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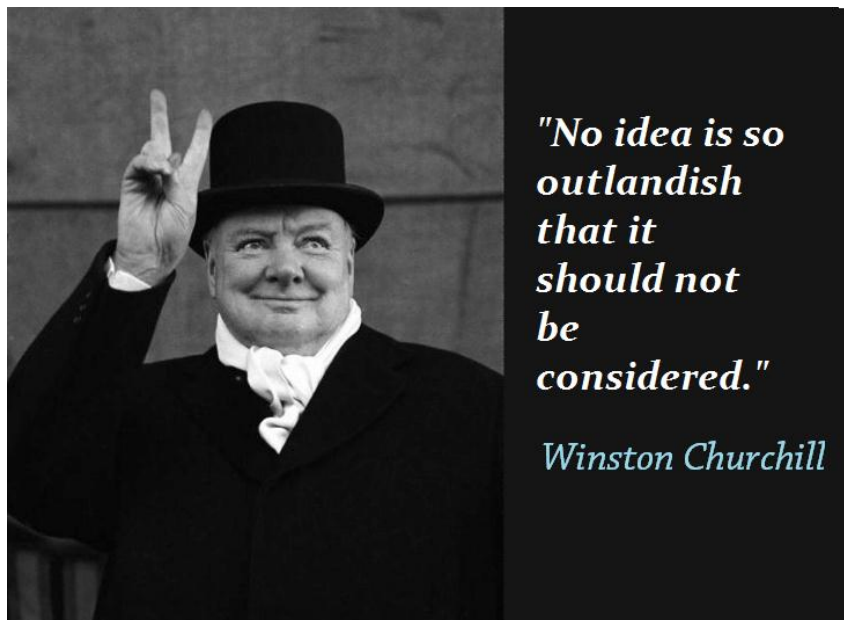
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Is Genius (Great Minds) simply just thinking out of the box?

By Martin Armstrong

Thinking out of the Box has always been a pioneering adventure that often causes trouble. In Asia, they call it the Tall Poppy syndrome – the poppy that grows taller than the rest gets its head cut off. Nonetheless, when this daring thinking process succeeds, it is called Genius - and when it fails, it is traditionally associated with nonconformity if not criminal behavior. This was

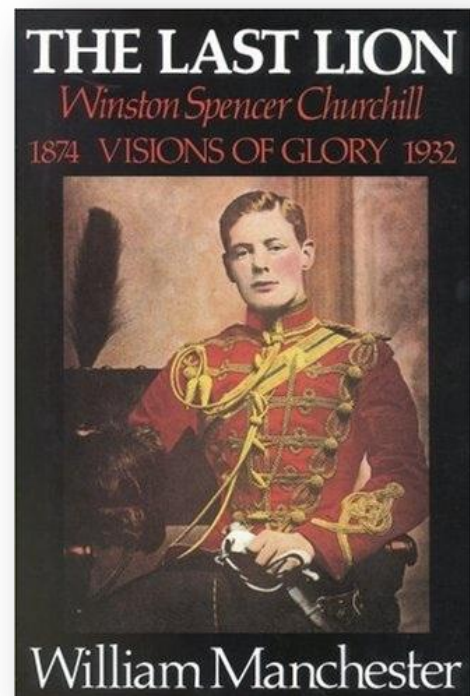
the price paid by the Scottish economic philosopher John Law (1671–1729) who was really the father of **Supply & Demand** concepts who has been plagiarized by everyone because he was accused of fraud. Law’s “fraud” was of course not for personal gain, but for the expansion of money and its reality – a reflection of the medium of exchange based upon the productive forces of a nation. What Law envisioned is what we have today where money is really indistinguishable from a share in a corporation. Money rises and falls in value as do shares in a company based solely upon the confidence in a nation. This may be reality, yet the concept still eludes even modern thinking.

Nevertheless, we are at a crossroads where knowledge is about to be put to the **Test of Ages** where either we remain in darkness presuming the world is flat or open our mind to a whole new world. Winston Churchill was a nonconformist who was rather independent and rebellious by nature. Yet it was Churchill’s natural talents that made him a world leader despite his lack of a formal education degree. He was truly a nonconformist who thought out of the box and reshaped the world even after being put into political exile.

