

Financial Value is in the Sublime

by Rolf Witzsche - Jan, 20, 2008

The First Law of Economics

Preamble

The Master of Christianity was asked by a lawyer: which is the great commandment in the law?

*"The Master replied, thou shalt love **the Sublime** with all thy heart, and with all thy soul, and with all thy mind. This is the first and great commandment. And the second is like it:*

*Thou shalt love thy neighbour as thyself. On these two commandments hang all the law and **civilization**."*

(Matthew 22:36-40)

*Actually, in the original the biblical text reads: Thou shalt love "**the Lord thy God**" with all thy heart, and with all thy soul, and with all thy mind. The concept of **the Sublime** didn't exist in those days to define the essence of our humanity expressed in terms of Life, Principle, Mind, Spirit, Truth, Soul, and Love. Thus, by a deficiency in language the Master of Christianity was limited in expressing his advanced concepts. He was limited by too narrow cultural bounds. We still face this problem. Our language remains finite, though its potential is unbounded. The international statesman and expert economist Lyndon LaRouche points out that we live in a finite although unbounded universe. In the development of culture we challenge the bounds of finity and extend our 'space.' In this sphere we become rebels, pioneers, explorers, revolutionaries,*

Frank Herbert wrote in his Dune series of novels, "Fear is the mind killer." With that he touches just the fringe of the concept. Consensus appears to be a far more destructive mind killer. It closes the door to the leading edge of discovery and scientific development. It kills culture. Festooned with sophistry it disables the functions of the mind.

Years ago on the night before a sailboat race the captain of the "Merlin," a boat that is built for speed, was asked what it is like for him to be in a race with all the other "party tubs?" He just smiled. "What race?" he said. "I am way out in front, and the others are in a race behind me, racing against each other." -- Doesn't that define the world of consensus, a world referenced to the mediocre at the very best, often to the far-limited, if not representing a platform of lies? The real quest is for the truth. At the leading edge the truth of our humanity is invariably found in the Sublime. That is where the real race unfolds. Therefore all references to human action and human economy must reference the Sublime and unfold from there.

What is true financial value?

It should be understood that money does not represent riches. A nation's currency is nothing more than a representative equivalent of the value of the combined product of society. The physical and cultural product of society defines its riches. If nothing is produced, a society has nothing. It is then poor no matter how

much money is jingling in its pockets. If nothing is produced, all the money in the world won't buy a thing.

Likewise, if much is produced in strong and efficient processes, of things that are of value to a person's daily living and future living, then society is rich, because in such a world the money in society's pockets can actually buy something that is of value. In other words it is the physical and cultural production of society that gives its currency its value.

Of course, if the processes of society's production further include such products that increase the efficiency of human labor, such as by means of energy-intensive machine-powered industries, and machine-tool industries that create the machines, and efficient infrastructures that produce the energy for industry, and so forth, then the value of society's currency increases rapidly, because much is being produced that is of value to human living as is shown below.

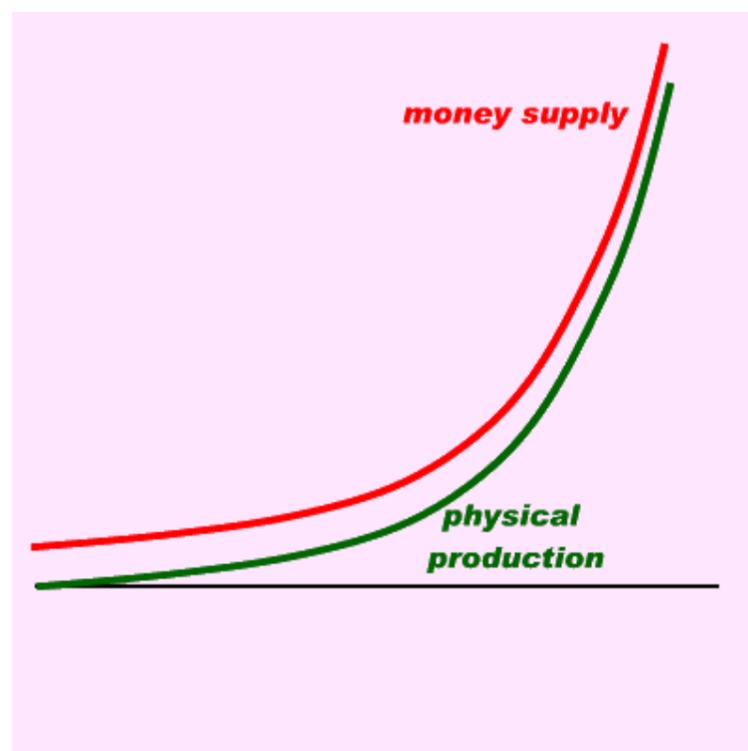


figure 1

In a well functioning society the money supply and its value are increasing in proportion with physical production, because society typically issues itself the financial credits (in terms of new money) as a type of investment in itself that is specifically directed into such areas where new industries and infrastructures have the greatest effect on the increase of the productivity of human labor and the productive power of society. The human being is too 'valuable' to be a toiling slave, but is inherently a creator and producer. The goal of society has got to be, to have the least human action produce the most goods. That's a definition of efficiency. It defines the riches of society. The least-action principle is widely reflected in the natural world, and so it should be reflected in the human world.

The human equivalent of it is not a new concept, of course. It has its expression in the principle of the 1648 Peace of Westphalia: as the principle of the "advantage of the other." This principle was subsequently applied in economics, in the American Bay Colony of Massachusetts. The society there, which was mainly a farming society, had needed an ironworks to make implements for farming. It didn't seem efficient to buy the implements from England at a high price, a royal price - an expensive proposition - if they could manufacture the implements at home by utilizing the human resources at hand. Against this background the society of the Bay Colony issued itself the needed financial credit in the form of scrip that was applied to building the needed ironworks, which became one of the finest and most efficient of its time. The scrip then became a form of money in circulation that was used by society to buy the products of its ironworks and also the farmers' products and everything else. The scrip derived its value not from the real estate value of the ironworks, but from the value of the products that were produced therein and the long term benefits that these products created.

