

# The Next Steps: Only Sovereign Nations Can Rebuild The Bankrupt Economy

*Here is Lyndon LaRouche's keynote, opening the first panel of the Schiller Institute conference. He was introduced by Schiller Institute founder Helga Zepp-LaRouche.*

**Helga Zepp-LaRouche:** Dear conference participants, I'm very happy to greet all of you at this truly dramatic moment in history. I think we are, as an organization, in a very unique position. As a matter of fact, I can tell you, that the existence of this organization is because the gentleman, Mr. LaRouche, has actually devoted his entire life to the systemic, inherent problems of the present world financial system, and how to remedy it and replace it by a system which is more coherent with the lawfulness of the universe.

As a matter of fact, Mr. LaRouche is internationally known, and feared by some, because he has been on the record of predicting this crisis to erupt. The first time he did that in 1957, and especially in 1971, he made the prognosis that if the existing trend then would be continued, it would come to a breakdown and new depression....

We are meeting here in Rüsselsheim, and when we picked the site of this conference, we did not know what would happen with Opel here. We picked the city more for convenience of logistics, that it's close to the airport, it's close to other connections; but it's now sort of a symbolic situation, because the breakdown of the world financial system, and the world economic system, is very acutely felt here in Rüsselsheim, which is symptomatic for the sorrows of the population at large.

Now, let me give the word to a very special individual, my husband.

**Lyndon LaRouche:** Thank you very much.

We're at a point in history, the like of which has not been seen in Europe since the 14th-Century New Dark Age. And one of the problems we face in the world today, is precisely that: that there is *no one* living today,

or for several generations in the past, who has any inkling whatsoever, of the event which grips the entire planet at this moment. We now have a planet which is estimated to be populated at 6.7 billion people. If we do not take appropriate action internationally, as I shall indicate, there will *not* be 6.7 billion people two generations from now, but, if we're lucky, 2 billion people: Whole sections of the human population's cultures will disappear, except for the few remnants to remember the past for larger numbers.

The problem is, that while we have—as in the United States, we have around the new President, a selection of people who are highly qualified talent. There are a few I'm not too happy with, but the majority are really some of the best talent the United States has to offer for this purpose. Unfortunately, they, too, have no experience and no comprehension of the kind of crisis which the world faces now. Now, I'm not that old—I mean, I wasn't there in the 14th Century—but, I do know a great deal about it, probably more than anyone living today, in terms of what to do about it. And thus, it's a heavy responsibility for me to make the distinction between what people who live today, and who are professionals, who are experts, *do* know about fixing a situation like this. But my problem is, to show them what to do about what they *do not* know.

Because people will talk about this crisis, as a “recession”—that's complete childishness among experts. They talk about it as a depression; that's really a mild understatement, which gets you no place. You're talking about the kind of crisis from which civilizations and cultures *do not reemerge!* In which entire cultures vanish, as well as vast parts of the world population. You have to have a clear view of the vulnerability of the world's population.

Let's take the case of China. China has just gone through a shocking crisis. China can not sustain its existing population of 1.4 billion people on the basis of a continuation of the present trends in the world situa-



EIRNS/Julien Demaitre

*Lyndon LaRouche told the conference that resurgent creativity of nation-states, through Classical culture and scientific breakthroughs, holds the key to successfully rebuilding our bankrupt world. Right: Cellist Stephen Kramer performs at the conference.*



EIRNS/James Rea

tion! This is not a matter of China's problems: *This is a global problem. The entire planet faces mass extermination!*

India is a more stable country, because it's less dependent upon exports as a percentile of its operations, but it, too, is extremely vulnerable. Russia is on the verge of non-existence! The entire Southwest Asia, an area of crisis—this financial crisis makes things worse. Africa is a target of genocide, especially by the British Empire. And if we don't stop that, there will be almost an *obliteration* of the population of Africa, the population of the United States, of South America, and so forth. This is the situation, in which the *normal* reaction, by governments, and by nations on their own behalf, will be totally inadequate and wrong-headed in trying to deal with this kind of a crisis.

## Two Principal Requirements

We require two contradictory things—which are really not contradictory. We require, on the one hand, a reaffirmation, especially in Europe which no longer has this affirmation, of national sovereignty! Without the defense and promotion of national sovereignty, you can not organize the people of this world to deal with this problem! That's one of our problems.

And at the same time, there's not an understanding of how to organize a *global* fight, to overcome this great crash, with the saving of national sovereignty: That is, how can we get nations which are not inherently inclined to one another, in this account, to work together, as sovereign powers; to work together in long-term cooperation—we're talking about 50 years and so forth into the future—to *rebuild* the economy of this planet, to rebuild it in a way that we can say, a few years from now, we have done the job, we have secured the possibility of the survival of civilization, as civilization, on this planet.

Now, these are questions, for which we have talents suited to deal with this problem. But they don't have a *conception* of how they should organize themselves, in common effort, to achieve it. And that's the heavy job I have. Because I've spent most of my life in two ways on this question: One, on the nature of this question itself.

There is no competence whatsoever, among the professional economists of the world, in dealing with this; that is, not with the problem as such. There are people who are competent with *implementing* and designing the implementation of programs which will make this work. But we have no economists who have any understanding of this, because they haven't studied it; they have not worked through the history. They think in terms of recent history, like only a few generations, or only a couple of centuries past. They think nothing about 2,000 years or 3,000 years in the past, and you have to think that way in order to deal with this.

