

# In a Crisis Like This, Don't Consult Morons; Listen to Those Who Forecast It

*More than 150 people attended a conference of the Solidarity and Progress (S&P) party in Paris on Jan. 24. Helga Zepp-LaRouche, chairwoman of Germany's Civil Rights Movement Solidarity Party (BüSo), and S&P president Jacques Cheminade gave the keynote speeches. Two French mayors also spoke, on their fight for the very survival of their localities, providing a vivid picture of the economic collapse. Videos of the conference are at [www.solidariteetprogres.org/article5078.html](http://www.solidariteetprogres.org/article5078.html). Mrs. LaRouche spoke in English, and her presentation follows here.*

Ladies and Gentlemen, let me greet you, and I apologize for not torturing you in my nonexistent French. But let me say in the beginning, that for a German patriot, it is a very nice feeling to be in France, for reasons which I hope will become apparent at the end of my speech—because we need patriots of all the European countries, to work together to solve this crisis.

You know, I'm a political battle horse. I'm in this fight for now almost 35 years, I'm fighting on what is

now the issue of the day, the disintegration of the financial system, and the need to replace it with a just new world economic order. But despite the fact that I'm an old warhorse, I must say, every time I step back and look at what is going on, it blows my mind! Because, for 17 months now, almost one and a half years, this disintegration of the system is continuing. You have an unprecedented collapse of the financial system, a collapse of the real economy, which is breathtaking, and the governments are doing nothing! Nothing substantial.

As a matter of fact, we have right now, what easily can be described as being the biggest crisis in the financial system *in history, ever!* And the governments are just saying, "We were caught by surprise. Nobody could know that this would happen; nobody could foresee that."

Now obviously this is a big lie, because there was one man of record, who is known internationally, that he has forecast this crisis, every moment it went wrong, absolutely on the mark: and that is my sweet husband



EIRNS/Julien Lemaître

*Helga Zepp-LaRouche address to the Solidarité et Progrès party conference in Paris on Jan. 24 focussed on the opportunity, opened up by the new Obama Administration, to bring together a Four-Power alliance among the U.S., Russia, China, and India. To her left: Christine Bierre, and Jacques Cheminade, S&P chairman.*



Hong Kong Economic & Trade Office

*One element of the global collapse is the near-shutdown of international shipping: 96% of bulk-trade shipping has collapsed, according to the Baltic Dry Index; now ships sit in ports, like the Hong Kong port shown here.*

Lyndon LaRouche. (He's not regarded as so sweet by his opponents, but I can assure you, he is quite sweet.)

He is on record as having said all of this, and this is very, very relevant in terms of finding the solution.

## A Financial Tsunami

What you see right now, is the governments that keep up this lie—"Nobody could foresee this; this was totally unexpected"—what these people remind me of, is like you have a huge tsunami; you remember the tsunami a couple of years ago, which had these gigantic waves after waves flooding the lower parts of the beaches; and then you have these politicians who come with these little children's buckets and want to catch the water, to try to head off these tsunamis.

We have right now a bankrupt system, with a chain-reaction collapse for 17 months, and all these governments have been able to do is come up with one bailout scheme after the other; pouring in literally trillions of dollars, trillions of euros, of pounds, and there is no end in sight of what this collapse is going to be.

Now, just to give you the proportions again: Jacques Diouf, the head of the Food and Agriculture Organiza-

tion (FAO), in December 2007 said that he urgently had to raise EU11 million, to be able to buy seed for the poorest farmers in the Third World, so that they could plant for the Summer season; by April of 2008, he said that he had not been able to raise a silly EU11 million. He did that, because there were already hunger riots in about 40 countries, and so nothing was solved, and the situation has not gotten any better.

The collapse which is occurring right now is really amazing. Let me just tick off some of the figures:

- Auto production has already collapsed by 30% around the globe;
- Steel production, as a consequence related to the auto collapse, in China for example, collapsed by 60%;
- The international shipping of dry goods, according to the Baltic Dry Index, in the last month, collapsed by 96%. Now, 96% of all shipping collapsing concerning bulk trade; that means you have almost a total standstill of the economy. You have empty ships, empty containers sitting in ports in Hong Kong and other places.

We are really looking at a breakdown crisis. We are not looking at a cyclical crisis or even a depression: We are looking at the *disintegration* of the world economy.

The German government, just to give you a comparison, did not manage to raise EU2-3 billion to finance the building of the Transrapid maglev train—you know German technology, it's very good, the Chinese are building it now—for the little run between Munich and the airport. This would have cost somewhere between EU2-3 billion, and it would have marked a change in German policy. It would have demonstrated that Germany can build this domestically, and it would have been a fantastic export product. But they didn't do it. Instead, the German government raised EU500 billion to bail out the banks, and as a result now, the Transrapid is shut down, they're selling the technology to the Chinese; they're even dismantling the test track in Emsland, in the northwest of Germany. So, you see, a lot of stupidity.