When the USA was later founded as a nation, the credit principle that was pioneered in the Bay Colony of Massachusetts was formally implemented under the Constitution through a National Bank controlled by Congress that authorized it to utter financial credit for specific projects that improve the efficiency of the operation of society such as through manufacturing industries, power systems, railways, water systems, improvements in agriculture, improvements in education, and so forth. The USA was founded as a credit-principle society, even before it was officially a nation, which became a nation that was primarily determined to improve the productive capacity of its human action, guided by the overriding principle of the general welfare.

The outcome was a pioneering achievement, but it was also a threat to the liberal looting practice of the colonial British Empire, an empire of private monetarism that issued loans on the feudal platform of

usurious profit taking. The principle of the general welfare is antagonistic to the process of private profit taking that empires depend on. The principle of the general welfare opposes the very platform of empire for its detrimental effect on society as it is inherently draining away society's produced wealth, diminishes its productive potential, and thereby diminishes the effective value of its currency.

The outcome is illustrated by Lyndon LaRouche's 'failing money' presentation (shown below) where we see astronomical amounts in currency and financial instruments shown in their actual relationship to the rapid collapsing of everything that is of value to society as is determined by the physical-economic product that is created. He calls this interrelationship that is typical for the process of empire, a "collapse function." Once this interrelationship becomes understood as a cultural failure, the remedy becomes self-evident.

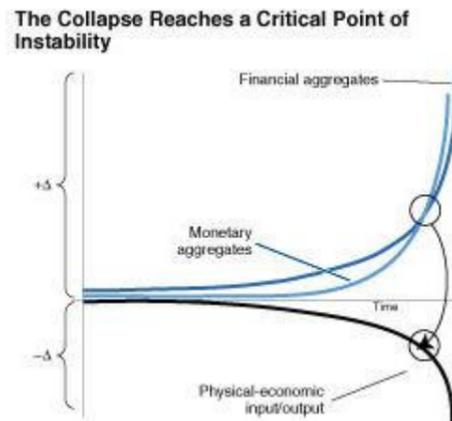


figure 2

LaRouche's collapse function is typical for any monetarist system. It cannot be anything else, because it results from the inversion of the production oriented credit-society system that is wealth-building. Monetarism is a system that is designed exclusively for the welfare of thieves, for the efficiency in stealing. It is a system that breeds millionaires and billionaires by draining the produced wealth from society, which is then poured into non-productive and largely destructive purposes, such as wasting society's resources with pompous living and wars for power, all of which are enormously expensive. The result is a collapse of the productive capacity of society, and thereby a collapse of the inherent value of society's currency and all financial values with it. That is where the 'royal' expense manifests itself the most.

In the above example the financial aggregates (called investments) and the associated currency that functions as a feudal estate, now both combined, have in real terms the equivalent value of the black curve (above), because the physical-economic product is all there is that can be bought with these instruments.

Of course the empire-system of private monetarism doesn't like to see its stolen loot to become diminished in value. Thus it assigns an artificial value to it that has nothing to do with reality. It assigns a value that is totally fictitious, but looks good on the books. Of course this resorting to lies and fakery is necessary to keep the looting process going. This fakery is necessary in order to let the wealthy dream of their riches so that they will continuously display the glitter of it in public. This glittering fakery is needed, because if the truth ever became known, then the entire fakery would collapse. And that is the point we are at now. In order to keep the fakery going evermore new money is flooded into the fictitious financial aggregates that are primarily speculative in nature.

The latest fakery that is being implemented to keep the collapsing system artificially alive is a new accounting trick to counts debt as an asset. With society's currency becoming evermore diluted in value, households and industries tend to keep themselves afloat by borrowing. The borrowing creates debt that society lacks the productive capacity to repay, or else it wouldn't have to borrow in the first place. The accountants now call this debt -- which is an obligation that can never be honoured -- an asset. The fake asset is then used as collateral to print more money against, to create more debt and more faked assets. The process works till infinitum or until someone puts it to the test and tries to sell the fake assets, which are essentially worthless. That's when the whole fakery falls apart in which the entire financial system disintegrates.

Once the truth becomes generally recognized, the fakery can no longer be maintained. The bankruptcy of the system spills over from the financial markets to the stock markets and commodity markets. The whole pyramid of false perceptions becomes thereby evaporated and the bitter reality asserts itself, namely that there is little substance left that is of sufficient value to maintain society, portending a New Dark Age that few people will survive. That is what is in progress today. That's the modern problem, the problem of an impending crisis of unimaginable magnitude. This problem reflects the real expense that society incurs by allowing itself to become trapped into the private monetarist system of empire, a system of liberalized stealing.

Lyndon LaRouche illustrated in a [recent webast](#) the vast nature of the expense against its living that society has thereby incurred, and how to get out of its entrapment: The expense is even more dramatically apparent

if it is not only measured by the extent of collapse represented by the black line (figure 2), but is further measured against the value that should exist, both in physical product and financial value, that is represented by the previous illustration (figure 1). LaRouche declared:

"We are at a point, not of an ordinary crisis, not of a financial crisis, not of a mere depression, but of a global breakdown crisis, centered in the trans-Atlantic community, especially the English-speaking trans-Atlantic community, which will radiate, if it's not stopped, to bring every part of the world into a general breakdown of their respective social systems. This is one of the greatest moments, in terms of importance, in history, since the 14th Century in Europe, with its new dark age, and since similar events, like the collapse of the Roman Empire, or the collapse of the Byzantine Empire: This is the kind of period we're living in. And the danger from this crisis is greater than probably any of the precedents, other than the collapse of the Roman Empire itself.

