
For the Democratic National Convention

Americans Must Ask Themselves: ‘Is The Present European Union Doomed?’

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It is often the revealed character of an habituated underling, as Shakespeare’s Cassius describes both Brutus and himself, that he or she tends to blame all of his or her problems entirely on other people, such as foreigners, and by acting in that way, often brings doom upon himself. Therefore, the admittedly terribly bad behavior of the U.S. Administration of the foolish President George W. Bush, Jr., is no acceptable excuse for the self-righteously impotent, and implicitly suicidal behavior of certain among the currently reigning underlings now prevalent among certain leading positions in continental western and central Europe.

As I have warned, repeatedly, and as I wrote in a lead to our international Morning Briefing recently,¹ the way in which the recently expanded European Union is being represented, portrays it, in fact, as a veritable new “Tower of Babel.” It is being presented as a form of organization under the present “stability pact,” which is currently intended by some of its spokesmen to be (chuckle, chuckle) a new European power—the mighty federation of the “mice”—as an alternative by means of which “to bell” a hated and feared U.S.A.—the “cat.” As I emphasize that fact again here, were such a scheme to be extended now, it would soon become a newly fallen “Tower of Babel,” indeed. Its early doom is inherent, if for no additional reason than this, in the economic consequences of the fantastically absurd, axiomatic assumptions upon which the “stability pact” itself were currently premised.

At bottom, this new design for a European utopia is not really a product of continental European thinking, but rather a new expression of the same old series of British imperial strategies, this time conduited through France’s de Gaulle-hating François Mitterrand, for controlling, and ruining its potential rivals of the European continent, a strategy which Europe has suffered since that so-called Seven Years War which culminated in the establishment of the British East India Company’s empire at the 1763 Treaty of Paris, that

Seven Years War which has been the first of an analogous series of London-inspired continental European catastrophes, including the subsequent Napoleonic wars, and the two so-called World Wars of the Twentieth Century.

That is the danger if the European Union were to continue to follow that increasingly “anti-American” ideological track which has come to dominate the recent trends among some leading circles there since, and beyond the time of the ominously poor results of the most recent elections to an unmanagably awkward contrivance, the enlarged European Parliament.

The economic result of that current trend in Europe could soon become, at its least worst possibility, a unified western and central continental Europe transformed into a post-modernist’s caricature of Prince Metternich’s Holy Alliance. If that trend continues, the European Union might become better described, and cursed by Europeans generally as “The Romanian Empire,” so named by them for its presently impending plunge into unthinkably miserable conditions of employment and real purchasing-power of average family income, thus arriving soon at a condition far, far worse than yet to be found throughout that continent today.

Considering the ominous circumstances of the presently impending plunge of the world’s monetary-financial system into a global crisis far worse than that of 1928-33, the use of the expanded European Union project as a way of making a show of spreading anti-Americanism in Europe, is a piece of implicitly mass-suicidal folly which requires serious and immediate discussion, and correction, from both sides of the Atlantic. I summarize the case here.

Admittedly, as I have just indicated, this moral sickness among the leading political ranks of Europe has been aggravated, in a large degree, by the post-2001 performance of the U.S. Bush Administration, especially in respect to issues associated with the Anglo-American launching of the Iraq war. However, that fight, in which the governments of President Chirac’s France and Chancellor Schröder’s Germany did play a crucially useful role in their resistance to that war prior to its outbreak, the commendable behavior of that moment only touched the surface of a much deeper, longer-term problem of a cultural decay inside western Europe

1. See article in this section, “The ‘Uro-Socialism’ Threat to the U.S.A.”



Former French President Valéry Giscard d'Estaing, who heads the Convention on the Future of Europe, on June 19 signs the "Constitution" for a projected European super-state which his committee drafted. Tipping its character, Giscard in March 2003 had called for keeping Turkey out of the European Union, claiming its inclusion would "change Europe's cultural character."

itself. This decay within Europe is as serious, or relatively worse in its implications than that among the leading circles of the U.S.A.

Hopefully, Europeans will permit themselves to be shocked as by me here and now, into coming back to their senses, and will not, therefore, allow recent ruinous trends in European policies to continue. However, when all relevant, determining factors are taken into account, Europe presently could not save itself without measures which include an indispensable, new quality of leadership from its U.S.A. partner. The stress on needed U.S. leadership, is to emphasize, that, given the role of that Anglo-Dutch Liberal, Venetian Party tradition of central banking, which has dominated Europe's trends during most of the time from 1763 to the present day, there is no hope for Europe's adoption of a voluntary solution for itself, in the medium-term, unless the United States comes to its rescue.

Admittedly, this needed role by the United States will not come about, unless the United States turns back, suddenly, to the tradition of the pre-Truman, Franklin Roosevelt U.S.A. Admittedly, that change in U.S. behavior must come during the relatively immediate future, or the United States itself will not continue to exist much longer in a presently recognizable form. Only if the United States makes a turn back to the Franklin Roosevelt orientation, and only if Europe, including Russia, for example, joins with such a turnabout in current U.S. policy, is there much chance of a safe journey for the world at large during the decades ahead.

