

EIR Feature

③ Organizing a recovery from the impending collapse

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The following was delivered as the keynote speech to a conference on international development, sponsored by the Schiller Institute in Washington, D.C. on Nov. 30.

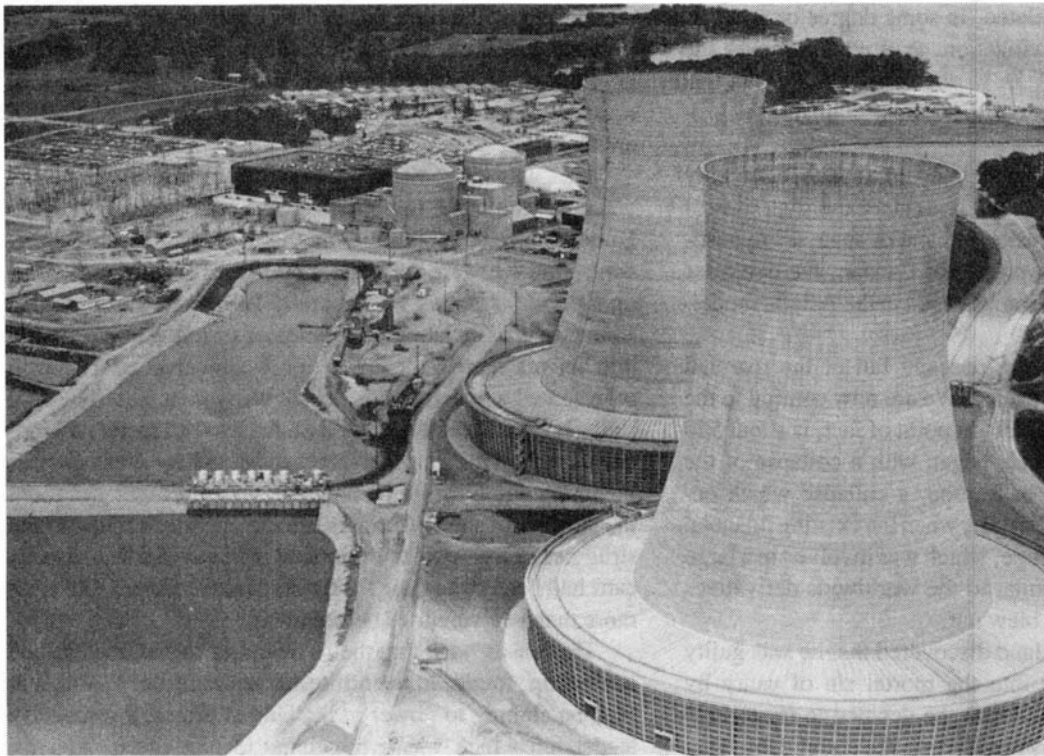
You may have noticed that the United States recently had a mid-term election, which was, from the standpoint of anyone knowing what's going on behind the scenes, really inconclusive. What we've seen surfacing in the United States, behind people like Sen. Phil Gramm [R-Tex.] and others, is a revival of something which we last saw conspicuously in Europe, notably in Germany, during the 1920s and 1930s.

There is a rather famous book written by a veteran of that period, Dr. Armin Mohler, a Swiss former volunteer for the Waffen SS, resident in Munich, in which he brags about his trying to dissociate himself from Hitler, while bragging about what he was a part of, the thing that Mr. Newt Gingrich [R-Ga.] is proud to be a part of today. It was called the "Conservative Revolution." The Nazis in Germany were one part of the Conservative Revolution, of course; but the Nazis were only one of about 100 organizations in Europe, which all belonged, in that period, to the category of Conservative Revolution, which is a much more accurate term than the generic and loosely used term "fascist."

At the end of the war, one branch of the Conservative Revolution was organized under the sponsorship of Winston Churchill in Switzerland. That organization was called the Mont Pelerin Society, and its leader, until 1992 when he died, was a fascist by the name of Friedrich von Hayek, who was the man who confused the word "fascism" with freedom, and "free trade" with prosperity.

The notable feature of the Conservative Revolution, which has been around in the United States, as an endemic problem, for a long time, is fascism. Milton Friedman is an example of a fascist, in the strictest sense of the Conservative Revolution.