This is momentarily a collapse. Each day, now, since Jan. 3, the crisis has been expanding in magnitude, at an accelerating rate. What you think is the extent of the crisis today, if the measures I propose are not taken, will become much worse, by an order of magnitude in the next week, and the week after that, and the week after that, until the whole system grinds into a collapse, probably some time during this year. And I'm talking about a global collapse, not a collapse just of the trans-Atlantic English-speaking community. But the thing is centered obviously in the trans-Atlantic English-speaking community. That's where the source of the infection is, from which it spreads. And that's what we have to deal with."

Naturally, the first prerequisite for curing a problem is to understand the problem. The first thing that is needed here is for society to recognize that the divergence of the blue curves from the black curve (in figure 2) represents essentially a cultural failure in society. The divergence represents the cultural failure in society that society has suffered that has caused it to step away from its wealth-producing credit-society principle into the arms of the wealth-stealing processes of private monetarism. This cultural failure must be recognized before it can be reversed, and that's not easily done, because the cultural failure itself has been cleverly induced by a flood of well-concealed sophistry.

The resulting cultural failure has been a long-term imperial objective in the war of empire versus civilization. Empire and civilization are antagonistic in nature. Civilization is a process of building. Empire is a process of stealing. One collapses the other. Civilization had once nearly collapsed the Venetian Empire in the 1510 timeframe. The masters of empire, from this day forward, have been determined never to allow this to happen again. Thus the war of empire versus civilization intensified, and has succeeded to a large extent. The chief tool in its 'success' has been sophistry. The masters of empire have always been masters of sophistry of a kind that takes us as far back as to Pericles of Athens who pioneered the process in the early 400s BC, though he couldn't escape the consequences. Now the process of sophistry has become advanced to a fine art in the still ongoing war of empire versus civilization.

The modern war of empire versus civilization is not actually rooted in governments, monarchies, or public institutions as in ancient Athens. It is a private war by a "slime-mold oligarchy" - according to its 'business' practices and its effect on society - as Lyndon LaRouche has vividly described it many times, operating as a 'fungus' that is spread across a square mile of the City of London, the financial district that is inhabited by some of the worst sewer-creatures found on the planet, the masters of fascism, the masters of empire, a creeping fungus misnamed empire, uttering genocide for profit.

LaRouche points out that the slime mold used to be called the British Empire when it was small with its history rooted in Venice, the Venetian Empire, and later in the Netherlands. As the slime mold invaded England it set up the world's largest completely private profit-centered financial world-empire. But like a dry-rot fungus, the mold spread far and wide from there, across the Atlantic via the infamous Atlantic Alliance, engulfing the USA. And individually too, everyone who cuddles up to the slime mold to share in the looting gets eaten alive. The slime mold eats their humanity and destroys it, and turns the invaded victims into servants of empire. The world is full of these servants of empire acting as the strong arm of empire, the looting financiers that feed the empire, and the mouthpieces of empire that are spewing forth sophistry, and so forth.

The empire now stands as both a tower of Babel and a tower of babble -- the babble of its sophistry that is essentially a flood of sophisticated lies: 'In Lies We Trust!' Right? Sophistry is the babble resulting from the 'art' of the intentional sophistication of lies as an efficient means to hide the truth. It is one of the most destructive weapons ever developed by empire for its cultural warfare against mankind.

That's what we face today as the root of a cultural failure that now threatens to collapse civilization.

The shape of today's cultural failure

The cultural failure is a failure to attain a correct perception in society, a failure to recognize the truth, such as the truth that the proliferation of millionaires, and billionaires, and multibillionaires is a glaring

symptom of a deep-seated and dangerous social disease, a symptom of the "collapse function" (figure 2).

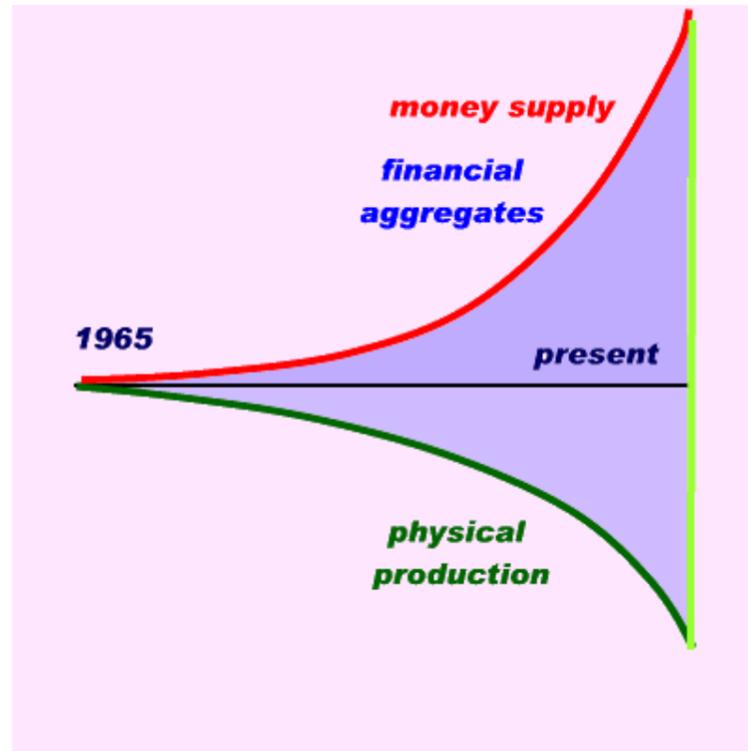


figure 3

The cultural failure is an induced blindness to the difference between the perceived value of money and financial aggregates and their actual value provided by the physical production in society. The large shaded area in figure 3 represents the massive cultural failure that resulted from society's blindness to an induced belief in lies.

At first the lies were small.