This is not a moot point. Despite the contemptibly awful performance shown by both currently leading U.S. Presiden-

tial pre-candidates, Bush and Kerry, this year to date, the recent upsurge of revolt, by crucial sections from among the leading layers of U.S. political life, a revolt against recent Bush Administration's neo-conservative policies, provides Europe the only real prospect of escape from the doom which threatens Europe generally at this moment.

Thus, to restate that crucial point, unless the U.S.A. makes that change, and, unless the Europeans act to reverse their present, culturally pessimistic drift, Europe has virtually no chance for tolerable alternatives during the generation or so immediately ahead. As long as nations of Europe remain entrapped in the Maastricht policies bequeathed to them by imperial London's favorite recent President of France, Charles de Gaulle-hating François Mitterrand, what we are seeing, currently in progress, is presently reflected in the most pitiable way in western and central Europe. It is typified by an accelerating rate of self-inflicted, political, cultural, and economic disintegration of modern European civilization: a trend which, if allowed to continue, will resonate in planet-wide, catastrophic effects.

The point of no-return in this now rapidly degenerative process throughout continental Europe, is presently very, very near. Unless a turn to reverse the recent several dozens of years trend is made, very soon, the situation of continental Europe, and much more than that, would become hopeless.

The cowardly underling objects: "Since, in my opinion, you can not succeed in changing the current trends, why do you try to change what can not be changed?" The answer is: "If I do not, all the poor, habituated underlings like you are doomed in any case."

When the U.S. Went Wrong

To define the cure to the problem, we must define its root. The problem is to be studied as it developed over the interval since the death of anti-colonialist U.S. President Franklin Roosevelt, and the subsequent actions of his nasty successor, pro-colonialist Harry Truman, to reverse Roosevelt's strategic policies. Truman introduced Bertrand Russell's policies of "world government through the terror of pro-colonialist, 'preventive' nuclear warfare" as the basis for the neo-fascist, right-wing trend of a leading, so-called "utopian" faction among the Anglo-American victors. Although this right-wing turn by Truman represented only one, non-traditional current of U.S. life, as Presidents Eisenhower and Kennedy represented a more traditional one, the influence of that right-wing nuclear-warfare-based "American Century" legacy of the Truman Administration, as combined with certain accomplices in Britain, has had, recurrently, the relatively greatest influence for the worse on the direction of the successive phases of the evolution and devolution of institutions of Europe and the Americas during the entire period, from Roosevelt's death to the present time.

It is difficult for many people today, even in leading positions of government, to produce a clear, let alone competent comprehension of the immediately deadly implications of the reality to which I am referring. This is an especially acute problem among those, on both sides of the Atlantic, who had had no first-hand, adult experience with the world during the first two decades since World War II. I mean, in other words, those who had no adult's experience with the shocking, formative changes from the relatively short time following the 1962 missiles-crisis, a time which included the accelerated ouster of Chancellor Adenauer in Germany, the assassination-plots against President Charles de Gaulle, and the assassination of President John F. Kennedy.

Because those born during the 1940s, or slightly later, lacked an adult's experience of the events of 1939-1963, and because of the then already ongoing uprooting of the essential, earlier modern traditions of Classical humanist education of leading layers of society, the victims of, shall we say, belated birth-dates, tend to think, foolishly, of the supposed "inevitability" of changes in policy-thinking. They tend to view these types of changes as products of what they tend to misread as statistical trend-lines in the evolution of perception among mass-sectors of the populations and leading institutions. They do not see the critical turning-points in history as always determined by the presence or failure of sudden, willful changes in axiomatic assumptions of policy-shaping. They are therefore stubbornly ignorant of their own obligation to make sudden changes in such assumptions whenever faced with an existential kind of social crisis. They are like the typically mechanistic Marxist, or anarchist, who denies, fears, and hates the crucial role of the exceptional individual, as in science, art, and politics, as a voluntary factor of decisive importance in all of the crucial turning-points in the history of a people or

the world at large. Lacking a sense of the role of the individual as an expression of reason, they turn, instead, from despair caused by the outcome of their own mechanistic habits, to follow wild-eyed men inspired by the mad existentialist dreams of a Nietzsche, Mussolini, or Hitler, or to a mad delusion, such as the current spate of delusory fantasy, dreaming of the European Union's role as a power to challenge the U.S.

For that reason, most of the populations of today, have no efficient sense of the meaning of the term *principles*, in the true, practical scientific use of that term. So, the majorities of populations have degenerated, over more than two generations, especially the recent four decades, both morally and intellectually. This degeneration is expressed, typically, in forms of statistical-like trends in sophistries, states of mind in which they habitually cling to illusions which they attribute to what they presume to be normal and natural expressions of a notion of what is in fact an intrinsically corrupting principle, "cultural diversity." The form of intellectual and moral corruption which they experience on this account is now often called "pluralism," in opinion as in sexual partnerships.

This latter quality of populist decadence, which has been a strong influence in Germany, the U.S.A., and elsewhere, has been exerted, increasingly over the post-1945 decades, by the existentialism of the Congress for Cultural Freedom's Frankfurt School epidemic. This influence has created a present cultural situation in which most people, even so-called respectable ones, no longer tell the truth, or, perhaps, even think it. Most people now even go so far as to insist, as the decadent figures of the Frankfurt School did, that the presumption that truth might exist, is itself, allegedly, a form of "totalitarianism." This form of moral pollution, often known as "cultural pluralism," thus relegates what would be the issues of truth in a sane society, to the relatively obscure domain of private expressions of sexual and other fantasy-life.

