

Economy and Ideas

by Lyndon H. LaRouche, Jr.

The following is the foreword to the forthcoming book The Earth's Next Fifty Years, to be issued by LaRouche PAC.

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The Spring 2000 collapse of Alan Greenspan's "IT" financial-derivatives bubble of the 1990s, set the stage for the immediate onset of what has been the George W. Bush Administration's accelerating, 2001-2005, general economic breakdown-crisis of the world's monetary-financial system. This breakdown is not something which might happen, or soon will happen. It has been happening already, that at an accelerating rate, every day President George W. Bush, Jr. has remained in office. The end will come when the Bush trolley soon reaches the end of the line.

The five pieces comprising the following pages of this volume summarize both the interrelated deep causes, and the essential replacement for the inevitably doomed present world monetary-financial system.

The first lesson which must now be drawn from that experience, is that there is no way in which the world monetary-financial system set into motion during 1971-1975, can now be continued much further. In other words, there is no way in which the kind of thinking which is dominant among leading business and political circles of the world, even still today, would not lead the world as a whole, very soon, into a hopeless situation.

The solutions which are reflected in the five papers of which this report is comprised, are based on what has been known since the late Eighteenth Century as the American System of political-economy, as U.S. President Franklin Roosevelt's Bretton Woods monetary system and other 1933-1945 U.S. reforms typify the contrast between the American System and that Anglo-Dutch Liberal system which has dominated the world increasingly, up to the present moment of writing, during most of history since the relevant Paris Treaty of February 1763, and, but for a brief period of post-World War II world leadership, until the wrecking of President Franklin Roosevelt's Bretton Woods system.

To put the point in other terms: Any effort to force the world to submit to the kind of economic-policy-thinking which has ruled the world since 1971-1975, the kind of policy-thinking which dominates Europe under the European Union's system of today, will lead the world quickly into the worst economic catastrophe in modern world history. Without a decision to break the world free of the kind of thinking

which rules the present world monetary-financial system, the onrushing break-up of the present system would lead, quickly and inevitably, into a prolonged, planet-wide, new dark age for all humanity. It would be a new dark age like that which occurred during Europe's Fourteenth Century, but, this time, global and more prolonged. Any disagreement with that forecast, is a delusion.

That is the real, deeper issue immediately confronting each and all of the world's governments and populations, especially those of the U.S.A. Our U.S.A.'s decisions in this matter will probably be of crucial importance for leading the world out of the immediate danger this present crisis already represents for mankind as a whole.

The facts of the matter are stated, essentially, in the body of this book. However, although my argument there is factually irrefutable, the minds of most readers will struggle stubbornly to cling to those old habits of thinking which have already led the world down to the present precipice. "Yes, but . . .," "Yes, but . . .," they will say, and say, and say, all in the effort to prevent themselves from making the needed decision to break now from the mental habits which are leading them, like legendary lemmings, into the destruction of civilization generally. For many, those mental habits are more precious than the survival of their nation, even civilization.

Therefore, I take this opportunity to underline the origins and nature of the kind of popular mental disorder which is responsible for leading the government and majority of the population of the U.S.A., and other nations, into this onrushing catastrophe. The name of this most crucial issue is prevalent ignorance of *the nature of human individual creativity* among most of the U.S. and European populations today. Simply restated: The problem to be overcome, is that most people, including most leading figures in government and universities of the U.S.A. and Europe today, may use the term "creativity" in many ways; they claim to admire that word greatly, but, usually, they do not know what "human individual creativity" actually is.

I have defined such creativity and its role within the course of the five indicated elements republished in this book. Now, in these prefatory remarks, I must add something crucial for the book as a whole.

