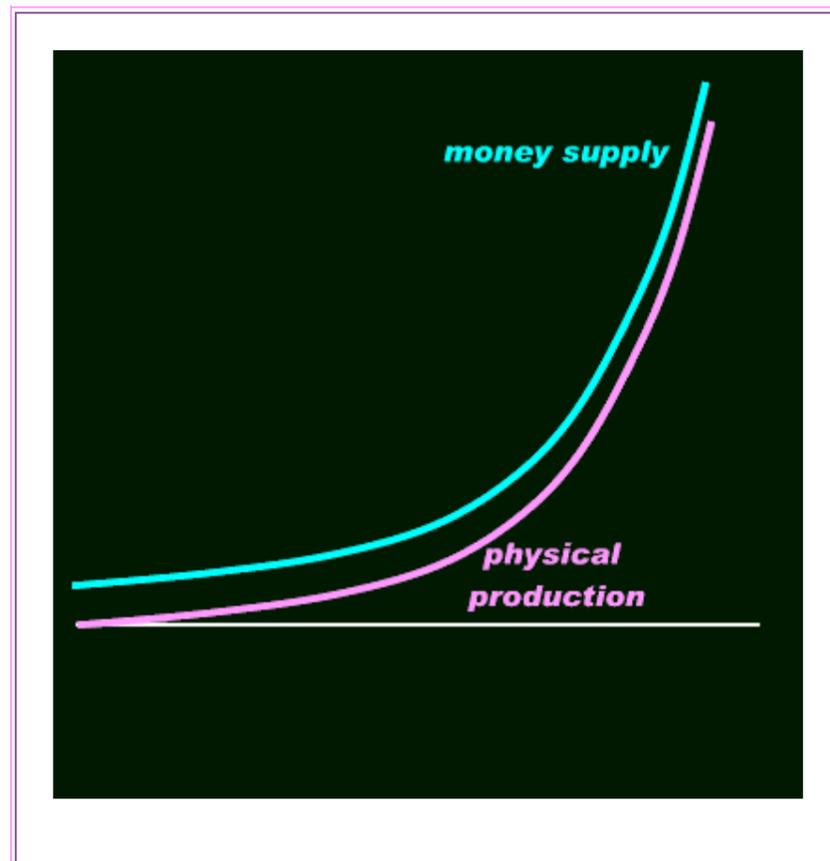


## New Ice Age Ahead

# Economics for Industrial Revolution



Can we afford it?

Can we afford not to?

The Ice Age Challenge demands that we do it!

**In real economics (without empire and its monetarism)  
the wealth of society is found in what it produces for itself.  
Money gains its value by the value of what is produced.**

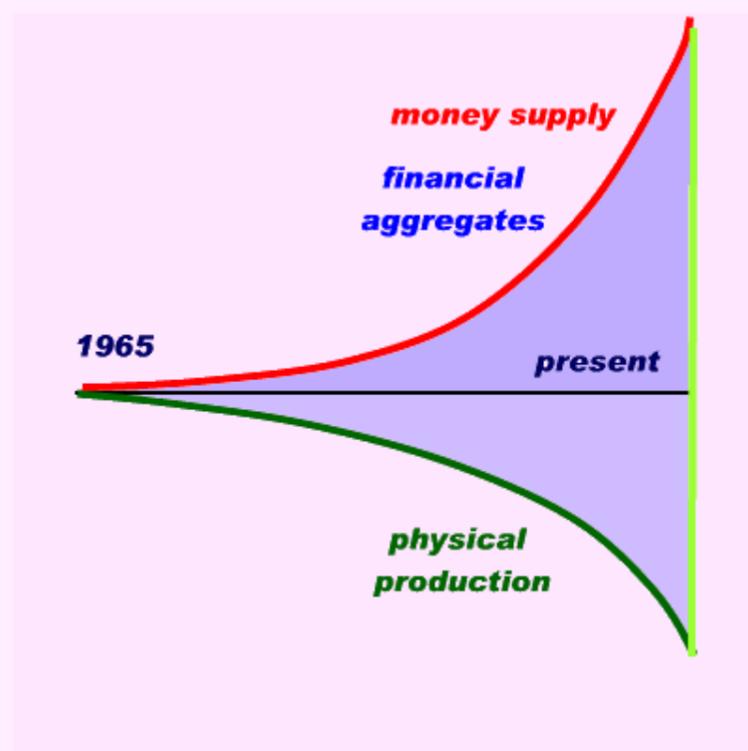
**The Ice Age challenges us, to produce a New World**