The reason why all of these things don't function, is because the system is completely broken. And this collapse will continue until the measures of LaRouche are implemented.

## Obama's Moment of Opportunity

The good news, however, is that we have a new President in the United States. But this President is in a very difficult position, because he's confronted with a mess which was left to him, by 12 years of Bush disaster—eight years of George W. and four years of George Herbert Walker Bush, his father. Now, there obviously is enormous relief around the world that the Bush period is over, forever, because there is no way a Bush will ever become President of the United States again, and that is a very good thing. But there is right now a mess in the world. The Bush legacy has been a broken system, a collapsing world economy, disaster in Iraq, disaster in Afghanistan, a very dangerous situation in Pakistan, which is a derivative of what happened in this region, and so forth and so on.

We did not support Obama during his campaign; we supported Hillary Clinton, because we thought she was a much better candidate. However, this President is now in, and he has a very short window of opportunity, because he has enormous credibility, the whole world looks to him. Here, in the streets of Paris, you have posters, "Can he make it? Can he seize the moment?" And that is, indeed, the question, because if he now acts decisively, and if the measures which my husband laid out in two webcasts, on Jan. 16 and on Jan. 22—and I can only urge you to look at those [at [www.larouchepac.com](http://www.larouchepac.com)]*—exactly what Obama must do to change the situation and overcome the crisis. But he has only a very short period of time.*

If he now acts decisively, with the determination of a Franklin D. Roosevelt—who, in 1933, put Wall Street under the control of the government—that he changes the economic system, it can function, for the reasons I'm going to tell you.

But if he doesn't take this opportunity, and if the collapse continues, it may take only a month, or less, and then people will start blaming him for not having acted. It's really important for you to understand that



FDR Library

*The United States could do exactly what FDR did in 1933, said Zepp-LaRouche, by providing credit for reconstruction, for building infrastructure, for retooling the auto sector, and so forth. Here, the President is shown a model, at a plant in Tulsa, Okla., of one of the thousands of fighter planes being built in retooled auto plants, in April 1943.*

we are right now in the most important weeks to turn this crisis into the solution. But this window of opportunity will not be there for very long.

So, what my husband, Mr. LaRouche, outlined in these two webcasts, is very simple. And it can be done, provided we have somebody who takes leadership, who has the nerve to carry out these programs: All he would have to do is to make a bankruptcy reorganization in the United States, to put the bankrupt American banks through orderly bankruptcy procedures, which is provided for in the American Constitution, according to which, only the government and the Congress have the power to generate credit. It would provide the ability for government to put the investment banks and the hedge funds and private equity funds into bankruptcy; freeze the so-called toxic waste, and save the chartered banks. Replace the monetary system with a credit system, implement a National Bank in the tradition of Alexander Hamilton, and issue credit.

The United States could do *exactly* the same thing that Roosevelt did in 1933, by providing credit for reconstruction of the United States, for building infrastructure, for retooling the auto sector for getting the





Presidential Press & Information Office

*Following the collapse of the Soviet Union, and the subsequent geopolitical manipulations of Bush, Sr. and Thatcher, Russia was looted, its economy dismantled—until President Putin came in, and in 2000, began to reverse this process. Here, Putin visits an oil-drilling tower near Surgut.*

U.S. economy going with a gigantic investment program.

At the same time, and it cannot be done just on a national level; there needs to be an international reform of the bankrupt monetary system. For a long time, my husband has made the point, that because of the power of the financial institutions, the City of London, the British-dominated empire, Wall Street, and other financial centers, the only way you can impose such a reform would be if the four most powerful nations of the world worked together, that is, United States, Russia, China, and India. That they form a core group to which other nations would then associate themselves, and then force through the kind of reform which is necessary.

The reason you need these four countries, is because they represent the majority of the world population; they are powerful enough to oppose the present empire system; *and* what is also extremely important, they are representative of all the other nations. Because you cannot have a reform, a New Bretton Woods conference, in which you have 180 or 190 countries participating: Then you end up in a democratic squabble and you don't get anything done. But you need a representative group to make this change.

Now, can this work? Is this a realistic proposition? President Sarkozy of France was talking about the need for a New Bretton Woods system, but unfortunately, he has not really developed this in the meantime, so one is sort of left to guess, what does he mean, where is he

coming from? So, you hope that something more will come of it. But what my husband is proposing would work, *if* the United States takes the lead.

## Why Russia Was Surprised

Now, concerning Russia, I'm quite optimistic. Mr. LaRouche has just written a paper, "How Russia Was Surprised" by this crisis.<sup>1</sup> In this paper, he goes into some of the axiomatic reasons why the Russian leadership completely underestimated the collapse of the system—axiomatic reasons which have to do with the relics of Marxism, because, after all, Russia for 70 years was the core of the Soviet Union, and Marxism did play a significant role. And he didn't say this so much because of Communism, but more because of the manipulation of Karl Marx (who happens to have been born in the same city as myself, but that is as far as the commonality goes!). He was manipulated by Friedrich Engels, who convinced Marx that in Marx's lifetime, Manchester capitalism was the most developed form of capitalism, which obviously was completely mistaken. And poor Karl Marx, who used to be a nice fellow as long as he lived in Trèves [Trier], my hometown, and he only got rotten when he moved on to Bonn and Berlin later on—he was convinced more by Adam Smith's philosophy than, let's say, by Friedrich List's, and that has something to do with the question of what the Russians still consider as the source of wealth. This is the key question.