'Human Creativity'

The term "creativity" appears in European economic thought as the *Promethean* principle: the discovery and knowledge of use of universal physical principles by man to the effect of increasing mankind's potential relative population-density, and per-capita net physical output, per square kilometer of land-area. This notion appears, in a negative form, in the Olympian Zeus's forbidding knowledge of creativity from being transmitted to man. It appears, again in a negative form, in the history of the southern states of the U.S.A. in both the banning of literacy among slaves, and in the post-Civil War practice of not educating the descendants



Lyndon LaRouche with members of his youth movement. "To reach the goal of promoting the moral-intellectual adulthood of society," he writes, "youth, such as the members of the LaRouche Youth Movement, must prepare themselves by experiencing the youthful foundations of the greatest creative achievements of society's earlier history."

of slaves above the requirements of the kind of relatively debased forms of employment intended for them. It is reflected in the policy of "globalization" which has transformed the U.S. into a ruined, "post-industrial" scrap-heap. This same effort to eradicate creativity from our people today occurs in such forms as President George W. Bush's "No Child Left Behind."¹

The rescue of the economy will not occur without a return to a policy of replacing the business of giant financial swindles such as Enron, by investing in promoting genuine individual scientific and related creativity. Without returning the U.S. to its leading commitment to infrastructure-building, agro-industrial leadership of forty years ago, there is presently no hope for the continued existence of this republic. This rebuilding will require an included return to the goals of education we practiced in our relatively best schools and universities at the time we put men on the Moon. Therefore, you must now learn quickly what President George W. Bush will probably never understand, the meaning of actual creativity. Be patient as I explain what I mean; I explain as simply as the subject itself permits. I explain as follows.

The first known scientific definition of this urgently needed quality of creativity which we meet in studying the history of European culture, appeared in extended ancient Greek culture as the notion of the discovery of *powers* (*dynamis*). This notion, as met in the work of Thales, the Pythagoreans, and Plato, was attributed by them to their teachers, the Egyptian astronomers whose principled work was known

to the Greeks as *Sphaerics*.² So, similarly, Johannes Kepler's uniquely original discovery and development of the principle of universal gravitation, is a crucially important modern example of this notion of creativity.

Creativity means the discovery and use of powers by means of which mankind is able to increase the number and quality of life of the members of a society, as no species of animal could do anything like this.

This notion of *powers* known to the pre-Aristotle Classical Greeks, was revived as a social policy of modern European civilization, during the Fifteenth-Century Renaissance, by Cardinal Nicholas of Cusa, whose direct followers include such notables as Leonardo da Vinci and Kepler. This Classical Greek notion of *powers* was used by Gottfried Leibniz, who based his founding of the science of physical economy on the this notion of a universal physical principle (*Kraft*). The modern mathematical-physics use of the term was introduced by Leibniz in his uniquely original definitions of an infinitesimal calculus and of natural logarithms under the heading of *a universal physical principle of least action*. The further development of Leibniz's principle of least action is traced from Carl Gauss's 1799 doctoral dissertation, in which he attacked the central principled errors of the ideological fanatics D'Alembert, Euler, and Lagrange on the calculus.³

This same line of investigation was continued in collaboration with several of Gauss's relevant leading contemporar-

1. Like the hateful Pied Piper of Hamelin, Bush's educational policies leave no child behind. The notorious "My Pet Goat" is a model of those Bush policies for education.

2. This implies a spherical physical geometry, as opposed to a Euclidean or Cartesian geometry, as the primary form of the mathematics employed by those Egyptians and their ancient Greek followers.

3. *Demonstratio nova altera . . .*, Carl Friedrich Gauss, *Werke*, III (Hildesheim, New York: Georg Olms Verlag, 1981).

ies, to emerge as the crucial ideas of Bernhard Riemann in, notably, Riemann's *Theorie der Abel'schen Functionen*.⁴ This latter work by Riemann, setting forth the physical notion of the complex domain of Kepler, Leibniz, Gauss, et al., provides the presently available methodological basis for any competent science of physical economy today. This is the primary point of reference for any competent discussion of the term creativity, as a scientific term, in the work of physical science generally, and economics in particular.⁵

This same concept, which was used by President Franklin Roosevelt's administration in a very practical way, is the only possible means for saving the U.S.A.—and the world—from a drop into the worst dark age we can remember.

This tradition is the cultural orientation to which our republic must now suddenly return, if we are to avoid an early and prolonged plunge into a murderous new dark age.

