that, because I know that they do not focus so much on Africa, as should be the case. I think this is a very, very good opportunity for Afro-Americans to get on board and fight for the implementation of the New Silk Road, not only for the United States, but to get the United States to join hands with China to develop Africa.

**Schlanger:** Well, Helga, as we discussed in setting up this weekly webcast, you wanted to bring the “spirit of the New Silk Road” as you called it, to the broadest possible audience. And I think this discussion you just had at the end on Africa, is precisely that: How the spirit can give people a sense of confidence in the ability to break the stranglehold of geopolitics on the world, and bring us to this new economic paradigm.

So I want to encourage our listeners to engage your friends, your colleagues, and others to discuss the ideas that are being presented here, and let’s use this opportunity—which may be our last opportunity—to break this power of the oligarchy, and to bring the whole world into this new economic paradigm.

Helga, I’d like to thank you for joining us today, and we’ll be back next week.

**Zepp-LaRouche:** Yes. Goodbye.

# A Tale of Two Seas: The Creation of a New World

by Michael G. Steger

Oct. 9—Were Christopher Columbus and President Trump to have a discussion on the state of European Civilization, each based on his own respective historical period, they might find at the foundation of their conclusions a shared perspective: “It is time to establish a New World!”

Such a new world for Columbus and his collaborators was not simply a new location. It was the notion of a new society, a society premised on the Renaissance discoveries in art, science, music, industrial economy, and statecraft—and the very science of discovery itself, which Nicholas of Cusa and his friends helped create. Yet, Europe, by the early part of the 16th Century was already descending back into its imperial rot, albeit this time toward the liberal Enlightenment.

One sees the same in Europe and the United States today.

The post-war European liberal system is facing political, economic, and social breakdown. Germany’s post Fall-of-the-Wall political period has now collapsed. Both leading German parties have been rejected by the former East German states for their political failure over the last 28 years! The same is true in France, and it is spreading into Spain, Italy, and England as well. The very train-tracks in Germany, which carried the industrial strength of Europe, are now collapsing, due to Germany’s own adherence to the austerity-based Maastricht treaty, the very treaty that Germany’s former Finance Minister, Wolfgang Schäuble, and others like ECB head Mario Draghi, have imposed for decades on all of Europe, with fascist results.

One might ask, “Germany? The economic engine and source of stability for all of Europe?” Yes, as with United States, the economic successes of the trans-Atlantic region—the legacies of the great Marshall Plan and the industrial recovery led by President Franklin Roosevelt—have all vanished. Even the traces of such an industrial past, such as prudent banking, a foreign policy based on national interest, and the basic cultural rejection of illicit narcotics, have been replaced

for over five decades, since the Vietnam War, by debt-driven euphoria, illegal wars, and a culture premised on necrophilia!

Christopher Columbus and his collaborators would have known well the origins of this degenerate trend in Europe and the United States. The tyrannical destruction of European Civilization’s greatest works in science, industry, and art, plus the take-down of the productive economy by the criminal banking enterprises of London—all sponsored by the oligarchical establishment of the British Crown—would not have surprised Columbus and his friends.

Such is the perpetual cause of crisis in the trans-Atlantic area, i.e., a rejection by Europe’s oligarchy of the true, underlying principles of the Florentine Renaissance, whether in 1492, or today. Nothing indicates this more than the ongoing opposition to Lyndon LaRouche’s leadership by the British and Wall Street establishments, as well as the opposition to his [Four New Laws](#) policy to save the nation from economic and cultural destruction.

## Create the New World Today

Such is the world President Trump confronted on his first overseas trip in May, first to Saudi Arabia, then to the G7 heads-of-state summit in Italy, and finally to the Cold War’s NATO headquarters in Brussels. Consider the environment President Trump encountered: a trans-Atlantic political culture dominated by a fascist coup orchestrated against him by the media—where 95% of all trans-Atlantic coverage is anti-Trump—and by British establishment types, such as legal assassin Robert Mueller, who leads the political charge to overthrow President Trump in hopes of saving this rotten neo-liberal, war-obsessed system.

Yet, the New World calls!

Nearly 60 years prior to 1492, Chinese representatives sailing for the last time with Chinese Admiral Zhang He, landed in Italy for discussions and trade with Italy’s leading scientific representatives, including Co-

## EDITORIAL



lumbus' own cartographer and leading Florentine scientist Paolo Toscanelli. President Trump's next overseas trip, in little less than a month, will be to the very nations Columbus intended his voyage to reach.

For ten days in early November, President Trump will truly experience the New World! By this, we don't mean the land area of Asia *per se*, but the area of the world now governed by a program consciously developed from the very principles of the Florentine Renaissance for which Columbus sailed—a program created by Lyndon LaRouche and his wife Helga nearly 30 years ago, and applied by China explicitly since President Xi's announcement in September 2013 which launched the New Silk Road!

In the course of this upcoming trip, President Trump will be travelling to Japan and South Korea, and then staying for two days with President Xi in China, before he goes on to Da Nang, Vietnam for a heads-of-state APEC summit with all the nations along the Pacific Ocean, including Russia. Finally, meeting in the Philippine capital of Manila, he will participate in an ASEAN-plus-six heads-of-state summit with all the nations of southeast Asia, plus India, China, Russia, Korea, and Japan.

Sixty-six nations have formally joined the Belt and Road Initiative (BRI), as the New Silk Road project is now called. This project has quickly become the dominant growth engine of the global economy. As it continues to grow, especially with United States involvement, it will soon eradicate poverty in all of Asia, Africa, and the Americas! Over the next two generations, these areas will see a rapid rise in industrial and scientific advances in both *per capita* production levels and standards of living—thus becoming the new economic centers of the world, creating a growing trans-Pacific, superceding a dying trans-Atlantic, world order.

It is for this reason that the Belt and Road has become so successful over the first four years—even Japan is now joining. While the ASEAN nations of southeast Asia are increasing their involvement, South American nations such as Bolivia and Chile have become full participating members. Most nations of central and southwest Asia, Africa, and eastern Europe are also participating, and more so every day!

Unlike the nominal leaders of Europe and the United States, where the fish rots from the talking heads, Asia's leaders are supportive of President Trump's efforts, especially those efforts to end the obscene wars of the last three decades, to stop the epidemic drug crisis, and to fill the dire need for infrastructure development. From

Presidents Putin and Xi, to Abe and Duterte, Trump will find the collaborators towards this New World that cannot be found in western Europe today.

These leaders, who will soon be in summit together over the course of many days, are entering a moment of great opportunity to unite the world in a vision of common destiny for humankind's grand development.

Perhaps just as invaluable for President Trump and his upcoming visit, this program is entirely based on the American model of economic development of Alexander Hamilton, Abraham Lincoln, and Franklin Roosevelt, i.e. large-scale infrastructure projects, advanced industry, agriculture, and trade, and a high importance placed on space exploration as well as the most advanced areas of scientific research, especially fusion energy.

To put the American model in context, this is the economic system developed by Gottfried Leibniz, the leading European scientist of the 17th Century, and Alexander Hamilton, the American genius who developed the program as a political-economic system. Both of them, as part of this historical process, consciously identified not with the cynical romanticism of the Enlightenment, but with the scientific optimism of the Florentine Renaissance! It is this system which is the very essence of Lyndon LaRouche's Four New Laws.

Americans: Ignore the incessant distractions. Mass murder events, as in Las Vegas, are not only seemingly random incidents which shock and awe the population, but are the result of the breakdown of the current trans-Atlantic system. Promoted by the media, mass murder is the inevitable result of policies of a political elite that would rather attempt to save itself, than provide a New World of Development for humanity.

With LaRouche's Four Laws, the United States has the option to accomplish two key tasks:

First, eliminate that which is rotten of European Civilization—the vestiges of the British Empire's financial empire of cheap labor and depopulation! Eliminate Wall Street and London's rigged system by reinstating the Glass-Steagall law and creating a new banking system of the kind Hamilton accomplished in 1790.

Second, through the industrial and scientific program of Hamilton and FDR, bring our great nation to fully participate in this New World of the Belt and Road Initiative, creating long-term solutions for coming generations of all Americans.

This is the New World which Cusa, Columbus, Leibniz, Hamilton, and Lyndon LaRouche have always intended. It is now time to bring it about.

## Cover This Week

*The Soubre  
hydroelectric  
power station in  
Cote d'Ivoire,  
June 19, 2017.*



Xinhua

## THE U.S. IN THE NEW SILK ROAD

### 2 EDITORIAL

#### **Most People are Still Unaware that We're at a Crossroads of Human History**

by Helga Zepp-LaRouche

### 10 EDITORIAL

#### **A Tale of Two Seas: The Creation of A New World**

by Michael G. Steger

### 13 Wall Street Quakes as Trump Calls for Wiping Out Puerto Rico's Debt

by Harley Schlanger

### 16 MANHATTAN DIALOGUE

#### **In Defense of Columbus and the Principle of Scientific Discovery**

### 23 Hear the Echo of Alexander Hamilton in President Trump's Visit to Puerto Rico

by Stephanie Ezrol

### 26 WHAT IS AN ECONOMIC 'SYSTEM'

#### **Dynamics & Economy**

by Lyndon H. LaRouche, Jr.  
August 15, 2006

### 42 EDITORIAL

#### **Credit**

by Robert Ingraham

# Wall Street Quakes as Trump Calls For Wiping Out Puerto Rico's Debt

by Harley Schlanger

Oct. 7—While the U.S. media continues its nonstop Trump-bashing, now accusing the President of ignoring the suffering of Puerto Ricans hit by Hurricane Maria, the President lobbed a bombshell in an interview that left Wall Street shaken, and the mainstream media temporarily speechless.

Following his visit to the island that had been devastated by the storm, Trump told Fox News correspondent Geraldo Rivera that he wants to “wipe out” Puerto Rico’s debt, which now stands at approximately \$74 billion.

Trump, discussing what the federal government can do to help Puerto Rico, said “we are going to work something out. We have to look at the whole debt structure.”

Puerto Rico has been struggling to manage its debt since 2014, defaulting on a \$58 million bond payment in August 2015, after then-Governor Padilla announced in June 2015 that “the debt is not payable.” In June 2016, Congress refused to address the real debt crisis, instead passing the PROMESA bill, with support from the leadership of both parties, and signed by President Obama. PROMESA established a financial oversight

board with full authority over the budget and debt restructuring of the island territory, modeled on the late 1970s BIG MAC financial dictatorship imposed by the banks on New York City, for debt collection.

In signing the bill, Obama said that with PROMESA, “Puerto Rico will now have time to work out an orderly financial path forward.” Implicit in his statement is that the debt, or at least most of it, would have to be paid. To realize this, the oversight board, with Obama’s full backing, imposed an even more crippling austerity plan than what had been in place, prioritizing debt payments over health care and pensions. By further weakening the fragile economy, the austerity plan drove the poverty rate up to 45%, and triggered a large-scale emigration from the island.

As Trump has noted, Puerto Rico had been in terrible shape before the two hurricanes hit. In the Fox interview, Trump told Rivera, “They owe a lot of money to your friends on Wall Street. We will have to wipe that out. . . . I don’t know if it’s Goldman Sachs, but whoever it is, you can wave goodbye to that.”



*Hurricane Maria makes landfall in Puerto Rico. The Wall Street giants shown are among the largest holders of Puerto Rican bonds.*

## Panic on Wall Street

Even raising the issue of cancelling Puerto Rico's debt set off panic attacks on Wall Street. The *New York Times* wrote that investors "were taken aback" by Trump's comments, as this would mean "major losses for investors." The article identified Wall Street giants BlackRock, Inc., Franklin Templeton Investments, and Goldman Sachs' asset-management unit as being among the largest holders of Puerto Rico's bonds.

In its coverage, Bloomberg wrote that the idea that over \$70 billion in debt could be written off "would shake investors faith." The news triggered a downward plunge of Puerto Rico's bonds, which hit a record low at 37 cents to the dollar.

Almost immediately after Trump's comments, Mick Mulvaney, the director of the administration's Office of Management and Budget (OMB), was asked to explain what Trump meant. Trying to calm the potential uproar, Mulvaney said he "would not take it [Trump's comment] word for word." He added that the administration "is not going to deal with the fundamental difficulties Puerto Rico had before the storm." This contradicts what Trump has been saying, as he has called for making the commitment to upgrade the island's infrastructure. But then Mulvaney contradicted himself, acknowledging that the federal government is committed to "rebuilding the island."

Adding further to the confusion, Mulvaney, who was formerly a leader of the pro-austerity "deficit hawk" faction in the Congress, told CBS News that Trump will "absolutely not" bail out Puerto Rico. This could not have been comforting to Wall Street, as he seemed to be admitting that the policy would be to "wipe out" the debt, since the the federal government will not pay off the bond holders. One irate Wall Streeter, Larry McDonald, the head of macro strategies at ACG Analytics, attacked Trump, saying, "This is not a dictatorship. We have bankruptcy judges and the rule of law." He admitted, however, that this discussion "is scaring the bond market."

## Hamiltonian Credit to Build Infrastructure

It is not the prospect of writing off \$74 billion in Puerto Rico's bonds which is panicking Wall Street. Compared to the tens of trillions of dollars in insolvent debt currently on the books of corporations and financial institutions, and the hundreds of trillions of dollars of derivative obligations they are carrying, it is a drop in the bucket.

What frightens them is the possibility that Trump

may now be moving to fulfill his campaign promises to put the interests of the people ahead of the banks and multi-national corporate cartels. With the end of "easy money" looming for financial institutions—since that policy had allowed them to cover their bad debts and bloated leverage with a zero interest flood of liquidity from the Federal Reserve—there is a high probability that a major credit default will trigger a blowout far bigger than that of 2008.

When the 2008 crash happened, George W. Bush and then Obama pushed through bailouts and the easy money policy to protect the swindlers of the Too Big to Fail banks and related institutions, allowing them to continue to create speculative bubbles that greatly exceeded the levels of debt they had created in the housing bubble which had crashed.

Trump's comments on the Puerto Rico debt came simultaneously with a shift in his approach to infrastructure spending. Previously, his commitment to spend \$1 trillion for infrastructure had been tied, by the Wall Street neoliberals in his cabinet and Congress, to either spending cuts in other areas, so as to "free up" funds, or to investment from public-private partnerships, the notorious PPPs, which would limit funding only to programs which could return an immediate profit on every dollar spent.

Had this been the requirement at the time of the founding of the United States, it would still be a poor nation dependent primarily on subsistence farming for income.