To see this process clearly, it is necessary to see the more recent developments, since 1989-1991, as the recently unfolding expression of a 1964-2004 process of general reversal of the factors of post-1945 economic revival, a reversal which has been in process, world-wide, during a period of about forty years, since about the time the disastrous first Harold Wilson government was installed in London. To understand the driving force which has been continuously behind the seemingly kaleidoscopic degeneration of the European civilization since that time, we must see that approximately forty-year-long process as "energized" by those influences which my own U.S. Presidential campaign has documented as "The Sexual Congress of Cultural Fascism."² This we have identified as associated with the launching of the Anglo-American imperialist "New American Century" dogma by *Time* magazine's Henry B. Luce. A similar, ostensibly post-Cheney version of the same exists within the U.S.A. and U.K., and from there pollutes continental

2. See *EIR*, June 25, 2004.

The Clash Between Roosevelt and Churchill

The following eyewitness account of the struggle between President Franklin D. Roosevelt and Sir Winston Churchill, during negotiations for the Atlantic Charter at the naval base of Argentia in Newfoundland in March 1941, is taken from the book As He Saw It, by Elliott Roosevelt (New York: Duell, Sloan and Pearce, 1946). Elliott Roosevelt, FDR's son, was his aide at all but one of the Big Three conferences during World War II.

It must be remembered that at this time Churchill was the war leader, Father only the president of a state which had indicated its sympathies in a tangible fashion. Thus, Churchill still arrogated the conversational lead, still dominated the after-dinner hours. But the difference was beginning to be felt.

And it was evidenced first, sharply, over Empire.

Father started it.

"Of course," he remarked, with a sly sort of assurance, "of course, after the war, one of the preconditions of any lasting peace will have to be the greatest possible freedom of trade."

He paused. The P.M.'s head was lowered; he was watching Father steadily, from under one eyebrow.

"No artificial barriers," Father pursued. "As few favored economic agreements as possible. Opportunities for expansion. Markets open for healthy competition." His eye wandered innocently around the room.

Churchill shifted in his armchair. "The British Empire trade agreements" he began heavily, "are—"

Father broke in. "Yes. Those Empire trade agreements are a case in point. It's because of them that the people of India and Africa, of all the colonial Near East and Far East, are still as backward as they are."

Churchill's neck reddened and he crouched forward. "Mr. President, England does not propose for a moment to lose its favored position among the British Dominions. The trade that has made England great shall continue, and under conditions prescribed by England's ministers."

"You see," said Father slowly, "it is along in here somewhere that there is likely to be some disagreement between you, Winston, and me."

"I am firmly of the belief that if we are to arrive at a stable peace it must involve the development of backward countries. Backward peoples. How can this be done? It can't be done, obviously, by eighteenth-century methods. Now—"

"Who's talking eighteenth-century methods?"

"Whichever of your ministers recommends a policy which takes wealth in raw materials out of a colonial country, but which returns nothing to the people of that country in consideration. *Twentieth-century* methods involve bringing industry to these colonies. *Twentieth-century* methods include increasing the wealth of a people by increasing their standard of living, by educating them, by bringing them sanitation—by making sure that they get a return for the raw wealth of their community."



Europe's internal security establishment.

For me, and others, especially of the "pre-Baby Boomer" generation, who have a longer-standing, better grasp of recent world history, the warning I am delivering is more or less self-evidently true. For others, either more poorly educated, or blinded by recent ideological fads, fads such as those lunacies rampant in some leading European circles today, it will seem difficult to grasp the concept of the process of the recent forty years of relevant history in a single mental breath. Their difficulty persists as expressed in stubborn defiance of the overwhelming mass of crucial evidence, that the economic and other culture of Europe is presently disintegrating, that now at an accelerating rate. For these unfortunate victims of such an hysterically deluded state of blindness to even their own immediate realities, we must break the analysis of the

process into successive phases; only after we have done that, could we expect them to begin to be able to see the true nature and causes of the situation which grips and menaces them today.

Therefore, to assist the reader in grasping the deadly problem referenced here, let us start with the most recent phase, the most urgent policy-issues posed by the currently onrushing world monetary-financial and physical-economic collapse. After that, consider the way in which western Europe (and also the U.S.A.) ruined the golden opportunity represented by the fall of "The Wall." After that, look still deeper, into the process, begun with the 1962 missiles-crisis and assassination of U.S. President John Kennedy, which led into not only the protracted U.S. official war in Indo-China, but also the transformation of the U.S.A., U.K., and continental European

economies, into the state of “post-industrial” ideology-ridden wreckage they were already in the process of becoming when “The Wall” fell. Then, finally, look still deeper, into the intentional and savage destruction of those portions of the world associated with the Comecon, all of which, despite some marginal gains in personal political and related freedom, have shared with the economies of western Europe, the fate of being driven to a much lower level of physical productivity and real standard of living, per capita and per square kilometer, than in 1989.