For example, these issues, as traced from the Pythagoreans, such as Archytas, through the work of Gauss and Riemann, formed the core of the introduction to higher education which I prescribed for the LaRouche Youth Movement (LYM). This approach to elementary knowledge of the principles of scientific creativity, was complemented by the LYM's attention to aspects of Classical artistic composition, such as the exploration of the implications of J.S. Bach's motet *Jesu, meine Freude*. The object of this emphasis on the elementary foundations of Classical art and science, was to avoid the usual, doctrinaire calamities of most of today's young-adult political youth movements, by emphasizing a rigorous grounding in the re-experiencing of the historically crucial experiences of true creativity as known from the best of science and Classical artistry prior to the changes which have taken over increasingly since approximately forty years ago.

To reach the goal of promoting the moral-intellectual adulthood of society, youth, such as the members of the LaRouche Youth Movement, must prepare themselves by experiencing the youthful foundations of the greatest creative achievements of society's earlier history. To do this, throw away the textbooks and similar approximations of rote learning; re-experience the validation of a crucial important discovery of principle from the work of the past.

To know European civilization today, know more than 2,500 years of that history from its roots, including those found in ancient Egypt's definition of astronomical science, *Sphaerics*. Rather than merely knowing the name of the place to which you have been transported, re-enact the experience of discovering the route to arrive there, the route which leads

4. *Riemann Werke* (New York: Dover Publications reprint edition, 1953), pp. 88-144.

5. For example, in the view of the complex domain by Euler, Lagrange, Cauchy, and kindred reductionists who follow their line of argument, the ontological existence of creativity is systemically excluded in favor of a kind of echo of a Cartesian reductionist geometry. The formal argument for such a denial of its existence is that of Lagrange's defense of himself against the attack of Gauss; a pragmatic version of that denial is famously attributable by standard calculus textbooks to Cauchy.

to the appropriate choice of destination. Know history by reliving the experience of its most crucial discoveries. Know creativity by experiencing its re-enactment in a way corresponding, typically, to an independent, original act of discovery of a universal physical principle.

In the course of reading the contents of the pieces which make up the body of this book, the reader is invited to experience a genuine act of creative discovery, and to do this in such a way that the act of creativity itself is recognized as of a subsisting quality of efficient existence, as the relevant ancient Pythagoreans and their followers defined powers, as Kepler defined gravitation as such as *power*. However, to do that, there are certain presently popular bad habits, some powerful obstacles, which need to be identified and overcome.

Creativity and Morality

Simply said, creativity as I have identified it here is the difference between you and a monkey. In fact, there are two qualities to this difference. First, the member of the human species can increase the potential relative population-density of his or her species by the willful use of creativity, as no form of animal life could do this. Second, the progress of society over successive generations, depends upon the re-enacting of the creative discovery of those kinds of universal physical principles by successive generations. Taken together, these two expressions of creativity (as I define it) provide the basis for what we might call *natural human morality*, the kind of difference which separates human morality from the culture of monkeydom.

The wrong, simple-minded, but popular view is that a person earns money by working. Through this money, he or she aids in supporting a family, and doing other things, outside the bounds of paid employment which may or may not be considered socially beneficial. The opposing, moral view is that, through the willful practice of our work, paid or not, we spend the dwindling hours of our mortal existence producing conditions which are beneficial for society to come. We do this as a soldier hazards his life for his nation or some worthy cause. When we are gone, the good work we have done should persist in radiating benefits to mankind. In this way, in a good society, a healthy relationship to work affords us a sense of a kind of personal immortality which has an efficient persistence even long after we are dead as mortal beings.

As I have emphasized at relevant locations within the body of this book, it is those principled changes, as improvements we leave behind us, which, in fact, are ties we have to personalities, as sovereign personalities, who are long dead, such as the student today reliving the mental processes of discovery of an ancient Archimedes.

Thus, rather than working because we are paid, we should be paid in order that we might do our work, that we might generate the benefits we might thereby contribute for living and future society. Although a modern society requires a well-organized, well-regulated money-system, it is not the money-

system which is the basis for society's organization; the money-system must be designed and regulated, as Alexander Hamilton and President Franklin Roosevelt intended, to meet the requirements of society's securely continued organized self-development, as Roosevelt's successful Social Security system typifies this.

