

LAROUCHE ADDRESS

A Confluence of Crises: Our Job Is To Manage the Universe

Here are Lyndon LaRouche's remarks to a private luncheon in Washington, D.C. on March 17.

There are several subjects which are of vital importance as world issues right now. One, of course, is the economic crisis. We have the worst worldwide economic crisis in modern history now developing. It's developing in part, in Europe, in the threatened breakup of the euro system, and I can see no hope for a continuation of the present euro system. Countries which are involved in the euro system are in the process of breaking from it, or being forced to break from it. There's no choice. That's the situation.

But this is also in the trans-Atlantic region, especially. The entire economic-financial situation of the trans-Atlantic region is now doomed: It can not continue in its present form. There are reforms available, if adopted, which can solve the problem, and I will identify them.

The second thing is we now have a crisis which is probably even more threatening than this grave international economic crisis: The Sun is acting up! Now, you'll find that we have included in some of the materials we've supplied for you here, several reports, including a report which we did on Tuesday evening, on the nature of the crisis of the Pacific region, which is a breakdown crisis, hitting Japan, of course, but Japan is only part of the whole region that's going to

go up. I'll explain that.

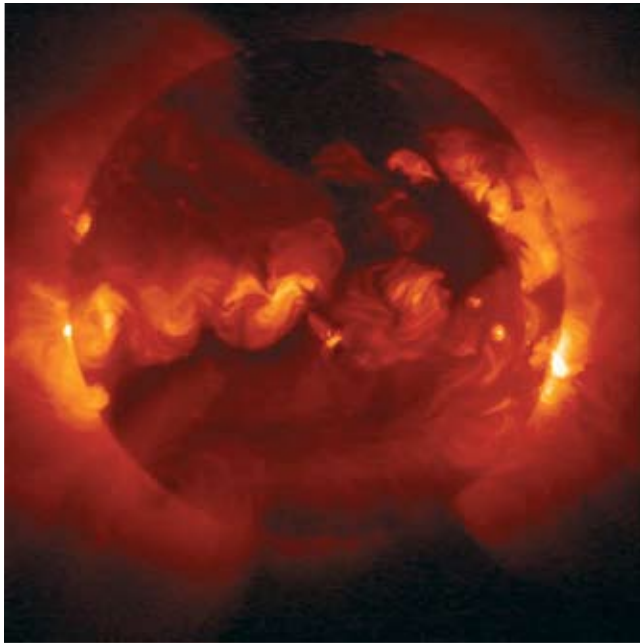
The economic crisis of Asia is of a somewhat different nature. China, India, and Japan and so forth—these major countries of Asia are not as vulnerable on their own account to a crisis, as the trans-Atlantic region. The present world economic crisis is centered in the trans-Atlantic region. Asia, however, could not withstand a collapse of the trans-Atlantic region. So therefore, we're all put together. But probably the most important of the crises is precisely that.

A 'Mass Strike' Has Broken Out

Now, we have also a factor in this situation, which has broken out in recent months. It started in Tunisia, in Tunis, and it spread into Egypt. It is now still raging in West Asia, and beyond. This is a *major* crisis.

What this means is, what has broken out is what we call a "mass strike." This is something which was first introduced as a concept to Europe by the famous poet Percy Bysshe Shelley; and in the concluding paragraph of his work, *A Defence of Poetry*, he identifies this phenomenon. Now, he finished writing this in 1815, and the significance of 1815—he didn't complete the work, but he completed this paragraph, which was to be the second part of the work.

Now, the reason he didn't complete the thing is obvious: 1815 was year of the treaty among the British and the Austrians, and that treaty assured Shelley,



NASA

We going into a period where the Sun is very active, LaRouche explained. Recent events on the Pacific Rim reflect this solar activity, from the earthquake in Haiti in January 2010, to the recent mega-quake and tsunami in Japan. Shown: solar flares, as photographed by the Yohkoh Soft X-Ray Telescope.

among others, that the optimistic view he was expressing in that last paragraph was not going to be the view for Europe; that Europe was going into a terrible crisis. Because he had foreseen the possibility of a great re-awakening of civilization with the end of Napoleon and what he represented.