Instead, under the leadership of the first Treasury Secretary, Alexander Hamilton, the Founding Fathers dealt with their debt problem by generating credit through a National Bank, which provided funds for major infrastructure projects and manufacturing. Hamilton argued that by turning the debt into productive credit, the improvement in overall productivity, due to advances in infrastructure, manufacturing, and technology through scientific discovery, would increase the overall real productive wealth of the nation, eliminating the problem of debt as a constraint altogether.

Hamilton's policies worked, as the Revolutionary War debt was turned into an asset, as he argued it would be in his "[Report on Public Credit](#)" delivered in 1790, and this policy allowed that debt to be paid off.

This is a central feature of Lyndon LaRouche's [Four New Laws](#), to return to the principle of Hamiltonian credit, through a Capital Budget, to fund the development of increasingly energy-dense platforms of infrastructure. When Trump campaigned for the return of



Glass-Steagall banking regulation, and major investment in infrastructure, this provoked real fear on Wall Street, especially since this—rather than “Russian meddling”—was a key component in his victory over Wall Street favorite Hillary Clinton. Would Trump dump the old agreements, which put bank and financial profits first, and instead adopt policies based on the principles behind LaRouche’s Four Laws?

When Trump met with a group of legislators from the House Ways and Means Committee on Sept. 26, he indicated that public-private partnerships would not work to finance the kind of infrastructure development needed, especially after the destruction caused by the three hurricanes which hit in August and September. An unnamed White House official told the *Washington Post* that although the administration has researched these approaches (of the PPPs), “they are certainly not the silver bullet for all of our nation’s infrastructure problems, and we will continue to consider all viable options.” Trump has requested a \$29 billion package for disaster aid and to rebuild the stricken areas, to be funded by the federal government.

Wall Street’s fear of the possibility of a total break from neoliberal orthodoxy on infrastructure funding

and bank regulation is directly linked to the other reason that there is a desperate effort underway to remove Trump from office. The best way for the President to realize a successful infrastructural development package would be for the United States to engage in full cooperation with China’s Belt and Road Initiative. Trump has already forged a solid relationship with China’s President Xi Jinping, and they will soon meet again, when he goes to China in November.

The stage is thus set for a full break with the unipolar, neoliberal order which has plunged the trans-Atlantic world into a state of permanent war and economic breakdown. The most recent attacks by the media on Secretary of State Rex Tillerson’s relationship with the President is evidence of their fear of the emergence of a New Paradigm of international cooperation, which prioritizes development over speculation and debt collection. Tillerson has played a leading role in pushing against the “regime change” doctrine of the two previous administrations, and favors a collaborative relationship with both Russia and China.

Seen in this broader strategic dynamic, it is clear that the Wall Street establishment’s hysteria over Trump’s comments in Puerto Rico is fully justified.



## Tiggo5X

The newest crossover model **Tiggo5X**, from Chinese automaker Chery, was introduced at the 2017 Frankfurt International Motor Show.

**EIR Joins the Fan-Belt and Road.** **EIR** was one of three media, along with **Global Times** and **Il Giornale**, chosen by Chery for a two-day preview test drive on German Autobahns and roads through Frankfurt, Stuttgart, Rothenburg, Baden Baden and München.

**Tiggo5X** showcases the giant leap accomplished by the Chinese automotive industry in developing its own engine and exterior designs, integrated with European components such as Bosch (electrical) and Getrag (transmission).

**Tiggo5X** delivers turbocharged, front-wheel drive performance while offering levels of comfort, emissions, fuel efficiency and safety at the highest western standards.

More to come soon in **EIR**.

ADVERTISEMENT

# In Defense of Columbus and the Principle of Scientific Discovery

The October 7 Manhattan Project Dialog featured a special live video presentation from Italy by Liliana Gorini, chairwoman of Lyndon LaRouche's Italian organization Movisol. [Extensive discussion](#) followed the presentation.

Before her address, Ms. Gorini showed a 1978 RAI video excerpt from Verdi's opera *Simon Boccanegra*, the aria "Plebe, patrizi, popolo!" with Piero Cappuccilli in the title role, Mirelli Freni, and Nicola Ghiaurov. The aria plays a central role in her thorough-composition—which follows Dennis Speed's introduction—but it cannot be shown on the Internet.



*A portrait said to be of Christopher Columbus, by Sebastiano del Piombo.*

**Dennis Speed:** On behalf of the LaRouche Political Action Committee, I want to welcome everybody to today's meeting. This is a bit of an unusual meeting, and I think people who've been with us for the last several weeks are aware of the campaign we've been involved in, which will now become focused on the matter of Christopher Columbus for approximately the next two weeks. But the campaign we're involved in is actually not that.

The campaign is one that people have heard about quite a bit in the last week. If you were with us then, you heard Helga Zepp-LaRouche, the founder of the Schiller Institute, describe that campaign. Over the next six weeks, the President of the United States is going to be tested on his way to China. Last year there was another form of a test with respect to China. What we are looking at in the United States is an attempt to stop the completion of a great project that was begun over 500 years ago.

When the American Revolution is spoken of by most people, it's never actually discussed, because it's discussed as a set of events they believe occurred between the years of 1776 and 1783. That's not actually where the American Revolution comes from; that's not where the concept of the United States comes from. It comes from something much earlier, which was being discussed in embryo before 1439. In 1439 there was a meeting referred to as the Council of Florence, which was organized by Cardinal Nicholas of Cusa. Cusa, who is a close friend of the Schiller Institute, and particularly of Helga Zepp-LaRouche, organized that council as a way of trying

to reunify the Church of the time and to fight against the corruption within the Church at that time. Cusa wrote a document on that occasion, in that period, called *De Docta Ignorantia* (On Learned Ignorance). That document, if you look at particularly its first part, seems to be some sort of treatise on geometry. But, in fact, Cusa would have argued, it is not. And it wasn't. It was a treatise about a form of breakthrough that Cusa had made, which was the most important intellectual breakthrough since the time of Plato. The breakthrough recorded in that document changed all of civilization—not Western Civilization—it changed the entire world. And its connection to America is virtually unknown.

Well, before that document was written, there was a group of people speaking together, who were friends: Nicholas of Cusa [1401-1464], his friend, Paolo To-

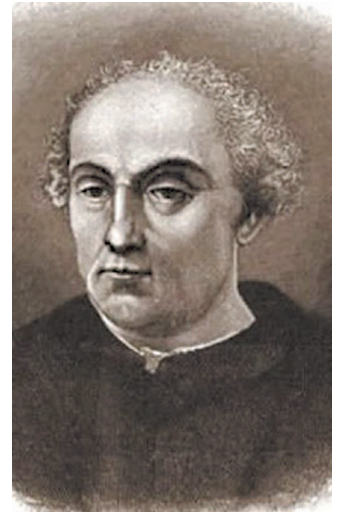




Filippo Brunelleschi  
(1377-1446)



Nicholas of Cusa  
(1401-1464)



Paolo Toscanelli  
(1397-1482)

scanelli [1397-1482], and a very important individual by the name of Filippo Brunelleschi [1377-1446]. Brunelleschi is best known in history for his creation of the Brunelleschi dome [which crowns the Cathedral of Santa Maria del Fiore in Florence], which is a miracle, not merely of architecture, but of human thought. His so-called geometry teacher was Paolo Toscanelli, who was Nicholas of Cusa's closest friend. And particularly between the period of approximately 1425 and 1436, Toscanelli, Cusa, and Brunelleschi, collaborated. There were others involved, but these were the three central figures who created a revolution in astronomy, and human thought in general. But in Europe, in particular, they gave birth to what people like to refer to as the Italian Renaissance—but what they fail to recognize is its nature. They like to refer to the artifacts; they like the paintings and they like the sculpture, they like the this and the that, but the task—that they don't know about. Now Liliana knows that a lot better than I do, and she's going to say a lot to you about that task.

But I want to say something about it, because the issue of Columbus is intimately connected to the present attack on the President of the United States—*intimately connected*. Some of you know we are in the process of exposing this attack, because the issue of President Trump's visit to China is the *same* as the Columbian expeditions. There is a possibility for the world to be unified, without war, and for there to be a collabo-

ration among the United States, Russia, China, India, and many other nations, on something that's referred to often as the New Silk Road. Now the Silk Road was well known back in the period of the,— well it was not only known, it was used in the 13th, 14th, and 15th centuries, and it actually predates that time.

The "Columbus project" was an attempt to connect the world by going west instead of east, partially because Cusa and his collaborators wanted to get away from the corruption of the banking houses of the Bardi and Peruzzi, and other banking houses that had been associated with both Genoa and Venice. They were going to go west instead of going east. Cusa's concern, particularly in the period after 1453, was that Europe itself could no longer sustain European civilization. Europe itself had become so corrupt that it was necessary to marry the best products of European civilization with the best products of the East. They recognized in the Chinese a superior civilization, not superior to themselves, but one they could actually dialogue with, because of the extraordinary capabilities that China had already demonstrated in navigation, the art of printing, astronomy, and other fields, of which they were very aware.

This mission is what we now see President Trump being placed in a position to secure, in his dialog with Xi Jinping and Vladimir Putin. But because people have no idea about what the American Revolution is, they are unaware that this is the actual topic of Presi-

dent Trump's trips to China, and so forth. So we see Secretary of State Rex Tillerson being attacked, we see other kinds of things going on. And people think this is about something else. You know, Tillerson called Trump a moron, and then Trump talked about Tillerson's mother, and this is the championship wrestling view of history, which the American is supposed to go with. And of course, then we have to reference the attack by Robert Mueller on President Trump. You all know we've put out our own dossier on this: "Robert Mueller is an Amoral Legal Assassin: He Will Do His Job If You Let Him." And we're right now involved in a campaign to get this out in mass distribution all over the United States, precisely to neutralize and, in fact, take down Mueller of the FBI, who's somebody we're very familiar with because of our own circumstances, and the harassment and the incarceration of Lyndon LaRouche in the 1980s. Robert Mueller was involved in that.

### Who Is Doing This?

What are we fighting? Because it was said, people fight not against flesh and blood, but against principalities and powers, against the forces of darkness and wickedness in high places. And some people like to call that "the Deep State," but we don't call it "the Deep State." We call it "the Shallow British empire." We give it a name. The same people who tried to suppress the history of Florence. If you talk to guides, if you go to Florence, the guides who speak English often speak it with a British accent. That's because of the occupation by the British at a certain time of a part of Italy.

That goes far afield from what we have to talk about here, but the relevant element is this. In 1982, a top secret letter was sent from the British government to the FBI, and that letter involved us. Now that letter is still classified. We still don't know what it says. But the FBI then responded to that British Intelligence letter and said that we would like to reiterate our conclusion that despite many of the "harassment" activities of the NCLC (that was the name of LaRouche's organization



Painting by John Trumbull

*Signing of the U.S. Declaration of Independence.*

at that time) and his publications such as the *EIR*—for which I am a very proud writer to this day—there is no direct evidence that the Soviets are directing or funding LaRouche or his organization. It is entirely plausible, however—the FBI said—that the Soviets have developed or may be developing sources within this organization who are in a position to interject Soviet-inspired views into NCLC activities and publications. Now this is 1982.

I just want you know that what is being done to President Trump right now around the so-called "Russia hack" is this same thing that was being done against us in 1982. The Steele dossier of, I believe, 15 memos from Christopher Steele—which they are now going to be forced to defend, and it's going to be very difficult to defend the indefensible—begins with a memo that is all about the "Russia hack" and as those of you who've been at our meetings recently know, it's been definitively proven by Ray McGovern, and William Binney formerly of the NSA, that there is no possibility that the Russians hacked the Democratic National Committee. But there is a very distinct possibility—in fact, a necessity—that there was a leak. And so the issue and the problem that Mr. Mueller has, and the people he works for have—the British imperial interests—is that we're onto them.

And we're onto them not merely in terms of some little intelligence thing and something happening to Trump, and a file, and responding to CNN, and all that



stuff, which people do because they've been trained to deal with a news cycle and react to a news cycle. We don't do that. We go to the principle of universal history. We talk about the idea that Schiller talked about of universal history. We realize that history, real history, is made in the realm of the greatest ideas, and the conflict around the greatest ideas that were born in civilization.

And if you want to find that, in the most dense and encapsulated form, you go to the Italian Renaissance and the dialogue among Brunelleschi, Cusa, and Toscanelli, which founded the United States. Now it didn't found the United States particularly in its specific political form, but Nicholas of Cusa also wrote another work, a dialog called *Concordantia Catholica* (On Universal Concord), which you should get. It is in a book of translations we did of Nicholas of Cusa's writings and is available out at the book table. Will Wertz did the translations and you should get it. The idea of the consent of the governed is first put forward by Cusa in this dialog. That is to say, one of the crucial elements of the Declaration of Independence, and the idea of the United States itself, is first put forth by Cardinal Nicholas of Cusa in the course of this dialog, and the mission of Columbus, which Columbus inherited, which you're going to hear all about, was actually a mission which comes from the greatest minds of that time, and echoed down through the centuries to create what the United States became.

That is what is being attacked by attacking Columbus, by attacking Columbus Day, and by attacking the people who are defending it. For many years Liliana Gorini has been at the very center of these discussions and discussions that we've had with the Vatican over decades. It was mentioned already, in the case of our music work, in particular on the proper tuning question. She was the one who found the letter from Giuseppe Verdi that not only corroborated, but just stated the truth on the issue of proper tuning, and so she is the person that is best qualified to lead the campaign that she is leading, and that we have joined, and it is my distinct honor to present her. She is the Chairwoman of the Movisol movement, the movement of Lyndon LaRouche

in Italy, and we're really very, very happy to have her with us today.

**Liliana Gorini:** Thank you, Dennis. And thanks a lot for inviting me to this meeting.

I'm very happy that I can address your activists and supporters, for this very important campaign in defense of Christopher Columbus [c.1451-1506], and I'm very happy that today, President Trump again proclaimed Columbus Day, on Monday, Oct. 9. This is a very important thing to do, and for us Italians who are very proud of having discovered America, and for the Italian-American community in the United States, it is a very, very important step.

I chose the aria which you heard in the beginning of this meeting, with my friend Piero Cappuccilli, who was also a close friend of Lyndon and Helga LaRouche. We met with him very often, before and after the conference in Milan at the Casa Verdi in 1988; he was one of the best, or maybe the best Verdi baritone in the world.

So whenever I hear this aria and *concertato* scene from *Simon Boccanegra*, I am moved. And I was moved again today. Because it expresses what Dennis was saying about the grand project of Columbus, of Toscanelli, and of the Italian Renaissance, which is the discovery of new continents, the discovery of new worlds. And since Europe was in the

hands of the oligarchy, as it is today, that meant finding a new continent, a new world that would be truly humanistic, and that's what Columbus founded in America. And we are very grateful to Columbus for discovering America.