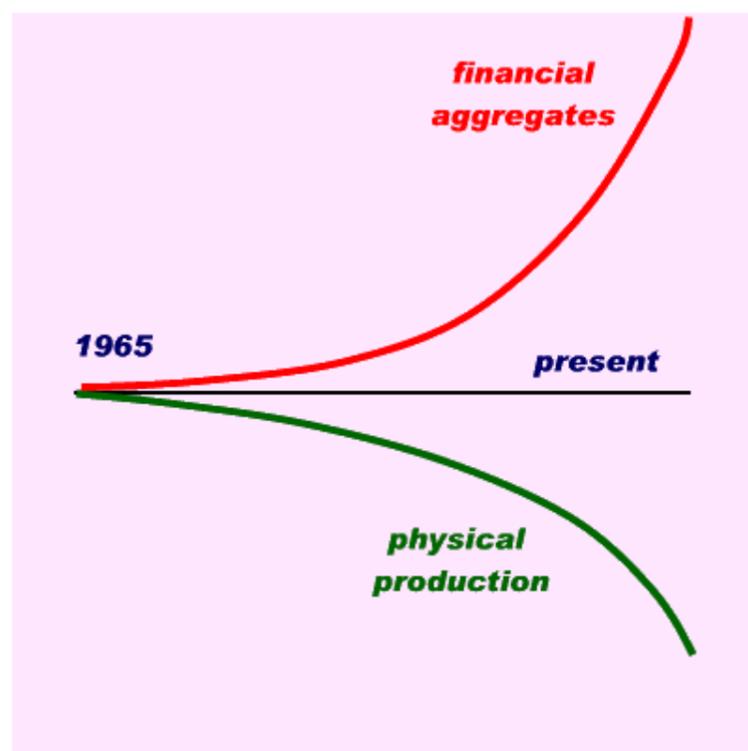


figure 4

Society loved to see its stock values increasing. This went on even while its productive capacity was collapsing that no one really took note of. The sky seemed to be without limits. Society didn't realize that this perception had nothing to do with reality.

The reality should have been recognized by looking at the market in a realistic sense, as shown below. Society took its money and rolled it by the wheel barrels full into the stock market.

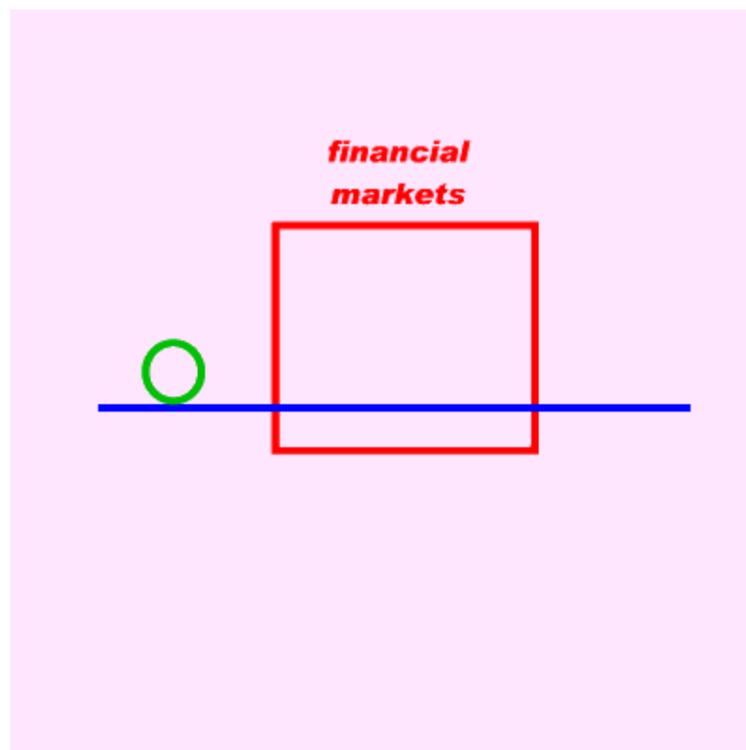


figure 5

The problem that is associated with this wasn't recognized. The problem is that the market is not a productive industry. Nothing is produced in the market that is intrinsically of value to society in terms of improving the quality of living, the productive efficiency of households and individuals, and of society as a whole. Nothing ever came out of the market that could be deemed an increase in tangible good.

Sure there was a time when an increase in tangible good was achieved by utilizing the market for capital pooling for productive purposes, when the stock market for example was used to pool capital as a means for building productive industries in return for a share of the value of the products produced paid back to the investor. Unfortunately this kind of stock market process is largely gone. Now people roll a chunk of their living into the market on the expectation of getting a bigger chunk back in short order, not realizing that the market itself is essentially an empty place. It only gives back what is put in, minus a large array of brokerage fees.

How large is LARGE in 'brokerage' fees? The Wall Street gurus all by themselves, who presided over the subprime mortgage crisis in 2007, shredding global sharemarkets, have awarded themselves [bonuses totalling \\$US33.2 billion](#) - that's in addition to regular earnings and company's profit taking. Also, that covers only Wall Street, one of several big financial centers in the USA and elsewhere, but this Wall Street factor is huge. It has recently been reported that the State of New York gets 20% of its tax revenues from Wall Street related taxes (this doesn't include federal taxes). These large amounts illustrate to some degree the enormous volume of thievery that is going on in the slime-mold system of private monetarism that is killing the national economy and the nation with it. It has further been reported that New York State budget director Laura Anglin downgraded revenue projections on Jan. 17, 2008, by \$1.2 billion, citing as a key factor for it a 5.5% drop in Wall Street bankers and brokers' bonuses. That illustrates how sick the system really is. ([Source](#))

The bottom line is, market can't return any more than what is put into it, less the countless billions claimed by the 'mechanics' of the market in 'logistical expenses.' Thus, in real terms, the outflow is very much smaller than what is shown in the conceptional diagram below. The outflow is smaller, because there is nothing in the market itself that produces this mythical 'more' that is termed profit.