THE LAST LION: Winston Spencer Churchill

The Last Lion is a planned trilogy of biographies covering the life of Winston Churchill (1874-1965). Two have already been published, by author and historian William Manchester. The last volume is being completed by Paul Reid. What people presume about education is somehow it prepares one for life and what they do. However, you cannot get a degree in hedging, funds management, or technical and cyclical analysis. Such knowledge only comes from experience with training as an apprentice in the real world - not in university.

Winston Churchill was a drop-out from school as was Bill Gates. Churchill was independent and rebellious by nature. He generally had a poor academic record in school, for which he was



regularly even punished. He was educated at three independent schools: St. George's School, Ascot, Berkshire; Brunswick School in Hove, near Brighton (the school has since been renamed Stoke Brunswick School and relocated to Ashurst Wood in West Sussex); and at Harrow School from April 17, 1888.

Churchill was rarely visited by his mother, and wrote letters begging her either to come to the school or to allow him to come home. His relationship with his father was distant; he once remarked that they barely spoke to one another. His father died on January 24, 1895, aged 45, leaving Churchill with the conviction that he too would die young and so should be quick about making his mark on the world. He left school for the military where he sought to distinguish himself by his deeds. Yet it was this independent streak that led him to be considered a pure genius. William Manchester wrote in volume I of the Last Lion:

“Clearly there was something odd here. Winston, Davidson had conceded, was the ablest boy in his form. He was, in fact, remarkable. His grasp of history was outstanding. Yet he was considered a hopeless pupil. It occurred to no one that the fault might lie, not in the boy, but in the school. Samuel Butler defined genius as “a supreme capacity for getting its possessors into trouble of all kinds,” and it is ironic that geniuses are likeliest to be misunderstood in classrooms. Studies at the University of Chicago and the University of Minnesota have found that teachers smile on children with high IQs and frown upon those with creative minds. Intelligent but uncreative students accept conformity, never rebel, and complete their assignments with dispatch and to perfection. The creative child, on the other hand, is manipulative, imaginative, and intuitive. He is likely to harass the teacher. He is regarded as wild, naughty, silly, undependable, lacking in seriousness or even promise. His behavior is distracting; he doesn’t seem to be trying; he gives unique answers to banal questions, touching off laughter among the other children. E. Paul Torrance of Minnesota found that 70 percent of pupils rated high in creativity were rejected by teachers picking a special class for the intellectually gifted. The Goertzels concluded that a Stanford study of genius, under which teachers selected bright children, would have excluded Churchill, Edison, Picasso, and Mark Twain.



Winston Churchill
(1874-1965)

None of this was known to Welldon and his staff, but as term succeeded term an awareness grew among them that Winston was a baffling boy. He couldn't, or wouldn't, learn the ablative absolute - a minor feat of memory - but he could recite twelve hundred lines of Macaulay.” (id/pages 158-159)



Giordano Bruno (1548–1600)

This is where we are at today. We are in such a crisis and void of experience where it counts, the dark clouds have gathered obscuring our path to the future. This is a time when thinking out of the box is once again our only survival alternative. They say that heaven send us men of substance in our time of need. This was certainly true of the Enlightenment that produced the advance in knowledge from world being flat to round culminating in the American and French Revolutions that reshaped the dominate governmental structure ruled by Monarchy. They burned alive **Giordano Bruno** (1548–1600) for his audacity to assume the earth was not the center of the universe.

It is abundantly clear that the fall of Constantinople had led to a flood of old world knowledge that poured into Western Europe. The ancients did not believe the earth was flat, but was a sphere. Aristotle (384-322BC) believed that the earth was the center of the planets and everything revolved around it including the sun. There were maps that gave the shape of the earth drawn by Ptolemy, the 2nd Century AD Alexandrian astronomer whose work miscalculated the diameter, yet his maps were used by Christopher Columbus (1451-1506). For this reason, when Columbus died, he still believed he had only reached India based upon Ptolemy's charts. It would be Amerigo Vespucci (1454-1512) who determined the earth was bigger than Ptolemy calculated and thus it was a new continent Columbus discovered and not India. For this reason, this discovery was named in his honor, America.

The fall of Constantinople in 1453 sent a shockwave that profoundly changed the world. Not only did the Financial Capital of the World move to India, but a giant tidal wave of knowledge was set in motion that engulfed the shores of Western Europe rekindling the fires that stimulated an explosion of knowledge that had long been forgotten through the Dark Ages after the fall of Rome in 476AD.