But the thing that brought the fascist vote out (not implying that all Republicans



The Sequoyah nuclear plant of the Tennessee Valley Authority, whose creation helped the United States get of the Great Depression of the 1930s. By putting \$1-2 trillion into circulation, on the basis of loans, through a national banking institution, to federal, state, and local public utilities—through work, not through throwing money out in the street—you generate the basis for a general revival of the U.S. economy.

are fascists, by any means), was the fact that the United States, like most of the world, is going through an experience which is comparable to that which Germany went through during the 1920s. Unlike Germany of the 1920s, we have not really lost any wars recently. We may have fought a few we shouldn't have fought, but we have not lost any, conspicuously. We're not under the occupation of anybody but the British and the United Nations Organization.

But economically, culturally, and socially, a growing percentile of our people in the United States are demoralized and enraged, for reasons quite similar to the spread of demoralization and rage in Central Europe, and also in France, during the 1920s and 1930s.

So, we will have, under these circumstances, what I believe you will see, is the temporary eruption of a leading fascist organization, headed by Newt Gingrich, called the "Squeaker of the House." This typifies the fact that we're in a crisis.

What has happened, is that over the recent period, government has stopped working—government *no longer works*. Government generally, in Europe and North America and elsewhere, is a failure. The collapse of the Soviet and Warsaw Pact system in 1989 to 1991, was simply a reflection on the communist side, of what is a worldwide breakdown of the kinds of systems which were built up during the postwar period, but especially a breakdown of the new institutions which began to emerge between 1964 and 1968 in the United States, western Europe, and elsewhere.

The prevailing axioms of politics all consistently fail. The politicians say, "Well, we have to perfect our policy, to be consistent with our axioms. If free trade fails, we've got to have a stronger dose of free trade, even if it kills us."

The policies which people think are the cures or the remedies for our affliction, are in fact the policies which, under these circumstances, are ruining us. It's like the fellow who insisted on taking a certain road to work every day, even after the bridge had blown out.

What we've come to is an indication of what the nature of this crisis is, which grips the entire planet, but most notably those sections of the planet which are deemed the dominant or most powerful sections, including the United States.

One might say that the problem of the U.S. political process, is that the think-tanks and politicians, with a few exceptions, have not got a clue as to what's going on; and everything they do, because of their ignorance, and because of their misguided beliefs, will turn out to be a terrible mistake. And the voters, who were very angry, did not really vote for Mr. Gingrich and his type; they voted *against* anybody who was in office, out of rage, frustration, and hopelessness.

The end of a cycle of civilization

What is actually happening may seem a bit complicated at first, but I hope I can make it clear to you. We're in the middle of the end of an entire dynastic cycle in modern western European civilization, which, of course, has be-

come, because of its power, a worldwide civilization. Every part of the world is assimilated, in some degree or another, into western European civilization, as it emerged over the period from about 1440 A.D. to about 1600 A.D. It is that civilization, that dominant civilization, which is in the process of collapsing.

In ancient and medieval times, one spoke, especially in Asia, of dynastic cycles. We remember the dynasties of China, the dynasties of the subcontinent of Asia, the dynasties of Mesopotamia, the dynasties of Canaan, the dynasties of Egypt. The dynasty of Rome, which is the Asiatic model, again.

We study, of course, the rise and fall or the rise and decline, of these dynastic cycles. We are now coming to the close of a dynastic cycle which, in point of fact, is about 500 or more years old. The cycle began with a collapse of the previous form of society in Europe, a collapse which occurred *officially* about 1350 A.D., when the existing financial and banking system of Europe, which was involved in a large debt bubble somewhat similar to the worldwide derivatives speculative bubble today, blew out.

When the king of England discovered that he was guilty of seducing his creditors into the mortal sin of usury by continuing to pay usurious loans, he decided to try to help save his creditors' souls by repudiating the sinful debt. That resulted in a collapse of the two leading banking houses of Europe at the time, the Bardi and Peruzzi, and immediately, the entire banking system of Europe collapsed. As a matter of fact, it *disintegrated*.

We are now facing something similar. The disintegration of our civilization became obvious from about 1964-68. Those of you who have studied the experience of developing nations—and some have come from there, and so they know something about it—recognize that, in the middle of the 1950s, until the assassination of John F. Kennedy in the United States, at least the lip-service policy of the United Nations and of the leading nations of the world, was the policy which was that of President Franklin Roosevelt during the Second World War.

The policy of Roosevelt was, that what would be called today the developing nations, should be freed from slavery to British and other forms of imperialism and colonialism, and that these nations had the right to develop. They had the right to access to the technology by which they could meet their own needs, and take equal standing in the community of sovereign nation-states.

Churchill violently opposed the policy, and, much to Churchill's gratification, Roosevelt died in 1945, and a man who was more tractable to the ideas of London, Harry Truman, took office.