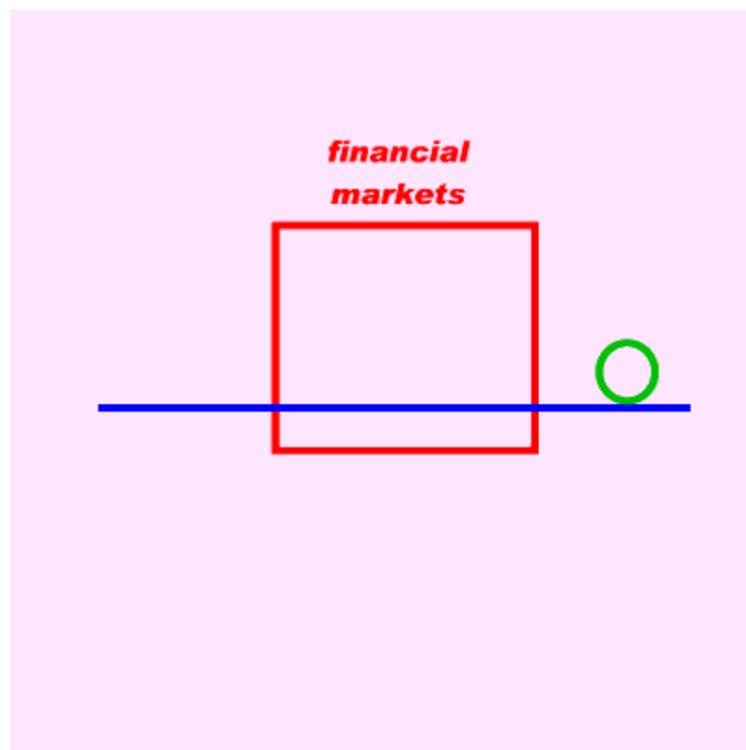


figure 6

It is insanity for people to expect the output of a market to be greater, in which nothing is produced.

Sure, some individuals get more out of the market than they put in. They call this profit. It should be called stealing. Vast mutual funds have been set up to gouge out profit by stealing with the power of leverage. But in the end the profit is what it is a stolen amount, taken from fellow investors by clever means. Society doesn't increase its riches that way. It cannot grow rich by stealing. In fact stealing from one another diminishes society's riches as it diminishes its productive capacity by predatory processes.

Now in order to keep the illusion alive that money in the market makes money, the inherent short-come in the system is made up by turning on the printing presses, pumping more and more new money into the bottomless pit. By this process investors are no longer forced to exclusively steal from each other. They are now able to steal from society as a whole as society's currency becomes diluted. No society can prosper on this basis, but becomes increasingly poorer and more impotent. Soon the point is reached that the flood of new money flowing into the fictitious value system exceeds all the fictitious values of all the aggregates that the new money is supposed to support.

LaRouche was the first to point to this insanity with his updated triple curve shown above (figure 2), the "collapse function" also shown below, figure 7.

LaRouche's presentation should have raised many eyebrows, but it hasn't. Why hasn't it? A child is intelligent enough, when presented with the fact that the green curve below is all that we have, that we have reached a point that we essentially nothing left. The emperor has no clothes it would say. And is a child can see that so can the Fed, and for that matter anybody else. Except the child tends to be more honest than the financial elite. The elite has been carefully taught to lie, and more than that, to lie to themselves, just as society as a whole has been so taught. Of course the elite isn't allowed to deviate from the scripted lie, while society cannot avoid recognizing that it has become increasingly poorer, and inescapably so for as long as the (thievery) system continues to rule. But there comes a point when the elite can't escape the simple fact that child would have uttered a long time ago, that the fakery is finished, that ere is nothing there of any substance. That puts them into a quandary. They don't know what to do. They can't lie. The truth is out. Nor can they step away from the system of empire that is built for looting, which it is their job to protect. The public could step away from it, but it can't either. It is bound had and food by the shackles of sophistry that has become its cultural failure. Thus, nothing fundamentally changes while society gets robbed when its investment currency gets pored into the bottomless pit in the elite's vain support to rescue an avalanche of fictitious instruments that are designed for looting instead of for productive processes.

The bottom line is that the collapse will continue until something breaks. The race in thereby on to wait and see if the living of society collapses into a New Dark Age, or a child does stand up, shouting aloud that the emperor has no clothes, saying that the system needs to be changed. Those voices have yet to be heard. There are some voices heard on the streets in support of [LaRouche's Home Owner and Bank Protection Act](#), quite a few million voices in fact with dozens of resolutions having been passed to that effect at the State, County, and City levels. A lot of these voices are actually heard in Congress and in the Senate, though there is no willingness there to act in the defense of the nation. The payola pays a different tune. In this context the question arises as to how many of the voices that are heard are demanding that the entire system be changed in order to save the nation and civilization, as nothing less will ultimately survive?

To date the public does not yet recognize that a looted society becomes progressively poorer, portending an

inevitable collapse unless the looting slime-mold system is scrapped and replaced with the system of Sublime principles that the USA is founded on. Unless this cultural requirement becomes the understood goal society remains blind to what is fundamentally needed to save its existence, such as a deep reaching cultural change from a slime mold culture to a sublime culture. Without this understanding the cultural blindness in society is bound to continue, and the collapse is bound to continue with it, while the masters of the slime-mod game tinker in an attempt to fix what cannot be fixed.

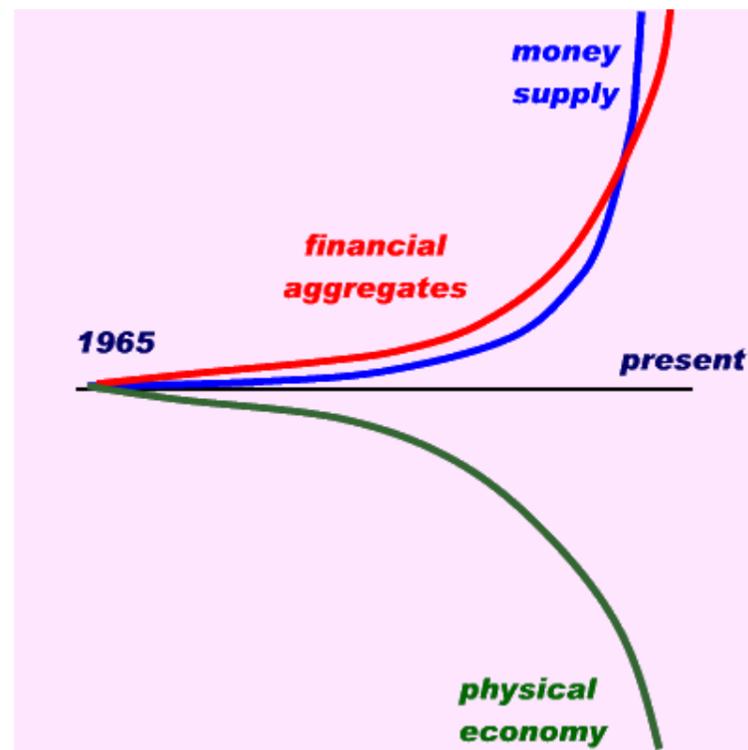


figure 7

Cut and stimulate! Slash and burn! NO! Create and build!