Remember, in the 1990s, after the Soviet Union had collapsed, for reasons which never have really been adequately investigated by scholars and others in the West, Russia collapsed, because of geopolitical manipulations of George H.W. Bush Sr. and Margaret Thatcher, who, at that time, were absolutely determined to turn the Soviet Union into a Russia which would not only *not* be a superpower any more, but would become a Third World, raw-materials-producing country. And in three years, from 1991 to 1994, through the shock therapy and similar measures, they dismantled the industrial capacities of Russia to only 30% of what they were when the Soviet Union collapsed. And if you remember, with the help of Western

1. "2007 Was Already a Year of World Crisis: How Russia Was Surprised," *EIR*, Jan. 9, 2009.

oligarchs, they turned some Russians into billionaires in a few years, and looted Russia. The 1990s were the decade in which Russia was completely desperate: The population was decimated, you had a demographic collapse, and people were quite in despair. Unbelievable looting was going on.

However, when Putin came in, from 2000 onward, this was reversed, and the confidence of the population came back. But the problem was, that one of the contributing reasons why the Soviet Union had collapsed: the Soviet military, remember, had all these military “secret cities,” cities which were not even drawn on a map, but in which they had highest level of military science anywhere in the world, including the United States—but the problem was, the Soviet Union *never* was capable of applying that advanced military capability to the civilian sector.

This was never really remedied, because even after Communism had gone, there was too much reliance on oil and gas and raw materials as a source of wealth. So when this crisis erupted, the oil price, at a certain point, was \$150 per barrel, and the Russians had foreign reserves of \$600 billions.

I was, in October, at a conference in Rhodes, which was organized by the World Public Forum of the Dialogue of Civilizations, which is organized mainly by Russia, and there were several hundred Russians there, 200 or 300 Russians. And at that point, last year, there was a clear understanding that the neoliberal paradigm is finished; Communism collapsed in 1989-91, but now the neoliberal paradigm is finished. There was a quite a lot of excitement. But in all the discussions, or almost all, they applied that to the United States, Western Europe, other parts of the world . . . but not to Russia!

They had the illusion that their reliance on raw materials would enable them to go through the crisis: that this was a U.S. crisis, bringing the U.S. down, bringing Europe down, but that Russia somehow would make it.

Now, obviously, at the latest, by December last year, when the real economy of Russia started to go down like a ton of bricks, there was a sudden realization, that Russia would be *fully* affected by this crisis. And we have the suspicion that the reporting of the crisis is being sort of downplayed, because there is already unrest in some parts of Russia, and obviously, the gov-



Courtesy of KM.ru

*Lyndon LaRouche is very well known in Russia, said Zepp-LaRouche. Every time he writes an article, there are about 1,000 websites that publish what he says. LaRouche is shown here in an interview with the Russian news website, KM.ru, in Moscow, May 2007.*

ernment is very concerned that if the *news* about this unrest spreads, that this could be a very big threat to the stability of the country.

Now, what does that mean in terms of the ability of Russia to work together with the United States, to solve this crisis?

First of all, you have to know that the name of LaRouche is very well known in Russia. Every time my husband writes an article, there are about 1,000 websites or more which publish what he says; there is a recognition of his analysis; there is, among many layers, especially Academicians, a recognition that he is an *idea-giver* in the tradition of Vernadsky and Mendeleev, who are the most respected Russian scientists.

And also, when President Medvedev recently greeted Obama, he made it very clear that they hope that with the new administration, the collaboration between the United States and Russia will improve a great deal. And therefore, if Obama goes into the tradition of Franklin D. Roosevelt, then this can really be on a completely different basis, because collaboration between the United States and Russia, in the tradition of Roosevelt during the Second World War, is one of the very, very important cultural and historical foundations of Russian policy.

*However*, the test, I’m absolutely convinced, will be that Obama must stop the ABM systems in Poland and Czechia. He must give a clear signal to Russia, that he would stop the eastward expansion of NATO, and the

cancellation of the ABM systems in these two countries is an absolutely crucial test. I think he must also make very clear, that he will not continue the policy of Bush to bring Georgia and Ukraine into NATO, because this will be regarded by Russia as policy by the West. This was declared still by Bush at the last NATO summit in Bucharest. . . .

Now, we also know that the Russians will re-issue the proposal made by Putin at the family gathering of the Bush family in Kennebunkport, Maine [July 2007]: that is, the proposal to have a global missile defense program including the whole world. Now that goes in the direction of the SDI proposal, which was developed by my husband more than 20 years ago. We will see what will happen.