The universal principle of economy is fundamentally the national credit system where money is issued exclusively for physical production, whereby money gains a value that is defined by the achieved physical production. In a credit system, the uttered credit money has no intrinsic value. It is essentially a promissory note, a commitment by society to itself, to do something, to create something of value. If this commitment is not carried through, the credit money has no greater value than the pulp of the paper it is printed on. Uttering credit is a commitment by society to itself. If the commitment is true, great things of value will be created, which the credit money will then represent. The key in this system is the intention and determination to carry it out. This system has a powerful principle standing behind it that cannot be mocked or side-stepped without a loss of its benefits. On this principle economics is a simple process.

This principle was first applied in 1652 in the Massachusetts Bay Colony in North America. With it, the people of the colony issued itself a scrip in the form of the famous Pine Tree Shilling, a financial credit with the promise attached that it would gain considerable worth by the value of the production that the people had thereby committed themselves to. The shilling was derived from an earlier scrip that enabled the building of the famous Saugus Iron Works in 1646, the most modern in the world at the time, the first integrated ironworks in North America, that included a [blast furnace](#), a [forge](#), a [rolling mill](#), a shear, a slitter

and a quarter-ton drop hammer. It was powered by five large waterwheels, some of which were rigged to work in tandem with huge wooden gears connecting them. The Pine Tree Shilling appeared to have been outlawed in 1682 by the King of England when the mint was closed under "royal scrutiny". William of Orange had likely a hand in this, who tried to extract money from the House of Stuart (King Charles) owed to the House of Orange. In any case the the Massachusetts Bay Colony collapsed economically thereafter. However, the credit society principle had not been forgotten. It became one of the driving forces for America's fight for freedom from the British Empire and its looting monetarism. It became one of the key principles enshrined in the American Constitution, probably under the guidance of Alexander Hamilton, the first Treasury Secretary. The credit society principle that the USA was founded on, later became known in many parts of the world as the "American System of Economy." On the foundation of this principle, whenever it was applied, America prospered, and many times became the most envied nation in the world.

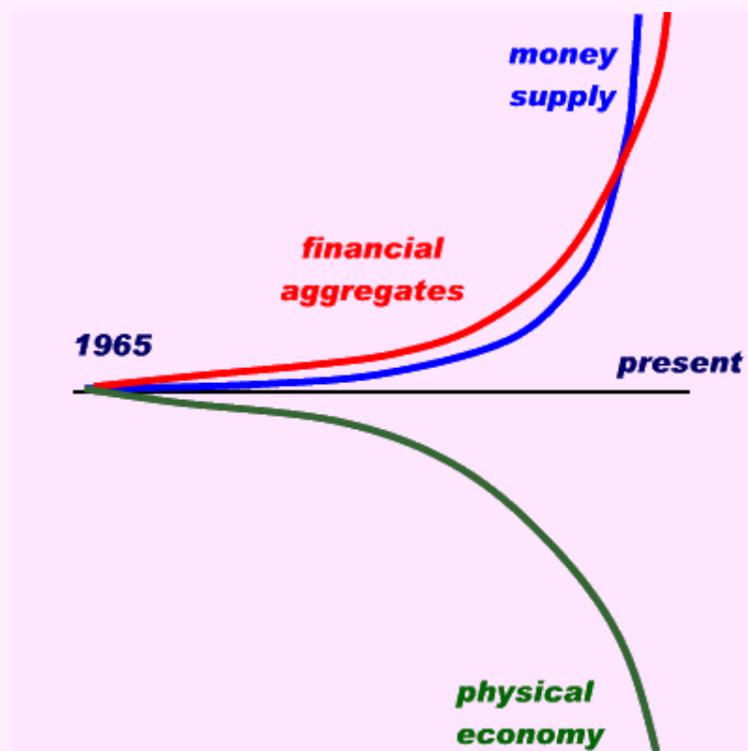
Imperial monetarism was officially reintroduced in America with the Federal Reserve Act in 1913, which immediately required the Income Tax Act for money to be flooding into the private imperial treasuries, that from then on ruled the economics of the American nation. The result was the disastrous collapse of American economics that led to Great Depression.