Now, take the thing from the top down: On the 25th

of July of 2007, I conducted an international webcast, in which I announced that we were on the brink of a general breakdown crisis of the world financial-monetary system. I indicated what the problem was, and some of the measures that had to be taken.

Three days later, the world financial system began to disintegrate. Idiots called it a “subprime mortgage crisis.” They were idiots. It was the *whole system* in a death rattle. And since that time, since the 28th of July of 2007, the world as a whole has been disintegrating, economically, at an accelerating rate. People have tried to call it a “recession”; some have called it a “depression.” They all have assumed that they do not have to make fundamental changes, they do not have to make changes which *reverse* the policies of the world, since especially 1968, since the Spring of 1968. That’s where the point is. So, you have to take most of the changes in policy, by nations and among nations, since March 1st of 1968, when President Johnson took the first step to bring down the fixed-exchange-rate system. And the collapse of the fixed-exchange-rate system meant the destruction, or the self-destruction, of the United States, and set up Europe for vulnerability, to go down.

## Europe Has Lost Its Sovereignty

Europe, since that time, has lost its sovereignty. Here we have this great area of Europe, of Western and Central Europe. It no longer has the bulwark of national sovereignty, and of a system of attempted cooperation among national sovereigns. No part of Western and Central Europe presently has the legal authority to manage its own economy. It’s under a euro system, which is a prisoner system. There’s no planning for national credit. There’s no system for generation of national credit for recovery. There’s no provision in Europe today, no allowance in Europe today, under present rules, for an expansion of capital investment,



Adam Opel AG

*The crisis in the auto industry worldwide is symptomatic of the broader problem. Here, the Opel factory in Rüsselsheim. The company's fate lies with that of its current owner, bankrupt GM, threatening as many as 26,000 jobs.*

through public credit, needed to reverse the present trends.

For example, let’s take right here in Rüsselsheim, just as an example of that: Here we have a disintegration of the international automobile production system. It’s global.

The United States automobile system is dead. It committed suicide a long time ago, and the death is occurring just now. It’s been deliberate. It’s been a process of destruction of the United States’ potential. What the United States represented at the end of World War II, had a much higher potential than it has today. There’s been a disintegration of that, especially since the middle of the 1960s; there was an immediate collapse of the U.S. economy’s potential under President Truman, once peace was declared. It’s been going down ever since, but especially since the middle of the 1960s. By 1968, as I’d indicated, the system was finished in its present form. You had to have a reversal of tendency.

But what happened, as a result of the impact of the 68ers on the streets, in various countries of the world, was, instead of mobilizing to *deal with* the international economic crisis, financial-monetary crisis, they went in the other direction: They went toward a *post-industrial society*, as it was called! We went against nuclear power! Which is the only power system which could save civi-



lization today. Because most people, in terms of economics, are idiots. They believe in the so-called “free energy” policy. They believe that we could *rely* upon the winds, rely upon sunlight, and use that for power. You can’t!

People don’t know what power is. A calorie is not a calorie: Power is measured in *energy-flux density*. That is the intensity, or the equivalent of temperature, of the heat source used for power. This also goes with physical chemistry: that, to transform raw materials, or to reprocess waste materials and turn them into raw materials, we require *high energy-flux-density power sources*. Petroleum is not high enough; natural gas is not high enough.

Without nuclear fission power, and a prospect of nuclear fusion power, there is no possibility of developing the power sources, on a sufficiently large scale, to ensure *freshwater supplies* for the population of densely populated nations. India is drawing down its fossil water resources! What does that mean for the population of the future? Europe is drawing down its fossil water resources. The United States is drawing down its fossil water resources. So, without nuclear power, this planet is not going to recover. The use of wind power is a farce; it depends upon a large subsidy by governments, of the use of windmills. And the windmill policy is going to break; if it continues, it’s going to break Europe, if nothing else did. The objection to nuclear power will break Europe, if nothing else does.

And the whole conception of infrastructure, and the conception of skilled labor in industry, is gone, as we see here at Rüsselsheim.

Let’s take the case of Rüsselsheim, which has come up at a convenient point.

The world auto industry was run in a manner in the post-war period which was clinically insane. Just take a simple highway: When you reverse decentralization of production, what do you do? You concentrate production in a few larger centers. You go to larger industries, cut back on the smaller industries—what happens? What’s the density of automobile traffic in commuting? More people transit longer distances to get to and from work. And we have, in the United States, around Washington, for example, people who are commuting to and from work, two hours a day, each way—some longer. What does that do to family life? What does that do to cost? What does that do in terms of pollution?

So what we’ve done, is by destroying an integrated agro-industrial production potential, with emphasis on

more and more high technology, with increases in energy flux-density of power sources, which enables us to use and have new technology, what we’ve done, is we have destroyed the potential of human beings to live on this planet.

Now, we did another thing, similarly: We began to shift employment, from Europe and the United States, for example, into poorer countries. People said that was good. *It is not good*. They went there for cheap labor. But the *productivity* of the world as a whole, was lowered. In other words, the average level of productivity of the world as a whole, was lowered by this outsourcing program. China’s existence depended upon its *export industry* as a result of this; now, China is in an existential crisis, because there never will be again, the kind of export market on which China has depended, by gobbling up industries from the United States and Europe for cheap labor sources.