This mission was expressed in a letter by Petrarca [1304-1374] to the doges of Genoa and Venice, calling on them to stop their fraternal wars and seek peace through discovery of the oceans. And that's why I chose this aria, which was picked up in Verdi's opera. Francesco Maria Piave wrote the libretto explicitly referencing Petrarca's letter, and you can see it in this scene—it's wonderful when Cappuccilli says, "While the broad reign of the oceans ecstatically invites you. . ." (*Mentre v'invita estatico / Il regno ampio dei mari. . .*)



Francesco Petrarca (Petrarch)  
(1304-1374)

“You fight each other,” he says. “And I am calling instead for peace.” (*Io vo gridando: Pace! Io vo gridando: Amor!*).

So it is essentially the concept from Petrarca, through Toscanelli, through Columbus, up to Verdi—the concept is that they were calling for the New Silk Road and the Maritime Silk Road—the Belt and Road—as we are today.

And as Lyndon LaRouche often says, “time also works backwards.” Our actions influence the present, the future, but also the past. We can say that our campaign in defense of the Renaissance and of Columbus, and our campaign for the New Silk Road and for peace through development, is also a way to influence these great thinkers of the Renaissance. They will be thankful to us for this campaign. That is exactly—as Dennis was saying—this is why they attack Columbus! This has nothing to do with native Americans, this has nothing to do with the Latin American countries. It has to do with the hatred of the British for the Italian Renaissance and this grand project of peace and cooperation—exactly as Dennis was saying.

In 1992 I participated, and actually helped to organize in Rome, at the Vatican, at the Pontifical Urbaniana University, a conference of the Schiller Institute on Columbus, which was addressed also by Cardinal Silvio Oddi, a member of the Roman Curia, who thanked the Schiller Institute for this initiative, as he said, “aimed at reviving the Christian and scientific roots of the great Columbus discovery.” Helga Zepp-LaRouche was the main speaker at this conference, and she completely dismantled the “black legend.” She proved that all these stories about Columbus being a murderer of natives are untrue; they are accusing Columbus and the evangelizers of destroying a pre-existing culture, but it was proven by experts that the population density, as a matter of fact, increased in Mexico and other Latin American countries, and proven particularly by Alexander von Humboldt, who made voyages of discovery himself in these countries, reporting in the 19th Century that, thanks to the technological improvements introduced by the Spanish colonization, the population density increased. So these black legend stories are all lies.

These “antifa” killers who are going on Monday to attempt what they call “Deface Columbus Day,” can be compared to ISIS and to the terrorists, because that’s exactly what they are doing. ISIS destroyed monuments in Palmyra, and the best monuments of ancient cultures in Iraq and Syria, and they *hate* beauty—ex-

actly like the British. They hate beauty. That’s why they do it. They cannot stand history, culture, and beauty, and that’s why they’re doing this.

## Why Columbus Sailed

And we should say it. Let’s not be defensive about all these accusations against Columbus as the great exterminator. Let’s be clear: They are attacking the tradition of the Renaissance of Italy, and they are attacking the very concept of creativity and beauty.

As Dennis was saying, Toscanelli, Columbus, and also Fernão Martins, the canon of the Lisbon Cathedral, were working together, on the idea that oceans be used as waterways between the continents, including China. The letter that Will Wertz found recently, from Toscanelli to Father Martins in 1433 [*EIR* Oct. 6, 2017, p. 28] proves it: There were discussions at that time with scholars of China, which went back to Marco Polo’s voyages of discovery to China, and enlarged the idea of the first Silk Road to become more, a greater project of discovery, with the Far East being looked to for exchange of goods and ideas.

This was the plan. To understand Columbus, you have to understand that he was a product of the Renaissance, of the Council of Florence, and of the ancient works of great cartographers such as Strabo [d. 23 AD] and Ptolemy [100-168 AD], who were translated. The Toscanelli maps as you know were given to Columbus. He sailed four times; the first three times, he didn’t find it—he had a lot of problems. But finally, finally he found the Americas. What he did at that time, represented what NASA is doing today. At that time, it was the exploration of the oceans; today, it is space exploration, which, as you know, we are promoting. What he did has to be seen from this standpoint.

He was a contemporary of Leonardo da Vinci [1452-1519], who is also attacked by the British. I emphasized this in my “Open Letter to President Trump in Defense of Columbus,” when I wrote, Who will be next? Shall we tear down Leonardo’s statue in front of La Scala, which is testimony to his having been not only a great painter and engineer, but also the founder of *bel canto*? And this is proven: Besides the letter of Verdi, I discovered in Sforza castle, Castello Sforzesco in Milan, reports about Leonardo’s treatise of Leonardo *De Voce* (in Latin), *On the Voice*, which was “scattered,” as they say, by the British in the *Codex Atlanticus*, in order not to keep it together as a book, as a single treatise.

And Leonardo himself was arrested. He wrote a



Statue of Leonardo da Vinci in Milan, Italy. Sculpture by Pietro Magni (1817-1877).

letter saying, “they understand each word I say to the contrary.” He was arrested because he studied anatomy, he studied corpses, in order to examine the vocal cords, and he was studying the propagation of the voice, comparing it to the propagation of light and water waves. That’s how he found that the voice which is well-placed, *impostata*, can reach out a great distance, while the voice which is not well-placed, not *impostata*, “is like a thousand flies,” he wrote; a thousand flies, he said, cannot make enough noise to be heard, while a well-placed voice can.

So the British did not like this treatise; they scattered it so nobody could really read it; there are some reports about it in a book by Emanuel Winternitz about Leonardo on music [*Leonardo da Vinci as a Musician*, 1982], but as in many other cases of Italian Renaissance men, the British try to destroy the very idea of creativity

and of the Renaissance man. The British Museum and the Congress for Cultural Freedom have always fought against this tradition and this heritage, which is very important to all of us Italians. It is a very important reference point, particularly in a crisis: When there was the earthquake, recently, or the flooding in Italy, people were of course saving themselves; but then they immediately thought about saving the monuments, the churches, and the important documents of the Renaissance that were hit by the earthquake.

So we have a mobilization of the Schiller Institute, which I am glad to hear is getting a lot of results. Particularly, I very much like the letter sent around to Italian-American associations by Carmela Altamura, whom I see there in the audience, in which she said, “I believe that along with Columbus, all of us are being attacked. We believe that these attacks against Columbus represent a regressive movement back to the Dark Ages. This has to be stopped!” I fully share her view. It has to be stopped. Thank you, Carmela, for sharing your letter and my letter to all of these associations—I understand 400 of them—which for sure will have a very important effect. It has already.

Another result of our campaign is that on Oct. 12, in New York, the Italian-American Chamber of Commerce, with its President Alberto Milani, and the *Premio Eccellenza*, the Italian Excellence Award, with its President George Lombardi, will have another press conference of the committee they formed called “Hands Off Columbus Committee” (*Comitato Giu le Mani da Colombo*). I like this name, and it was the headline of my editorial, “*Giu le Mani da Colombo!*”—Hands off Columbus!

As I said at the beginning with this aria of Cappuccilli, Italy contributed to the discovery of America, partly because of its situation—we have long coastlines, so it’s clear that we are a bridge towards the oceans, and towards the Mediterranean, and more than that; but we are also the cradle of *bel canto*. And as Elliot and Dennis were saying, we had a campaign in Italy for the Verdi tuning, which goes back to 1988, when we had the first conference on the Verdi scientific tuning in the Casa Verdi, where Verdi is buried. At this conference, Cappuccilli, the same baritone you heard in the beginning, made the first demonstrations of the two tunings, with two pianos: One was tuned to A-444, which is the normal tuning here in Italy, and the other one A-432. He sang two arias of Verdi. The people





Roberto Irsuti

Baritone Piero Cappuccilli, singing a Verdi aria during a Sept. 9, 1988 conference at Casa Verdi recital hall in Milan.

could easily hear the difference. I think you heard the tape of it recently at your meeting.

This campaign had the endorsement of 2,000 famous singers, including Renata Tebaldi, who also attended the conference; Mirella Freni, who was in the video, you saw her singing in the *concertato* of *Simon Boccanegra*; and many others—Montserrat Caballé, Joan Sutherland, many, many great singers endorsed this campaign.

Actually, my father, who was a professor at the Milan Conservatory, and I, found this letter from Verdi in Milan, just as I returned from Virginia. We were singing the Mozart *Requiem* in Virginia, and I remember that Lyn came to the rehearsals in the barn, and said, “Do what you want—put scotch tape, put something on the bassoons, but get them down to this tuning. Because otherwise the voices and the meaning of the music will be destroyed.” And I was very happy when I came back to Milan, to see that Verdi fully confirmed what La-Rouche was saying—as very often was the case. He would say something, which people did not understand, and then it turned out that he was completely right.

And the other campaign which we have in Italy presently, and which we share with you in America—and I’m very glad that we have this cooperation between Milan and Manhattan—is the campaign for Glass-Steagall. Some of you are involved in this too. We have recently had a breakthrough, because an activ-

ist of ours has collected 125 signatures of members of Parliament, state legislators, and regional councilmen, for a personal letter to President Trump—this time not on Columbus, but on his election promise to reinstate the Glass-Steagall Act. And they wrote to him—I actually wrote the letter myself, but it is now signed by all these people, including me—saying, “You want to make America great again: If you reinstate Glass-Steagall, you will not only make America great again, but Europe will also profit from this,” which is not unimportant. It is im-

portant to make America great again, but it will also solve the crisis we have in Europe.

You have heard about the banking crisis in Italy; two retired men committed suicide because they lost all their savings as a result of the bail-in by the European Union. You know what the European Central Bank is doing. It is just printing money and printing money continuously, in order to save these speculations, this toxic waste—European Central Bank President Mario Draghi himself comes from Goldman Sachs. None of this money is going to the real economy.

So for many people in Europe, and particularly in Italy, France, Spain, and Greece, which have been hit particularly hard by the austerity measures of the European Union, this is a very, very important issue. That’s why we had so much support, and so many people signed the letter. We plan to send a delegation of these 125 signers to Washington, to Congress, to bring the letter there; and in this way, push Congress to finally, finally, bring the issue of Glass-Steagall onto the floor and vote for it. This would be a very important accomplishment.

I emphasize, as in the case of Columbus, this would be an accomplishment reached between Italy and America: Let’s have this cooperation, and let’s continue this exchange of ideas, about the Renaissance, about creativity, about the economy, because in this way, we can win! Thank you. [Applause.]



# Hear the Echo of Alexander Hamilton in President Trump's Visit to Puerto Rico

by Stephanie Ezrol

Oct. 9—We are all born with a debt to the future. The question is how do we most effectively discharge that debt, and how does that action fuel our happiness? President Donald Trump was starkly faced with that debt during his Oct. 3 visit to Puerto Rico, and formulated a very happy answer during his four-minute, on-the-ground interview with Fox News correspondent Geraldo Rivera, which [interview](#) was broadcast several hours later on the Fox network by Sean Hannity.

Rivera, a personal friend of the President, had an exclusive interview in which he praised the effective work of the U.S. government in the unprecedented “double whammy” that hit Puerto Rico from Aug. 30 to Oct. 1. In concluding the interview, Rivera asked, “Battered by two historic storms that wiped out a power grid that was already antiquated, poorly maintained, corruptly managed, what do you do? You had the Marshall Plan to rebuild Europe after World War II: Will we see a Trump Plan to rebuild this poor island?”

Trump then raised the question of Puerto Rico’s \$72 billion debt, acknowledging the deep pre-hurricane problems of Puerto Rico’s infrastructure, and reviewed the positive and heroic work going on at that moment to help the people of Puerto Rico.

Rivera pressed further: “I totally agree. And it’s been so impressive to see. The message to the Puerto Rican people, though—to what extent do you commit to help rebuild this battered place?”

And then the happiness began, in a way that quickly sent shockwaves through the world’s predatory financial community—and certainly made the interviewer quite uneasy, as evidenced by his quick move to change the subject.



White House

*President Trump being interviewed by Fox reporter Geraldo Rivera in Puerto Rico, Oct. 4, 2017.*

President Trump answered his interviewer, happily, and with a keen sense of irony, “Well, we’re going to work something out. We have to look at their whole debt structure. You know, they owe a lot of money to your friends on Wall Street, and we’re going to have to wipe that out. That’s going to have to be—you know you can say goodbye to that. I don’t know if it’s Goldman Sachs, but whoever it is, you can wave goodbye to that. We have to do something about—because the debt was massive on the island.”

Steven T. Mnuchin, a second-generation Goldman Sachs banker and current Treasury Secretary, must have cringed at hearing the President’s words.

An astute observer might, at that moment, have seen Alexander Hamilton smiling: The discharging of debt and the notion of credit—as features of natural law—were themselves now firmly placed on the agenda, not only of a suffering Puerto Rico, but a suffering United States and a sick and dying trans-Atlantic economic system.

Hamilton, our nation's first Treasury Secretary, had been profoundly transformed, as a very young man, by the August 1772 hurricane that devastated St. Croix where he was then living. Read his [September 1772 letter](#) from St. Croix to the *Royal Danish American Gazette*, which gives an account of what he called "one of the most dreadful Hurricanes that memory or any records whatever can trace, which happened here on the 31st ultimo at night." However, more important than the mere account of the hurricane, is Hamilton's recounting, in that letter, of his own struggle, his own relationship to God, and his own reconciliation during the frightful hurricane, to a clearly Leibnizian higher sense of mission. That profound report by Hamilton is reminiscent of Brahms' 1868 "Four Serious Songs."

Hamilton's opponent, Treasury Secretary Steven Mnuchin—who not only worked at Goldman Sachs but created his own hedge fund, and was mentored in modern predatory finance by Michael T. Mortara, a renowned financial predator—spoke for the anti-Hamiltonian financial predators at his confirmation hearings this past January.

Hamilton's notion of credit is very much like that of Lyndon LaRouche: Credit is the way you pay your debt to the future. The core of Hamilton's four [founding economic reports](#) is the fostering of humankind's God-given creative cognition, which generates discoveries and their concomitant advances in science and technology.

Mnuchin in his confirmation hearing, in an oligarchic denigration of Hamilton, distorted Hamilton's intent, saying, "Alexander Hamilton remarked that the wealth of a nation may be promoted by 'multiplying the objects of enterprise.' Hamilton knew the unique value of entrepreneurial activity to a thriving economy."

