

LaRouche: FDR Methods Can Lead the World Out of the Nightmare

Here is Lyndon LaRouche's address to a forum in Rome on Feb. 28, on "The International Systemic Crisis and the Rooseveltian Way Out."

On the 25th of July last year, I gave an international webcast, announcing that we were on the edge of the immediate collapse, the greatest collapse in modern history, of the present world financial-monetary system. Within a week, that collapse began. It began particularly with the collapse of a real estate bubble which had been building up in the United States for some time.

But that bubble was only the weakest point in the entire world system. The entire international financial system is now in the process of disintegrating. There is no possibility for its continued survival during the period of months ahead. And there are certain reactions by leading forces which recognize, exactly, that months ahead, this whole system in its present form will disappear. The development of the election campaign in the United States currently, and also the developments around the Lisbon 2 agreement being proposed, which would eliminate the existence of nation-states in Continental Western Europe, are symptoms of this kind of preparation.

This has a long history, which I could explain, but we have limitations of time here, and also since we have to do the sequential translation, I will play down some things which are extremely important, which may come up in discussion.

I'll indicate what the two great problems are: First of all, both events are being steered from London, not from the United States, but from London. Both represent the fact that, especially since 1971, the U.S. dollar has nominally been a leading factor in the world; but it has not been a U.S. dollar, it has been an international dollar. I'll describe the one well-known feature defining that difference, between the 1968 picture of the dollar, and the 1971-1972 picture: Up to the middle of 1971, the U.S. dollar had been a keystone of a fixed-exchange-rate system. Up until the assassination of John Kennedy in the United States, that had been a solid arrangement. A wave of assassinations, including that of Kennedy, changed the world situation politically, and as the result of the assassination of Kennedy, we had the prolonged Vietnam War, Indo-China War.

Then we had, in 1968, the breakdown of the political system, in part with the "68er" phenomenon. The political structure of the system began to crumble with '68. Nineteen sev-



EIRNS/Daniel Grasack-Tente

Despite the threat, again, of fascism, this time in the United States, as well as Europe, Lyndon LaRouche is optimistic, that there is the potential, embedded in the people, and their culture, to overcome the danger. Here, LaRouche listens to a comment from the floor, at the Rome seminar.

enty-one: The floating of the dollar led to another big swindle, which most people have not recognized yet. Most people should know that the British pay the Saudis \$3 for each barrel of oil the British take from the Saudis. And by the time that oil reaches the market in Amsterdam and similar places, it's now \$100, or approximately that. A very unmagical trick.

So, the entire system is fraudulent. But what happened to cause this, was that we had a so-called "oil price crisis," in the early 1970s, as a result of the '71-'72 change in the monetary system. We had the orchestrated "oil price shock" of the '72-'73 period. As a result of that, we had the creation of the "Amsterdam dollar," and we can say, in an English pun, that was the beginning of the "damn dollar" to replace the U.S. dollar. So, from that point on, the U.S. dollar was no longer U.S. property, in effect, but became an Anglo-American dollar, controlled through the oil spot market out of Amsterdam and similar places. There were chain reactions centered largely on London, in the international markets on all kinds of commodities, which erupted from that point on.

A Fundamental Shift

And in this process, you had a fundamental shift occurring, between 1968 and 1975, in which, instead of having the nations of Europe and the United States be the prime drivers of the world physical economy, there was now a great shift in



New York Mayor Michael Bloomberg (right) is a fascist, LaRouche stated. His policy is corporativism, the same as that of Mussolini's finance minister, Volpi di Misurata (left). London is today promoting a Bloomberg Presidency for the United States.

and Europe, or the United States: We have, for example, the mayor of New York, who, in my view, never earned any money at all, was confronted with the fact that he allegedly is worth \$11 billion. He protested: "I am not worth \$11 billion! I'm worth \$40 billion!"

London's Fascist Bloomberg Project

Now, I should tell you that this same mayor of New York, which is to come to another part of this point, is, by Italian standards of the 1930s: He is a fascist. His policy is that of corporativism, the same thing as Mussolini and Volpi di Misurata. The same program that was brought into Hitler through Schacht. There's a similar policy that's coming out of London under different names right now. And London is also running Bloom-

progress. You've seen that in Italy, where in northern Italy at least, there was a significant improvement in industrial and agricultural activities into the late 1970s. Since the 1968-1975 period, there has been a general decline in the physical productivity in agriculture and industry in Europe and North America, in particular. What has happened is, production has been shifted to the cheap labor markets of the world. In fact, China, for example, is actually losing money on its relationship with the United States. Because the money that China as a nation gets for producing for the United States, is less than what it costs China to produce that product.

You have a similar situation, but a different one, in India. India has 1.1 billion people, which is compared to 1.4 billion people in China. In India, about 70% of the population is extremely poor, as poor as it was years ago, and the most acute expressions of poverty are increasing and spreading. It's like Africa. We have parts of the world which are producing products cheaply for the world market; but, if you look at the population of the countries which are doing this, they are not able to sustain their own population from this production.