The good for which society must exist and prosper, is the changes in the order of nature which we, as human society, must develop and maintain for the sake of human life on this planet—and also beyond, for times yet to come. Society's existence must have this quality of moral commitment, in which the individual finds his or her immortality, and society finds each individual to be precious to it. These moral connections and their imperatives are located essentially in that power of creativity which is unique to the individual person.

Our job is, as Cotton Mather emphasized, to do good. To do good, because it is good, and to muster the means to bring that good about.

On the record, as I have come to know many of them personally, mankind in general is a collection of stinkers. Why, then, should I have risked what I have risked for them? Why should we care about them? Are they not unreliable sneaks and sophists, most of the time? We care because they are human, and because it is only through that precious quality of humanity which resides as potential in each individual person, that good will result for our own and other societies. This morality coincides with the Promethean quality of creativity which is in imitation of the Creator of the universe, as expressed by science and Classical culture. Creativity is the likeness of man and woman to the Creator; as the Christian Apostle Paul emphasizes, it, not some set of fixed rules of behavior, is the only true virtue of mankind.

Creativity does not exist to make some men rich. Society needs material riches to secure the goals of creative progress in the human condition. As President Franklin Roosevelt showed in his practice: *Creativity is not a servant of making money; money must be a regulated slave and instrument of the mission of progress through creativity.* If you agree, and if enough of us agree on that, then our republic will survive this crisis, and civilization will go forward.

What Is Evil in Adam Smith?

As I argue in this book, and have argued to the same effect earlier, the key to understanding the present state of aggravated moral and physical degeneration of the nations of the Americas and Europe, is the following decision by a Venetian financier-oligarchical circle associated with Paolo Sarpi, the founder of that irrationalist cult of empiricism of which the notorious hater of U.S. independence, Adam Smith, was merely typical, as he was also disgusting.

Sarpi's role emerged during a time that the preceding emergence of the Fifteenth-Century Renaissance's progeny, the modern European nation-state republic, had established scientific-technological progress as a force which, for reasons of strategic rivalry among nations, could not be simply sup-

pressed. Therefore, technological progress had to be used as a source of relative economic and military power. As Sarpi's house lackey Galileo's insistence on his crude version of the solar hypothesis, in opposition to his Aristotelean contemporaries, illustrates this point, Sarpi's empiricism was intended to allow technologies to be employed—selectively, but to suppress popular knowledge of those creative mental powers through which fundamental physical principles of the universe were discovered in a systematic way.

Under empiricism, the world is run by a financier-oligarchy in the Venetian medieval tradition. The control over society lies in a financier oligarchy which seeks to exert the status of an independent power, an *ultramontane* kind of power in the medieval tradition, placed above the level of government. That Venetian model of Sarpi and his forerunners, came to be absorbed in a Dutch and British India Company's financier-oligarchical system, a system which assumed growing, quasi-*ultramontane*, imperial power over the planet with the relevant February 1763 Treaty of Paris. The only durably significant and competent challenge to that Anglo-Dutch Liberal imperialism so far, has been the American System of political-economy, as reflected in the relevant governmental policies stated by U.S. Treasury Secretary Alexander Hamilton, and under Presidents Abraham Lincoln and Franklin D. Roosevelt.

Under the American System, it is the small- to medium-sized agricultural and industrial entrepreneurship, not the large-scale financial corporation, which is intended to be the dominant political-economic power of the private sector of the economy. The emphasis is on the expression of the creative powers of the individual, as this is typified by the science-technology-driven small- to medium-sized entrepreneurship. Those entrepreneurships are typified in principle by the emphasis on scientific creativity, the form of creativity expressed in the most concentrated way by the Keplers of modern economy, the discoverers and radiators of universal physical principles. The potential of such entrepreneurships, depends upon a network of schools, universities, and laboratories, from which the transmission and growth of the accumulation of knowledge of universal physical and related principles flows into the daily work-a-day life of the economy as a whole.