So, now we’ve got to a position where we’ve got to reverse that, we’ve got to put it back. We have to go to the technology which enables us to sustain a population of over 6 billion people. We are not presently using the technology, or maintaining the technology, which will support a population of 6 billion people in their present condition of life. If we lower the standard of living, we’re going to kill people. Because, look at the China situation: You have a potential bit of genocide going on, right now, in China, unless we find a remedy for that.

And therefore, how are we going to get out of this? How are we going to change the world’s orientation from the present policies, of international associations, the present policies of nations in general—how are we going to *reverse* that? Because the habits, the mental habits, which have taken over nations, especially since the Spring of 1968, those habits are *now killing people*, and will wipe out the population of this planet, to a large degree, in a New Dark Age, *unless we reverse those decisions and those habits which have governed governments’ international affairs, since 1968*. That’s our situation.

## End the Disaster of Globalization

For this purpose, we have to think of new kinds of cooperation, especially cooperation in creating leadership for the planet as a whole. Europe is not functional now; Europe is incapable now, under its present organization, under its present laws, of a concerted capital formation movement, to rebuild the economy of Europe, and rebuild the economy of the world. The opposition



EIRNS/James Rea

*An anti-nuclear demonstration in Berlin on Feb. 4, 2009. Germany's foolish rejection of nuclear power condemns it to a Dark Age, if the policy is not reversed.*

to nuclear power is just one of the problems. Demobilization—all these windmills in Germany, is the sign of doom. This is not Don Quixote targets. This is doom! These windmills are losers. Reliance on these kinds of power, are losers: You can not have modern industry with that!

So, who is willing to do it? Well, there are four countries on this planet, which, if they cooperate, can stimulate the planet as a whole to take the measures needed to go in a better direction. These are the United States—the United States, whatever you think about it, is crucial. Without the United States' cooperation, there will be no recovery of this planet. Without defending China, there will be no recovery of this planet. Without defending India, without defending Russia—and without bringing these four nations and others together in solidarity, to reverse the direction from the past 40 years' direction, *back to sanity!* as we understood it in the beginning of 1968, there is no chance of avoiding a Dark Age.

Now, what is required is simply this. First of all, end these trends. Go back to the concept, the best ideal we had earlier, of a *sovereign nation-state*. With globalization, you don't have any chance of anything. You depend upon the sovereign nation-state for culture, for cultural reasons alone.

Because, what's the problem here, the problem with outsourcing, in particular?

Well, how does a human being live? How do societies live? How do we sustain large populations that have grown from less than 1 billion, in the middle of the 14th Century, to 6.7 billion today; how can we sustain that kind of population? We require scientific and technological progress, as the driver for the development of infrastructure and manufacturing, and *for care of people*—like medical care, and things of that sort. Large-scale sanitation. Sanitation is essential to maintaining life. It's as essential as medical care is, for maintaining life.

Now, how do we do that? Well, we educate populations, we develop their mental powers through education, and in culture, and in modern technology, modern science and technology. We build up a population which is able to *assimilate* modern science and technology, and to apply it at the point of production and in other ways. That's how we went from about 700 million people on this planet, to now, 6.7 billion people on this planet. We went in that direction, through that development.

We have now gone back to reversing that development. And we have reversed it, especially since 1968. With the shutting down of nuclear energy programs, in

the 1970s, we condemned the planet to a threat of this present type. By going against high technology, and insisting on low technology, we condemned the planet.

Now, we're going to have to go back to high technology. And that means that we're going to have take populations which are completely estranged from science and technology, today, in a real sense, and we're going to have to mobilize them around the *use* of scientific and technological progress, in doing the productive and related work which is essential to rebuild the potential for the existence of life on this planet.

There's the problem.

### National Culture and Creativity

Now, without national cultures, you can't do this. See, the point is, what people don't understand—and most economists, in fact, don't understand—they don't understand what productivity means. They think they do, but they don't know. Because, productivity depends upon those creative powers of the individual human mind, through which great scientific discoveries are made, and through which related types of improvement and assimilation of innovation comes within the population in general. In other words, to the extent that we're exposing a population to the experience of science and technology, and related cultural patterns, then that population has a potential for being creative. It has the potential for making discoveries, or at least assimilating them, productively. Without that orientation toward science and Classical culture—not the junk that people have today, the junk that we got in Europe through the post-war period, when we had this European policy of going to junk, as opposed to Classical culture. With these trends in the post-war period, we inhibited the capability of developing productive, creative potentiality, in populations. This was shown in the educational systems, especially from the 1960s on.

So we no longer have, with globalization and similar effects, we no longer have the potential for expressing scientific-driven and Classical culture-driven productivity in populations.

And that's one of the problems we have in the Asian development. The idea of keeping Asian populations or South American populations, ignorant and poor, without a development of Classical culture, means *they can not sustain themselves*. Because the human race can not maintain itself at 6.7 billion people on the planet if the population is not capable of *real creativity*!

Now, the development of this creativity in the popu-

lation depends upon using national and related cultures, as the vehicle of mobilizing people to think creatively about themselves, and about people, and about society in general. If you think about a cheap-labor population, a cheap-labor population in general: They aren't *capable* of innovation. And suddenly, you find yourself confined to methods of production, which are not *capable* of generating technological and scientific progress needed to save the planet.