Hamilton presents a different subject, which is in fact a core element of every success in American History. The full statement by Hamilton, in his *Report to Congress on the Subject of Manufactures*, puts *agapē* and its object as the subject—"To cherish and stimulate the activity of the human mind, by multiplying the objects of enterprise, is not among the least considerable of the expedients, by which the wealth of a nation may be promoted." That is the question brought to the fore



Photo/Xinhua

*US Secretary of Treasury Steven Mnuchin testifies at a hearing before the House Financial Services Committee on July 27, 2017.*

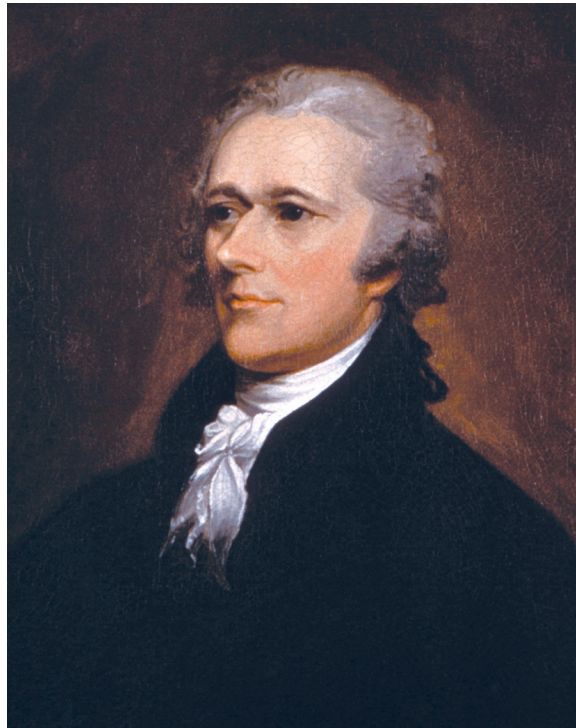
by the recent destruction which visited the human race with earthquakes and hurricanes, which destruction was made incalculably worse by criminal neglect, combined with the 40 years of predatory financial destruction of industrial, agricultural, energy, and infrastructure capacity in the United States, Mexico, and Puerto Rico.

## The Productive Powers of Labor

The fierce opponents of the American Revolution—such as Adam Smith and John Locke—with its Leibnizian anti-Locke promotion of the pursuit of happiness, denigrate the human being to an object, not a human being in the image of God, but a talking animal that can be enslaved like an ox to a plow. Hamilton's commitment, as spelled out in his [Report to Congress on the Subject of Manufactures](#), was to increase the productive powers of labor, with the protection and promotion of crucial raw materials, foodstuffs, and manufacturing, particularly heat-powered and increasingly industrial machinery.

Our solutions today, the necessary echo of Hamilton, were put forth in a succinct form by Lyndon LaRouche during the depths of the destruction known as the Obama regime, in June 2014. LaRouche's Third and Fourth [Laws](#) speak particularly to President Trump's profound reaction on Oct. 3 to what he had just seen in Puerto Rico.

The Third Law goes to the purpose of a Federal Credit system (credit being that which makes our debt to the future repayable) “to generate high-productivity trends in improvements of employment, with the accompanying intention, to increase the physical-economic productivity, and the standard of living of the persons and households.” Credit is neither to be extended for frivolities, nor for the rapacious looting of hedge funds, leveraged buy-outs and vulture funds. Credit is not about money—it is about building the future, which is how we happily discharge our debt to our posterity.



*Alexander Hamilton by John Trumbull, 1806.*

LaRouche, like Hamilton, directly addresses the method of increasing productivity: “by reliance on the essential human principle, which distinguishes the human personality from the systemic characteristics of the lower forms of life: the net rate of increase of the energy-flux density of effective practice.”

This thoroughly scientific approach doesn’t use money as a metric: “The ceaseless increase of the physical-productivity of employment, accompanied by its benefits for the general welfare, are a principle of Federal law which must be a paramount standard of achievement of the nation and the individual.”

The Fourth Law presciently includes both “Adopt a Fusion-Driver Crash Program,” and the principles of an emergency relief program: “This means emergency relief measures, including sensible temporary recovery measures, required to stem the tide of death—measures required to preserve the dignity of what were otherwise the unemployed.”

### **Paying the Legitimate Debt**

The debt to the future is the subject of the Preamble to the U.S. Constitution, that “We the People of the United States” have created a Constitution to “secure

the Blessings of Liberty to ourselves and our Posterity.” Hamilton was assigned the task by the U.S. Congress to assess and deal with the accumulated debt of the American Revolution, which he clearly states must be honored because it “was the price of the liberty.”

The debt bubble of the trans-Atlantic system, as a predatory assault against more than 99% of the human population, was kicked off by Nixon’s 1971 decision to break with FDR’s Bretton Woods Agreement for fair trade based on international currency stability. Lyndon LaRouche then immediately forecast that the resulting post-1971 “floating exchange rate system,” would

be a disaster. All of the world’s countries and their people, other than the United States, Europe, China, and the Russian-led communist bloc, were looted over and over again. Their debt obligations were doubled, tripled, and worse through currency speculation personified by, but certainly not limited to George Soros.

Today’s debt bubble of trillions of dollars, which is now looting the United States and Europe, includes financial instruments called “toxic waste”—transactions so insane that even Daniel Webster’s devil would blush. President Trump directly faced that toxic-waste monster in his response to Geraldo Rivera in Puerto Rico on Oct. 3.

The challenge today to leaders in business, labor, education, healthcare, and every community is to move with President Trump on the LaRouche-Hamilton approach. The toxic financial debt cannot be paid, and has no standing under the principles of the American Constitution. Our debt to all of God’s children and their posterity, can and must be paid, as happily as Alexander Hamilton demanded in his report on the necessary response to the 1772 Hurricane, and as he crafted in his four reports to the U.S. Congress.



AUGUST 15, 2006

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## WHAT IS AN ECONOMIC ‘SYSTEM’

# Dynamics & Economy

by Lyndon H. LaRouche, Jr.

*This piece is, if only by implication, a prologue for the LaRouche Political Action Committee (LPAC) web conference to be broadcast from Berlin, Germany as part of related events held there during the interval of Sept. 6-8, 2006. The present written piece here, serves both as an expanded summary of a particular, crucially pivotal point featured within the three-hour address and diplomatic form of discussion there, but is intended for publication separately.*

### Foreword: On the Subject of Riemannian Physical Economy

By the mid-1930s, the founder of what is now that crucially significant branch of modern physical science known as Biogeochemistry, Russia’s Academician V.I. Vernadsky, had already reported the following: that living processes are distinguished, experimentally, from ordinary notions of chemistry, by recognizing the fact that living processes are organized as a *dynamic* process, and that in special ways, ways which defy the modern reductionist’s stubborn faith in a mechanistic, “mathematical-statistical” domain.<sup>1</sup> This use of the term *dynamic*, in the sense of Vernadsky’s use of it for the chemistry of living processes, had been first introduced to modern science by Gottfried Leibniz’s exposure of the intellectually fatal error of assumption which pervaded those Cartesian and related modes of modern empiricist reductionism. These errors permeate popular styles of academic teaching, the practice of most professional economists, and popular opinion, still today.

*There could be no competent systematic compre-*

*hension of the nature of, or remedy for the presently onrushing great global economic crisis of mankind now in progress, without taking the implications of that usage of the term “dynamics” into account.*

The deeper implications of this use of “dynamic” in the sense of that term as employed by both Vernadsky and Leibniz earlier, becomes clearer to the student and professional alike, when we take into account the deeper implications of the leading fact, that Leibniz’s use of *dynamic* was explicitly traced by him from the use of the Greek term *dynamis* by those implicitly anti-Euclidean Pythagoreans and Plato, who represented the opposition to the relevant ancient reductionists and sophists of their time, and, also, implicitly, in opposition to the followers of the Sophist Euclid, later.<sup>2</sup>

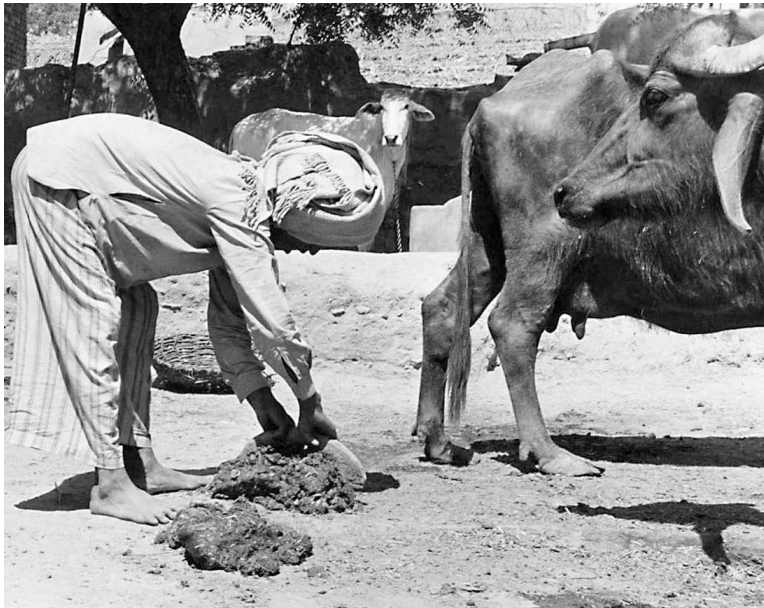
In turn, the still crucial implications of this distinction of Leibniz’s introduction of the term “dynamics,” are brought forward to today’s modern times, by reference to the revolution in physical science introduced by Bernhard Riemann. On this account, Riemann is to be recognized as the principal successor of both Carl F. Gauss and Lejeune Dirichlet respectively. Consequently, it must be understood, in the circumstances of today’s mounting global crisis, that the adoption of the standpoint of both Kepler and Riemann by Albert Einstein, and of Riemann’s notion of dynamics, specifically, by Vernadsky, are crucial considerations in any competent attempt to solve today’s ominous, current, global economic crises of humanity as a whole.

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2. The Sophists of Plato’s and later times were known for their rejection of experimentally demonstrated concepts of principle, in favor of such forms of popular opinion as Euclid’s notion of supposedly “self-evident” definitions, axioms, and postulates.

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1. Cf. Lyndon H. LaRouche, Jr. “Vernadsky and Dirichlet’s Principle,” *EIR*, June 3, 2005.



UN Photo

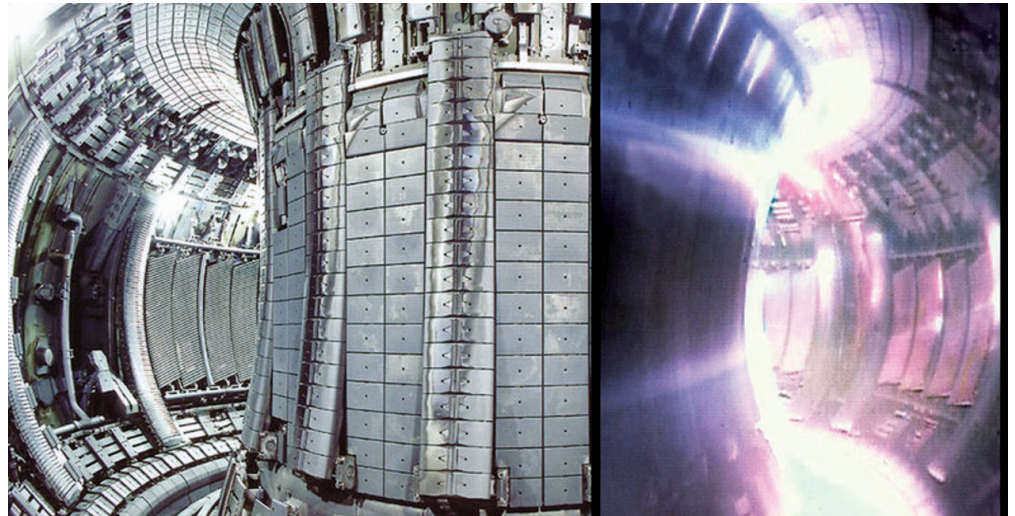


EIRNS/Stuart Lewis

*Biofuels in the United States today: “an implicitly culturally suicidal expression of virtual idiocy.”*

*Collection of cow dung for fuel in Uttar Pradesh, India.*

**“The progress of culture,” LaRouche writes, “is to be measured in rates of increase of the anti-entropy of the system, a policy which includes the upshift to increasing ‘energy-flux density’ in modes of production and operation of basic economic infrastructure.”**



jet.efda.org

*A split image of the inside of the Joint European Torus (JET), a research program for fusion energy. The image on the right shows the plasma.*

The problem for which I treat those scientific implications here, is, that, essentially, there have been two errors in method, which have been the principal factors in shaping the persisting, habituated incompetence of the forecasting and related work-product presented by most notable economists and governments of the U.S.A. and western and central Europe, up to present time. I refer to the errors in method, increasingly prevalent during the post-1945 interval, which led into the 1967-1972 breakdown-crisis of the Bretton Woods fixed-exchange-rate system, and which have led the

world, since then, into the global economic breakdown-crisis in progress today.

*Firstly*, I emphasize the cumulatively ruinous effects of the methods employed for shaping long-range economic policies of the Americas and Europe, over the recent four decades, in particular. These currently prevalent methods are the blend of the scientifically incompetent, mechanistic method of René Descartes, with the similarly, intrinsically incompetent, Sophist methods of long-range economic forecasting premised upon the root-stock of both the East India Company’s late Eigh-

teenth and Nineteenth Centuries' Haileybury school dogmas and that school's Marxist echoes. *Secondly*, I emphasize that the ideology of management currently prevalent in the relevant leading circles of government, corporate management, and economists generally, has been, predominantly, incompetent in a relative degree beyond anything seen in those nations during early parts of our preceding century.

Thus, it must be conceded, that whereas the governments of the fascist and pro-fascist tyrants of the 1922-1945 period in Europe were evil, they had the practical advantage of governing societies within which there was a certain competence in the short-term technicalities of physical management, and were sometimes very efficient, and dangerous to civilization generally on that account. Whereas, the present crop of implicitly fascist and comparable leading financier circles, as merely typified by the case of the Synarchist network's Felix Rohatyn, have no technical competence in physical management of any actual form of real economy; consequently, the reign of the latter types would, by itself, ensure an early general, physical collapse of global civilization, if the present crop of radical monetarists were to gain even as much as merely temporary command over world economy.