**Where empire rules, economic looting depletes the world, and the collapse of society happens.**

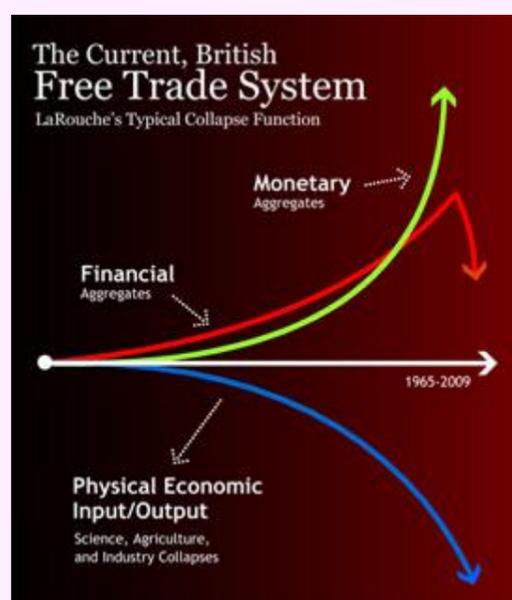
The act of stealing from society, by monetarist looting that drives up the perceived value of money, with nothing being produced for it physical equivalents, actually collapses the physical economy. It collapses it by disinvestments, looting, profiteering, fraud, and the like, and leaves behind a poorer world (green). Individuals may seem to grow rich in this process of thievery, as the stolen resources pile up in portfolios and unproductive 'wealth' (red). But this perception of wealth is an illusion. The difference between the perceived value and the actual value is the measure of deception that is called "inflation."

In order to keep the self-inflating system of monetarism from collapsing by its own inner emptiness, evermore 'created' money is pumped into the fictitious system of monetarist values (financial aggregates).



The money pumping, of course, doesn't solve anything. It only increases the inflation towards absolute hyperinflation. The crossover point was preceded by a few year with the repeal of the Glass Steagall legislation in the USA. The legislation had been put in place in 1933 as one of the first acts of President Franklin Delanor Roosevelt in the form a legislated firewall that would protect the commercial banking system in America and the economy from the economic looting machine of imperial monetarism (called the financial market).

The above triple curve illustration, pioneered by the American scientist and economist Lyndon H. LaRouche in 1995, has been updated shortly thereafter when the money supply was pushed up faster than the financial aggregates were grow that the increased money printing was required to support. The crossover point reflects the consequences of the repeal of Glass Steagall. Had Glass-Steagall not been systematically assaulted on multiple fronts from the 1960s through its final demise in 1999, (primarily with aid of Allan Greenspan - chairman of the imperial Federal Reserve) the hazard of financial institutions that became deemed too big to fail could have been averted, which eventually demanded tens of trillions in bailout money to survive their own built-in bankruptcy. A system that creates 'value' out of thin air without producing anything in equivalent tangible value, is bankrupt from the outset by its very nature. The inner bankruptcy of the monetarist system began to erupt into the open in a big way in 2007.