### A European Idea

The idea of organizing this, was essentially a European idea. It came in Europe, in particular—the thrust for what became European civilization came out of the Council of Florence in the middle of the 15th Century, about 1439, that period: the great ecumenical Council of Florence. This was a flourishing of Nicholas of Cusa, for example, or Filippo Brunelleschi earlier, as exemplified by the Santa Maria del Fiore Dome in Florence. The work of the successors of Nicholas of Cusa, such as Leonardo da Vinci, and the great scientific minds of the 16th and 17th centuries: This is how we got European culture.

And not separate from this, is the process leading through Bach into the great musical culture and related things in great Classical artistic culture, in drama, and so forth. These are the things which we developed from roots in preexisting European civilization. We developed these in Europe, and we exported these from Europe, as in the colonization of South and North America. We transmitted these to the world.

The idea was to extend this to the population of the world, the access to this kind of knowledge. And thus to *promote* in the individual, that quality which distinguishes man from monkeys and apes: the power of creativity. No form of animal life is capable of raising, voluntarily, its own potential population density. The only kind of life that has ever been able, or ever *will* be able, to increase the potential population density of the planet, to raise the standard of living and longevity of a population, is the human being. The creative powers which exist in only living form, these creative powers exist only in the individual human being. And it's that creative power which drives scientific and technological progress, as well as cultural progress.

And when we squelch that, by cheap-labor policies, by anti-scientific policies, by the kind of culture that *degrades* people by participating in it, rather than promoting their development, we are destroying creativity.

People express creativity as individuals, but they express creativity as individuals who are working together in a *certain culture*.

For example: How do you express creativity? In the use of language! In the use of national language as a social expression, the communication of ideas. And the question is, how deeply in the population can you get that communication of ideas. If you have a population which is 50% or 60% ignorant, and kept in ignorance—is that population going to be capable of developing these kinds of ideas, of developing creativity? No! Therefore, it is the development of *national cultures*, the water in which the fish of people swim in the nation, the national culture, its development, is the source of increase of the potential productivity and creativity of the people in society. And therefore, it's the idea of national mobilization, to national purpose, in this sense, in the sense of a cultural movement, which is the basis upon which creativity is fostered and has been fostered in human existence. It's called, by Leibniz and others, *dynamics*, as opposed to Cartesian methods.

And therefore, we have to mobilize nations as sovereign nation-states, not to kill each other, but according to the Westphalian principle: To put the other nations first, be concerned for the other. So it's a people, as a national sovereign people, considering the welfare of other sovereign peoples, as being in *their* interest, while at the same time defending their own sovereignty, which has been the source of every great achievement of European civilization in particular, and is a lesson we have learned from studying other cultures, in Asia and so forth, from earlier times. And that's our problem.

Now, this involves practical problems. I have said, for reasons related to this, that the only hope, now, for preventing the entire planet from sinking into a New Dark Age, in which the population level will drop from the present 6.7 billion people to less than 2, in a fairly short time, speaking of generations, is by these methods, this approach: By going back to the nations—end globalization, replace globalization with a Westphalian approach both to relations among peoples, but also their relations among people as nations, in cooperating for the development of the potential productive powers of the planet as a whole. That's our only chance.

## The Best of European Culture Created the United States

The United States, for various reasons, is a center of that. Now, a lot of Europeans don't like to say that, they

don't like to think about that. But what was the United States? About 1620, when the first people from England and the Netherlands came to North America, there was a migration from Europe into North America which became, principally, the United States, later.

How did this occur?

The great Renaissance in Europe occurred around the center of the Council of Florence, and the great impetus in culture, in science, and so forth, from there. But then, those who represented the “older ways,” which had led into the Dark Age of the 14th Century, intervened, to try to stop and suppress this development. The development progressed in that century, in the 15th Century, with Louis XI in France, who set into motion the first *actually* functioning nation-state on this planet. Louis XI was admired very much by a fellow who became Henry VII of England, who copied the same approach from Louis XI.

But then, you had a reversal of this tendency, very soon, beginning about 1492, with the Expulsion of the Jews from Spain. Because an evil, reactionary force associated with the Habsburgs at that time, had unleashed a mode of religious warfare, which was also done in other ways, largely from Venice, religious warfare which tore Europe apart, from 1492 to 1648, until the Peace of Westphalia. So this process was already ongoing in the Fall of Constantinople, and what followed.

Nicholas of Cusa, in that process, back then, when he was still alive, after seeing the wars in the Balkan areas, which were continuing wars, said, “Europe is doomed in going this way. Therefore, we must send people across the oceans, to find other people in other parts of the world, and to set up relations with them, on which we can predicate a return to the principles of the Renaissance.”

Now, he died. But his testaments, his writings on this subject, were sent to other places, to a trustee of his, who happened to be a Vatican representative in Portugal. Christopher Columbus became acquainted with this material, from Nicholas of Cusa, at that point, before about 1480, and wrote to the circles of Cusa, who was now dead, in Italy. And he had extensive exchanges on the subject of Cusa's plans for long-range, oceanic voyages, to develop relations between people in Europe, who were part of the Renaissance, and people in other parts of the world.