Read my ensuing remarks here, against the backdrop of those listed, successive phases.

Therefore, start the analysis of today’s menacing situation by considering the changes in the comparative absolute physical state of the economy of western Europe and what had been the Eurasian territory of the Soviet Union over the period since the beginning of 1989.

1. The Maastricht Lunacy

The essential, catastrophic economic folly of the way in which the European Union is being extended currently, is to be seen in that fact, that there exists no possible economic recovery from the presently onrushing general breakdown crisis of the existing world monetary-financial system, unless we turn to measures of the sort actually taken by the U.S.A., beginning March 1933, under President Franklin Roosevelt. These are the same type of measures which had been proposed to Germany’s prestigious Friedrich List Gesellschaft in 1931 by Dr. Wilhelm Lautenbach.

Rather than continue the kind of suicidal lunacy of “fiscal austerity” measures by means of which Bank of England agent Hjalmar Schacht and the ministerial Chancellorships of Brüning and von Papen prepared the way for the bringing of Hitler into power by the combination of Britain’s Montagu Norman, his Schacht, and their Harriman and other Manhattan and related accomplices, the solution for any general crisis of the 1928-1933 or present type, is to increase the level of productive employment, through the stimulus of public employment, by large-scale investment of public capital funds in long-term projects of build-up of needed basic economic infrastructure. This build-up of employment to required levels for stability, creates the market in which a self-regenerating resurgence of private entrepreneurship can be brought into play.

Thinking like that, which proved so successful in Franklin Roosevelt’s hands, and which would have worked in 1931 under a German government adopting Lautenbach’s approach, is the only approach which permits the continuation of existing goals of constitutional government of a free people. Any continuation of “fiscal austerity” varieties of “knee-jerk” responses to financial distress, must lead to early forms of dictatorship, or worse, as we witnessed Synarchist Interna-

tional-orchestrated fascist regimes, and their murderous effects, spreading across a Europe, from which Franklin Roosevelt’s alternative was lacking, during the interval 1922-1945. Without Roosevelt, we would have had fascism in the U.S.A. at about the same time as Hitler’s rise to power, a condition under which London, Washington, and Berlin would have been allies in creating a universal fascist world order.

Given, the monstrous and cancerously worsening monetary-financial catastrophe, of Europe, Japan, and the Americas sinking lower and lower in net physical output, while tens of trillions of U.S. dollars equivalent of global net product is overwhelmed by a hyperinflationary quadrillions of dollars of global annual turnover of financial derivatives, there is no way to avoid, not a mere depression, but a global general breakdown crisis of the world system, unless sovereign governments cooperate to put the present, floating-exchange-rate, world monetary-financial system—the IMF/World Bank system—into receivership for general reorganization.

The monetizing of gamblers’ side-bets on the economy, which was unleashed post-1987 under the reign of the Federal Reserve System’s then newly appointed official lunatic, Alan Greenspan, has created the most monstrous monetary-financial bubble the world has ever seen. The scale and depth of sheer fraud, by the U.S. government and others, on a global scale, is conceptually beyond anything comparable seen in Europe since the fall of the House of Bardi. The only alternative to the remedial action I have indicated here, is either dictatorships and war world-wide, or simply global chaos of a type worse than Europe experienced during the Fourteenth-Century “New Dark Age.”

The only remedy is, that under such perilous conditions, relevant leading governments form a concert of remedial actions.

This mess could not be cleaned up except by means of the concerted action among sovereign national governments. The required action is the forceful establishment of the principle of a return to a gold-reserve-based fixed-exchange-rate system, thus reversing the great folly unleashed upon civilization by influence of the U.S.A.’s George Shultz et al. in 1971-72. Under agreement to the intention to reestablish a Bretton Woods System of the form which Shultz et al. wrecked under U.S. President Nixon, it will be possible, immediately, to create large-scale state capital credit for investment in needed large-scale public works in basic economic infrastructure, and to foster revival of private entrepreneurships in the critical small to medium-sized scale of employment in, emphatically, agriculture and industry.

The essential point here, is the need to capitalize the debt so generated by the creation of such credit, by useful investments in, chiefly, basic economic infrastructure. The rebuilding of the stability which has been shattered by that monetary-financial lunacy which has reigned increasingly since 1971-72, is the work of a generation, a quarter-century or more. Only if we can tie the creation of invested, newly created state

credit to solid assets to exist a quarter-century or so ahead, can we create a stable balance between short-term current operating accounts and long-term capital accounts. The establishment of a durable, non-inflationary recovery, depends absolutely upon adherence to such a guiding doctrine of principle in policy-shaping.

Examine the present situation in Europe against the background of those leading, most urgent considerations. See clearly why some errant fellows are presently committed to foreseeing the present trend of the European Union to create what would be, in fact, a self-doomed, lunatics' Tower of Babel in continental Europe.