There has been no success in the world economy since the end of the 1960s. There has been contentment for some people who are very rich, and a diminishing quality of life for those who are not very poor. For example, just looking at the price and availability of health care in countries such as Italy

berg in New York. London is also working now, in the public press, actually, to destroy one of the leading candidates in the United States: Barack Obama. But at the same time, London is also supporting Obama against Hillary Clinton. The intention is to make Bloomberg the leading national candidate in the United States.

Well, this is not unusual for European experience, for those who know the history of Europe in the 20th Century. Periods of great financial crisis, particularly financial breakdown crisis, lead to desperate measures by those relevant financier interests who have political power. And throughout the euro system, that is already present, *at the same time*, that it's happening inside the United States. However! There's a problem: The present financial crisis can only be compared to what happened in Europe when the Bardi bank from Lucca collapsed, and Europe went into a dark age, the so-called New Dark Age, where half the parishes of Europe disappeared, and one-third of the population disappeared. We face potentially a greater crisis than that, today.

Worse Than the 14th Century

But there are alternatives. There are solutions: What I propose in particular, to all relevant circles, is that the United States government undergo a change of heart, and of personnel, in which, *in this year*, in the first half of the year, the

United States government should be induced to approach Russia, China, and India, to enter into a new agreement on a fixed-exchange-rate system.

You have to look at two key facts about the world situation to understand this. First of all, there has been no global prosperity in the past 20 to 30 years. There have been pockets of actual income, and some artificial income, which is purely monetary, but not real. For example, the housing boom in the United States and Europe is totally fraudulent: The cost of housing is greater than the salary-incomes of the people who can sustain it; and these prices are not real prices, they're inflated prices. As you see now, the prices of real estate will tend to collapse back to one-quarter or one-fifth of what they are today. And even that amount of economic activity, is not based on reality, it's based on credit. It's based on credit which is purely fictitious. It's based on bills that could never be paid, credit that could never be repaid. On top of that, the total *nominal* obligations of the world, are in *hundreds of trillions of dollars*, and in [derivatives], it's up in the quadrillions. So that, under these conditions, there's no possibility that you could ever resolve this debt in its present form.

At the same time that we've got a worse crisis than in the 14th Century, we have the major producing countries of the world, like China, India, and so forth, operating below breakeven for the population as a whole. In other words, the shift of production from Europe and the United States, into the developing sector, was not based on competitive considerations. That production was exported from Europe and the United States, to countries which had not received sufficient income to maintain their own populations. So therefore, the collapse of Europe and the U.S. in particular, would mean a chain-reaction collapse of the economies of Asia, as well as Africa and South America. You have to look at Europe in the terms of the 14th Century, to understand this phenomenon.

This is a 21st Century New Dark Age potential!

Now, if you study the rate of collapse of population in the Middle Ages, in the middle of the 14th Century, which is something Italian historians ought to be able to master, when the chain-reaction collapse of the Lombard banking system occurred. The collapse of credit resulted in a beginning of an increased death rate in the population of Europe as a whole. This rate of decay, this rate of shrinkage of the population, then accelerated into a steep decline in population. Half the parishes of Europe vanished! The population of Europe collapsed by one-third, within a period of about a generation. And then, continued to collapse at a more leveled-off rate. This is the typical S-curve of collapse of a population of this type: a slow decline, then a steep decline, then a slower decline.

The world population today, under these conditions, is between 6.5 to 7 billion people. What happens with this kind of collapse? You get a global new dark age collapse if we allow it to occur. Civilization as we know it now would disap-

pear. The level of population would ebb toward about 1 billion people.

But there are solutions for it, as the Renaissance showed, and that's why my proposal for the United States to Russia, China, and India, is very important. As you know, Europe no longer—that is, west of Russia and so forth—no longer has any real sovereign independence in dealing with these kinds of problems. Globalization has undermined, grievously, the sovereignty of the European states.

But we have an irony at the same time: China knows, more clearly than any other country, its vulnerability to this kind of crisis. India has a slightly greater resilience in its system. But the threat is existential, nonetheless. The basic problem is, that the world is not presently producing the amount of *physical* wealth, including infrastructure, required to sustain a population of over 6.5 billion people.

Infrastructure and Nuclear Power

But! In Europe and in North America in particular, we have the potential in terms of technology, embedded in the people, embedded in the culture, to have a *revival of physical economic output*. As you look at the history of the Mussolini regime, you know you can't do it with just infrastructure. You have to do it with the kind of infrastructure which is based on *increasing manufacturing and agriculture output*. It means high-technology innovation. European civilization has still the ability, under emergency conditions like Roosevelt faced, to reactivate the potential of productivity in the European population: a reversion to modern, mass transportation as opposed to reliance on the automobile; unleashing the now-largely-suppressed nuclear energy potential. The actual cost of nuclear power, which is reported to be high, is a fraud: It is not that high, it's artificially high! If you actually put a mass investment into nuclear power, you will convert the world from dependency upon petroleum, into developing not only nuclear power for local use, but for the generation of synthetic hydrogen-based fuels, to replace petroleum.