By 1480, Christopher Columbus was committed to this problem and the program. He then began campaigning to obtain support—funding and other sup-





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*The British East India Company got a free ride in the town of Darjeeling, West Bengal, in the 19th Century.*

port—for a voyage across the Atlantic. Remember, he was an Atlantic sea captain—he knew about ocean currents, and recognized the validity of the information he had, that, across the Atlantic, at about the distance where the United States lies today, there was another continent; and that we should, from Europe, begin to send voyages to make contact with the people on this other continent. That was Christopher Columbus's purpose. What happened back in Spain was a rather different purpose.

But, out of this development, you had the influence on people, in England, for example, who began to spread the idea: Since Europe is in trouble with this rise in religious warfare, is it not time to begin to colonize other parts of the planet, to establish lines of communication with people on other parts of the planet, other continents, in order to try to save Europe?

So therefore, there was from that point on, from the beginning of the 17th Century, there was a large influx of that; the influx came from England, in 1620, where especially the Pilgrims landed in New England—that was the beginning of the process. With the Peace of Westphalia, Jean-Baptiste Colbert, among his other projects, took families from villages in France, and he put them on ships, and he sent them to Quebec. These families were just transplanted from towns and villages in France, into new towns settled in Quebec. And that

was two things: You had two movements, one from France, typified by the case of Jean-Baptiste Colbert, and then, also from England and other parts of Europe. A lot of Germans began moving along that direction, too, along with the Dutch.

So, the idea was, in the colonization of North America, in particular, the intention was *not* to escape from Europe! These were not refugees. These were pioneers, who were inspired by leaders of these expeditions which intended to *save* European civilization from its own self-destruction, by taking the viable parts of European culture and creating colonies across the Atlantic, in which to preserve the best of European civilization against the oligarchical interests of Europe, such as those which were behind this religious warfare.

So therefore, the United States had, from the beginning, a dynamic characteristic, even before it was a nation, of people who were committed to saving the best of European civilization, even from Europe itself. So that, into our institutions, beginning during that period, from the middle of the 17th Century on, there was a development in the United States in this direction.

There was also a counter-development, from Europe, trying to crush it. You had the reactionary forces of Spain, trying to crush similar settlements from Spanish populations which were trying to find a place for civilization where Spanish could be spoken, in South America and Central America. So this was the process.

So the characteristic of the United States, the importance of the United States, is not that it's a bunch of people sitting on a certain territory. The important thing about the United States is the conveying, *dynamically*, within the population, of this idea of preserving the best of European culture at a safe distance from Europe. And the oligarchical problems which hit Europe, which still exist in Europe, today.

### **The Oligarchy Struck Back**

The effect of this from Europe was, on the part of the Habsburg-centered interests and on the part of the British Empire, as it emerged in 1763 in particular, was to crush this! The first crushing came with William of Orange, in that period—the attempt to crush the Massachusetts Bay Colony. And this kept coming and





*British sea power, which allowed it to dominate the world, was mortally threatened by the emergence of inland waterways and the transcontinental railroads. Here, the French Redoutable and the British Temeraire clash in the Battle of Trafalgar, Oct. 21, 1805. Painting by Auguste Mayer.*

coming. The British interest in this became associated with the British East India Company, which was not a part of Britain, but was a completely separate power unto itself. So the tendency was to *crush* the United States, from the outside and from the inside: by corruption from the inside, and corruption and pressure from the outside.

With the success of the American Revolution, achieved, mostly significantly, under the leadership of Benjamin Franklin, and with the development of the transcontinental railway system, under the impetus of the Lincoln Administration, we had a revolution in the world. Because prior to about the 1870s, the greatest power on this planet, commercially and militarily, strategically, was sea power. The ability to transport forces and economy, by ocean waters or sea waters, was the center of the world economy. Land-based transport could not compete. We had an attempt in that direction, with Charlemagne, with the development of the water systems of continental Europe, from France eastward: That was a program that was trying to overcome this problem, that the ocean-borne traffic was more economical, and more powerful economically, than land-based transport, and land-based production.

So therefore, sea power was able to dominate the world. And the British system was simply a system which is based on the idea of using sea power to domi-

nate the world. The crucial thing came with Paolo Sarpi, where, instead of trying to concentrate on sea power in the Mediterranean, where it had been up to that period, was to transfer sea power—the sea power of Venice, because Venice was then, and is still today, the center of this kind of process—to transport this power of finance—of piracy, as better called!—from the Mediterranean, to move the center of naval power, of maritime power, to the northern coasts of Europe. And this was centered around the Netherlands. The way it was put in, was through the Netherlands War. The people of the Netherlands went

crazy, under the conditions of this religious warfare led by the Habsburgs. So a power emerged in the Netherlands, which is corrupt, which is a branch of Venice's finance, and evil.

And that became the center point of creating what became known as the British Empire, which is not the “British” Empire: It's a northern version of the Venetian financier empire. You don't think the people of England have the brains to know what an economy is, do you? It's an evil force, which is evil in Europe, which is centered on this process: going north, to establish sea power.

With the development, and the defeat of Lord Palmerston's Confederacy, by the forces led by Lincoln, there was a transformation inside the United States, to the development of a project which had been founded by John Quincy Adams, when he was Secretary of State: the unification of the United States as a territory, from its Canadian to Mexico borders, and from the Atlantic to the Pacific, as a sovereign state. And the effecting of that, by not only a system of canals, of inland water systems, but also by *transcontinental railway systems*. The development of the transcontinental railway system in the United States, by establishing the United States as an integrated territory, a national territory, shook the world! And one of the leading responses to this was by a then-young professional diplomat, Otto von Bis-

FIGURE 1  
**U.S. Railroads, 1870**



marck, in Germany. And you had a similar thing after 1870 in France.