### How China Would Respond

Now, if there are signs that Russia and the United States are working together, also in the direction of a new monetary system, I think China will follow relatively easily.

The Chinese, for good or for bad, think that their fate is completely intertwined with that of the United States. The reason should be obvious: that China can be called the true victim of globalization. Because after 1970, after China started the Open Door policy, China became the outsource, the place of cheap labor production for the U.S. economy, and you had all the normal middle-level industry which used to be in the United States, shipped out to China for reasons of cheap labor—Wal-Mart and all of these things—and also to Europe, but especially to the United States, so that China's export dependency is enormous. They also have \$2 trillion in foreign exchange reserves, in large part in dollars and U.S. bonds and U.S. Treasury notes and similar things; so therefore, they really have a big dependency on the United States.

If you look at what happened after the Open Door policy in China, you had, on the one side, an enormous growth in the coastal area and in the southern provinces. If you go to Shanghai, you cannot find in the whole world a city which is more modern; you can no longer find an old house, or an old, rundown hut. You



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*Shanghai, the financial center of China, represents both its enormous economic growth, and the disparity between China's new rich, with its Communist billionaires, and the 70% of the population still living in Stone Age conditions.*

have had an enormous growth most of the time, of 12%, which China needs because they add 10 million new workers every year to the labor force. But you had also a negative side attached to that: that in these areas of tremendous development, you had these Communist billionaires, and so forth. But 70% of the Chinese population, to this day, is still in a Stone Age condition, working agriculture without even machinery! Even without animals! Tilling rice fields manually with a stick!

The poverty in these areas is tremendous. You have, at minimum, 200 million migrant workers who are now becoming jobless. Because when the crisis hit China, almost 50,000 small and middle-level firms went bankrupt, in the South, in Guangdong region. One or two days from now, the Chinese New Year will start, and you will have hundreds of millions of Chinese going back to their homes, to their families, and the big question is, will they stay home, because they are unemployed in the cities? And then, you will have a tremendous social explosion in the country, because a lot of these rural families were dependent on part of the wages which were sent home by these migrant workers, working in the cities.

Already you have social unrest in China in a significant way. You had social unrest, also, by the way, in



Iceland, just in the last couple of days, of people rioting against the government; you had the same thing in Latvia; you had it in Greece. So the social consequences of this collapse are obvious. If the U.S. offers a significant change to Russia, China will follow immediately. I'm absolutely certain of it, simply because, whatever this combination, U.S.-Russia, does, China will follow.

Now, as I said, China has \$2 trillion in foreign exchange, mostly in U.S. notes, and that has to be honored, because this money, which is the Chinese surplus they have earned from their exports; and because the United States refused to sell to China certain technologies and goods which they wanted, because of the "dual-use technology" provision, namely that the United States said the Chinese would use this for military purposes, so the Chinese could not buy from the United States whatever they wanted. So therefore, the United States must honor this debt to China.

China will respond to any offer from the United States for that reason, but more important. is the importance the Chinese are giving to stability of the system, to harmony. Because, as you know, China is one of the ancient cultures of this planet. It may be 6,000, 7,000, 8,000 years old, and the philosophy of Confucius and Mencius was developed in a period of wars, of 500 years of wars, and Confucius stressed the need for harmony and stability in society. These are very important philosophical concepts which have dominated Chinese philosophy for two and a half thousand years, ever since. But then, when the ten years of the Cultural Revolution occurred, when the Gang of Four turned practically all values of China upside down, the Chinese experienced these ten years as the darkest period of their history, and they never want to experience that again.

So therefore, as I said, if the United States at this moment would give a positive signal, I'm absolutely certain that China would accept. And if these three countries—U.S., Russia, China—agree to make a reform of the system, I know that India would not hesitate for one minute to go in this direction.

### India's Potential Contribution

India is presently also affected by the crisis, but not quite as badly as China, because they have a domestic market which absorbs 85% of their production, so they are a little bit more cushioned against the effects of this. But, on the other side, 63% of the Indian nation is very

## The Song of Creation

*The "Song of Creation" is one of an ancient collection of Indian Sanskrit hymns, the "Rig Veda," by an anonymous author, composed ca. 1500-1000 B.C. The Vedas represent a high point of Indo-European culture, and a touchstone for Indian identity.*

*This translation is by John Muir, from his Original Sankrit Texts, Vol. 5. (1861).*

Then there was neither Aught nor Nought, no air  
nor sky beyond.

What covered all? Where rested all? In watery  
gulf profound?

Nor death was then, nor deathlessness, nor  
change of night and day.

That One breathed calmly, self-sustained;  
nought else beyond it lay.

Gloom hid in gloom existed first—one sea,  
eluding view.

That One, a void in chaos wrapt, by inward  
fervour grew.

Within it first arose desire, the primal germ of  
mind,

Which nothing with existence links, as sages  
searching find.