### The Root of Today's Economic Science

The necessarily included key for understanding the crucially important role of the work of Gottfried Leibniz in Nineteenth-Century and later physical science, and the impact of that scientific practice on the successes of modern physical economy, is the role of Abraham Kästner (1719-1800). Kästner was the avowed and competent defender of the original standpoint of both Leibniz and Johann Sebastian Bach, and a leading Eighteenth-Century professor of mathematics, whose prominent students included Carl F. Gauss.<sup>3</sup> The fol-

lowing summary of the most relevant historical background, is required.

The leading Fifteenth-Century Renaissance figure of Cardinal Nicholas of Cusa, in, most notably Cusa's *De Docta Ignorantia* and his subsequent writings, had revived the essential, Classical Greek cultural principles of what became modern European civilization, and had done so on the basis of that pre-Euclidean standpoint in geometry which is represented for us today by Thales, the Pythagoreans, Socrates, and Plato. The first realization of the general implications of Cusa's work, by the explicit followers of both Cusa and Cusa's followers' Luca Pacioli and Leonardo da Vinci, is located in the original discoveries by Cusa follower Johannes Kepler. The latter's revolutionary discoveries in physical science, provided the basis on which all leading accomplishments in European physical science have been centered since.<sup>4</sup>

The division between Kepler and his principal modern adversaries, a division between competent and reductionist opinion on topics of physical science, had persisted as a more or less open debate until about the time of the death of Leibniz, as a related form of reductionist view was continued from the scandalous late-Fifteenth-Century work of John Wenck, and by the explicit attack on Cusa's work by the Venetian spy-master, and marriage-counselor to England's Henry VIII, Francesco Zorzi. With the accession to power in London, of a political enemy of Leibniz, the former William of Orange ally, England's George I, the conflict between Leibniz and his reductionist adversaries was transformed from the quality of a debate to an inquisition. Leibniz's reputation and influence were subjected to an inquisitional quality of lying vilification and related persecution, which continued during the approximate half-century following Leibniz's death.

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also, implicitly, Laplace, Cauchy, et al., as this challenge was first delivered publicly in Gauss's 1799 doctoral dissertation.

4. With the exception of the late Seventeenth-Century English translation of Kepler's announcement of the discovery of gravitation, on which the pro-Galileo, English plagiarists of Kepler relied in crafting the silly Newtonian dogma, and despite the availability of Max Caspar's work in German, English-language editions did not exist until after the 1970s! The most crucial work of Kepler, while it had been available in Latin, was generally unknown within actual practice among even leading scientific circles, excepting figures such as A. Einstein, until a time during the late 1980s, after the admittedly limited success of my associates and me from the Fusion Energy Foundation who had exposed both the relevant scandal and its pernicious practical consequences for the current practice of U.S. and other scientists.

3. Kästner and A.W. von Zimmermann were the principal significant teachers of Gauss. It was the work of Kästner in defining an anti-Euclidean geometry, which provided the foundation for those conceptions of that anti-Euclidean (rather than "non-Euclidean") physical geometry, which led Riemann, as Riemann himself stressed explicitly, through crucial features of the relevant work of Gauss, to Riemann's 1854 habilitation dissertation, which laid the basis for all competent notions of modern physical geometry. The misrepresentation of these connections which is encountered in numerous Twentieth-Century academic sources, is a reflection of the slavish submission to an ideologically motivated false representation of the issues implicit in Gauss's exposure of the characteristic frauds, on the subject of the Leibniz calculus, by the fanatical reductionists D'Alembert, de Moivre, Euler, Lagrange—and



This inquisitional campaign was coordinated, from Paris, by the Venetian Abbé Antonio Conti and the Voltairean network of salons which had been set up and guided by Conti until his death in 1749. This was the network of salons which crafted that empiricist hoax, by such as D'Alembert, de Moivre, Euler, Lagrange, and their cronies, which has been exposed as a hoax in Carl F. Gauss's 1799 doctoral dissertation.

The resulting relative, early-Eighteenth-Century "dark age" in science, continued until the sparking of the German Classic by the works of Gotthold Lessing and Moses Mendelssohn, whose work thus prompted the spread of that Classical outlook internationally, a Classical insurgency which continued from the February 1763 Treaty of Paris to about the time of both the U.S. Constitutional Convention and the launching of the French Revolution in July 1789 by the British agent Philippe Egalité. This late-Eighteenth-Century Classical movement prompted a revival of a prominent faction which represented the pre-1714 scientific spirit associated with the work of Leibniz during his lifetime.

Among his founding of entire branches of modern science, the great polymath Leibniz had given birth to a modern science of physical economy, that in the course of his work over the course of the 1671-1714 interval. It was this science of physical economy, established by Leibniz, which had informed the crafting of that American System of political-economy which is, today, the only significant, systematic alternative, world-wide, to the Anglo-Dutch Liberal schemes hegemonic in western and central Europe, and beyond. It was the trans-Atlantic conflict between the patriots, associated with the cause of the American Revolution of 1776-1789, on the one side, and, within North America itself, the British assets, the American Tories, which typifies, still today, the most relevant conflict between the American System of political-economy, and the implicitly imperialist Anglo-Dutch Liberal system.

The center of this development of what became the American System of (physical) political-economy, is rooted in related developments in the closely related fields of modern statecraft and physical science generally, developments which date, predominantly, from early during the Fifteenth-Century Renaissance, onward.

Despite the relative "dark age" of Europe's science and art, approximately 1714-1763,<sup>5</sup> it had been the situ-

ation, that, during the prior span, France had been the center of all leading European science. This waxing and waning development in science, which always pivoted on the issues of the influence of Kepler's work, had been combined with the work of such followers of Kepler as Pierre Fermat, Blaise Pascal, Christiaan Huyghens, Leibniz, and Leibniz's collaborator Jean Bernoulli. This influence led Europe's progressive scientific development during a time from the 1648 Treaty of Westphalia, through the onset of the French Jacobin Terror and Napoleon's reign.

This leading role of France in science was continued into the beginning of the Nineteenth Century through the influence of the faction of circles of Gaspard Monge and Lazare Carnot. During this time, France, however scarred it had been by factors associated with Louis XIV's alliance with the relics of the Fronde, was the center of scientific and related progress throughout European civilization.<sup>6</sup>

However, then came the inquisitional quality of attempted, post-1789 destruction of French science's leading institutions. From 1815 onward, the educational program devised by Gaspard Monge for the École Polytechnique, was the leading direct target of a campaign of destruction of scientific competence, a campaign launched under the direction of the Duke of Wellington's Bourbon restoration puppet-king. This renewed campaign against the legacies of Kepler and Leibniz, began a process of the corrosion of the foundations of that École Polytechnique which had led France's scientific achievements through 1815. The rising trend of relative decadence in France, was led by Laplace and Cauchy, but was resisted in the counter-action led by the long-standing member of the Monge-Carnot École Polytechnique, and associate of Lazare Carnot, Alexander von Humboldt.<sup>7</sup> From about 1827-28 on, Humboldt contributed a leading role in transferring the principal residence of the leadership of the world's science, from science's decline in France, into a place of refuge in Germany.<sup>8</sup> This coincided with a shift from von Humboldt's regular work with the École

5. Cf. H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987).

6. Our Benjamin Franklin was a most notable collaborating scientist among those international circles of his life-time.

7. Cf. Charles Babbage, John Herschel, and George Peacock, *The Principles of Pure Deism in Opposition to the Dotage of the University* (Cambridge: 1812). See also Babbage's *Reflections on the Decline of Science in England* (1830).

8. As signalled by the role supplied by the launching of *Crelle's Journal für reine und angewandte Mathematik*.

in Paris, earlier, to his increasing reliance on German-language journals, and his own concentration, with his protégé Lejeune Dirichlet, on Berlin and the complex of German higher educational institutions associated with the work being done otherwise at Göttingen University under the successive leaderships of Gauss, Dirichlet, and Riemann.

This shift of the world center of science from Paris, to Germany's Göttingen and Berlin, resulted, during the 1850s, in the emergence of Dirichlet and Riemann as the central figures, as successors of Gauss, in the leading work in physical science world-wide. The crucial feature of this progressive development, came to the surface with the publication of Riemann's 1854 habilitation dissertation, and the way in which the implications of that dissertation led, through Riemann's treatment of Abelian functions, into the elaboration of the conceptions of hypergeometry which had been introduced by Gauss, as if in passing, earlier.<sup>9</sup>



*Bernhard Riemann focused the attention of modern science on experimentally premised principles, rather than aprioristic assumptions.*

Therefore, if we take into account the elements of the work of Gauss and others among Riemann's relevant predecessors, the greatest step of revolutionary progress in modern European science since Johannes Kepler, was embodied in the central feature and consequent implications of Riemann's revolutionary 1854 habilitation dissertation. It is this view presented by Riemann which is echoed, in effect, in Vernadsky's view of the principled, dynamical character which distinguishes living processes from pre-biotic chemistry as defined today. It is the view of both Kepler and Riemann by Albert Einstein, which defines the needed essential view of science and economy today.

## Riemannian Economics

By ridding scientific method of Euclidean and related Sophistical forms of *a priori* presumptions, Riemann focused the attention of modern science where it must be placed: on the nature of those experimentally premised principles which must stand in the place where both the Sophists and modern reductionists insert aprioristic assumptions. Riemann's discoveries show, that all definitions, axioms, postulates, and similarly wishful forms of arbitrary ontological presumptions, must be eradicated from both physical science and mathematics, in particular, and also from the sundry forms of expression associated with both logic and related, deductive/inductive modes of argument in general. These wishful forms of premises to be banned, are all to be classed under the category of Sophistry.

given in advance. It gives only nominal definitions for them, while the essential means of determining them appear in the form of axioms. The relation of these presuppositions is left in the dark; one sees neither where and in how far their connection is necessary, nor a priori whether it is possible.

"From Euclid to Legendre, to name the most renowned of modern writers on geometry, this darkness has been lifted neither by the mathematicians nor by the philosophers who have labored upon it..."

9. *Bemerkungen zu den Fragmenten über die elliptischen Modulfunctionen*, **Gauss Werke** VIII, pp. 102-105 (Fricke). Cf. **Werke** III, *Über das arithmetisch-geometrische Mittel*, pp. 361-403. I emphasize the opening of Riemann's 1854 habilitation dissertation, noting the following portion of the opening two paragraphs, where Riemann indicts the sophistry of the tradition of Euclid and the modern reductionists alike: "Bekanntlich setzt die Geometrie sowohl den Begriff des Raumes, als die ersten Grundbegriffe für die Constructionen im Raume als etwas Gegebenes voraus. Sie giebt von ihnen nur Nominaldefinitionen, während die wesentlichen Bestimmungen in Form von Axiomen auftreten. Das Verhältniss dieser Voraussetzungen bleibt dabei in Dunklen; man sieht weder ein, ob und in wie weit ihre Verbindung nothwendig, noch a priori, ob sie möglich ist.

"Diese Dunkelheit wurde auch von *Euklid* bis auf *Legendre*, um den berühmtesten neueren Bearbeiter der Geometrie zu nennen, weder von den Mathematikern, noch von den Philosophen, welche sich damit beschäftigten, gehoben..."

In English translation (Riemann, "On the Hypotheses Which Lie at the Foundations of Geometry," Henry S. White, trans., in *A Source Book in Mathematics*, David Eugene Smith, ed. [New York: Dover Publications, Inc., 1959]):

"It is well known that geometry presupposes not only the concept of space but also the first fundamental notions for constructions in space as

This presented science with two leading, specific challenges.

*First*, in historical order: Fermat's experimental demonstration of a principle of "quickest time," must be viewed in the context of Kepler's proof, for the case of gravitation, of the infinitesimal principle of action, the principle of the Leibniz discovery of the calculus, which had been expressed by Kepler's measurement of "equal areas in equal times." Thus, the *a priori* notion of the independent existence of space, time, and matter, was crucially discredited in experimental fact by the discovery by Fermat: the concept of a functional continuity of physical space-time must be adopted, instead.

*Second*, once we accept this role for the notion of an efficient continuity of physical space-time, instead of Seventeenth- and Eighteenth-Century reductionist notions, the relevant question becomes, and remains: What replaces the role of *a priori* assumptions in a functional mathematics of physical science? Once Leibniz had settled the principle of the actually infinitesimal calculus, which was settled, in fact, with the Leibniz-Bernouilli conception of a catenary-cued principle of physical least action, the issue of the "shaping" of physical space-time, the issue of Euclidean versus non-Euclidean geometry, came into focus as the relevant form of challenge.<sup>10</sup> Typical of this shift, was Kästner's treatment of this issue, which provided the basis for Gauss's insight into that notion of an anti-Euclidean geometry which Gauss subsequently refused to discuss openly throughout his lifetime; nonetheless, Gauss's actual work on subjects of physical geometry to this effect, was crucial in the subsequent development of a modern anti-Euclidean physical geometry by Riemann.

This challenge, as anti-Euclidean geometry had been



Pierre de Fermat

presented by Kästner, forced attention to the crucial implication of Kepler's view of the elliptical orbit. This question had been posed by Kepler's evidence: that it was the principle of gravitation which determined the elliptical orbit. This is contrary to the silly view, the view in which the elliptical orbit itself might be assumed to be ontologically primary. Here lay the significance of the work on physical geometry by Gauss and his relevant contemporaries, including the matter of Abelian functions. For Riemann, this line of inquiry had led Gauss into the issue of higher orders of physical geometry, the issue of hypergeometry. It was this set of considerations which brought Riemann to a categorical kind of general solution for the problem of physical geometry as a whole: in which the

functional expression of the physical relations among a set of experimentally defined universal physical principles (i.e., the Riemannian tensor), defines the physical geometry of the measurable action.

Thus, we have the crucial ontological issue posed by the proof, that of the existence of the efficient role of the expression of a universal physical principle as a (*Leibnizian*) *absolute infinitesimal*, rather than as a discrete object of sense-perception, or as a convenient use of the mathematically imaginary.<sup>11</sup>

This solution, as brought to a certain point by Riemann, defines a working modern conception of the significance of the term "dynamics," as that term is employed by Vernadsky later. This same conception of *dynamics*, as by Vernadsky, is, presently, the appropriate foundation for defining the notion of physical economy in terms of physical-experimental, rather than the inherently aprioristic statistical-mechanistic monetary standards.