The Role of Britain in Maastricht

During a mid-1970s meeting, of a companion and myself, with a lady of notable pedigree then in a prominent political post in London, she expressed contempt toward France's Gaullists, insisting upon a fact which I already knew to be true, that de Gaulle-hating François Mitterrand was London's coming man in France for the decades ahead. As we left that meeting, my companion confided his astonishment at the lady's brutal frankness. My matter-of-fact references, in that meeting, to the need of the U.S. and U.K. to cooperate in preventing a drift into a revival of Hjalmar Schacht's policy, had set off a very sensitive nerve. Already then, and in times to come, Mitterrand proved both of us, she and me, right on that as a matter of forecasting, in many more ways than one.

To understand the wrecking of the economic potential of a reunified Germany by Maastricht, forget the dubious presumption of the childish commentators, that Mitterrand acted in the special interest of France. See that side of France's politics under Mitterrand as a fresh echo of the legacy of London's overreach into France by Lord Shelburne's London, and the role of the Foreign Office of Shelburne's Jeremy Bentham, in running the secret operations behind his personal agents Danton and Marat, the Jacobin Terror, Napoleon's France, and behind the installation of France's Restoration monarchy by the assigned, Bremer-like hand of the Duke of Wellington. See the history of Europe from that point in its past history, as largely the outcome of that most unchaste marriage of convenience, between the notoriously bloody Castlereagh and brutal Metternich, known as the Congress of Vienna. See Germany since Maastricht as an echo of the principle underlying the German policies set down at Vienna then.

The enforced economic self-mutilation of a unified, post-1989 Germany, and the complementary, savage destruction of the Eastern European economies which had once existed where the Comecon had stood, were set into motion through the role which London had assigned to what it deemed the suitable temperament of Mitterrand. To state the case fairly, we must add: do not overlook the Anglo-American proprietary interest in the virtual puppet-strings on Mitterrand, or the degree to which many politically-connected U.S. financial



French President François Mitterrand (left) with German Chancellor Helmut Kohl, in 1990. LaRouche writes: "Do not overlook the Anglo-American proprietary interest in the virtual puppet-strings on Mitterrand, or the degree to which many politically-connected U.S. financial carpetbaggers hauled off the greater portion of the vast amount of loot pillaged from the former Soviet Union, leaving the continental Europeans to munch, like hyenas, on some of the left-overs of the Anglo-American lion's feast."

carpetbaggers hauled off the greater portion of the vast amount of loot pillaged from the former Soviet Union, leaving the continental Europeans to munch, like hyenas, on some of the left-overs of the Anglo-American lion's feast.

Much of the apparent prosperity of post-1989 western Europe and the U.S.A. depended, until 1997-1998, on the looting of the vast, but nonetheless exhaustible resources of the former Soviet Union and its Eastern European partners. Part of this looting occurred in the form of actually physical wealth; a much greater portion was included as a combination of private and public debt-burden imposed, largely artificially, by carpetbagging methods, in the territory of the combined Soviet Union and its Eastern European former partners.

I was not surprised. I had warned the Soviet government, through their representative in my Reagan Administration-sponsored back-channel, that were the Soviet government of General Secretary Yuri Andropov to reject the prospective Reagan offer I outlined, and to resort to the arms-race they reported instead, the Soviet economy would collapse within about five years. The collapse took slightly more than six.

I invoke my unique authority of that and other successes as a long-range forecaster, to warn western and central Europe against the folly of their current, immanently suicidal, ideological view of the strategic role of a European Union today.

The neo-Venetian imperial model inhering in the Anglo-Dutch Liberal system, based itself in the northern maritime regions of Europe over a period of approximately a century, from the 1648 Treaty of Westphalia to that 1763 Treaty of

Paris which established the British East India Company then coming under Lord Shelburne's leadership as, in fact, a British Empire whose distinguishing characteristics, including England itself, were premised on the Venetian model of financier oligarchy typified by Paolo Sarpi's reforms. From 1763 on, for Shelburne and other prominent midwives of that emergent empire, the issue was to prevent the success of the North American English-speaking model, and to ruin France, especially, and also continental Europe, in ways reminiscent of Britain's triumphant emergence from the "Seven Years War" which she had chiefly orchestrated.

The characteristic flaws in the way in which the Maastricht agreements have orchestrated the recent emergence of an expanded European Union, are a fresh example of the type of London-based, pro-imperialist measures taken against continental Europe since the successful (from London's standpoint) precedent of the Seven Years War. The role of the Liberal Imperialist faction of Britain, under Margaret Thatcher and her celebrated reincarnation as Tony Blair, is a continuation of the same Fabian policy which produced some of the worst catastrophes the planet suffered during the immediately past century.

These Fabian circles of the Blair government, which are in intimately close personal family collaboration, against Europe, with U.S. Vice-President Cheney today, are simply at the old game, playing the United States against continental Europe, while cheerfully setting continental Europe into rage against the U.S.A. So, the imperial game is played, and so the familiar dupes once again tend to play their habitually foolish roles.

Europe Lost a Sense of Economic Reality

A few highlights of the basis for that ominous warning of mine to today's Europe are in order in this report.

a.) The characteristic mental defect of character among influential "Baby Boomers" on both sides of the Atlantic, is their generation's increasing, collective attachment to a delusionary cult-belief in what is termed "post-industrial" society. The flaw of the generation of leading political figures of this pedigree, even otherwise exceptionally intelligent ones who yearn for a return to technological progress, is that they have no practical comprehension of the actual meaning of the principles of management of that successful form of "physical economy" of which they have little or no personal experience.