In Summary

The most essential thing to be said in summary of this book, is that it is published at a time that a rapidly increasing number of relevant press and financial institutions has been warning that the world is now lurching over the brink of a financial crisis beyond the experience of any person living today.

We are caught, like a ship in a storm, within an already onrushing world crisis, which now threatens to plunge the planet as a whole into a new dark age. It were still possible to save the world economy from this horror; but, we shall not survive without abrupt, radical measures which would return

us to President Franklin Roosevelt's intended unleashing of his intended, post-war implementation of the Bretton Woods monetary system. We either choose that option, or blame ourselves for the awful things which soon follow.

As I have stressed in the third of those five papers which constitute the bulk of this present volume, going back, suddenly now, to the intentions of President Franklin Roosevelt, is imperative, but would not be sufficient to deal with certain changes which have developed over the course of the tumultuous six decades which have shaped the world since that President's ominously untimely death. My emphasis on the role of Vernadsky's concept of the Noösphere, as in the section of this book entitled "Earth's Next Fifty Years," is an example of the way in which Roosevelt's precedents and today's new requirements coincide.

Thus, we must also do more than merely go back to the kind of policy-thinking Franklin Roosevelt represented. If your present world wishes to come out of the present crisis, before that crisis turns into a prolonged new dark age of all humanity, we must re-adopt the designs and intentions associated with the work of Franklin Roosevelt's last years, but we must also add some revolutionary features to that design.

On both counts, the contents of this book will come as a shock to most of its readers from around the world.

First, we must not only resume President Franklin Roosevelt's anti-Churchill intention for a post-war New Bretton Woods community among a world ruled by partnership among sovereign nations. We must recognize Roosevelt's intention as a conception which the leading monetary-financial institutions, and most of the economics professors of the past sixty years, worked to eradicate, in their efforts to rip all memory of those Roosevelt-era ideas permanently from the minds of present and future generations. We must not only end the decades of free trade and globalization which have brought us to the present brink of doom. The changes which must be made immediately, now, confront us with new problems, such as the present apparent crisis in raw materials supply for the generations immediately ahead. These new problems now require the creation of institutional features of a new Bretton Woods system, which will be seen as radically new elements of any system adopted at this time.

This book, taken as a whole, groups these and related issues under two interrelated, but conceptual headings.

First, I emphasize the importance of dispelling the delusion of "inter-imperialist rivalries." Over the course of all modern European history, there has been but one significant imperial force, that of the post-Renaissance revival of the Venetian financier-oligarchy which has reigned over much of the post-1763 history of the world as the Anglo-Dutch Liberal system, excepting the period of the U.S. challenge to that during and immediately following the U.S.'s Abraham Lincoln and Franklin Roosevelt Presidencies.

Today, the U.S.A.'s role in the presently reigning, global, Anglo-Dutch-Liberal monetary-financial system, is expressed as the take-over of the U.S. position in the IMF sys-

tem, away from U.S. national interests, and to the advantage of Anglo-Dutch-U.S.A. financier interests, by the so-called "Wall Street" component of that presently global financier oligarchy. The study of the history of the competing family interests within the Venetian system itself is the standard for making relevant comparisons in today's world.

For example, at the present instant, there is a building fight within leading U.S. circles between the class of wild-eyed speculators typified by the ominously careening General Motors debt-bubble, and those financial interests more oriented to the long-term survival of the U.S. system.

To make short of that point: the only solution for this aspect of the crisis, is to put the international monetary-financial system under a mission-orientation-defined partnership of sovereign nation-state governments. The resumption of a Bretton Woods system as prescribed by President Franklin Roosevelt, is the model for the only kinds of measures which can stop the collapse in the short term, and provide a continuing solution for the generations immediately ahead.

Second, there can be no avoidance of a plunge of the planet as a whole into the imminent new dark age, unless we act upon the fact that all generally accepting monetary-financial theory, as taught and practiced, for example, in Europe and the Americas today, is not merely incompetent to the point of absurdity, scientifically, but represents a vicious ideological obstacle to any reform which might enable any economy to come out of the presently onrushing crisis alive.

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