But things went in a different direction. The British, and of course the famous Chancellor made an agreement behind the back of everybody else, and Europe was plunged into a permanent crisis, which continued in that form until 1890, at the time when Bismarck was thrown out of office, and preparations for World War I were unleashed.

So, the second one, of course, was the famous forecast of the mass strike by Rosa Luxemburg, who was, among other things, a scientist of first rate. And her treatment of the nature of the British Empire and its effect upon Europe is classic. This was the first true forecast, competent forecast, of the nature of the general European situation at that time.

So what has happened, is that a popular movement has erupted, spreading from North Africa into the United States, and the United States now is dominated by the buildup of a mass-strike movement. It's famous,

of course, in Wisconsin, but it's also in a number of other states. It is going to spread: It is a mass strike that can not be controlled by normal means. It's a true revolutionary movement. It's a bloody mess right now, very much like the round-up for the French Revolution. But, it's there; this change has occurred.

So these are the factors we have to consider primary: A mass strike, which is hitting the United States very hard internally—and this Presidency may not last much longer, particularly because of the imminence of the high rate of acceleration of inflation, which is caused by the British system, and by the United States system at present. We're now in a hyperinflationary process inside the United States! If the next round occurs as is promised from the Federal Reserve System, then there will be an explosion of a true hyperinflation coming on very rapidly inside the United States. Such a hyperinflationary movement will blow out the Atlantic system, the trans-Atlantic system. So we're now at a point where great changes *will* occur, and some great changes *must* occur, in order to get us through this kind of mess.

We Are Dealing with Cosmic Forces

Now, on this other crisis, the Pacific crisis, which is now featured in the press as focused on Japan. It is not a Japan crisis: It is a crisis which has *hit* Japan; it is not a crisis *of* Japan. It's a crisis which has hit Japan as a part of the whole region. The crisis started in the southern half of New Zealand, the lower half. We've had a series of major earthquakes, and that's what's happened.

Now, we have to understand that these earthquakes have nothing to do with nuclear power plants, except that they may destroy nuclear power plants. But the nuclear power plants are not a problem, in and of themselves. The problem lies with the earthquake phenomenon.

As many of you know, the area of the Pacific is characterized by a spread of volcanoes, active or semi-active volcanoes. And under certain conditions, which are determined by solar phenomena—we're in that kind of solar period now, a period where the Sun is relatively quiet, going into a period where the Sun is very active. Normally, this cycle is, as indicated in some of the reports you have—we figured it's an 11-year solar cycle, from quietness to high activity. It's actually a 22-year cycle, because you have a North Pole magnetic field and a South Pole magnetic field.

Now it is extended from 11 years to 13, and the crisis is much bigger than it has been in previous times.

So, what has happened in the Pacific region, at present—the Pacific is called the “Rim of Fire,” the entire region. Take a list of any number of the major volcanoes in the Pacific area, from Pakistan all the way to California, down to Chile. This whole area is an area which is subject to forces, solar forces, beyond the imagination of virtually anyone except top scientists. And every region that has volcanoes, including ones which have been inactive for a while, has the possibility of blowing up.

And what’s happened in Japan: Japan was hit by a combination of forces, all caused by this phenomenon. The tsunami and the entire outbreak is a result of this phenomenon. And this phenomenon will probably continue for another two to three years in this form, and it will become worse. And therefore, we are dealing here with cosmic forces, which actually are, in part, located within the galaxy, of which the Solar System is a part. These are galactic forces which are threatening us in a way which has not been experienced in recent centuries. How bad it will be, we don’t know. But we have to understand that that’s the situation.

Two Crises: Financial and Intellectual

So, we have two things: We have a financial crisis, a breakdown crisis of the entire trans-Atlantic region.

For example, the central banking system of the entire trans-Atlantic region, is the Inter-Alpha Group. The Inter-Alpha Group has a subsidiary bank which is called a “bad bank”: It’s called the BRIC [Brazil, Russia, India, China]. A “bad bank” is a bank which is created to dump garbage. In other words, if you have bad loans, and bad credit, your credit goes into the bad bank. Then the bad bank goes into bankruptcy, and the other nations, presumably, or other banks, are able to survive,



Creative Commons/Generationbass.com

It is not a Japan crisis, LaRouche stated. It is a crisis which has hit Japan (shown here on March 13), as a part of the whole Pacific Rim region.

because the bad banks absorb the crisis. That’s the fate we face.