Management is not merely financial accounting, but actually generating a net per-capita, per-square-kilometer increase in a nation's physical wealth. Mass-entertainment bazaars are not wealth, but simply wealth wasted on behalf of less than nothing at all. Their ignorant views on the subject

of economy resemble the delusions of the possibly mythical "cargo cult" which, according to the myth-making of some ideologues called cultural anthropologists, developed among inhabitants of South Pacific islands, when the U.S. ships ceased to dump lavish displays of cargo on the beaches.

They have no recollection of the experience of actually effecting the increase of the per-capita output of physical wealth, through technological progress and related means, at "the proverbial point of production." They have no comprehension of the ruinous effects of the degradation of such essential forms of traditionally public forms of basic economic infrastructure as: high-technology generation and distribution of power; mass-transport rather than today's socially and physically costly, excessive reliance on highways used as involuntary "rush-hour" parking-lots; large-scale water management and its continued development; the degradation of former standards of universally available health-care service; and, removing the effects of the devolution of Classical humanist modes of secondary and higher education in the direction of training pupils in passing rehearsed, computer-scored examinations based largely upon prescheduled, multiple-choice questionnaires.

Fanatical attachments to ideological "comfort-zones" have replaced real ideas and productive work, more and more, as the decadence of modern civilization is accelerated.

The assumption adopted by these leading "Baby Boomers" on what were deemed the most celebrated campuses of the middle 1960s through early 1970s, was the widespread opinion, that the "blue-collar working class" were political adversaries and parasites, an odious class from which we had better free ourselves, by shutting down technologically progressive forms of employment in agriculture, manufacturing, scientific progress, and basic economic infrastructure. It was proposed that, as the fascistic Congress for Cultural Freedom insisted, existentialist pleasures derived from "alternative" forms of mental life and entertainment, must replace physically capital-intensive, science-driven increase of the net productive powers of labor.

Through the growing, mass-media- and university-promoted influence of this metagenetical, existentialist, "post-industrial" mass-psychosis egg, and its larval phase as "ecology-fanaticism," the selection of leading cadres of the economy and government in Europe and the Americas shifted toward those who qualified as ideologues of that "Baby Boomer" culture which tends to dominate political life on both sides of the Atlantic today. Others, who do not necessarily share the specific ideology of the extremists of that culture, react like whipped underlings to the authority which those in power seem to represent to them, and are thus transformed by habituation to fear of more whippings, to become, like spectators drooling at a lynching, intellectually complicit in acts they would otherwise deplore.

In the case of the U.S.A., this pro-psychotic metagenesis

among the “Baby Boomers” was concentrated in the layer of students entering the most preferred universities, a layer more or less dominated by the offspring of the households typified by the “White Collar” ideology of the 1950s. In this process, the decadent generation of the middle to late 1960s campuses, exploded with hostility, and even contempt for people who worked for a living wearing the “blue collar” of the farmer or industrial operative, who were regarded more or less emphatically as the cultural adversary to be crushed.

The result—as the American Century’s “cultural” ideology signalled this—was to transform the U.S.A. from its role as the world’s leading producer society, into a kind of imperial parasite, characterized by “bread and circuses,” like that which ancient Rome became through the changes introduced in the aftermath of the Second Punic War. By aid of the changes in the world’s monetary-financial system, first in 1971-72, and under the impact of the Trilateral Commission’s 1977-81 “deregulation” rampage under the fanatic Zbigniew Brzezinski and Paul Volcker, the Anglo-American powers looted the world as their lawful prey, destroying the agro-industrial productive power of the U.S.A., U.K., Canada, and Australia-New Zealand at home. In this way, they came to rely for their own comfort and pleasure, upon looting the weaker and poorer nations and peoples of the world. Continental Europe’s degeneration was slower, but it, too, learned, on the instruction of Judases in its own ranks, to imitate its English-speaking betters.

For more and more of the populations of the Americas, western Europe, and beyond, pleasure secured by the money which looted what was wanted from the poorer parts of the world, replaced reliance on the despised functions of getting one’s pretty hands dirty by actually producing. Control of “our money,” whether it were ostensibly earned, borrowed, or obtained by increasing resort to the aggressively predatory usury of the notorious “vulture funds,” replaced actually earning one’s income, by getting it through obtaining money by any means. To make life in this vast swindle tolerable, an insatiable appetite for pleasure was cultivated in the underlings, pleasures of a quality approaching that which might have made even a Nero blush.

b.) This shift meant that the “Baby Boomer” generation, with no direct experience of the economy beyond “momma’s” and “papa’s” largesse, had no sensible awareness of the requirements of even that physical production of the goods on which their own continued existence and pleasures depended. Nothing was more distant from their moral sensibility, than the notions of a production process-sheet or bill of materials. Managing to get the money needed to get what you wish, became, increasingly, a substitute for the notion of being productive. For them, the watch-word was not “earn money,” but, “bring it in any way you can.” For them,

the idea of production of wealth was superseded by the lunatic practices of pillage, gambling manias, and triage.