So you had the development from Europe, of transcontinental railway systems, which now integrated the internal territory, of national territory, in a degree of efficiency, *which could not be matched by sea power!* And that is why Britain launched what became known as World War I! The war was against the implications of the development of transcontinental railway systems in Eurasia: *That* was the major issue! It's the issue today.

### **Nations, Not Oligarchs!**

So therefore, the United States, from that point on, this program from the United States: We don't like the oligarchs! We're not going to shoot them, unless we have to, but we don't like oligarchs. They're a parasite. We've had them in Europe too long! We've had them in other parts of the world too long. We don't *need* them any more.

What we need, is national leaderships, which understand this idea of mission, which Nicholas of Cusa expressed in the Renaissance period: *Save the culture of*

*Europe—from itself*, by transplanting the best of it to other places, where it can be built up, as an ally of those forces in Europe which are trying to save Europe itself, from self-destruction.

That remains the built-in dynamic quality of the United States as a nation, still today. And anybody in the United States who has any real patriotism, and intelligence about it, will think that way: We don't like oligarchs! We can have all the Hollywood fools and sillinesses we want; we don't like oligarchs! A typical American, a patriotic American, *does not like oligarchs*, and does not like oligarchical thinking. Europeans are too sensitive, they have, you know, “von This” and “von That” and whatnot.

We don't like oligarchs. We believe that it's from the people themselves, that the natural, native leadership of a nation arises. And we want people who are national patriots, as leaders. Not people who are leaders because of bloodlines or something, because they descended from the right animal or something.

So that's the function of the United States. Whenever the United States moves in the correct direction,

and we have a see-saw in our history—always, back and forth!—the pro-British people are no damned good; the anti-British people are sometimes no good, too, but the best ones are always found in those quarters. Those who are *national patriots*, who are not concerned about great wealth, not concerned about titles, or going to drinking parties or that sort of thing. But people who are concerned about developing the nation, and who often have family traditions of service to the nation. You have, in terms of the core of the real organic government of the United States, in terms of its institutions, people who often descend from families which have maintained a tradition, a family tradition, of service to the nation. And whose loyalties are tied to service to the nation, and to the nation's mission.

And that's our strength. It's our strength. And in Europe, you have to fight to get that established. For us, it's more easy; that's why we've had such bad Presidents, because they kill good ones! That's how they try to prevent us from doing what we're supposed to do.

### **The Mission Today: A Four-Power Alliance**

So the mission, now: We're at the point—and the United States is key to this—we have to bring forth, in the United States, the full power of that American tradition. And that American tradition is to try to find a way to a safe world in which Americans and others can live. That means, finding partners, just the same way that Nicholas of Cusa envisaged this: partners in other parts of the planet, with whom we enter into cooperation, for common ends, but from a standpoint of different cultures. Because a people can only develop in terms of a national culture. They have to develop dynamically, as a national culture. You can not come in and chop these populations up, and discard part of them. So you have to develop the *entire* population, with the idea of national culture, and national cultural mission. And then, with the same principle as the Peace of Westphalia, to adopt the idea of a world mission, based on a collegiality among national cultures, who work to a common purpose, in the same sense as the Peace of Westphalia, the principle of Westphalia: That's what's needed.

So, what we have to do, is we have to take nations which are representative and willing, of this kind of goal: the United States; Russia, for special reasons; China; India, and so forth; and organize a collegium of nations which are dedicated to this purpose, and are willing to make a long-term commitment to fulfillment of that purpose. "Long-term" means 80-100 years. Be-

cause the kind of investments which are required to accomplish this, are investments which, in terms of capital investments, and investments in development of people, which are counted in generations: a 20-25 years perspective, minimal; a 50 years perspective for infrastructure; and for certain special kinds of infrastructure, such as major world water systems, major world transportation systems, you're talking about a 100-year investment.

So therefore, you have to have a perspective, a long-term perspective of up to a century, the coming century, of commitment, to lay down an intention for a coming century of commitment, broken down into shorter periods of a half of a 25-year period, a half-life, that sort of thing. And the purpose is to raise the productive powers of the population, through a combination of infrastructure development, of relevant kinds of infrastructure development, from which power comes. But above all, the cultural self-development of the population, *in their national culture!* Or what they make as a national culture. Only with that, and only with an orientation on scientific and related progress, cultural progress, as the *law*, to reverse the *anti-progress* tendency, since 1968—only by *reversing the direction of policy-shaping, from 1968 to the present*, and going back to what had been the implicit agreement among nations coming out of World War II, an implicit agreement to build a world *free* of colonization, free of subjugation of people, and free of the traditions of oligarchism: the same principle which had motivated the Europeans who had sent colonists across the waters of the Atlantic, and tried to build a bastion for saving European civilization from what was going on in Europe itself. And that's our mission.