As the world drops into hell on the basis of society's worldwide cultural failure, there is talk about stimulating the essentially dead economy as if a dead cow could be healed. We can't get out of the current hell that way. Mankind has to start by healing itself, its cultural failure, its failure of perception that got the world trapped in the war of empire versus civilization. The world-financial system is sick. It is terminally sick. But this is not all that is sick. The global society is culturally sick. The financiers cry: stimulate! Cut and stimulate! Slash and burn! Kill the poor to stimulate growth! To hell with civilization, save the system!

Who stands in the Hustings to speak against that folly? LaRouche does, but who else? Healing a failing culture is not a question of consensus, is it? It is question of truth. The worldwide failing culture is rooted in consensus, a false consensus. The false consensus created the cultural failure. Consensus is the mind killer, the killer of culture. Truth is the liberator, not consensus.

The slash and burn tinkering that virtually no one objects to, is medieval! We should stop it. We should create and build. We should create zero-percent National financial emergency credit to create new productive industries, efficient infrastructures, high speed transportation, large scale nuclear power, and decent housing for all. Nothing less than that would be enough as a minimal start.

But that's not on the agenda, is it?. Slash and burn is on the agenda. Some call it, cut and stimulate. It's total insanity, really. It's insanity trying to save a failing system by intensifying the process that caused its failure? The system needs to be scrapped, put into bankruptcy, and be replaced with a correct system that inherently produces financial value by producing physical value for society that the financial value represents. So, who speaks about replacing the system? Who speaks about the [American System of Political Economy?](#) Who speaks about cultural bankruptcy and the need to start again with the last efficient culture that America and the world had, that which was built up during the Franklin Roosevelt years? LaRouche does all these necessary things. But who else?

LaRouche has put it this way during his [Jan. 12, 2008, international webcast](#), saying in jest that if the creatures seek stimulus, they should go to a sex clinic. ([source](#))

"We have a bankrupt system," LaRouche said, "which is inherently bankrupt, in which the amount of monetary aggregate being generated to bail out - as you see the bailouts occurring today - to bail out an inflated, explosive mass of financial aggregate, has reached the point that it is now going to accelerate at such a rate, that the question is, whether the U.S. economy, under its present policies, will outlive this current year. People who think they have money, are going to find they don't have any. People who thought they had vast savings, will find out they don't have any. That's the kind of world we're living in.

"And idiots out there, are saying, we're going to induce a palliative to some homeowners, we're going to

"stimulate the economy. 'Stimulate?' What's that mean? More monetary aggregate! That's like putting more fuel in the fire, in the forest fire! The worst thing you can do.

"You have to go back to the Roosevelt idea, the Roosevelt conception. Put the system under bankruptcy protection, put it under control, and some things will have to go into negotiation, and some things will be paid; and that decision will be made on the basis of national interest and human interest, and human rights. That's our only chance....

"What we have to do, is forget monetary stimulation. We have to have a governmental control of the creation of credit. We must have a banking system, a regular banking system, which cooperates with government, in processing that credit into places where it's needed: New firms, infrastructure, so forth. Hmm? So, the creation of credit by government, not financial stimulation! You've got too much sexual financial stimulation going on as it stands now!...

"We don't stimulate a sick economy. We don't stimulate the sale of cocaine. We don't stimulate the spread of AIDS. We don't stimulate these things. What we do, is we concentrate on creating and supporting things which are necessary to cause the physical recovery of the economy.... So, it's not stimulation versus anti-stimulation; it's reorganization. And how do you do that? What you do is you go into the key parts of the economy, starting with homeowners, communities, and banks -- real banks, not the fake ones. You stabilize them under bankruptcy protection, Federal bankruptcy protection. Don't try to resettle the accounts, don't try to resolve anything; just resolve they're going to be under Federal protection. Then you have to go from there to other measures which stimulate growth."

From the Housing Crisis to a Housing Revolution

The truth cannot be avoided

The fact cannot be avoided that there is value only in what is actually being produced out of the resources of the productive power of the human being by which money gains its value. If that process is pursued, society becomes invariably rich, as shown below. It may take some time to rebuild what has been destroyed by today's cultural failure, but there is only one path to recovery, and that path is to take the first decisive step of rebuilding the lost Sublime cultural platform. For this rebuilding (necessity) there is only one principle available, the Westphalian principle of "the advantage of the other" reflected in the American principle of the general welfare. Both are both essentially one principle. The principle has historically been formalized as the American System of Political Economy. It stands expressed in the pioneering example of the American Hamiltonian national-credit-economy system. It can be expressed again.