I have dealt with the perils of instilling competent notions of economic management into the “Baby Boomer” generation, at close quarters, over more than a generation. Even when the individuals with whom I have dealt in this matter were exceptionally intelligent, the tentacles of a “post-industrial” cultural decadence gripped them, and dragged them down, bit by bit, intellectually and morally.

Among that generation, the exceptions to such decadent reactions to the challenge of economic management, are very, very rare these days. In attempting to check such expressions of folly as that, you are not dealing with rationality, but a stubborn, knee-jerk kind of gut-reaction, of “physical,” rather than actually intellectual characteristics. Even those who can discuss this manifestation in the society around them, are usually either incapable of recognizing the same trait in themselves, or become enraged, even utterly irrational, as a neurotic child who is enraged when a parent takes his favorite poison from his mouth. When confronted with proof of their succumbing to such irrationality, they will often adopt the tactic of doing this foolishness behind the back of the critic, even asserting a right to engage in outright cheating, as a way of punishing those, such as me, who are inconsiderate enough to complain about their silly behavior. The generation as a whole tends to be infantile in that and related ways. A competent manager has much to worry about, these days.

Rebuilding the U.S.A., and also Europe, these days, will be difficult on this account; but, it will also be necessary.

2. The Crisis in Capital Formation

The present generation of “Baby Boomers” has no efficient notion of the time-related nature of productive capital. This is reflected in the continued toleration of a lunatic policy, as the presently notable reading of the “Maastricht” criteria, which includes capital outlays in the financial accounting of annually incurred current operating expenditure. The continuation of this infantile, or should we say lunatic practice, would ensure the rapid economic collapse into hopeless bankruptcy of the area of the European Union as a whole.

That policy could be modified. There is widespread pressure for that modification to occur. Even then, the deeper, inherently ruinous implications of Maastricht, are apparently not yet adequately understood by any of the European Union governments, even by the notable, observed critics, so far.

For example, modern levels of technological development had earlier raised the generally required level of public education of the young to secondary-school levels, and, now, to university levels. Despite the evidence that most of the

current educational programs are disasters, relative to standards existing in Europe prior to implementations of the relevant 1963 report of the Paris office of the OECD, the level of education associated with the university graduate is to be considered as indispensable to maintaining the levels of potential productivity required throughout locations such as Europe and North America. This also requires other measures such as class-size restriction to between 15 and 25 persons for regular secondary and university classes, and a radical shift to Classical humanist and related cognitive emphases in education, contrary to post-1963 trends.

*The cowardly underling objects:
“Since, in my opinion, you can not
succeed in changing the current
trends, why do you try to change
what can not be changed?” The
answer is: “If I do not, all the poor,
habituated underlings like you are
doomed in any case.”*

The point to be stressed here, is that today’s typical professional graduate of higher education has reached the age of about twenty-five, which signifies, essentially, a capital investment of a quarter-century by society in the generation of the productive potential which that person represents.

The shift to employing electronic command and control modes in production, as expressed by computer development, while necessary in its way, will never replace those cognitive functions of the human mind on which qualitative increases in productivity depend absolutely. Putting aside the diversionary babble about “information society,” and focussing instead on the practice of a sane world, it is the cognitive powers of the mind, rather than musculature and repetitive action by operatives, which will increase their role, resulting in the demand for increase in the capital to production ratio, which will increase, unavoidably. This means that the mass of physical investment in capital invested in production and basic economic infrastructure will increase greatly, per capita and per square kilometer of the total territory of society. Thus, the sheer mass of physical capital investment, with average useful life-times of up to between a quarter and half a century, or longer, must necessarily increase, to keep up with increasingly crucial planetary human needs. This includes special measures which might be described as “terra-reforming” our planet.

The world is currently financially bankrupt, and, from a financial-accounting standpoint, hopelessly so. Germany 1923 may soon be regarded as relatively a model of fiscal

prudence, when compared with the soon-to-be-discovered implications of the financial-monetary lunacy rampant on this planet today. Whence, then, must the capital-formation come, which will be indispensable to raise the levels of employment and output of nations, such as those of Europe, above breakeven levels once again? We have the same problem already in the U.S.A.

Who Creates Money?

There are two specific expressions of mass-lunacy which must be studied carefully, to understand how and why we must do what we must do to bring the world safely out of the presently onrushing general monetary-financial collapse. The first is the delusion that money and credit must be generated by “free trade” in the private sector of the economy. The opposing view is that money must not be allowed to be uttered, except as the U.S. Constitution requires; the power to create money, must be a power conferred as an absolute monopoly of representative forms of sovereign self-government of a nation’s present and future generations. The second, is the delusion, associated with those mentally deranged fellows known as “monetarists,” that money operating in a system of “free trade” is the primary basis for the generation of wealth and the measure of the performance of an economy as a whole, or a particular enterprise.

Money is, as the results of behavior by the monetarists suggests, a perfect idiot by its nature. It is a thing which knows nothing, and has no capability for knowing the consequences of what it is doing in the process of circulation. Money can never tell whether it is in the hand of a prostitute or a priest, a saint or a monster, or being traded for a good product, or a rotten one. Under the U.S. Constitution, therefore as the relevant features were set forth in U.S. Treasury Secretary Alexander Hamilton’s reports to the Congress on money, national banking, and manufactures, the obligation of the Federal government to create the issue of money incurs the corresponding responsibility for managing the way in which money functions in circulation within the economy.