Now, to accomplish that, we have to bring together those four nations, and others—that is, willing nations among those four, which are willing to cooperate with this kind of long-term perspective, century-long perspective, at least among leading people; we have to have that orientation; and you have to have a more short-term orientation, a generation. Remember that before the idiocy of the recent time, a family organization used to be counted in four or so generations. Today, we can barely keep the same generation together, on agreement. With the new, crazy culture, people develop subcultures, which are anti- the previous subculture. People no longer think of their parents as human, or their grandparents, and so forth, in the sense we used to.

We used to think about the family as a machine of a





EIRNS/James Rea

*The LaRouche Youth Movement chorus performs Bach's "Jesu, meine Freude" at the conference.*

within the United States, our own tradition, and provide that as a unifying factor, in bringing together these nations. And to hope that by doing so, we'll get Europe to abandon this crazy globalization that's been going on here, and get back to a system of sovereign nation-states, which is capable of making its own decisions on capital formation, and the creation of credit. And restoring European culture back to what it had been in the modern period, in terms of the struggle for progress, the struggle for better ways of producing, the struggle for science, and Classical culture. That's our perspective.

kind, which would generate a goal in that society: The first generation would start the second generation on their way; the second generation would start the third, and so, society would progress. People would look back. A man who was aging, retired, would take his grandchild out and show him what he had helped to build, to express his joy with that grandchild, and say, "Here's what I helped build." They would go to these great dam projects, great river projects, and so forth: "I helped build this. That's who I am." And the grandchild would be proud. Not today.

So the point is, we had a reversal. We had a cultural regression, and we have to reverse that.

Now, therefore, we look at that from that standpoint, because *we* have to, the leaders who must be mobilized to do this, have to understand: We look at Russia, China, and India, from the United States, right now. What is Russia's mission, when we look at it in 50-year, 100-year terms? What is China's perspective, in 50-year, 100-year terms? What's the perspective of India, in that? What's the perspective of smaller nations? What's the role of Korea? What's the role Japan in this picture? What's the role of Southeast Asian countries in this picture? Hmm? So, how do we build a perspective for the coming period?

Now, the driver has to be, essentially, to revive

## A Crucial Flank: Soros, Dope, and the British Empire

Now, in respect to achieving this, I can report to you, what I know of the present U.S. administration. It is well-staffed, in part. There are some people in it I don't like. And I don't like them, not because I have a personal dislike for them, like one dog disliking another, but because I know they're no damned good! But in general, the administration, and the people around it, associated with it, with the U.S. government in this administration, are perfectly capable of leading and doing the job that the United States must do.

The problem is, we have people, such as George Soros, and the Wall Street crowd, who typify the worst among us and the worst in Europe. For example, George Soros is the world's biggest drug pusher. George Soros, who's a British asset working closely with Lord Malloch-Brown, does most of the evil in the world, as in Africa, for example. And it's done by the international drug traffic. The failure of nations to take on the international drug traffic, today, is one of the major problems internationally.

The drug traffic is still run the same way the Anglo-Dutch set up their operations toward the end of the 18th Century. For example, you have a farmer in Afghanistan, who produces a crop of opium; there's maybe

\$500-600 value at the time that it's in his possession. It's increased by up to a thousand times, by the time it reaches the consumer in Europe or the United States. We have the same thing: All of South America, except Colombia, is now committed to a drug legalization program. And the drugs are flowing up, through South America, into Mexico, and across the border from Mexico into the United States. Same thing.

The strategic problem of the world, of Southwest Asia and so forth, is largely, drugs, the drug traffic. And sending troops into Afghanistan to fight the terrorists, is crazy. What you have to do—the farmer in Afghanistan is not naturally a terrorist; he's a farmer. And he has the lusts and passions of a farmer. What you have to do, is, you have to kill the cross-border traffic! Because the opium is not sold, and consumed, in Afghanistan. It's consumed in Europe! How's it get to Europe? It's transported. We don't need to put troops into Afghanistan for this kind of purpose. What we have to do, is attack this source of the income and power of the international drug traffic! We have to crush them! No more deals with them. No more legalization! The traffic will be considered a major crime against civilization. It *is* a major crime against the civilization! It's the greatest threat to civilization we have in Eurasia today! We have silly Americans sending troops into Southwest Asia, and it's nonsense! We don't do any good there! We just get troops killed and demoralized.

What we have to do, is stop the drug traffic! But this means taking on the British Empire, whose agent, George Soros, is the biggest factor today, internationally, with his friend Lord Malloch-Brown, in running this operation.

See, the purpose of warfare, is not warfare: Warfare is something you avoid, if possible, and you apply it only to the real source of the problem, and try to get the job done quickly. Long wars are bad; they are inherently bad. Warfare today, military force, is simply an adjusting factor—or should be—just an adjusting factor in dealing with something like this drug trafficking. As General McCaffrey has emphasized repeatedly, as kind of a spokesman of what we're saying from the United States: The drug traffic is our major enemy!

Because, it's the major power of the British to control policy throughout the world, today. You break that—and you've got control of the planet, back with the people! Because the *money* power, now, is coming from the speculation associated with the drug traffic. That's the center of these resources. The gambling in-

dustry—shut down derivatives trading. Close down the derivatives market, and you close down the drug traffic, and you've solved the biggest part of the problem, or you've made it soluble.

So, therefore, our problem is, we need cooperation to shut down the drug traffic; we need cooperation to shut down other things. Therefore, cooperation among nations, both negatively, *against* these kinds of problems, and *positively*, for cooperation in long-term economic development, nation-to-nation, and groups of nations, and so forth, is what's necessary.