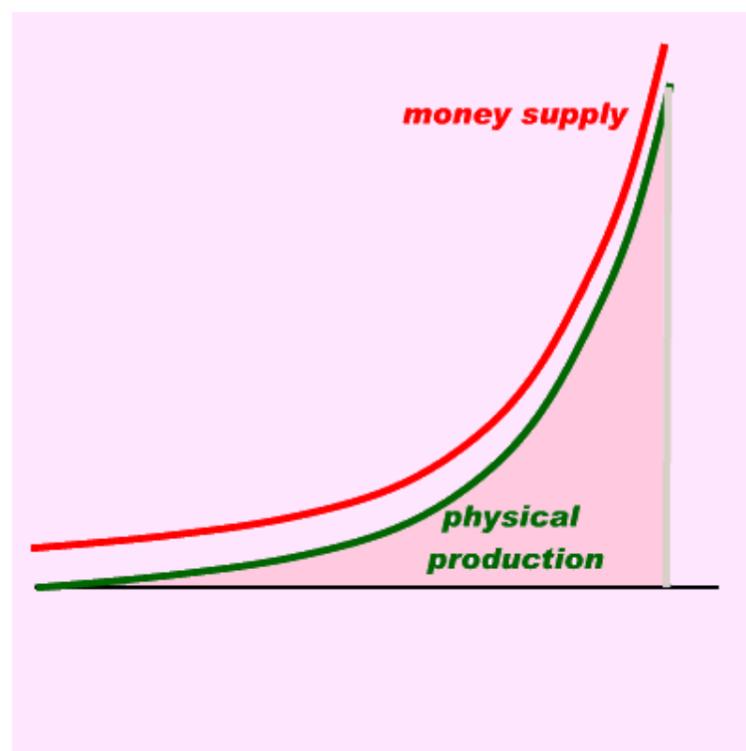


figure 8

Economics is not an arbitrary thing, it is the efficient expression of the Sublime in human nature, the expression of the productive and creative capacity of mankind. Anything else is fiction.

There exists only one principle of economics in the world of truth. Principle is singular, not arbitrary. The universe is not built on multiple universal principles for the same effect, or on contrary principles, but is built on a harmonizing platform of universal principles that are singular in nature. Society's task, thus, becomes one of exploring how the fundamental principle of economics, which has been discovered and well documented, is most efficiently implemented within the framework of available, developed, or developable resources, and how to avoid what is most tragically detrimental to the process of implementing this principle.

On this platform of exploring the efficient options certain characteristics come to light that are reflected in differences in the efficiency of the human processes. Let's look at two examples of these.

The service economy versus the industrial economy

Human labor is precious. How is it best used? By what processes do human actions produce the greatest benefit to society? Let's compare.

In a service economy a worker serves a cup of coffee in a coffee shop. While the receiving person derives a certain benefit from it, the benefit rapidly dissipates and in a few hours is gone altogether. The worker's labor is thereby spent for little effect. In comparison, an industrial worker who assembles a machine tool or an automobile, creates a product that remains beneficial to society for a long period, maybe ten or twenty years, instead of just a few hours. Even if the production time is pro-rated to the scale of the product, the industrial process for applying human action is vastly more efficient than the service process.

Of course society can't totally eliminate the service process, but there are certain types of products that are cobbled together in a service type fashion that would be far more efficiently produced by industrial processes. Take housing for an example.

Can housing be more efficiently produced?

Let's look at the current process.

Laborers go into the forests cutting down trees. The trees are taken to mills, are stripped, cut, shaped, dried, and are by a laborious process turned into construction lumber or plywood, and so on. The products, together with many other products are then shipped to the construction site where teams of craftsmen measure and cut and nail the stuff together and in the space of weeks and months produce a house. The price of the house combines the cost of all the collective labor that went into the finished product, which adds up to a substantial amount. The amount is typically borrowed and becomes repaid over a space of twenty or thirty years during which a family devotes a large portion of its income to the repayment. The end product thereby becomes a large burden to society because of the inefficiency of the process. The price is great, but it is endured because housing is necessary.

But are there efficient industrial solutions possible that can change that scene? Can we get away from "the way it's always been done?" Let's look at just one potential option.

The material for this option is basalt, a finely grained stone that melts at 1400 degrees Celsius, and can be cast into any form or shape one can imagine to produce building modules in a single step with virtually no labor involved in automated production. Basalt can also be extruded into micro-fibers for purposes of insulation which makes it three times more efficient than asbestos. In addition, basalt is stronger than steel by weight, lighter, non-corrosive - it doesn't rot or rust - and is non-abrasive being nearly as hard as diamonds. And best of all, it is readily available in huge abundance, all ready for use without pre-processing. It sits process-ready on the ground, right on the surface. We only need nuclear power to process it, most likely via the hydrogen fuel-cycle. Hydrogen burns sufficiently hot, about 2000 degrees C., enough to melt basalt. The process isn't anything new. It is used for some specialty products that are limited only by the currently high energy costs.

How much do we have of this top-quality building material available for ready use? Well, the [Columbia River Basin](#) contains 175,000 cubic-kilometers of it. That's enough to cover the entire USA twelve meters deep, though it represents only 1/20th of the global deposit. India has almost three times the amount of the Columbia River Basin in the [Deccan Traps](#), some 512,000 cubic km of it, and the [Siberian Traps](#), the largest on the planet, are estimated to be in the range of 1,700,000 cubic km to upwards of 2,300,000 cubic km. That's an infinite amount for all practical purposes. No shortage will ever be possible.

Yes, the \$2000 house is within reach, even free housing

So, will we see houses manufactured out of basalt in fully automated industrial processes? Of course it will happen. It will happen simply because that's the most efficient way for producing high quality housing. Such housing will likely come in with a price tag of less than \$2000 in total cost per house, or apartment unit. Will we see it? Perhaps not. Today's global society is still too deeply polluted with the slime-mold sophistry that defines human living as too expensive. If we get out of this mode we will see houses being given away for free, just as highways are free of charge for all to use that need them (except for the privatized slime-mod facilities).

The fact is, free housing is not only possible, but is also the wisest step for any society to take. Money really isn't a factor in that, not even now. A single B-2 bomber of America's Air Force costs over two billion dollars to build. A million houses could have been built for the equivalent amount of one single aircraft. The USAF has 21 of these in inventory. Do you think that 21 million new houses, given away for free, would eradicate the

national housing shortage, slum living, and homelessness? You bet it would, and more. The maintenance cost and operation costs of the B-2 program all by itself could easily cover the infrastructure costs for the 21 million new houses. And it would create life in society instead of killing people. It would create a new world and would revolutionize manufacturing and upgrade the entire construction industry, and have a cultural uplift beyond anything ever seen, a renaissance beyond compare.

