

PROFESSOR ANTAL E FEKETE & BUCKY'S WORLD GAME

You don't need mathematics to explain economics

AE Fekete

The World Game was created in 1961 by Nobel Laureate Buckminster Fuller. The intent of the game was "to make the world work for 100% of humanity in the shortest possible time through spontaneous cooperation without ecological damage or disadvantage to anyone."

Fuller was a visionary—how much a visionary we are now about to find out. In his book, *The Critical Path*, St. Martin's Press, 1981, Fuller's introduction, *Twilight of the World's Power Structures*, unequivocally states:

Humanity is moving ever deeper into crisis—a crisis without precedent.

Fuller said the crisis is intended by the universe to transform humanity from its present scarcity-based competitive mode into a "completely integrated, comprehensively interconsiderate, harmonious whole"—a reality where abundance, not scarcity, is the norm.

The crisis which Buckminster Fuller predicted is now in progress; and the inability of current economic models to deal with the crisis is part and parcel of that process. The rising price of gold is one such indicator. The unraveling of today's global credit markets is another.

On the 16th and 17th of November 2007, The World Game was played in Los Angeles by Marshall Thurber's Positive Deviant Network, www.positivedeviantnetwork.com, along with attendees from www.flighttogenius.com; and as part of the event, Marshall flew in Professor Antal E. Fekete, www.professorfekete.com, from Hungary to speak on money and the developing economic crisis.

It was my privilege to introduce Professor Fekete to fellow members of the Positive Deviant Network and others in attendance. I've had the extraordinary privilege of knowing Professor Fekete and as much as my friend Marshall Thurber has been profoundly influenced by his friendship with Buckminster Fuller, Professor Fekete has had a similar influence on my understanding of economic issues.

Those in attendance were of varying backgrounds and experience. They ranged from John Botti, former global head of Credit Lyonnais Credit Management, a multi-billion dollar hedge fund, and intimately familiar (as he remarked) with those three letter words—CDO, SIV, ABX—now causing the utterance of so many four letter words on Wall Street, to others who were completely unaware an economic crisis was in progress and threatening the world as we know it.

In his talk, Professor Fekete warned that the coming financial crisis will be unprecedented in scope and severity. While this is not the first time a fiat paper money economy has collapsed, he said, it is the first time the entire world is based on such a model.

In the past, whenever a fiat money system collapsed, other nations whose currencies were based on gold or silver were able to help. Today, for the first time in history, the professor warned, there will be no other such economies who can assist those in trouble.

He said the collapse of paper currencies and debt obligations could take years to play out, although it could happen at any moment. He also discussed the hyperinflationary scenario when asked to do so. In a later session, Professor Fekete personally described what it had been like in Hungary after WWII when hyperinflation had destroyed the Hungarian economy.

Professor Fekete believes, however, that deflation, an increasing cycle of decreasing demand that destroys wealth much as cancer cells destroy healthy organs, will probably be the final resolution of today's credit imbalances.

He referred to the inverted pyramid of John Exter which models the flight to safety which will occur in such a case. An article, *The Shadow Pyramid* by Professor Fekete, see <http://www.professorfekete.com/articles%5CAEFTheShadowPyramid.pdf> refers to the work of Exter.

John Exter, like Hyman Minsky, will someday be remembered as someone who knew long beforehand what was going to happen to the US economy. Exter never wrote a book and I was fortunate to have discovered a rare interview with Exter by Franklin Sanders which is included in my book *Survive The Crisis And Prosper In The Process*, see www.survivethecrisis.com,

Professor Fekete said that Exter ceased being a Keynesian when as Vice-President of the Federal Reserve Bank of New York, Exter had personally witnessed the wholesale loss of America's gold—in one year alone, 1958, the US gold reserves were depleted by 10 %.

I was surprised and heartened to learn that Professor Fekete knew Exter personally and that Exter is still alive and finally witness to the unraveling of an economy based on, as Exter called it, **IOU-nothing money**. An unraveling he had predicted a half a century before.

Asked about what individuals can do, Professor Fekete said gold and silver would rise as paper currencies collapsed. Again, he referred to John Exter's inverted pyramid which represented the path wealth would seek as deflation made illiquid and worthless that which had previously been valued, gold being the final destination of a rapidly narrowing path.

Those fortunate enough to have listened to Professor Fekete in Los Angeles are indebted to Marshall Thurber and The Positive Deviant Network for making Professor Fekete available in Los Angeles. That is a kind of indebtedness that will create the world Buckminster Fuller foresaw—not the kind of indebtedness that is now destroying it.

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