This crisis can be solved: It would mean shutting down the present British system, because the Inter-Alpha Group is the British system, which controls about 70% of the world’s international banking. This is the system which is using the euro as a bad bank. In other words, the entire euro system is being used by the British Empire, in the name of the euro, as the bad bank which is going to sink Europe. This was created to be dumped, and you’ll find that the nations of continental Europe which are in the euro system, are being looted, in order to try to save the British system. But it won’t work; they just don’t know what else to do.

So, what you’re doing, you’re dealing with a crisis on a global scale, spilling over from the trans-Atlantic region, into the Asian region—that is, even nations such as China and India, which are large nations, and apparently have no internal problems of any great magnitude of this type, now—but they could not withstand the collapse of the world economy, which could happen with this immediate crisis. That’s the situation we face.

The other problem is intellectual: Most forecasting, economic forecasting, that is done, is intrinsically incompetent, because the forecasting is dominated by the British Liberal system. The British Liberal system is something which was invented, actually by Paolo Sarpi,

in the 16th Century. And he had a system and said, essentially, you have to replace the Aristotelean system. And his argument was that we could create a system which could allow some kinds of investment and expansion, where the old system, which was a fixed system, couldn't. But he meant that mankind would have to come under the rule of a system, in which the people would be controlled by a sense of pleasure and pain. That's the Sarpi system.

Now a key follower in the British system was that, of course, of the British system of Adam Smith for example. Adam Smith believed and said that mankind can be ruled by two principles: pleasure and pain. Mankind has no ability to determine, or predetermine anything, except pleasure and pain. Therefore, the argument was, if you use pleasure and pain as a means to control nations, you can control nations. And that has worked. That's the British system. Induce pleasure and pain: I'll give you pleasure for this, I'll give you pain for this; and by this kind of treatment, the manipulation of nations occurs.

Therefore, modern economic forecasting is done on the basis of statistical methods, which are based on the concept of pleasure and pain, not on reason. And that's why most forecasting that is done by economists has failed. Except economists who restrict themselves to objective phenomena, such as weather and that sort of thing, which we can do more and more, and better and better. But that's the situation we're in.

So therefore, we are coming to the point that we are in this mess because the populations and nations have been controlled by an imperial system of pleasure and pain. And by threatening people with pain, and selecting what you're going to make painful, because you make people suffer—that's pain. Then you offer them pleasure; you tell them what their pleasure can be, what their entertainment will be, and they submit. And nations have been controlled by this kind of manipulation of the Adam Smith system, which has been the basic



IAEA/Petr Pavlicek

China and India are committed to nuclear power. The question is: What kind of nuclear power? Nuclear fission is good, but not good enough, not powerful enough. Now China, in particular, is going for a higher form of power, thermonuclear fusion. Shown: the Kudankulam nuclear power plant under construction, in Tamil Nadu, India.

controlling feature of the world empire, such as it exists today.

Asia Is Committed to Nuclear Power

Asia is not quite as susceptible to pleasure and pain in the same form as the trans-Atlantic region. Therefore, Asia has, like major nations such as China and India have, their own problems; but their problems are of a different nature than those of Europe. Asia is now in a progressive mode. China has been, despite the recent reports in the press, China is committed to nuclear power. India is committed to nuclear power. That's the correct policy. The question is: What kind of nuclear power? We are now using fission, nuclear fission, as a source of power in that region. That's good, but that's not good enough. Because it's not powerful enough. Therefore, both India and China—China particularly—is going for a higher form of power, thermonuclear fusion, one of my old things that I used to be involved with in this policy.

So therefore, Asia is in an attempt to try to grow back as a section of the world. Japan is part of that, Korea is part of that; other nations are part of it. And thus, these regions, while they are underdeveloped—I mean, the poverty in India is *massive*; the poverty in China is, for China, *massive*. The difference is that

India and China, unlike Europe, are in a period of relative growth. That is, the good part of the economy is growing.