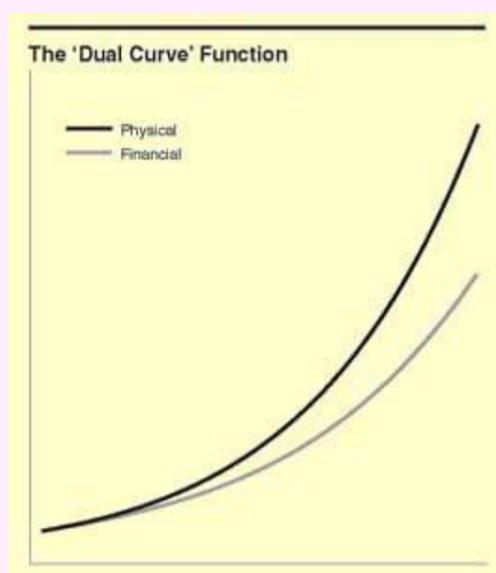
LaRouche issued an update to his triple curve conceptual illustration with the turning point indicated that brought the world into the current hyper-bailout crisis that has essentially indebted the entire world to an extend far beyond what any nation will ever be able pay for. In other words, we have come to the end of the system of empire and its looting monetarism. The inevitable consequence of continuing this train to hell is a New Dark Age for generations to come in which the world population is doomed to collapse to less than a billion by the pain of increasing poverty and physical economic collapse. This is the destiny of the world

under monetarism.

## The recovery of the world

A recovery is possible by simply undoing all the mistakes. The first step would be to reinstate *Glass Steagall*, and repeal the Federal Reserve act, returning the American economy back to the principle of the federal credit society for productive purposes that the nation was originally founded on

There is nothing miraculous going on in a real, principle-oriented economy. The exponentially progressive curve that is typical for a principle-oriented economy reflects the dynamic nature of scientific and technological progress that increases the productive effectiveness of the human being by increasing the power of human labor. In this context, the credit-investment in physical production also includes investment in education, housing, science, culture, healthcare, food production, and so on. The human being is the only real productive engine a society has. It is its greatest asset. This asset needs to be protected. It needs to be nurtured. Its potential needs to be developed to that its power can become increasingly utilized. For this efficient transportation systems need to be created, and evermore powerful power infrastructures.



LaRouche's conception of a real well-functioning economy, illustrated in his double curve, shows the physical economic value constantly increasing with increased industrial productivity, and with only modest increases in the money supply, with the value of money itself thereby constantly increasing as a reflection of the increasingly created physical values.

However, a renaissance cannot be stamped out of the ground. Its operating principle needs to be understood, be acknowledged in deeds and in profound commitments, and then be applied without looking back to ties to the past.

China has begun to move on this path. Russia would like to move, but remains trapped into the house of empire, the house of monetarism. India is interesting in becoming a part of it. The USA, unfortunately, remains to the present day a devoted puppet of empire. It has thereby imprisoned itself into a self-terminating economy that is represented by the triple curve that represents the operation of empire.

But the natural trend, the intelligent trend is towards cooperative, global, economic development, that America's Lyndon LaRouche has set in motion far from empire, for the doom of empire, centered in the Pacific, building towards a four-power cooperative development platform, made up of sovereign nation states, starting with China, Russia, India, and the USA, aiming for a globally implemented, national credit system, represented by the dual curve.

## The healing of the world is imperative and is possible with a new industrial revolution

The healing that is needed for society as a whole, is to let go of the disease of empire and its monetarism that is represented by the triple curve and to reacquaint itself with the real nature of civilization that rests

on the opposite platform, that of the infinite 'Dual Curve' published by Lyndon LaRouche, but which is actually nothing new as it represents in essence the historic American System of Political Economy, the system championed by Hamilton, Lincoln, Carey, and so on, and of Franklin Delanor Roosevelt to some degree. This system needs to be learned again, and this learning involves the unlearning of everything that relates to the system of empire.

The dynamics involved is illustrated by the contrast between the two systems, the monetarist system of empire in which society's physical power becomes increasingly smaller to the point of its collapse into utter impotence, and the power-rich world of the science-driven credit-society economy. The difference is like that of stepping up from a death orgy into a living world.

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