*"Great Minds
discuss ideas;
average minds
discuss events;
small minds
discuss people."*

Eleanor Roosevelt
(1884–1962)

Trying to ascertain **HOW** the world functioned is a lost science whose time has arrived once again. It was the spark that ignited the Age of Enlightenment. Eleanor Roosevelt (1884-1962) said "Great Minds discuss ideas; average minds discuss events; small minds discuss people." Indeed, let a financial crisis hit and the small minds of government seek to attribute the event to some person to prosecute. They are incapable of even contemplating "ideas" and at best merely put on a show and pretend to understand an event. They inhibit the advancement of knowledge for that threatens their very existence.

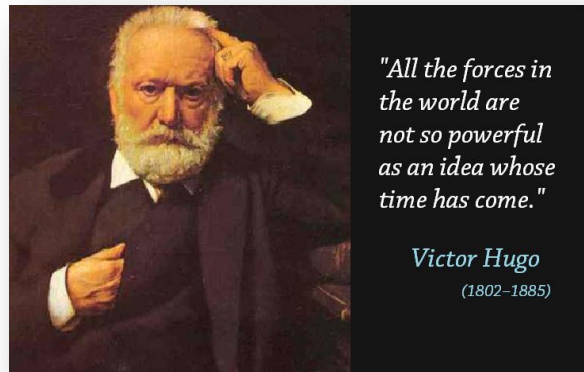
Nevertheless, this early flood of knowledge from the Ancient World sparked not only sparked the courage of Columbus to believe the world was round and not flat, but also Nicolaus Copernicus (1473-1543) who challenged the Aristotlian view that the earth was at the center of the planets. These ideas challenged the authority of church and states that remained consumed in their ignorance and self-interest of maintaining the status quo not unlike the folly we watch in political elections currently. Copernicus' ideas influenced Bruno who was burned alive at the stake for agreeing with him and Gallileo Galilei (1564-1642), after seeing the horror of being burned alive gagged to muffle the screams, chose to plead guilty and died under life imprisonment for his beliefs that the sun was at the center of the planets also agreeing with Copernicus. Small minds have always murdered great minds for in their words lies the seeds to their own demise.

Consequently, it was the rediscovery of the ancient knowledge that the earth was round that inspired Columbus to set sail for India and created a whole New Age of science untethered from the small minds of church and state. We are embarking upon a whole New Age of understanding. A New Age of Enlightenment where knowledge will suddenly advance, but only through the forces of **Creative Destruction** as Joseph Schumpeter proposed. The **Sovereign Debt Crisis** is about to humble the greatest of nations, wiping out the savings of many, and redefine the future as never before. Pension funds will be wiped out and the rule of law will collapse entirely. This is the danger we face as long as governments are in the hands of narrow-minded people with self-interest.

Marx's idea of eliminating the Business Cycle has led to the death of countless millions. This last US political election saw such hatred fueling class warfare that was all set in motion by Marx. We stand on the threshold of a New Age where the ideas of Marx are destroying society precisely in violation of even the **Ten Commandments** which forbids:

“And you shall not covet your neighbor's wife. And you shall not desire your neighbor's house, his field, or his male servant, or his female servant, his ox, or his donkey, or anything that is your neighbor's.”

Marxism and its current “socialism” that dominates the West even violates the laws of God. This idea of taking someone else's property because it is not “fair” that they have more than someone else is the concept of how a thief justifies his actions – **“they can afford it.”** Marxism was an idea whose time arrived as Victor Hugo (1802-1885) put it. A new idea is now on the horizon. It is as Paul Volcker stated in 1979 – the Rediscovery of the Business Cycle.



Genius is not like being rich where people define “rich” as everyone who has more than them. Genius is nonconformity and willing to consider all ideas thinking out of the box. We are embarking on a New Age. This can be both exciting and highly dangerous. Its time is here! Its force will be felt upon the nations of the world. The Business Cycle is alive and well. It can no more be tempered and controlled than weather. The careless actions of government, which are dominated by small minds, have led us to the brink of major economic upheaval. Small minds will focus only on people. Average minds upon the event. But the Great Minds, those who think out of the box and connect all the dots, will see the path that lies ahead. Embrace the journey. For we have no choice. The current systems are unsustainable.