Whereas in Europe, what would be considered the good part of the economy, which generates wealth, is shrinking, and especially since this euro system was installed, as part of the 1989-1990 agreements, along with the British, led by some others, the French President and the United States President, condemned Europe, continental Europe, to the euro, as a condition for the settlement of the reunification of Germany.

So, Europe has been in an accelerated decline over this entire period. The planet as a whole has been, actually, in a decline, since the late 1960s, but you didn't notice it so much. It's in this last period, the past decade or so, that you felt, in Europe and Africa and Asia and so forth, you felt the effects of this global collapse. But Asia has been, in a sense, an exception to the severity of the breakdown crisis—and it *is* a breakdown crisis—which is occurring, centered in Europe. It's hit the United States very strongly, and threatens to blow up, for example, Brazil.

Brazil is in great danger now, because Brazil is part of the BRIC system, and the BRIC system is a bad bank. Therefore, the present agenda is to blow up Brazil, because the bad bank will go under. Study the loans in Brazil—looking at the lending system, you will find that the life of the loans which are outstanding exceed the life of that which is security for what's outstanding. In other words, Brazil is bankrupt.

Well, that's not really a problem, because we can always, as nation-states, if we agree as nation-states to fix the system, we can reorganize debts. We can cancel debts that are worth cancelling. And much of the debt outstanding is cancellable.

For example: The United States, in an act of insanity in 2008, went into a kind of bailout debt—a terrible mistake. The banking systems of most nations of the



LPAC-TV

Under a Glass-Steagall law, commercial banks will be insured and protected. Then we will take all the toxic debt, and dump it into the equivalent of a "bad bank": the merchant banks of Wall Street and London. Here, LPAC Texas Congressional candidate Kesha Rogers (front, second from right) leads a rally in Austin.

world are committed to this kind of debt, a corrupt form of debt. We used to have a debt which was based on physical debt: We would have one set of banks, which we called the commercial banks, and the commercial banks under the U.S. system, formerly, before this change was made, was the Roosevelt system, from 1933 to that point. Therefore, we kept separate, banks which were commercial banks, which were under regulation, and did not engage in speculation. Most of the debt in the world today, since then, now, is worthless debt! In other words, if you want to have an economy grow, what you would do is wipe out all this debt, which is simply gambling debt. They're like gambling debts, merchant banking gambling debts.

Bring Back Glass-Steagall!

So, if the United States is going to survive, that means the United States government is going to install a Glass-Steagall system. And the pressure is now again, on members of the Congress to come forth with a Glass-Steagall law. A Glass-Steagall law by the United States would probably be the way in which we could deal with and control this world crisis, world financial crisis. Because probably \$15 trillion worth of fake debt, is sitting on the back of the United States today, and as long as that debt sits on the back of the United States, the United States is going down the tubes.

What we would do with a Glass-Steagall law—which was the same law that Roosevelt put into effect in 1933—the Glass-Steagall law would say: Commercial banks will be insured and protected. So we will take the commercial banks and we will save them. We will take all the debt which is of another kind, and we will dump it into the equivalent of a bad bank: the merchant banks of Wall Street and London. And we don't care if it goes away! Because this debt is worthless. It has no intrinsic value. It's worthless debt! And nations are being suffocated, and bled to death by worthless debt. If the debt were restricted to legitimate, commercial banking debt, commercial credit systems, then we would not have this mass of debt.

For example, the British are afraid of this: If the United States makes the Glass-Steagall reform, we will no longer owe any of this trillions of dollars of debt, which is fake debt, worthless debt. If the euro goes with the same system that the United States does, then the euro will split out from the British system. In that case, most of the debt of Europe will be cancelled, the nominal debt. If you restricted the obligation in debt to an honest commercial debt, you would find you would liberate Europe, the United States, and other parts of the world from this debt which is choking us all now.

But the problem with this debt is not only that it's so large: The problem is, it grows like a cancer. The rate of increase of worthless debt, to actual, valuable commercial credit, is accelerating at such a rate, that we now have, globally, a hyperinflationary phenomenon comparable to what happened in one nation, in Germany, in 1923. The whole euro system is ready to blow out with a 1923-style explosion like that of Germany in 1923. That explosion in Germany, which was then a selected *victim* of the Versailles powers, happened in a very predictable way, in one year! In one year, they wiped out Germany!