The USAF's B-1b bomber program was cheaper. It has only cost \$28 billion. The F-15 fighter program, for which close to 900 units were built at \$30 million each, has cost another \$26 billion. On that scale of financial outlay a new house could have been built for nearly every family in America, for free. And those are minuscule amounts. The war costs incurred by the Bush administration so far [tallies up to \\$487 billion](#), running at \$500 million a week. And all what society gets for it, is a trail of corpses adding up into the millions of the dead, mostly civilians and children. In comparison with this utter waste that produces nothing but pain and a liability in human damage that won't be repaired for decades, free housing, free public transportation, and free quality education would still add up to peanuts in cost while it would secure the future of mankind as nothing else ever has or could.

Free high quality housing will likely happen, and it will be free right from the beginning when society chooses to implement the readily available technology for it. It will be done, because quality housing is one of the most potent factors in enabling the creative and productive potential of society. Slum living and homelessness are among the most expensive wastes of society's most precious resource, the human potential, with unemployment trailing as a close second. Any meaningful economic recovery from the current slime-mold disaster misnamed an economy would likely be built on the most efficient processes available, such as nuclear power, sea-water desalination, magnetic levitation transports, and basalt technologies for the manufacturing of everything from free housing to low cost cars, furniture, clothing, appliances, civil construction, road building, water diversion, indoor farming. The sky is no limit.

When is money too expensive?

The second most expensive waste that a society can inflict on itself is not actually war, though war is an expensive waste. The most expensive financial waste its found in society's reluctance to invest in itself. Money isn't expensive at all when it is spent for productive purposes to improve the efficiency in human living. It becomes a wealth-creating-resource under such circumstances. Money is only expensive when it is not spent for such purposes. In that case it inhibits the development of human wealth, the only real wealth that is possible, that thereby remains unrealized.

The third most expensive waste that a society can inflict on itself is to devote a too large portion of itself to acts of labor. All the mundane things need to be automated so that ever greater amounts of time and energy can be devoted to cultural processes which are the prime multipliers of the power of human labor. The Sublime in human nature is exclusively mental, intellectual, and spiritual. The discoveries of principles, the learning and developing of ideas, all come from there. That is where the chief resource of society lies that drives all future development. Nuclear power is necessary. Physical inputs are all necessary, including food, water, clothing, transportation, and housing. But the biggest factor in the entire equation is the cultural factor, the one factor that is most directly the efficient expression of the Sublime nature of mankind. Nothing is more important than that. And that includes emphasis on real education including self-education; to learn the art of making discoveries; and science-education to learn the art of creating technologies, including medical technologies; and spiritual education to develop the power of the human genius; and education in literature, art, music, poetry, all adding invaluable to the communicating of culture; even recreational pursuits and recreational culture, and social cultural pursuits are necessary factors, such as dancing. All of these are essential components of culture. Devoting financial resources to all of these areas is not a dead-end drain, but is the chief multiplier of the value of financial currencies.

The only thing that we will not see in a well-functioning society, is financial resources being devoted to such insanities as war, speculation, financial stimulation, lies, terror, destruction, golden salaries, giant yachts, mansions, and other ugly stuff of the slime-mold counter-culture that is approved by consensus today. Consensus is the culture killer. The Sublime is the healer of culture. All of that ugly stuff from war to dream mansions will vanish with the dawn of the Sublime, together with the slime-mold culture that simply ceases when its nourishment is denied that no longer exists in the Sublime.

This liberating factor is critical, because the most festooned slime mold is doomed to dry up when its nourishment is denied. That's a simple fact. And we may yet see this happening.

Right now the global situation is close to this decisive turning point

There has never been a time in recent history when nearly all of the global currencies have come so close to being valueless as they are now. The slime mold has dug its own grave. It doesn't need to be artificially deprived for it to wither away. All that is needed, is that society declare to itself the obvious, that the slime mod is bankrupt, and to walk away from it in a bankruptcy process in order to reorganize itself for a renewal

of life. This is the most natural thing in the world, at least it should be seen as that. That is what Lyndon LaRouche is saying with the Home Owner and Bank Protection Act. He is saying in essence: save what you've still got left and step away from the slime mold. Don't mind the consensus of fools who say no. Go for the truth! Consensus is the killer that closes the door to the leading edge, to the truth. Go for the truth. Go for what is real. Step up to living like a human being.

And that is how it will likely be, because the human being is inherently intelligent. Intelligence is an element of our universal Sublime nature. It is therefore the most natural response by society, for the same reason, to recognize that all true financial and economic values are found in the Sublime nature of our universal humanity.

Thus, love your Sublime humanity! That's the turning point.

More on the subject: [From Housing Crisis to Housing Revolution](#)

A sign of our time (this would be funny if it wasn't so tragic)

Feudalism Tolls For Thee, Pennsylvania

[January 19, 2008 \(by LPAC \)](#)

The State of Pennsylvania, in dire straits because its economy is dying, is planning to erect toll booths on Interstate 80, to raise money. I-80 runs from New York to San Francisco, including a 300-mile stretch across northern Pennsylvania, and the state expects to levy charges of \$25 for cars and \$93 for commercial trucks traveling the entire route, and lesser amounts for shorter trips. The idea of charging citizens to drive on roads built with public money may seem like organized theft to some, mainly because it is, but it is also asinine as an economic policy. Pennsylvania is far from alone in this return to feudalism, as governments capitulate to pressure to raise fees and sell off public assets to make ends meet. Other states have sold roads to privateers, and New Jersey is pushing for sharp hikes on its toll roads.

Inspired by these actions, this author is installing a pay toilet in his private bathroom, in order to profit from his use of the facilities. The tolls are expected to be hefty, in order to maximize income.

[Go to Politics, History, and Economics index](#)

[Return to main index](#)

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