Essentially, therefore, the need for the notion of the dynamical form of physical space-time, the notion within which mankind acts to produce those physical effects, per capita and per square kilometer, associated with a notion of a physical, rather than a monetarist's

10. The experimental development of Fermat's discovery of a universal principle of "quickest time," led, first, into Christiaan Huyghens' experiments, in which it was assumed that a principle of least action could be expressed by the functions of the cycloid. The evidence that the basis for both the Leibniz-Bernouilli discovery and elaboration of the physical principle of physical least-action, and natural logarithms, lies in the catenary function, forced open the *ontological* function of what the Eighteenth-Century reductionists' misnamed "imaginary numbers." On this account, Gauss's doctoral dissertation set the pace for the consequent revolution in the mathematics of physical science.

11. A parallel challenge is posed by the experimental actuality of the existence of the Pythagorean musical comma, and the latter's implied relationship to Gauss's notion of the challenge of the arithmetic-geometric mean.



economy, can only be accomplished from the point of view of a universe as dynamical in the sense which Vernadsky applies to the experimental subject-matter of the Biosphere. Competent economic theory can only exist in a Riemannian quality of an intrinsically non-linear context.

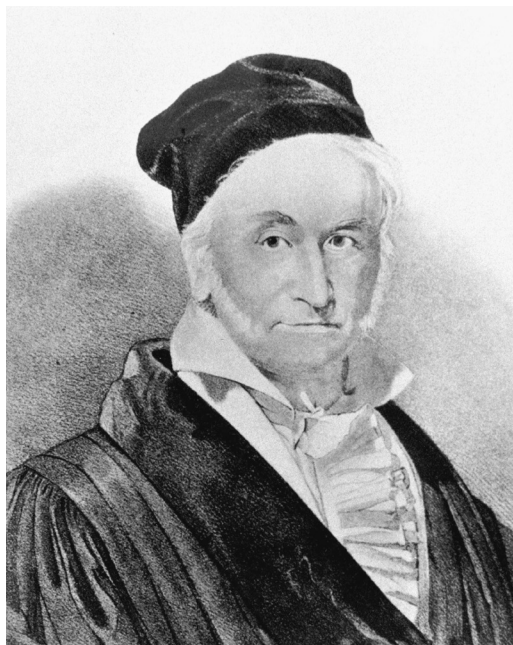
The fact to be emphasized, is that the recent changes in global policy, over the 1968-2006 interval to date, have put the world as a whole presently in such a specific type of perilous plight, that it is only from that vantage-point, that the challenge of defeating the presently onrushing general breakdown crisis of world-economy could be overcome.

## The Idea of Dynamics

As already noted here, the term “dynamics” was introduced to modern physical science by Gottfried Leibniz, that in the course of his exposing the fraudulent character of the mechanistic, reductionist assumptions, those the premises on which René Descartes had attempted to construct a mathematical physics. This fact, the inherent incompetence of the methods of statistical mechanics, as for physical science generally, and statistical economics, has crucial implications for any effort to understand the conceptual roots of that general notion of dynamics which is indispensable for competent work in economics today.

As I have pointed out, repeatedly, in relevant locations published earlier, Leibniz’s adoption of the term “dynamics,” was a product of his extensive studies of the works and method of Plato. That method, which scholars associate implicitly with the related work of Thales and with the Pythagoreans, as also Socrates and Plato, is signified by the concept of *dynamis* which played a prominent part in the writings of Plato, including, notably, authentic modern replicas of such among Plato’s writings as the *Theaetetus* dialogue.

The scientific method represented there bore the name of *Sphaerics*. That term was attributed by the relevant ancient Greeks to Egyptian origins, and has the practical implication of representing *astrophysics*,



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*Carl F. Gauss's work on physical geometry laid the basis for Riemann's development of a modern, anti-Euclidean geometry.*

*rather than contemplative forms of astronomy.* With the Pythagoreans and Plato, *Sphaerics* brings astrophysics down to Earth as a system of what should be viewed in retrospect, today, as universal, anti-Euclidean scientific thought.

As Aeschylus’ *Prometheus Trilog*y provides us the boldest clear view of the relevant issues, this down-to-Earth side of the view of *Sphaerics* by the Pythagoreans and Plato, had profound practical implications bearing upon the most crucial of the cultural conflicts within ancient Greek society of the Classical period. The notion of the physical universe, and of man’s nature, typified by the writings of the Pythagoreans and Plato, is in violent, fundamental contrast to the

standpoint expressed, as by the character of the Olympian Zeus within Aeschylus’ *Prometheus Bound*: an oligarchical standpoint typified by Zeus’ condemnation of Prometheus, for sharing knowledge of the application of a universal physical principle with human subjects.

*The Pythagoreans and Plato defy that Satanic quality of the tyranny of the oligarchical model’s Olympian Zeus, by affording man the right to express the power, and the duty, as Genesis 1:26-31 does, to change the universe in which we act, for the better, as through the application of discovered universal physical principles.*

Notably, the Pythagoreans allowed no simply aprioristic presumptions respecting the relations among points, lines, surfaces, and solids; the transformation from one to the next was allowed only through physical actions expressing universal principles, as identified by the categorical term which was employed by Plato in relevant locations: *dynamis*. The most notable examples of this for physical geometry as such, are the doubling of the square and cube by construction, and the construction of the regular (Platonic) solids. The case of the doubling of the cube carries matters over into the special significance of the treatment of cubic and biquadratic residues by Gauss, as, for example, in his exposure of the hoaxes of the empiricists D’Alembert, de

Moivre, Euler, Lagrange, et al., on that issue of the infinitesimal calculus which is posed, in formal terms, by the existence of these residues.

That serves to illustrate the crucial point, that the category of abstract geometries consonant with Euclid's *Thirteen Books* never existed in actuality; only physical geometry exists in a functional sense. Only physical geometry has existed as a competent notion of a principle of mathematics suited to the needs of physical science; this was known even as early as, or earlier than the Pythagoreans. This was already implicit in *Sphaerics* as a topic of astrophysics, rather than a mere astronomy.

These considerations eliminate the conception of a political-economic process defined primarily in terms of a notion of relative monetary value. That fact leads to recognizing the virtual sheer lunacy shown by the "free trade" fanatics, in the repealing of the system of regulation associated with the continuation of the reforms introduced under President Franklin Roosevelt's administration. Only regulation of the type associated with the Franklin Roosevelt tradition is tolerable. As is indicated in the following chapters of this report, it is physical, not monetary values, which must be employed.

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## The Nature of the Problem

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The modern ignorant man embraces the delusion that the mental objects prompted by sensations, represent the *content* of the phenomena prompted by the world outside his skin. In fact, we know that, with one categorical exception to this, the sense-perceptions prompted by actual experience, are shadows which the real universe casts upon our mental-perceptual apparatus. That is to say, that when these impressions are not illusions, they are the shadows which the events of the real universe have cast upon that apparatus; *but, those shadowy sense-perceptions do not contain any explicit representation of certain otherwise knowable categories of mankind's actual experience in and of that universe.*

Those existing principles which are not registered as sense-perceptual objects in themselves, are typified by the discovery of universal physical principles such as Kepler's uniquely original discovery of universal gravitation. This category also includes what are rightly regarded as principles of Classical artistic composition, such as the relevant examples from the work of Leon-

ardo da Vinci and the well-tempering principle of counterpoint of J.S. Bach.

The significance of universal physical principles, and comparable Classical artistic principles, is that their efficient action is on the universe as a whole.

The functional significance of knowledge of these principles, is that they can be known only by human beings, and not lower forms of life. It is the capacity for efficient knowledge of such universal principles, which supplies the proper definition of human nature. The lack of the capacity to know such principles, constitutes a condition of dehumanized humanity.

This ignorance corresponding to the condition of dehumanized humanity, is not a product of human nature, but directly the contrary. It expresses evidence variously adducible or known from history and pre-history, of the way in which some people, in some societies, have learned to tame people in a way similar to the fashion they tamed and managed cattle. In brief, the captors learned that the best way to keep people in chains, is to induce those victims not only to put those chains upon themselves, but to defend the system of chaining, even savagely, as "our culture."

We see this in the work of the Nineteenth-Century Spanish monarchy's conduct of the African slave-trade, under British imperial protection of a practice which the British of the 1790s had had found too dirty and unprofitable to conduct themselves, and had turned to China and related international drug-trade, instead. The British East India Company and its heirs did not invent such practices, nor did the Spanish Habsburgs who led in creating the trans-Atlantic African slave-trade in the first place.

Kill the strong young adult captives who would fight back, scrap the old as unsuitable for service, or simply dump the young male slaves into strange places where they had no cognizable opportunity to flee. Above all, as this prevailed under the London-backed southern slave-holders rule of the 1820s and beyond, pronounce a death-sentence on any slave who learned to read and write, and also upon the non-slave who taught the slave such forbidden knowledge.

For freed slaves and their descendants in the U.S.A. today, there are other methods for accomplishing a similar effect upon the minds and wills of the intended victims. These methods are often catalogued as "their right to their own culture." Most citizens of the U.S., not only ex-slaves, are subjected to a kindred method of mass social control.

The modern practice of mind-slavery is oligarchical methods of control over what is popularly accepted as the “people’s own” induced “popular culture.” Thus, the struggle for the cause of human freedom often centers, ironically, in freeing the masses of victims from the invisible slave’s chains of a current mass-culture. Today, those chains are usually referred to as “popular culture.”

Despite those and related means for inducing masses of the ruled to submit to such methods of mass brainwashing, the progress of mankind, the increase of man’s physical power in nature, per

capita and per square kilometer, reflects the fact that there is at least one class of valid mental objects which has no explicit form of sensory representation; I point to the specific such case, called *universal physical principles*. I point to the example of a particular principle of this specific type, called gravitation, as Kepler defined gravitation experimentally.

These objects, such as Kepler’s principle of gravitation, or representations of the Pythagorean category of *dynamis*, are not directly visible to the human senses, but only to a faculty which does not exist in lower forms of life than human individuals, a faculty conveniently identified as *creative insight*, a human faculty which was outlawed by Aeschylus’ character, the Olympian Zeus of ***Prometheus Bound***.

That policy expressed by the Olympian Zeus is the cornerstone of what has been known to European culture since Classical Greece as *the oligarchical principle*, a doctrine of practice which variously hunts down, or herds entire categories of the human population as if those people were lower forms of life, were wild or tamed cattle.

Nonetheless, despite all that, the idea of freedom is accessible. As in every great upsurge in the struggle for freedom on behalf of masses of a population, it is freeing a people from those chains of ideology often adored as mass culture, which is the means of liberation, as the



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*A slave ship en route to America. Today, such methods have been replaced by “mind-slavery,” by which oligarchical control is exerted through what is widely accepted as “popular culture.”*

marvelous outcome of the Seventeenth and Eighteenth Centuries’ struggles for development in the English colonies of North America attests.

## The Battle for Freedom

To understand the global strategic crisis of culture today, consider the examples from the cycles of rise and decline of cultures in the history of European civilization since ancient Greece.

During what is regarded as the Classical period of ancient Greek cultures, as the time of Thales, Heraclitus, Solon of Athens, the Pythagoreans, Socrates, Plato, and Alexander the Great, and through the time of the Platonic Academy through the work of the Platonic Academy’s Cyrenaican Eratosthenes who was the leading scientific figure of a period leading into his own (circa 204 B.C.) and his correspondent Archimedes’ deaths (212 B.C.), the proposal for establishing respectively western and eastern divisions of a common “world empire” centered upon the Mediterranean, was known as the “oligarchical model.”

The subject of this oligarchical model was addressed by the poet, dramatist, and historian Friedrich Schiller in his Jena lectures, in which Schiller traced the continuing division of European civilization along the lines of opposition of the oligarchical model of Lycurgus’ Sparta and republican model of Solon of Athens.



The same conception was expressed in the division of the Roman Empire by the Emperor Diocletian, on a different line of division. The former protégé of Diocletian, the Emperor Constantine, divided Christianity as a legalized state religion of his Pantheon, along similar lines of East and West. The long process of collapse of the imperial power of Byzantium, beginning approximately 1000 A.D., resulted in the emergence of a new “world empire” based on the partnership of the Venetian financier oligarchy with the Crusaders of the Norman chivalry. It was only with the collapse of Norman Europe in the Fourteenth-Century New Dark Age, that the persisting efforts of Charlemagne and his followers succeeded in establishing the institution of modern European society as a leading challenger to the millennial hegemony of the so-called Persian or, simply, oligarchical model as the dominant power, and social system of the Mediterranean and adjoining regions.

The British East India Company’s form of empire, expressed today as London-centered, and Synarchist-allied Anglo-Dutch Liberalism’s tyranny within the present world monetary-financial system, is currently engaged in the effort to eradicate the institution of the sovereign-nation-state from the planet, with the intent to establish a form of global imperialism called “globalization.”

Although the great ecumenical Council of Florence, and the related work of Cardinal Nicholas of Cusa, established the modern sovereign form of nation-state of such exemplars as Louis XI’s France and Henry VII’s England, the Venetian orchestration of the Fall of Constantinople and the Venetian faction’s role in launching the Spanish Inquisition, the 1492-1648 torment of Europe’s religious wars, and the Habsburg rampages of the Sixteenth and Seventeenth Centuries, have left globally extended European civilization today with a persisting division between the forces of freedom, as exemplified by the founding of the U.S. constitutional republic, and the domination of European civilization and areas beyond by the Anglo-Dutch Liberal model of a modern version of the ancient financier-oligarchical model, during most periods of modern history to date.

### **Empiricism as Mind-Slavery**

The new feature of the modern oligarchical model, the role of empiricism and its influence over nations and their cultures, has been a shift in the method by which the reigning financier and related oligarchies seek to reduce populations engaged in some forms of

technological progress to a virtual mind-slavery similar in effect to the image of the suppression of scientific knowledge by Aeschylus’ Olympian Zeus.

As a consequence of the ignorant and commonplace, reductionist opinion expressed by Liberal reductionism, respecting the nature of sense-experience, the childishly mistaken opinion, and virtual functional brain-damage, respecting physical reality, is the belief, explicitly or simply in effect, that, unless there is an external intervention, the universe functions as simply repeating itself as it had been before, and, therefore, does not change until some external action upon it induces a change of state. That popular and ignorant, mechanistic view, usually represents the universe of physical, and also other experienced events, as composed of kinematic interactions within a falsely imagined physical space-time in which processes are mechanical in the Cartesian sense, rather than dynamic.

The contrary, competent view, that of *Sphaerics*, and, notably here, modern science since the work of Kepler, is that the universal principles of which the universe is composed, are not presented as simple forms of “fixed principles,” but are, rather, as Heracleitus had famously insisted, principles constantly acting to the characteristic type of ongoing effect of changing the state of the universe from the state which it had exhibited a moment earlier. It may be said, as a corollary, that what appears, experimentally, to be no-action will, probably, be the action of entropy in the sense of “winding down,” or of a form of moral and intellectual decadence such as a policy of “zero growth.”