Now this is a more complicated debt, because it involves many different kinds of nations, and parts of nations, and sections of the world. But the same principle is there: The present international monetary-financial system *is* the disease. If we do not eliminate the disease, we are not going to have civilization, and therefore, we should eliminate the disease!

My view is, it's the responsibility of the United States, which terminated the Glass-Steagall law before, to return to it now. That means we will probably eliminate \$17 trillion worth of U.S. debt! And if the United

States does that, I can guarantee you that most of the nations of Europe will do the same kind of thing: They'll go back to a protectionist system, like the Glass-Steagall system. And it will be the responsibility of the United States then, to initiate a global system, a fixed-exchange-rate system, like that which was canceled in 1971.

Under a fixed-exchange-rate system, as Roosevelt had intended, we could solve the problems of the planet. It's feasible to do so.

Mankind Will Not Survive without Scientific Progress

Now, the other problem here is also a political problem; it's also a scientific problem, and it has three aspects. One, that there is no such thing as a Second Law of Thermodynamics. It's a myth. If you look at the history of life on this planet, for several *billion years* on Earth, and look at the record of species, and what the quality of these species were, over these 3 billion years, you find that the level of performance of these species is rising. Also we find, that if we don't raise the level of existence of species, the planet decays.

So therefore, there is no law of a fixed rate, of a fixed limit; there is no principle of that type. Mankind depends upon, and the planet depends on a constant rate of development, to higher forms of organization, as you see in the history of species, from the study of remains of former species in the history of this planet.

So therefore, man can survive only by the human will, through the use of those creative powers, conscious creative powers, which are specific to mankind, and thus, scientific progress.

We have another problem: The Sun is a very dangerous animal, as you see right now; in some of the reports you've seen from our recent report, the report that I organized to be presented last Tuesday, and then, what I did yesterday, in a report on the same thing: The secret of the planet, the secret of the economy on the planet, is to increase what I call the relative energy-flux density of the planet: That is, mankind must go from simple burning of wood—mankind lives on fire; it's the only species that willfully chooses fire. And fire is key to mankind.

Now there are many kinds of fire. We go from burning trash, burning wood; we go to charcoal; we go to petroleum; we go to natural gas. And now we've reached a point that you can not maintain the population of this planet on less than nuclear power, nuclear fission power.



LPAC-TV

If we use the power that we have, and the brains we have, we can prevent the extinction of the human species. "But we can not rest on what our present abilities are: We have to think that our grandchildren and their descendants will have developed new powers beyond what we have today, to control man's destiny, within the Solar System, and within the universe." Lyndon LaRouche appears here in the LPAC video, "The Rim of Fire."

Without nuclear fission power, you can not maintain the population of the planet.

We are now reaching the point where nuclear power is developed to a large degree—not sufficiently, but to a large degree. But it's not sufficient. We must now go ahead to thermonuclear fusion as a primary leading source of power, which is what China was committed to recently. Same thing. Therefore, we must increase man's power as measured in concentration of calories, as well as in other terms. We must increase in terms of physical science. We must increase the *power* of physical science to meet human needs.

And therefore, we have a situation, which is a terrible situation, and within it, we have a revolution: What you have, as Rosa Luxemburg prescribed, but also what Shelley prescribed, in the concluding paragraph of his *Defence of Poetry*, is that mankind does not really depend upon sense-perception. Sense-perception is a very crude instrument which we rely upon.

We find that mankind also has a higher form of intelligence, as even some animals do. But mankind's intelligence is such that it's our creative intelligence, our creative powers to make discoveries of principle, to

change the character of man's existence, by raising man from a lower level of ability to exist, to a higher level!

And this drive, to always go to a higher level of scientific progress and development of mankind, is the basis on which mankind depends for success of the human species. Every other type of animal life, other than man, is *ultimately doomed*, because it becomes outmoded. Only mankind, which has the ability to change mankind's own nature, to improve mankind's own nature, is capable of overcoming the challenge of the requirement. You would never have a monkey be able to invent a nuclear fission program. You would never have a monkey, which could develop thermonuclear fusion. We need those, now!