The kindling ray that shot across the dark and  
drear abyss—

Was it beneath? or high aloft? What bard can  
answer this?

There fecundating powers were found, and  
mighty forces strove—

A self-supporting mass beneath, and energy  
above.

Who knows, who ever told, from whence this  
vast creation rose?

No gods had then been born—who then can e'er  
the truth disclose?

Whence sprang this world, and whether framed  
by hand divine or no—

Its lord in heaven alone can tell, if even he can  
show.

poor. And if you have a collapse, this will be very dramatic as well.

But India, remember, is also one of the cradles of human civilization. They have Sanskrit, which Wilhelm von Humboldt named *the* most advanced language ever. They have the beautiful Vedic writings, the “Song of Creation,” which you should read, because it contains everything modern science really has as conceptions, about the nonlinearity of the world, that solutions can be found only on a higher level than the conflict is situated—very beautiful ideas which went into European philosophy, and so forth.

India is a very proud nation. For example, just a couple of years ago, they discovered cities under the sea off Bombay [Mumbai] in the Indian Ocean, which were much larger than the Babylonian cities which were built 5,000 years later. And for a long time, it was thought that these were inventions, but then when NASA took pictures from space, one could see that because of certain changes in the Earth, what was in the original Vedic writings indeed was happening this way. So the Indians have a very proud identity.

However—we were there in December—very clearly, they will only respond to the combination of the United States, Russia, China, and India. They will not go for a solution Russia, China, and India, because you have to remember, India is a subcontinent: They’re sitting, separated from the rest of the world by the Himalayas; for centuries, for millennia, they had very little exchange. You had missionaries going back and forth over the Himalayas, but they were relatively separated. Therefore, they look at the world in terms of Pakistan and Bangladesh, which used to be part of India; Afghanistan, Iran, and China; but in their culture, they do not yet have the idea of acting right now as a catalyst to solve this international crisis. But, they will react once the other three nations react.

So, I know Russia a little bit; I know China quite well; I know India relatively well. And I’m convinced, and I’m telling you this with my best understanding of the situation: *It can work!* This is not a utopian idea, it can work. This is very important for the Europeans to realize, because if you look at European politics, and you say, “Where are our political leaders, to address this crisis?” it looks very, very poor. So therefore, it is important that we have a realistic conception of how we can get out of this crisis. And if there is motion coming from the United States, Russia, China, and India, the best European nations can do is to support that.

## End the Ponzi Paradigm!

But what does that mean? It does not just mean to support what these four countries hopefully are going to do. It means also reversing the paradigm of the last 40 years in Europe. The paradigm which changed the values away from production, to speculation, and to eliminate such utopias as the post-industrial idea, like the idea of globalization, and to go away from the idea that “money makes money.” If we do not get rid of the idea of “get rich quick,” we will be stupid enough to fall, again and again, for such things as the Madoff scheme. You know Madoff was this Wall Street financier who ripped off his clients for nearly \$50 billion. Now, \$50 billion is not peanuts; you have to be pretty good at it to lure so many people into such a scheme. But it is really only modeled on the famous old Ponzi scheme.

Ponzi was a speculator in Boston, and in the English-speaking world, a “Ponzi scheme” is a household word; but it is not in Europe, so let me quickly tell you what this was.

Charles Ponzi, who lived from 1882 to 1949, was the pioneer of snowball schemes. In the immediate period around and after the First World War, he discovered the letters of an international agreement among different postal services, that in one country, you could send a letter and pay the postage for the return letter, so that the person whom you are sending a letter to in some other country can send it back, without paying. He discovered that because of the devaluation of the currencies in Europe after the First World War, you could buy such a response letter in Spain for 1 cent and in the United States it would be 6 cents. So, he would say in the United States, we’ll buy a lot of these Spanish and other European postal reply coupons, and we’ll sell them in the United States—and that way, we can make an enormous profit.

He started very small. In the first month, he turned \$1,000 into \$15,000, and then he got more people involved. Then in 1919, he opened a little firm called the Security Exchange Company in Boston, and when he registered his business, the postal inspector was very skeptical; and he said, it’s not legal to exchange postal reply coupons in the United States for money! But Ponzi somehow got through. And then, he duped his customers with a fantastic story: He said, we can have 400% profit; you can make 50% profit in 45 days, you can double it in 90 days. And obviously, this was a complete fraud, because if anybody had investigated, they



would have immediately found that if you take all the postal reply coupons in the world together, you could not run such a business. But nobody exposed him, and Ponzi was able to make it all very mysterious. He wouldn't quite reveal how it worked, because it was a corporate secret, and the more mysterious he made it, the more people said, "Oh, I want this! I want this!" And they jumped on, and the scheme became more attractive for investors.

Soon he had 30 employees, he bought a huge building for his office; but in reality, it was nothing like he said it was. He never actually traded with these reply coupons. What he did, is he took money from the newest investors to distribute to the oldest investors. He got the new investors to pay into his scheme, and he would pay off some of the older ones at high ratios, so they thought they were making a big profit on percentage, naturally, only. Obviously, this kind of scheme only functions if the bubble grows.