## Principles of a New Economic System

For the ordinary administration of a recovery program in the United States, I'm convinced that the present administration contains within it—including a few misguided people—contains within it, the potential, on the part of the United States, to get something going in this direction. But what is going to be required, is long-term credit for long-term investment, as in Russia, especially development of raw materials in Russia; and development of production, based on those raw materials, inside Russia. That means transportation systems; it means the tundra areas have to be exploited. And you have a national culture that is capable of dealing with the exploitation of tundra areas, in which some of my acquaintances in the Vernadsky Museum in Moscow are specialists. We need their cooperation for that, and for other purposes. It's the largest land-area of any nation in the world: Russia. We need their cooperation. All right. That is a Eurasian culture; it's been a Eurasian culture since before Peter the Great, as an experience of the Asian experience.

Then you have China: totally Asian culture. It can not survive, now, without being reoriented, and supported, in cooperative economic relations with the rest of the world. It can no longer rely upon the United States as a dumping ground for cheap goods. It has to be put on a long-term investment program, where credit is created by which the Chinese population can increase its productivity by itself.

India has to be integrated with that, because you're talking—China, 1.4 billion people; India, 1-plus billion people today. And then Southwest Asia added into that.

The cooperation of the United States with Russia, China, India, and associated nations, is really the major concentration of economic and political power in the world, under these conditions. So we have to have a

concept of that type.

Finally, which is my very special function in this: We have to get rid of the idea, that money, in any way, represents intrinsic value. Money does *not* represent intrinsic value. It is not money that determines the value of goods. Money, as we used to do in the United States, especially as Roosevelt emphasized this, is you need a *fixed-exchange-rate system*, in which, when you loan at 2%, you do not have fluctuations in currency values, which raise the 2% to 4% and 5% and so forth. Therefore, you must have a fixed-exchange-rate system among nations, and you must have, not a monetary system, which is an imperialist system intrinsically, but a credit system. And this was the intention of Franklin Roosevelt, in 1944, before his death. This was changed by Truman, fundamentally.

Roosevelt, when he made his proposal for reconstruction of the world system around a credit system, a fixed-exchange-rate credit system, *fought against Keynes!* He was an opponent of Keynes. Keynes was a filthy imperialist of the worst type. His type was typified by a book he wrote, published in German in Berlin in 1937, on his system. And he wrote a preface to it, which is revealing—in German, also—saying he had published his first great book in Germany because the conditions in Germany at that time, 1937 [under the Nazis], were more favorable to his ideas than those in the rest of the world! And that was true. That remains true, today. So Keynes is not a solution.

We do not need a monetary system. What is a monetary system? The monetary system means that nations do not have a sovereign credit system. Because you have an international monetary arrangement, which is controlled by Venetian-style bankers, which *use* governments and use their nominal currencies within arrangements, *arranged* by a combination of international monetary powers, which are private powers.

We have to go to a credit system, where money can not be uttered, except by the sovereign *act of government*. And money is uttered as credit, which can then be monetized, under the law, as money.

What we need is long-term investments. We need the ability, especially, to build around 15- to 25-year investments, 50-year investments, and 100-year investments. The great rail systems and water systems of Europe and Eurasia, are essentially 100-year investments. Other things of that sort, 50-year investments, long-term power stations—a nuclear power station today, really is a 30- to 40-year investment, if it's a good

one, a major one. Smaller ones are different, but the major ones should be 50-year investments. We can design them that way: We now know how to do that! And we need a lot of nuclear power. We have to develop thermonuclear fusion, to go to even higher energy flux-densities, for technologies we can not achieve without those higher energy flux-densities!

So therefore, we have a program, an agreement among nations, by treaty agreements among nations, for a fixed-exchange-rate system; treaty agreements on certain long-term objectives shared by nations, for improvements. And with an objective of educating the population as to what these treaty agreements mean.

*But we must go back to the sovereign nation-state.*

Now, this is where I come in, and that's where I have the biggest fight: on the question of reform—when my proposed legislation of July 25, 2007, that legislation actually would work. What I proposed was to set up a banking operation, because at that time I knew we were headed for a housing crisis. Therefore, we had to put the housing system into bankruptcy reorganization; the entire mortgage system had to go into that. We had to tie that to bankers: In other words, we could not allow any evictions of citizens, mass evictions of citizens from their homes, because of this speculation. We could also not allow banks, on which our system depends, to collapse. We had to put the banks into bankruptcy reorganization, and under *bankruptcy protection*: The bank will not shut down its doors. We will go in and look at the books, and if the investments on the books are legitimate, we will support the bank. We will support them with bankruptcy protection in the long term. If it's speculation, if it's these monsters that go around with this speculation? “Nothing for you, buddy! You go bankrupt. We get rid of you.” And with that kind of agreement, if action was taken at that time, when we launched it in September, actually, of 2007: If that had not been obstructed by Senator Dodd, and Rep. Barney Frank, and others, we would not be in the mess we're in in the world today.

The problem is, that, in the United States, politically, financier power is a powerful political influence, and tradition is also a powerful political influence. So that's essentially where I come in on this thing: is the designing of this kind of system I just described. An understanding of what investment means, because most people in the United States today, and in Europe, don't know what investment means.

Thank you.