We have, admittedly, a population which has lost production skills—they've been out of work for 25 to 30 years. They depend upon old men, you know, like me, to get production going again. But, we know how to do that, from past experience. Roosevelt did that, with the recovery in the United States.

So therefore, if we have 30-50-year agreements, with China, with India, and with other countries—long-term monetary and financial treaty agreements—China in particular has a great need for European technology, to deal with *its own internal population crisis*. And since Deng Xiaoping, this has been their policy. India is committed to going to the thorium cycle in nuclear power, for small-scale thorium plants, because the people in India are very poor and very unskilled, as you find, generally, in Africa. The African farmer is productive by African standards, but he lacks the infrastructure to make his productivity efficient. So we in Europe,

if we are wise, and in the United States, can make agreements with these countries—we have a great need for imaginative leaders, who will react to the stupidity of much of our politics over the past 30 years—for programs we already have developed, which we know exist. There is no problem that humanity has, which is not potentially solvable under good leadership of a traditional type that we used to have in the United States.

The Threat of Fascism

Now the problem is this—my concluding point here—is this: We have a crisis in elections and government in Europe and in the United States. We have it on both sides of the ocean. It's acute. We have a threat of a return to fascism on a scale far beyond anything that we've known in the past. You have a dictatorship threatened for Europe, under the new treaty agreement, the Lisbon agreement—no longer will there be any [national sovereign] government control over the government of Europe. At the same time, we face that in the United States in the current election campaign.

All right: Obama is not going to be elected. Obama is being backed by London to bring down Hillary Clinton, and then they're going to put him out of business. Look at the leading British press: The scandal is brewing, they're going to bring him down. They've been backing up Obama to bring down Hillary Clinton. If they think that Hillary Clinton is brought down, they'll bring him down. Then the Mayor of New York becomes the Democratic Presidential candidate. And his program is fascist, just as fascist as you can imagine from past European experiences.

So naturally, I'm part of the organization inside the United States, determined to make sure this does not happen. And there is a great number of people in the United States of influence who share my concern, including senior figures who've been part of government or the institutions of government over a long period of time. I'm determined to crush this. And I'm doing everything possible to goad my friends into joining me in doing it.

My concern, also, at the same time, is, though I admit that Western Continental Europe does not have much political power any more, and if this Lisbon agreement goes through, we'll have a lot less. But I think we can mobilize things, and build up the confidence to take the measures which are needed to lead the world out of this nightmare, by the methods of Franklin Roosevelt. The nations which represent European civilization must awaken to their mission, of restoring the kind of technological progress, which made Europe great in the past.

And you can count on one thing: We can all go to Hell, in a sense, but we have a chance to win. The chance to win lies in the achievements of our culture, and if we can awaken ourselves to confidence in our cultural legacy, we can win! It is a war we can win, but it is a war we could lose. Do we have the will to win? That's my message.

Helga Zepp-LaRouche

Demand a Referendum On EU Lisbon Treaty

Moderator Claudio Celani introduced Helga Zepp-LaRouche, the chairwoman of the German political party Civil Rights Solidarity Movement (BüSo). She spoke on the European Union's Lisbon Treaty, and the need to uphold national constitutions.

Celani: Why do we have to save the constitution, Helga?

Zepp-LaRouche: I think that Europe is confronted with a much bigger danger than the average person knows. In November, French President Nicolas Sarkozy had a closed meeting in Strasbourg with some French European Parliamentarians, and said, according to the British press, that if there were a referendum on the Lisbon Treaty, in every country where such a referendum would take place, it would be lost. So, on Dec. 13, the heads of state had the summit in Lisbon and signed the so-called reform treaty, the Lisbon Treaty. And there can be no doubt that the strategy was to say, "Let's ratify it as quickly as possible, through the parliaments, without public debate—neither in the media nor in the parliaments—of any significance, because if such a debate would take place, it would not go through."

So in Germany, the new text was not published, and if people wanted to find out what was agreed upon, they would have to take the old text of the European constitution, which was vetoed in France and in Holland in 2005 [and therefore did not take effect anywhere in the EU], and then look at the changes separately, alongside it, and then inject "Article 5, point 9, subsection 2—the word changes from A to B," and then inject that some 400 times. You can be sure that maybe two parliamentarians and maybe one journalist did that, but the majority, for sure, did not. Because the text is so impenetrable in the first place, that nobody can understand it, who is not a skilled state jurist.

Only after a law student in Leipzig undertook the labor to inject these changes and then publish it on some websites of one parliamentarian, was the government of Germany forced to take the unofficial version and circulate it, because they would have made a *bruta figura* if they had not done it. [laughter]

In the meantime, some extremely honorable law professors have written expert analyses, which I want you all to urgently look at, because they reveal what is really going on, and I'm quoting in particular Prof. Karl Albrecht Schachtschneider, who was one of the four professors who filed a law-