But when the stream of credulous, stupid investors collapses, then the snowball system disintegrates, and that is exactly what happened: One day, he couldn't pay out to one investor, and when word about that spread, he collapsed. It turned out, he had duped 40,000 clients, and he had robbed \$10 million, which at that time was an enormous amount of money, not like today.

So Ponzi went to jail. Later, when he was released, he committed another couple of frauds and so forth.

The Madoff scandal was exactly that! He did exactly that. He got more investors, up to \$50 billion, paid off the old ones, and then one day ... the whole thing collapsed.

Now, the reason I'm telling you this story is: *The whole system of globalization is exactly that.* And I think this is something which is very important to realize. Because when all the "creative credit instruments" of Alan Greenspan were invented, they did exactly that—they took, for example (I'm going through one particular phase), they took the subprime mortgages, which everybody should have known from the beginning could not work: You give a mortgage to somebody



*The Madoff Ponzi scheme was not an aberration; it is paradigmatic of the entire global financial system, based on the insane and immoral idea that "money makes money." Shown, a police mug shot of Charles Ponzi, who pioneered such fraudulent "money-making" hoaxes, in the 1920s.*

who has neither the savings nor the wages to pay the mortgage, and you sell this mortgage at 0%, when it's clear the interest rate will not remain at 0%, and then you take the subprime mortgage and you package it. You snowball it; you sell these packages to other people, and you actually create a gigantic Ponzi scheme.

This thing has ballooned up to the point of outstanding derivatives of \$1.4 quadrillion! So you have this Ponzi scheme, this Madoff scheme of outstanding derivatives of quadrillions of dollars. Why do people fall for that? Why does this thing repeat itself, even though its fraudulent nature is always clear? Well, it's obviously greed; and this greed causes people to subject themselves to the Empire. But anybody who looks at the system, sees that this system has generated probably thousands of billionaires, worldwide; hundreds of

thousands of millionaires; but 2-3 billion people who are, all the time, on the verge of hunger.

Anybody who is not a moron, anybody who is not a complete, moral swine, should have recognized that this system could not go on forever.

So therefore, this has to end. We have to end this system cold, and what Obama therefore has to do, is, his administration has to initiate what Franklin D. Roosevelt's intention was, before he died, and before Truman took over. He has to end colonialism, forever. And what that means is that the new system has to provide a decent living standard for every human being on this planet, and each nation has to be a sovereign nation-state, which can blossom and bloom.

### **Think Like Cusa—and LaRouche**

Now, you have to have the philosophical approach of Nicolaus of Cusa, who was a great thinker in the 15th Century, who is the father of modern science, who is the father of the modern nation-state, but who also developed this beautiful conception that concordance in the macrocosm, in the universe at large, on the planet at large, can only function if all microcosms develop in the best way. That means that there can be peace in the world *only* if all the nations on this planet develop in an

equal way, and work to the benefit of the other in the best way. Which, by the way, was also the idea of the Peace of Westphalia: that you can only have peace if each country regards as its maximum interest, to develop the other one, in the best possible way.

Now, how do you do this, in this situation? Because, if you look at the world, you have collapsing countries, like the European countries, like the United States, like Japan; you have promising countries which are on the way up; you have countries which have large resources; you have countries which are very poor; you have countries which are only desert; you have other countries which have rich raw materials. How do you balance a just system, in the future? That is exactly what Mr. LaRouche has written in a very beautiful book called *Earth's Next Fifty Years*.

Which means we have to say good-bye to the idea of profit, money: "Tomorrow I invest something and then I want to have profit the next day"; and we really have to say, "Forget it!" What we need is to create a world in which every human being can have a decent life, enough food, good living conditions, ability to learn and to study, but we don't need excess riches! We don't need billionaires. We don't even need millionaires any more, because it is not in coherence with human nature! What we need to do, therefore, is to have a multi-level treaty arrangement among the nations of the world, to balance, for the next one to two generations, so that the countries which are backward now, can come up. And we make a certain investment: We give them credit lines for production, so that they can develop the necessary infrastructure and means which they need. And then, after one or two generations, when they have the buying power, we ask them to eventually pay back some credits which they were given. But, we *do not* want to continue the policy of the World Bank, which basically demands the repayment of credit before the development even has occurred.

So, we need to completely change the way we think. And I think the most crucial question is that we get clear on what is the source of wealth in society. I think that if we don't settle that question, we cannot come to the right solution.