The latter requirement is expressed by the way in which taxation functions, and those measures of regulation typified by what the Franklin Roosevelt Administration employed to rebuild the shattered U.S. economy of 1929-1933 into the most powerfully productive national economy, per capita, and as a whole, which the world had ever seen. It was the rampage of deregulation, launched under Presidents Nixon and Carter, especially the measures of deregulation conducted under direction of National Security Advisor Zbigniew Brzezinski, which transformed the most powerful economy in modern history, into the mass of suppurating, predatory decadence it represents today.

The problem, for which the corrupting influence of the John J. McCloy-backed operations of the Frankfurt School bear significant responsibility, is that the idea of truth was banned by the associates and dupes of such as Horkheimer,

Adorno, and Arendt. With the banning of truth, the act of foresight was ruled out of order. Truth was superseded by irrational methods of selection of preferences, especially immediately sensible preferences. The idea of moral, functional accountability of policy-shapers for the future consequences of their present decisions, was uprooted in fact. The Frankfurt School doctrine means in effect, you are never permitted to actually know, even think that you might know, the consequences of what you are demanding that society do today. So, Adorno and Arendt, and kindred existentialists, argued against truth and reason in their contributions to the notorious U.S. manual for constructing lunatic cults, the book of the title *The Authoritarian Personality*.

The alternative to doom, or to fascism or worse, under conditions such as the presently onrushing general collapse of the world's present monetary-financial system, is the existence of a principal debtor of record held accountable for the security of a promise to redeem the vast mass of credit which must be invested in the expansion of employment in useful, durable forms of development of basic economic infrastructure. This debtor must be a sovereign, such as a sovereign nation-state, otherwise the promise to repay is implicitly a worthless phantom. It must be a nation-state which is permitted to operate without destroying itself for the pleasure of its creditors.

It is not sufficient that the debt so created be assigned to the nation. It must be adopted by the consent of the people of that nation. It must be an act of national foresight, premised upon efficiently truthful determination of the distinction between durably useful and other forms of public expenditure. In short, without the instrumentality of the perfectly sovereign nation-state republic, no efficient recovery of the continent of Europe were foreseeable during the lifetimes of our children today.

There would be nothing wrong in a European customs union. On the contrary, it were eminently desirable that such an arrangement be created as a protectionist measure to foster investment, and enhance the general welfare of the population of each nation, and thus to enrich cooperation among the sovereigns. A European Union intended for that function, would be an admirable undertaking in establishing a regional customs union. The Bretton Woods system established on the initiative of President Franklin Roosevelt was an extension of the notion of a customs union we find already in the work of the German-American Friederich List.

It is most important to recognize that there can be no efficiently representative form of government except one premised upon the association of the nation's people with the use of a literate form of national language-culture. The essential step to be made, is a forward movement in the role of the conscious, willful intention of the people in a system of representative government. Unless the people have access to a Classical humanist mode of general education, in which the principles of irony are made clear and habitual, an efficient expression of the goal of truly more representative self-gov-

ernment were not possible.

Admittedly, immigrants may not be perfect in the use of the language of the nation they have entered, but their children will be if a Classical humanist approach to educational practice is employed generally. Without access to those ideas which can be communicated among a sovereign people only by aid of the power of irony to give names to newly introduced conceptions of principle, a people can not make intelligently informed decisions concerning the measures of policy set before them for adoption. Thus, any action which blurs the role of a literate form of language in the processes of representative self-government, creates the effort of the notorious Tower of Babel, a kind of Orwellian nightmare-society, and the consequent assured doom of the peoples foolish enough to embrace such a lunatic concoction.

We have but to look back to the medieval period when the alliance of Venetian financier oligarchy with Norman chivalry, created that nightmare which concluded with the Fourteenth-Century eruption of a New Dark Age. The birth of the modern nation-state, during the Fifteenth-Century Renaissance, was the greatest step forward to date in the known history of humanity. The wars which ensued, were not the product of the rise of sovereign nation-states, but, initially, the efforts of imperial powers, who were the enemies of sovereign nation-states, such as the Habsburgs, to turn back the clock of history to the Venetian-Norman model of an ultramontane expression of imperial rule. Later, the wars unleashed by the emerging Anglo-Dutch neo-Venetian Party's efforts to establish the form of imperialism which Britain has typified, from 1763 to the present day, represent the same generation of major and minor wars caused essentially by the imperialist determined to suppress the institution of the sovereign nation-state.

Britain has come upon very hard times, but the legacy of Shelburne, Bentham, Palmerston, Edward VII, and Bertrand Russell, continues to pollute the planet to the present day of Bush, Cheney, and Blair. All attempts to build a Tower of Babel as a disguise for naked imperialism, have proven to be a very, very bad idea. The question is: if Europe chooses to carry the European Union in the NAFTA-like direction which Maastricht implies, who will survive to be the needed grave-diggers of humanity, a need which the global impact of a Maastricht-keyed form of European Union policy implies?

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