We need to educate our populations, in science, in technologies of science, and in culture. We need a Classical cultural revival to go with

this. Man's intelligence then will enable human beings and nations to develop themselves to solve these kinds of problems, which no mere animal could solve! That's the nature of mankind.

We Can Learn To Control These Forces

So that's where we stand: We stand in an awful period of time. Over the coming years, you're going to find that the power of the Sun alone, let alone the galaxy, because the galaxy controls the Solar System actually. But, we're going to require changes in our behavior, to accommodate the problem of exploding volcanoes and similar kinds of things around this planet. Every area, especially the area of the Pacific rim, which contains the greatest number of active and inactive volcanoes of this planet: that whole region, and that combination of volcanoes, dead and still active, is the great threat we have to contend with. The power that these volcanoes represent, is far beyond any known method of power used by mankind so far. That's why mankind faces a kind of hopelessness in dealing with volcanoes.

We *can* control this, more and more. We have to be able to control it more and more.

If you just take into account the things we reported yesterday, in our discussion with Sky Shields and so forth, the same thing: The power that we're contending with, the power of the Sun, the power of *one burst* of plasma from the Sun into our vicinity—if we didn't have a protective screen built up around our planet, by life itself, if we didn't have that protective screen, we could not exist. This is a power out there, way beyond any power we have, that man uses on Earth itself. And obviously, in the long term, we have to understand that mankind, dealing with the fact that this Sun is now scheduled to blow up, maybe 5 billion years from now, we'd better have a policy of saying that we're going to develop the power of mankind to control mankind's destiny, beyond what we have today, far beyond what we have today.

It means that the creative power of the mind, it means that the education of our children to develop their creative powers, is the most essential thing for all of us. We have to have a global perspective of a policy of going always to higher and higher forms of man's power, to deal with the threats to mankind. We have to do that not only on this planet, because we can't defend our planet


alone. We exist in a Solar System; the Solar System is merely a little thing inside a great galaxy; and we have to learn to be able to deal with that, the same way that we deal with every other problem that we've solved; mankind must constantly go ahead to higher forms of power, for the sake that mankind will not become another dead species, like the many dead species we buried in chalk and similar kinds of things in the past.

Living species have been wiped out *en masse*, in entire successive generations. Only man has demonstrated the ability in practice, to resist those threats. We're not powerful enough yet, to deal adequately with those threats, and we're warned of this by what's happening around the rim of the Pacific: The whole region for the next two or three years, is in danger of blowing up, with volcanic and similar kinds of explosions.

If we use the power that we have, and the brains we have, we can do something about that. But we can not rest on what our present abilities are: We have to think that our grandchildren and their descendants will have developed new powers beyond what we have today, to control man's destiny, within the Solar System, and within the universe.

FIDELIO

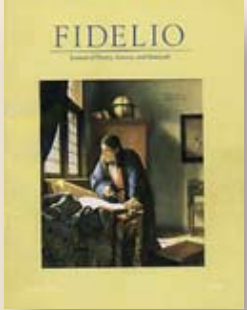

Journal of Poetry, Science, and Statecraft



From the first issue, dated Winter 1992, featuring Lyndon LaRouche on "The Science of Music: The Solution to Plato's Paradox of 'The One and the Many,'" to the final issue of Spring/Summer 2006, a "Symposium on Edgar Allan Poe and the Spirit of the American Revolution," *Fidelio* magazine gave voice to the Schiller Institute's intention to create a new Golden Renaissance.

The title of the magazine, is taken from Beethoven's great opera, which celebrates the struggle for political freedom over tyranny. *Fidelio* was founded at the time that LaRouche and several of his close associates were unjustly imprisoned, as was the opera's Florestan, whose character was based on the American Revolutionary hero, the French General, Marquis de Lafayette.

Each issue of *Fidelio*, throughout its 14-year lifespan, remained faithful to its initial commitment, and offered original writings by LaRouche and his associates, on matters of, what the poet Percy Byssche Shelley identified as, "profound and impassioned conceptions respecting man and nature."

Back issues are now available for purchase through the Schiller Institute website:
http://www.schillerinstitute.org/about/fidelio_form.html