In other words, any adopted notion of a simple form of fixed principle which is presumed to account for the action presented by a preceding cyclical action, is flawed by lack of reference to the additional “element” of complexity actually within that assumed principle which expresses *a principle of change*.

*This factor of inherent complexity of any valid single universal physical principle, represents the essential, principled distinction between a mechanistic and a dynamic system.* This is the crucial issue posed by a specifically Riemannian view of the physical implications of tensors. Here, in this issue, lies the understanding of the “factor” of anti-entropic directedness in physical systems generally, and in the human mission specifically. The tensor, conceived as Riemann’s work implies, is the typical expression of a dynamic, as opposed to a mechanical (e.g., neo-Cartesian) order in the universe. To define this properly, the fact that the universe

as a whole is anti-entropic in principle, must be reflected in relevant studies and designs for practice. I turn your attention to that now.

Therefore, for us, an apparent principle seemingly sufficient to account for a cycle which has occurred, involves an assumption which must be corrected. It must be corrected to show, appropriately, that any previously apparently “fixed” principle, is actually associated, functionally, with an additional aspect, an inherent universal principle of change: as Heracleitus emphasized, and as is implicit in Plato’s *Parmenides* dialogue.

*Thus, in any truly dynamic system, such as a Riemannian system which employs discovered universal physical principles, in place of arbitrary ones akin to a Euclidean or most non-Euclidean systems, the system as a whole has, in fact, a directed overall intention. This intention is expressed as further qualitative development of the system as a whole. Therefore, a competent representation of that real-life system must qualify each “dimension” of the array as undergoing some rate of change, called progress, which is coherent with the ontologically qualitative developmental characteristic of the array as a whole.*

*That is what is usually left out of account by those who fail to grasp the implication of what Leibniz and Vernadsky have identified as dynamic systems.*

In other words, in a national economy as a whole, for example, the indicated rate of profit, as in monetary terms, or other fixed parameters, is inherently false. Those false methods which treat the national economy as the sum of components considered individually, have failed miserably, already in the post-1964-1968 U.S.A., especially during the recent thirty-five years. The rate of downshift, in county after county, of the ratio of physical output to unskilled service employment, is in fact an accelerating physical collapse of the nation’s economy over the entire span of the 1977-2006 interval to date. In this, most of the changes identified as “cost savings,” or “price reductions,” have represented actions which have now accumulated to the point of being a virtually irreversible physical collapse of the total national economy in the form it is organized today.

Any assumed principle which overlooks the existence of that added factor of change, must be treated, at best, as a conditional view of a phase-space, not the actual universe in general.

Take the following considerations into account as points of illustration.

## An Illustration of the Point

To illustrate the richly ironical point in fact which I have just stated here, look at the Earth as defined by Vernadsky’s elaboration of his discoveries pertaining to the Biosphere and Noösphere.

Whereas, the Earth is receiving a stream of added mass from Solar radiation, if we treat the increasing mass of the Earth as a constant of reference, the pre-biotic state of the planet is being shrunk, *relatively*, by the increase of the accumulation of the Biosphere, and the combined state of the abiotic domain and Biosphere, is being shrunk, *relatively*, by the increase of the accumulation of the Noösphere. The universe, as so represented, in this case by Earth, is proceeding “spontaneously,” in an expression of redoubtable lawfulness, to a higher physical state of existence!

We must rid science of the foolish, scientifically illiterate view, as expressed by the pathetic Isaac Newton, that the universe is like a grand clock which would run down, unless the Creator were to wind it up again, from time to time. As Heracleitus’ referenced aphorism points out, the design of the universe is based ontologically on a primary, underlying general principle of *continuing ontological change*. All valid universal physical principles express a universality of eternal change of ontological state of the universe as a whole. Any universe which were organized in a different mode than this, would be uninteresting for serious policy-shapers.

This principle of *universal change* may be fairly described as *inherently anti-entropic*.<sup>12</sup> This notion of “anti-entropy” is, implicitly, the essence of the notion toward which Kepler’s development of his harmonic view of an actually universal principle of universal gravitation is working, as his reach toward that principle is expressed in such forms as the ordering and evolution of planetary Solar orbits.

Change is not something acting on the universe from outside; change, as expressed in the form of discovered universal physical principles, is not merely inside the universe; it, the principle of change, not static conditions, nor repetition of the sameness, is the internal essence of the very existence of the universe. *Thus, God is inherently creative, as are man and woman as identified in Genesis 1:26-31*; otherwise, He would not

12. I.e., the absurdity of the notion of an essentially entropic universe, as peddled by such creatures as those inhabiting Bertrand Russell’s own version of his crony H.G. Wells’ *Island of Dr. Moreau*, Professor Norbert Wiener, John von Neumann, and their fellow-dupes of the “information theory” hoax.

be the Creator, and those who believe differently could not be, for example, Christians.

The worship of entropy is Satan, and the worship of entropy as a principle, as, for example, doctrinaire “zero economic growth,” is Satanism in practice.

However, while what I have just stated is true, there is something more to be added to this, as I shall identify that, soon, at the appropriate point below.

The significance of what I have just written here, thus far, is, that the Biosphere represents a higher state of organization than the pre-biotic; and, that the Noösphere represents a higher state of organization than the Biosphere. Idiocy would be, the adoption of policies, such as some silly, but recently influential “environmentalist” delusions, which promote such actions against nature as a whole, as actions which would seek to curb the progress of the Noösphere on the pretext of defending the relative advantage of the Biosphere. I repeat: Such deplorable “environmentalist’s” or comparable follies, would be, and, in actual fact, have been, during about the four recent decades, the implicitly Satanic promotion of entropy in the global system in which we exist. This is seen clearly, when the trend of the planet’s development is considered as a whole dynamic process.

Granted, the proper kind of policy-making, includes the intention to avoid inappropriate innovations; but, that would be no excuse for policies, such as extensive use of windmills as a source of power, which increase the relative entropy of the system, and thus impoverish the economy and population as a whole.

### **An Example: Energy or Power?**

Among the first steps required, to arise out of infantile-like fantasies, into competent economic policy for today, is to drop today’s accustomed, silly use of the word “energy.” During the course of the late 1970s and the 1980s, the Fusion Energy Foundation adopted the term *energy-flux density*. This compromise in our use of terms, emphasized the standpoint of physical chemistry, in which there is a clearly manifest progress, upward, from using sunlight as a source of direct power for such actions as simple human use, or, the burning of wood, the burning of coal, the burning of coke, the combustion of petroleum and so-called “natural gas,” as compared to nuclear-fission power, and thermonuclear-fusion power. We also glance in the direction of an apparently more dense quality of power, several orders of magnitude greater than thermonuclear fusion,

which is called “matter-antimatter” reactions, for lack of a more appropriate name for the latter.

So, we trace an upward track from Solar radiation per square centimeter cross-section, through burning of material, to atomic, nuclear, thermonuclear, and still higher densities. The progress of culture is to be measured in rates of increase of the anti-entropy of the system, a policy which includes the upshift to increasing “energy-flux density” in modes of production and operation of basic economic infrastructure.

In this, there are certain anomalies.

Take, first, the case of the human use of Solar radiation, which is of principal significance in its expression as a product of a thermonuclear process called our Sun. The direct consumption of this radiation dumped onto the Earth’s human beings is relatively very inefficient when compared with the anti-entropic benefits of photosynthesis by relevant living organisms. Using Solar radiation as one of the principal direct sources of power, or Solar power expressed by use of windmills, or growing crops to be consumed as a source of substitute for petroleum, are currently popular varieties of what must be fairly described as an implicitly culturally suicidal expression of virtual idiocy. By studying the process of photosynthesis by the chlorophyll molecule, and also those other molecules which have a comparable function in kinds of living processes other than green plants, we are forced to recognize how foolish society is, each time it consumes solar radiation as a source of “inorganic” power, as compared with the global function of the consuming of Solar radiation in the negentropic actions of chlorophyll.

The proper physical-economic policy of our planet should emphasize the increased productivity of both man and nature per square kilometer of each and every square kilometer of the planet. This measurement must take into account the fact that what exists, or is being invested in physical improvements today, has a life-span under expected rates of use. Looting the future, may appear to be profit to foolish people, but those people should not be tolerated in relevant positions of responsibility.

We are faced with an increase of population, such that the attempt to curb that factor of increase in incurred cost would be counterproductive for the world as a whole, per capita and per square kilometer. The source of increased physical productivity, per capita and per square kilometer, is the increase of the creative potential and related opportunities for practice per



capita. This signifies an improved standard of living and culture per capita; it signifies an increase of the intellectual power of the nation and planet as a whole per capita, in each succeeding generation. It signifies the development of both modes of production and supporting basic economic infrastructure, measured in physical terms, per capita and per square kilometer.

Thus, it is the application of these criteria, top down, over a forward span of not less than two generations, globally, which must be the standard of measure for the assessment of current economic activity. The rate of realization of these physical goals for humanity's habitation of our planet, must be the proximate standard of measure of the entire economy, and that measure of the entire economy must be the premise for assessing the local contribution during the approach to the near horizon.

### Our Universe, in Principle

The currently known evidence is, that our universe has four aspects, three distinct phase-spaces, and one, higher, inclusive domain of action. The three phase-spaces, as defined by the Russian Academy of Science's V.I. Vernadsky, are, in order of lower to higher: a.) The abiotic domain; b.) the Biosphere; and, c.) the Noösphere. The required principle which accounts for the distinct and combined development of each and all of the interacting lower three phase-spaces, expresses the principle which, according to the implications of *Genesis* 1:26-31, has the form of the creative powers of the mortal individual's developed state of individual human mind, but the principle subsuming human existence is of a higher order of magnitude, that of a willful power specific to a domain which we mortals may regard, as from below, as located ontologically within a simultaneity of eternity, the domain of a Creator.

Each and all of the lower three phase-spaces, are characterized by a universal principle of development, in the sense of Heracleitus' aphorism, as that aphorism is read from the standpoint of Plato's reference to Heracleitus' view, as implicitly in Plato's *Parmenides* dialogue.

For example, the Solar system itself is to be seen as the product of a self-development of a young, fast-spinning Sun, whose generated product was transformed into something like the original Mendeleyev Periodic Table with its attributed isotopes, that within a Solar system generated and organized pretty much as Kepler understood the nature of its organization as a dynamic

process, as I shall describe this, summarily, as a Riemannian manifold, here below.

In effect, therefore, each of the lower categories is a sub-space of the relatively higher, but is separated from the relatively lower by an additional universal physical principle.

These considerations typify both the situation and obligation of the human species, and individual person within our universe. The development of astrophysics since Kepler provides the context for a needed pedagogy.

Kepler's view starts implicitly with the Sun, and, therefore, the galaxy of suns within which our Solar system is located. On this point, since the popularized doctrines of astrophysics are polluted with the reductionist influences currently hegemonic in academic life, available speculations on the state of the universe prior to the existence of suns, were better put aside in approaching the narrower concerns on which our attention should be focussed, for practical purposes, here.

That said, the image we have from the best scientific sources available to us in the public domain, thus far, is that the Solar system was generated as a higher state of organization by the Sun. The problem today, is that the inquisitional-like effort of the hegemonic Babylonian priesthood of academia to put Cusa, Kepler, and Leibniz aside, in favor of the empiricist religious faiths called empiricism and materialism, has more or less successfully impeded progress beyond Kepler's own richly confirmed study of what he knew as the Solar system. The development of the Biosphere out of the dynamic development within the Solar system, permits us to draw a limited range of firm conclusions, especially those bearing on the work of Vernadsky. What we know of the dynamic characteristics of the Noösphere beyond what Vernadsky presented, is largely concentrated in my own work in the field of a process of physical-economic development of societies as that process could have occurred, and could be continued in no way but in correspondence with my own refutation of the relevant "information theory" hoaxes of Norbert Wiener, John von Neumann, et al.

If all of this is the expression of the Creator of this finite and unbounded, or self-bounded Riemannian universe, as Albert Einstein saw it, then there is a grand design somewhere in this unfolding process of which we are the part to which I have pointed here. Whether or not we could know the objective of the design, is an irrelevant question; it is sufficient that we attempt to

adduce the direction in which all this universal development is leading, and to adduce the part which mankind plays in it.

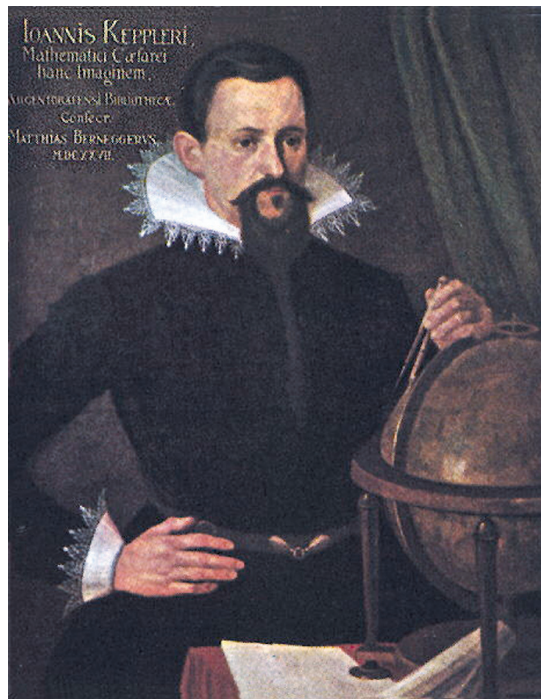
At a certain point in this process, we were created as a species as I have described that here. Our proximate mission is clearly that of bringing our affairs on Earth to such an effect that we have some proximate mission in the management of the Solar system itself. However, it could not possibly end there. Something is in progress within the development of this finite universe, something of which we have presently little more than a tiny inkling; but it is something which involves an intended role for mankind, something of which our present existence may be ultimately a part.

This supragalactic view of our place in this scheme of things, should impel us to look back to a point being developed here earlier.

When we discover a universal physical principle, as Kepler, uniquely, discovered gravitation, we act upon that discovery, treating it not simply as something observed, something we have just learned from a visit to a galactic zoo. Often, more and more, our discoveries of principle prompt us to act upon the universe in a manner, and to an effect to which that universe has not been subjected before. On reflection on this point, we should be reminded that the universe is not a fixed Creation, but an ongoing process of creation, introducing new states to the universe: states which did not exist earlier.

