

# EIR sponsors conference on Friedrich List

## Concludes List's political economic method key to Third World development

The 190th anniversary of the birth of the German economist and political leader Friedrich List took place on Aug. 6. The American weekly *Executive Intelligence Review*, which has won a distinguished reputation through well-founded reportage and commentary on political and economic developments, took the occasion to hold a conference in Frankfurt am Main on the subject "Friedrich List and the New World Economic Order."

Held in the Frankfurt *Haus Palmengarten*, the conference drew over 100 people—businessmen and bankers, economics professors from the faculties of West German universities, and diplomats, including representatives of France, Belgium, Yugoslavia, Bulgaria, and the Philippines. Conference chairman Volcker Hassmann opened the first session by reading a telegram of greetings from the mayor of Frankfurt, Dr. Walter Wallmann, who expressed his pleasure that Frankfurt was chosen as the site for this international conference—especially because in 1819 it was in this city that Friedrich List founded the first German institution for promoting industrial activity, the *Handels und Gewerbeverein* (Association for Commerce and Industry).

As one of the speakers stated, this was not the time to fall into the indecent custom usually observed at commemorative gatherings and indulge in maudlin sentiments about List's "greatness and tragedy."

Instead, the conference presentations resituated Friedrich List's work in the context of the specific political and economic battles of his day, the battles of the young United States and its French allies against the British Empire, which was attempting on all fronts to obstruct the further dissemination of the ideas of the American Revolution.

Michael Liebig, director of the *Executive Intelligence Review's* research bureau in Wiesbaden, examined List's theory of labor power and scientific-technical progress in relation to the current challenge of industrializing the Third World. It became clear that List developed his theory of the development of the forces of production in the midst of an intense fight against "British School" economists, especially the ancestral priests of the zero-growth cult, Thomas Malthus and Adam

Smith, who sought to justify Britain's claims to supremacy with his theory of "free market forces."

Anyone who has read List's masterwork, the *National System of Political Economy*, knows that his polemic against the British economists was utterly direct. Yet what has been forgotten is that List's economic conceptions drew on the leading French economists over a period of three centuries, and that List himself worked very closely with French champions of industrial development. French finance ministry official Jacques Cheminade demonstrated that the concept of targeted, deliberate government promotion of the constant advance of science and industrial technology was fostered by the Frenchmen Jean Bodin, Sully, and Duplessis-Mornay (16th century), Jean-Baptiste Colbert in the 17th century, and Trudaine and Farbonnais in the 18th century. The economists Ferrier, Chaptal, Dupin, Lazare Carnot, and Gaspard Monge, List's contemporaries, are part of this tradition. He shared with them the fundamental concept of the *Zollverein* (Customs Union): that the state must create the best possible conditions for the development of its national economy. Protectionism to protect vital industries from being swamped by imports is simply a means to that end, not a goal in itself.

Webster Tarpley, an American television journalist active in Italy, described List's relationship to the "American System" of economic policy, which developed through his long stay in the United States and his personal acquaintance with the leading U.S. economists and politicians, especially Mathew Carey and Henry Clay. Tarpley outlined the course of historical development that has now sunk to the point of the Carter administration's forcible rejection of the nation's founding principles and embrace of Malthusian economics. Nevertheless, said Tarpley, there is a good chance that the United States will, in line with the Founding Fathers' intent, once more become the economic engine of world development, given the fact that the great majority of the American population is still convinced that the American System must be maintained. Tarpley cited the growing success of the leading economist Lyndon LaRouche, chairman of the U. S. Labor Party and 1980

presidential candidate, whose economic program mandates accelerated nuclear power buildup in the U.S. itself and especially for export to the Third World. LaRouche has called on the Europeans to help secure the success of such a policy by "promulgating the American System in Europe, America, and the whole world as Friedrich List did—American policy is too important to be left to the Americans alone.

The speakers' thesis that today Friedrich List would be one of the most impassioned spokesmen for the transfer to the developing nations of advanced technology, in particular nuclear energy, unleashed a high-pitched debate from the audience. This showed once again that the clash between economic and cultural progress and deliberately imposed stagnation and Luddism has persisted since List's time. The Malthusians of the Club of Rome have even intermittently tried to put List into their ancestral gallery; but List himself leaves no room for doubt that providing the developing countries with access to civilization, their inclusion in the sphere of natural law, the limitless process of development and expansion of the productive forces, that is, of human labor power and of technology, is in the foremost interest of nations committed to progress.

Along with his creation of the *Zollverein*, certainly List's best-known achievement is his campaign for the construction of a railroad system as the prerequisite for industrial development. The transportation specialist of the Fusion Energy Foundation, Heinz Horeis, evaluated List's work on infrastructure with special reference to the future task of industrializing the African continent.

Dr. Jonathan Tennenbaum, University of Copenhagen mathematician, and the European director of the Fusion Energy Foundation, Hans Bandmann, gave a two-part presentation on the method and the energy-policy goals of Lyndon LaRouche, the leading modern representative of the Neoplatonic school of economic science, as embodied by Leibniz, Colbert, Hamilton, Carey, and not least Friedrich List. In our era, Lyndon LaRouche has succeeded in bringing together the science of economics, the highest level of epistemology, and the far-reaching mathematical-scientific contributions of the German mathematician Bernhard Riemann.

Under LaRouche's direction, a working group of scientists succeeded in applying Riemann's method to development of a quantitative macroeconomic model which opens the way to identifying the future points at

which new scientific results and their technological realization can fulfill the goal of economic policy, namely the higher development of human society. How government can fulfill this function was already set forth by List in *The National System of Political Economy* among other things, through the introduction of transportation infrastructure, widespread scientific-technical education, protection of newly developing industries, and a rigorous guidance of credit into industrial finance.

At the end of the conference, Hans Bandmann gave a fundamental argument for the necessity of nuclear energy as the base-technology of future world energy supply. Only with this energy source will it be possible to meet the energy requirements of a fully industrialized globe—the aim of the New World Economic Order. It is a matter of building several thousand nuclear power facilities within a few decades throughout the world—a goal attainable only through List's method of political economy.

There is plenty of irony in the fact—a fact underlining the current predominant ignorance in List's homeland of his work and especially his economic contributions—that on this anniversary it was left to an *American* publication to set forth the immediate importance, indeed indispensability, of Friedrich List's theory of labor power and scientific-technical progress as a concretization of natural law necessary to any economic policymakers.

Certainly it is still generally known that it was first through List's initiatives—like the founding of the *Handels und Gewerbevereins*—the initiation of the German Customs Union, and the promotion of the railroad systems, that enabled Germany to rise to the rank of leading world exporter of the most strategically advanced products; but today who recalls that List's thought and work were shaped by his intensive collaboration with the leading contemporary economic thinkers and political leaders of the United States and France?

The conference sponsors threw this recognition into the center of the Frankfurt discussions: Friedrich List was above all the economist of the "American System" of economic policy. To him belongs the honor of having laid the basis, in this spirit, for the first phase of industrialization of the entire world economy.

—Gunter Beyes