The only source of wealth in any society, is creativity of the people. Because it is only if we strengthen the cognitive potential of a people, their ability to discover, again and again, universal principles of physical science, of artistic science, which then, if you apply them, leads to an increase of the productivity of the popula-

tion at large, that you really have an improvement of the living standard. We have to say good-bye to the idea that the source of wealth is "buying cheap and selling dear"; we have to say good-bye to the idea that the source of wealth is the possession of raw materials, of gas, of oil, and other such things. Because, getting more and more people in society to be productive, to be true human beings, to fulfill their potential as human beings, is the only source of wealth,

And this, by the way, this question of recognizing that creativity *is* the fundamental difference between human beings and all other living creatures on this planet, is also why LaRouche was able to correctly diagnose the collapse of the system. In the last webcast, he went back to the question of how did he recognize the first crisis in 1957, which was a crisis of consumerism. But more fundamentally, he recognized around 1950, that the statistical methods applied in information theory and systems analysis were completely unfit to describe real processes in the economy. So, when he saw the rubbish which was produced by Norbert Wiener and John von Neumann, the inventors of systems analysis/information theory, he recognized that that kind of thinking, which eliminates creativity from the processes of the real economy, is completely inadequate to describe these economic processes. And he counterposed that with his own LaRouche-Riemann model.

Now, the question of creativity was also the reason why Mr. LaRouche recognized—and I think he did that singlehandedly—why the rock-drug-counterculture in the '60s was the beginning of the collapse of the system. Because, for an individual to stand up and see that the hippie culture, the drug-rock-sex counterculture, was, in the long term, destroying the productivity of society, I think that is one of the reasons why Mr. LaRouche deserves the biggest respect. This was not so easy, because when you have a mainstream cultural shift, where all of a sudden things are accepted which were not accepted before, and people say, "Oh, this is so cool," as they would say today, fashionable—for him to recognize the long-lasting destructive power of the counterculture, is really very, very important. He also recognized the systemic flaws of the "post-industrial" paradigm, the environmentalism which was invented at that time.

So, we have to change all of these paradigms, and go back to a society based on science and technology, based on truth-finding, based on the ability of the human mind to recognize universal principles. And in Europe,

we have to prepare ourselves to cooperate with the new system.

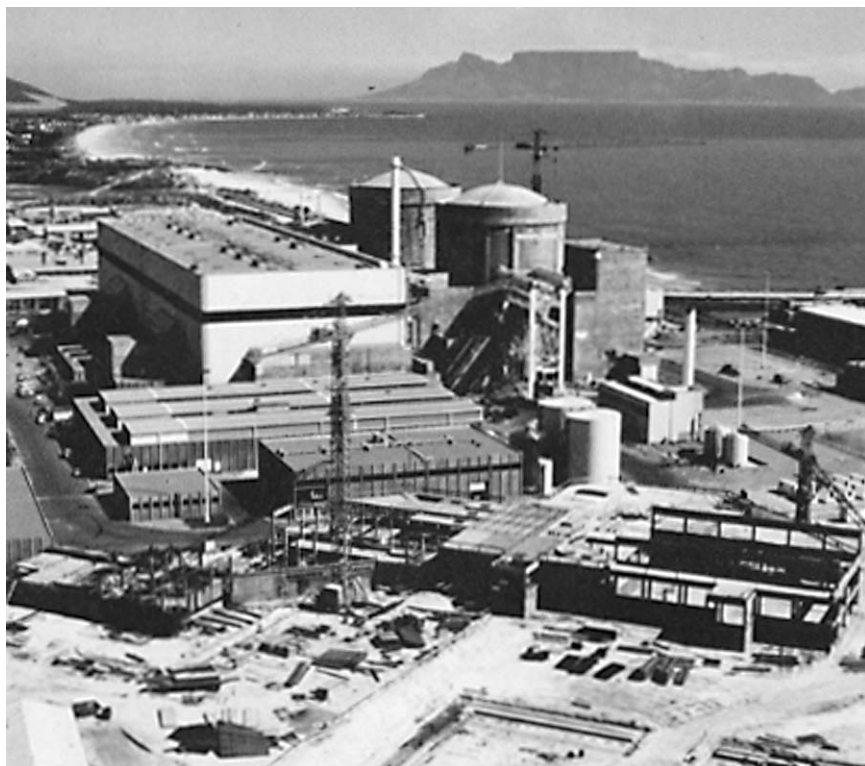
## Challenge to Europe: Develop Africa

That means we have to go back in Europe, to the pre-Maastricht Europe. We have to abolish all European treaties, from Maastricht, Amsterdam, Nice, and naturally, we must not ever let the Lisbon Treaty get implemented. Because, the Lisbon Treaty—the whole idea of having a European Union becoming a super-state, in which the national sovereignty of all participating member countries is de facto eliminated—is completely wrong, based on the idea that only a Europe, as a super-state, can somehow assert itself in a multipolar world against the United States, against China, against Russia, and so forth. But in reality, the Lisbon Treaty would turn Europe into an oligarchical dictatorship, with a military mission for global interventions under the pretext of “human rights,” of “democracy,” “humanitarian catastrophes,” and so forth.