In reflecting on that point, we gain a needed insight into the meaning of creation itself, particularly what man has created, by enabling him to act on a principle of whose existence he had not known before. Therefore, intention could not be limited to points on a pre-existing map; we, by acting on valid discoveries, are changing the map of the universe, by activating discovered universal principles in a way they have not been applied before. Such, is our best estimate of the intention of the Creator.

The prevalent dogmas within the globally extended



*Johannes Kepler's revolutionary discoveries "provided the basis on which all leading accomplishments in European physical science have been centered since."*

European-based political-economic culture of today, proceed from the variously stated, or necessarily implied view of mankind as originally of the quality of a human herd. In that variously implied or explicit view of mankind as ontologically a kind of herd, or assortment of herds, no allowance for an actual creative (noëtic) principle of mind exists. Human beings with a certain implied resemblance to mechanical contrivances, and also matching desires and other passions as kinds of tropisms, are portrayed as a kind of more or less boisterous, sociological aggregation of a collective form analogous to Boltzmann's Machian conception of a thermodynamical gas. In fact, this view corresponds, otherwise, to the anti-humanistic policy of

the Prometheus-hating, mankind-hating Olympian Zeus of Aeschylus' **Prometheus Bound**.

Different sexual positions for practice of copulation or who-knows-what serve some sociologists as paradigms for illustrating an assigned meaning to the term "creativity," but the idea of the individual act of an experimentally validated discovery of a principle of the universe does not exist in our classrooms, textbooks, or the generality of educated or other general opinion.

Thus, the notion of the creative intellect, such as the discoverer of a universal physical principle, must be defined in terms coherent with the objective of realizing individual man or woman as in the image of the eternal Creator.

## Physical Versus Monetary Values

In modern society since the Seventeenth-Century emergence of the empiricist system characteristic of Anglo-Dutch Liberalism and its inherently imperialist impulse, the prevailing dogma of that system's ruling, virtual Babylonian priesthood, has been that made variously famous and infamous by the shamelessly wicked Bernard Mandeville of **The Fable of The Bees** notori-

ety.<sup>13</sup> Mandeville's argument in that location is paradigmatic Liberalism of the specific type common to John Locke, François Quesnay, David Hume, Turgot, Adam Smith,<sup>14</sup> Jeremy Bentham, and John Stuart Mill.

The common paradigm attributes the luck which makes some men rich and powerful, and others poor and miserable, to something akin to "little green men" wielding magical powers capriciously from under the floorboards of the universe. It is the casting of crooked dice, or similar devices by these curious creatures which Mandeville et al. imply as determining the fate of men and nations, not the production of wealth useful to the well-being of society per capita and per square kilometer. Hence the moral depravity presented as economics by obscenities typified by the American Enterprise Institute and Mont Pelerin Society.

The actual American System of political-economy is based on thought typified by the pre-1688 practice of issue of scrip by the Massachusetts Bay Colony. The return to this principled practice of that Colony was demanded by Cotton Mather, as Mather on the principles of public credit was echoed by Benjamin Franklin's 1729 *A Modest Inquiry into The Nature and Necessity of Paper Currency*. This developing tradition within the North American English colonies was incorporated as a central feature of the U.S. Federal Constitution, reflecting our constitutional commitment to permit no private financial institution, domestic or foreign, to have power over that of our Federal government, especially in matters pertaining to public credit and uttering national currency.

Contrary to the common folly of the nations of

Europe, among others, in permitting the private interests embodied in so-called "independent central banks" to exert control over the sovereign powers of government, we jealously defend the powers of government respecting national credit and national currency against all attempted overreach by foreign governments and private powers such as the so-called "independent banking systems" which have been the commonplace mortal affliction among nations of Europe.

Nor, within those boundaries defined by the principle of national sovereignty, is there any means by which the free circulation of any currency or its like could be a competent mechanism for foreseeing the relative value of a purchased item or investment in public or private enterprise several or more years in advance of the present. There is, in short, no natural correlation between a free circulation of currency and relative physical values within a national economy, or among economies.

Rather, it is the responsibility of government, as of other purchasers or investors, to foresee the relative value of an investment, commodity, or practice over the medium to long term. These kinds of rational estimates by governments must be premised on the foreseeable evolution of the intended pattern of development of the society and its economy over the medium to long term ahead. The validity of such medium- to long-term decisions depends on systems of agreements, private and public.

Against that background, we may skip over some connecting points, to go directly to the relevant matter of the way in which Federal regulatory and related measures instituted, most emphatically, by the Franklin Roosevelt Presidency, address the reality of the way in which the recent thirty-five-year wrecking of the system of so-called "protectionist measures" has bankrupted what had been, into the late 1960s the most powerful economy the world had ever known, a U.S.A. still, even then, dominated by the system of regulatory protection of the economy which had been installed under FDR.

There have been four outstanding aspects of the way in which deregulation has virtually destroyed the U.S.A.'s economic stability today: 1.) The Nixon use of a flight into the disease of "Friedmanism" as a prelude to the wrecking of the world monetary-financial system through the breakup of the Bretton Woods system; 2.) The massive deregulation conducted under the 1977-1981 Carter Administration; 3.) The post-October 1987 lunatic binge ("financial derivatives") of Federal Reserve Chairman Alan Greenspan; and, 4.) The sheer

13. Bernard Mandeville, *The Fable of The Bees or Private Vices, Public Benefits* (1734) (London reprint: 1934). On Mandeville's significance in laying the ideological foundations of Anglo-Dutch Liberalism, see H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987), pp. 341-348.

14. Adam Smith echoes Mandeville in not only his 1776 anti-American tract against the U.S. Declaration of Independence, his *The Wealth of Nations* which was largely a plagiarism of Quesnay and Turgot, but, earlier, Smith's 1759 *The Theory of the Moral Sentiments*, where he writes: "Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which unites the two sexes [e.g., the pimp and the customer's purse], the love of pleasure, and the dread of pain, prompt us to apply these means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them." Thus, the moral, and physical-economic degeneration of both the U.S. economy and the morals of our nation since 1968-1972, is reflected in the resort to legalized and other gambling as a substitute for the actual old-fashioned ways of earning of both private and public revenues.



economic-financial lunacy of the Bush-Cheney Administration. These are not the only important factors, but they have been the most crucial among the blunders of U.S. policy over the 1968-2006 interval to date.

The underlying common feature of these and related, ruinous measures can be summed up in one word: “deregulation.” The single most ruinous feature of the entire period 1968-2006 to date, has been the interweaving of the collapse of basic economic infrastructure with an increasingly wild emphasis on “free trade.”

Under any continuation of those trend-features of that 1968-2006 interval, the U.S. is doomed to not merely a new world depression, in the sense “depression” was understood in the Europe and Americas of the 1930s, but the more calamitous form of a general breakdown-crisis of the present world economic-financial system. However, there are alternatives. The pivotal issue is the need to put the U.S. banking system, the Federal Reserve System, into bankruptcy, under U.S. Federal Government receivership. Much of the paper involved, including current mortgage values, financial derivatives obligations generally, and so on must be savagely discounted, or simply discarded as financial derivatives must be. However, this means that the U.S. Federal Government must intervene to keep the doors of the banks open, and their functional role in maintaining the current level of physical economic support of levels of employment, production, and essential services, while also serving as a conduit of long-term Federal credit at rates of 2% simple-interest, or lower, needed to stabilize impaired banking institutions and also stimulate growth of employment and output to national and regional levels above break-even.

The presently indispensable turn to such kinds of measures must be matched by a reinstitution of the kinds of Federal regulation which came out of the 1933-1945 interval of recovery from the deep Coolidge-Hoover depression of the national economy.

That is not “socialism,” contrary to the reckless babbling of some. Indeed, solid economic conservatives of the 1950s would have called this a change back to a “fair trade” policy, as an escape from the syphilis-like effects of recent decades’ whorish dalliance with a street-walker’s sort of “free trade” policy.

Such a change in policy depends upon building a long-term fiscal stability in the system as a whole. Such a system means scheduling flows of credit and repayments. This scheduling depends upon an implementable schedule of physical investments, and so on. The design

and development of such a long-term system of investment in growth of physical output and productivity, per capita and per square kilometer, planet-wide, requires that we place the primary emphasis on physical values, and physical productive processes, and design the monetary, financial, and taxation policies to conform to broad and efficient agreements on long-term turnover of credit advanced, as capital, for investment in a realizable system of physical-productivity-oriented investments in basic economic infrastructure and private production investment.

In the present circumstance, there will be either global economic recovery through cooperation of a new quality, or there will be no global recovery for anyone in any part of the world as a whole. The pivot of the only possible such recovery will be major, sudden U.S. reforms from all current and recent trends in its policies of practice, toward cooperation with a Eurasian complex of long-term development rallied around Berlin, pivotted around Russia, and engaging the long-term development of Asia as a whole. Such recovery, using Berlin’s restoration as an industrial and global transport center of air and rail transport, will be measured in unit investment-blocs of twenty-five and fifty year maturities for long-term treaty-based credit for major infrastructural and agro-industrial programs.

A similar arrangement is required for the U.S.’s relations with the other states of the Americas, while the Eurasia and America blocs, through their mutual concerns, will undertake the rescue of sub-Saharan Africa as a whole.

The capital issued in the form of long-term credit, under a newly created fixed-exchange-rate, global monetary system, will be required to coordinate this great mass of long-term credit at low fixed rates. The ratios of values throughout the world will, consequently, be dominated by the sheer mass of these combinations of state-to-state long-term investment credit. The model for management of economic relations among regions and their component sovereign nation-states, will be the model of the success of the reforms of the U.S. and its international monetary and trade relations with then-friendly states.

There will be cooperation on the greatest scale in all history to date, but, as a certain American poet wrote: Good fences make good neighbors. In this undertaking, the fences are those of measures of economic cooperation premised on physical economy first, and money second.

## EDITORIAL

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# Credit

by Robert Ingraham

Oct. 8—Are Americans able to change the way they think? Are we capable of challenging our own “common sense” notions of how economics works? Can we see outside the box to act on our new discoveries?

From the vantage point of a Harvard Business School-trained accountant or a numbers-crunching budget hawk in Congress, America now faces a near-insoluble physical economic crisis. Hurricanes Harvey, Irma, and Maria have destroyed widespread areas of Florida, Texas and Puerto Rico. In addition to the loss of life and devastation of families, it is estimated that the economic damage could surpass \$300 billion. Now, Hurricane Nate is moving through Louisiana, Mississippi, Alabama and other nearby states, adding further to the shock inflicted on the portion of the United States bordering the Gulf of Mexico.

At the same time, the nation as a whole is facing a major crisis in infrastructure. The breakdown of the New York transit system is only the most egregious among countless problems. Water management, electrical power, dams, bridges, rail transit, and flood control have all reached critical condition. Add to that the massive deficits and dereliction in “soft infrastructure,” such as education and the health care system, and the cumulative crises rise to massive proportions.

Additionally, we, as a nation, face the prospect that under the current financial and economic prescriptions, we are becoming increasingly impoverished. Tens of millions work at the minimum wage. In California, more than 150,000 people live outdoors in “tent cities” or other makeshift dwellings. The nation’s death rate is increasing, and the drug epidemic is out of con-

trol. The rich are getting richer, and the poor are getting poorer.

### The Required Shift

Whether it is the need to repair the damage from the recent hurricanes, or proposals to rebuild major portions of the nation’s infrastructure, people always ask, “Where is the money going to come from?” That is the wrong question to ask.

What is needed is for people to shift their perspective, to shift their point of observation. It is not difficult to do at all; it does not require brain surgery or torturous mental gyrations. Just a slight shift in approach, easily accomplished—but one which will make all the difference in the world and will make the seemingly impossible doable.

The necessary change is simply this: Stop thinking about Money, and instead focus on understanding the power of Credit.

For example, on the question of rebuilding the nation’s infrastructure, most often the financing for such projects is proposed in one of two ways: either have the government directly pay for such projects through increased taxation or borrowing; or farm the funding for these projects out to for-profit private interests, such as the notorious Public-Private Partnerships (PPPs).

But are those the only choices? Is there not a third approach, one that is readily available and whose success has already been conclusively demonstrated?

Our first Treasury Secretary, Alexander Hamilton demonstrated precisely this third way, as did Presidents Abraham Lincoln and Franklin Roosevelt. Their

solution lay in understanding the power of Public Credit.

A simple example should suffice: There has recently been a great deal of talk about the possibility for China to invest in rebuilding American infrastructure. One scenario proposes that China invest in building high-speed rail in the United States—say to the tune of \$500 billion. This would be useful. However, what if, instead of that direct funding, China were to exchange \$500 billion in either U.S. Treasury obligations they are now holding or other securities, for shares in a newly established credit institution, preferably a National Bank, but possibly a national Infrastructure Bank or similar institution?

This would accomplish two things. On the one hand, as Hamilton demonstrated, it transforms debt into an asset that can now be deployed as credit to invest in physical economic projects. That \$500 billion could then serve as the basis for say, \$1 trillion or \$2 trillion in loans to build transit, water, educational and other desperately needed projects, for purposes authorized by Congress. Rather than the United States owing \$500 billion to China in Treasury obligations, that same \$500 billion becomes the basis for investment in needed infrastructure. As one loan is paid down, the credit becomes available for other projects. Thus, through Public Credit, a greater power of economic transformation is unleashed.

This approach also holds true for the debt which is now crushing Puerto Rico. That debt could be exchanged for shares in a new Credit Institution, secured

through federal guarantees, and used to finance reconstruction efforts on that island. This is precisely what Hamilton did, when his National Bank accepted outstanding and nonperforming state debt and IOUs.

This is not complicated. It simply requires the switching on of the Hamiltonian light-bulb in the minds of the American people and our political leaders. Obviously, a sound and prudent approach will be required, but as long as traditional prudent banking practices are followed, and provided that all new loans are targeted into authorized physical projects which will increase the future productivity of the nation, it will succeed spectacularly. This is not a “money-making” scheme. Long-term investments into physical infrastructure is the approach. There are many examples of the successful implementation of such an approach in the past. From the 20th Century, the functioning of President Roosevelt’s Reconstruction Finance Corporation and the German *Kreditanstalt für Wiederaufbau* are both beacons which conclusively demonstrate the power of Public Credit.

This approach is precisely what Lyndon LaRouche has enumerated in his Four Laws. It is time for America to listen to the wise words of LaRouche. America requires at least \$2 trillion in infrastructure investment, *per year*, for the next ten years. No one is talking about this however, because no one knows where the \$20 trillion will come from. In the realm of money, this is an impossibility. Therein lies the urgency of understanding the awesome power of Public Credit to rescue and rebuild the nation.



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