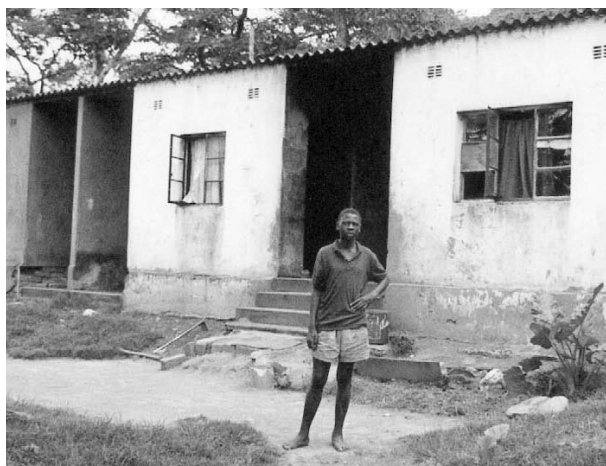
What we need instead, is to go back to the Gaullist idea of a “Europe of the Fatherlands,” a Europe of the sovereign nation-states. We must be, however, united through a common mission.

Now, as I said, the only way we can get out of this crisis, is if we go back to the idea of Roosevelt, that the Bretton Woods system had promised to end colonialism forever. And I think for us, here in Europe, what is more obvious? That we, as European sovereign nations, must take it as our joint mission to develop Africa. I think it is very clear that if we do not now use this crisis to make a solemn commitment to develop the continent of Africa, we are not going to survive morally. At our doorstep, our neighbor continent is dying!

If you look at Africa—look at the Horn of Africa: You have Somalia, where you have no more government! No government exists! You have gangs, and pi-



Courtesy of Eskom



EIRNS/Dean Andromidas

*Leibniz's idea was that the development of Africa would become the mission of Europe. Today, Africa urgently needs nuclear energy, Zepp-LaRouche said, like the fourth-generation pebble bed reactor being developed by South Africa (above). At the same time, most of Africa is living in unbearable conditions, like this Zimbabwe farmer.*

rates, piracy being the symptom of feudalism in a collapsed society. Look at Congo! In the last years in Congo, 6-7 million people have been killed! Look at Zimbabwe! Zimbabwe is, right now, threatened by the British Empire with total destruction, and the reason why the people in Zimbabwe are starving, and why there are epidemics, has nothing to do with the failure of President Mugabe; it has everything to do with the sanction policy of the British Empire.

So, if we do not want to continue that, we need to have real development, and that means an infrastruc-



ture program. We have to help the African nations to build roads, ports, railways; and we should stop complaining about the Chinese being in Africa, because the Chinese may not do everything right, but I have talked to many African people who say that at least the Chinese are giving them something in return for the raw materials. If the Chinese get raw materials, they build a dam in Sudan, they build a railway here or there, and you know, I think the problems the Chinese are now running into, in terms of not being culturally quite equipped to deal with this problem, could easily be remedied, if the Chinese and the Europeans worked together in the development of Africa!

I think Africa urgently needs nuclear energy. South Africa is working on the fourth generation of the pebble-bed reactor, the high-temperature reactor which is inherently safe. So Africa needs to be supported, so that every nation in Africa has such access to peaceful nuclear energy.

So, basically, what we need to do, is we have to go back to the ideas of Leibniz, who thought that Africa should be the mission of Europe to develop. And the only way we can really go back to that paradigm is, we have to forget about the culture of the last 40 years, for sure. Everything which was associated with globalization: the “elbow society,” the get-rich-quick, the money orientation, we should throw these out of the window. We are challenged to go back to the best traditions of Europe. We have to revive the Greek Classical period. We have to revive the Italian Renaissance. People in France must revive the ideas of Louis XI, of Jeanne d’Arc, of the Ecole Polytechnique, and other great periods when France contributed uniquely to the progress of human civilization.

In Germany, if we do not go back to the German Classical period, Germany will not make it. And if we do not go back to the highest point in our cultures, soon the Cathedral of Cologne and the Cathedral of Chartres will find themselves in a museum in Mongolia, as a fossil of a culture which didn’t make it. And since I don’t want this, we should shape up, and take a mission to really play a constructive role in the period to come. Because we are, right now, at the greatest crisis in



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*“If we do not go back to the highest point in our cultures,” said Zepp-LaRouche, “soon the Cathedral of Cologne and the Cathedral of Chartres will find themselves in a museum in Mongolia, as a fossil of a culture which didn’t make it.” Shown: Chartres Cathedral, in France.*

human civilization. You have not only a financial crisis, a crisis of the economy, a moral crisis—you have a civilizational breakdown.

However, we are very lucky, because we have somebody who analyzed all of that in great detail and who has also many of the solutions: That is my very sweet husband, Lyndon LaRouche. And if you want to do anything to help to save the future, help us to defeat the lie that this crisis could not be foreseen, because in a crisis like that, you do not want to go to charlatans and morons who couldn’t see the crisis coming two months ago. You want to go to those people who knew why the crisis was coming, and you want to listen to those who also told you about the remedies a long time ago.