But, despite the fact that Truman betrayed, in effect, the policies of his predecessor, Mr. Roosevelt, and capitulated to Churchill, nonetheless, as a veteran of that period, coming back from India and Burma at the end of that war, I can attest to the fact that most of we returning veterans, particularly

those who had seen something of Asia as well as Europe, recognized, in the condition and the oppression of the peoples of Asia, that if we did not cure this problem and bring economic and related justice to the peoples of these oppressed areas, that we were leaving one war to plant the seeds of another.

This was the general mood of we among the returning veterans who came to political power and leadership in the United States at about the time that Kennedy became President. And we were for economic justice toward the developing sector, just as we generally supported the ideas that Kennedy is associated with, whether or not we agreed with him on his marital behavior, or whatever else. The man represented a generation of which we were a part. The civil rights legislation in the United States was not merely a product of the civil rights movements, as led by great people, including a genius by the name of Martin Luther King; but the success of the civil rights movement was not due to the struggles of the African-American, because African-Americans had been struggling for freedom in the United States for more than two centuries before then.

The reason was, that the African-American, under good leadership, found, in the returning veteran from World War II, then coming to power in the United States, a responsive leadership which was sympathetic to that cause. And so, during that period of the 1950s and the early 1960s, it was considered *only just* that the people of the developing countries should have a right to access to technology and the other trappings of national sovereignty, to attain their dignity, and to build a community on this planet of sovereign nation-states, which would be the precondition for peace.

This was reflected in the United Nations Organization's First Development Decade. The last gasp of that Development Decade policy appeared in the middle of the 1960s, when U Thant, then the U.N. secretary general, issued a Second Development Decade proposal, which was the last time that anybody in the U.N., in the officialdom, or anybody in the metropolitan countries, in terms of governments, seriously proposed that the industrialized countries of the planet, should make it a mission to bring the underdeveloped countries of this planet, into full access to the technologies, to the science, to the development, which would make them independent nations standing on parity with the other nations on this planet.

Renaissance institutions

During the period 1964-68, the period of the Vietnam War's anti-war movement, and such things, a change occurred. This civilization, whose power rested upon institutions established during the Renaissance in about 1440, had built three kinds of new institutions which transformed this planet. One was the idea of the *sovereign nation-state under law*. Not a nation ruled as a tribe, not a nation ruled by a ruling family, not groups of people who are under the domination of some ruling group, but that the people, the

families, the population of a nation, should constitute themselves collectively as a nation-state under law according to principles of law, and according to a common form of literate language. Because if you don't have a literate language, you cannot communicate important ideas; and if you cannot communicate important ideas in a common language, you cannot deliberate important matters. And if you cannot deliberate important matters, you *cannot rule yourself*, you cannot participate efficiently in government. You can vote for this or that, but you cannot deliberate the policies efficiently upon which the life or death of your nation may depend.

The second thing, in addition to the nation-state form, was the establishment of modern science. Now, modern science actually began, even though it has roots way back, including Plato and the Academy of Athens over the 200 years approximately from 400 B.C. to 200 B.C., in the fifteenth century. Modern science in a general way was established by a book written by one of the founders of the Council of Florence, Nicolaus of Cusa, called *De Docta Ignorantia*, or *On Learned Ignorance*. This book established the principles of method of modern science.

Cusa and the others who established modern science, also established the commitment of the nation-state to the betterment of the condition of mankind, through the fostering and realization of scientific and technological progress, in order to uplift the condition of mankind as an individual, and in families. And it was on that basis, that this curve (see **Figure 1**, top), that you see in the chart, was realized.

Prior to 1440 A.D., on this planet, through the 2 million years or so previously that mankind is known to have existed on this planet, the human race never exceeded a population of about several hundred million persons at the maximum. That is, the potential population density of this planet, was limited both by natural conditions, and by the inability of the human species to make enough progress, to break that barrier of several hundred million.

Much worse, the condition of mankind until the European Renaissance, throughout this planet, was mostly bestial. Ninety-five percent or more of the population of all parts of this planet lived in serfdom, slavery, or brutish toil of a similar form. Man was illiterate, barely surviving, subject to all kinds of cruelties and penalties and abuses. The entire development of mankind out of that condition of virtual bestialization for most of the population was the result of the benefits in the institution of the nation-state, the institution of science and cultural development of a similar type, and the institution of technological and scientific progress generally applied both to increase the productive powers of labor, to change the conditions of community and family life for the better, and a commitment by society to attempt to address its material problems of life, by means of finding the technologies to assist man in gaining the power to overcome disease, to overcome hunger, to increase the potential population density of this planet (see **Figure 1**, middle).

In point of fact, if we fully deployed the level of scientific

knowledge which we had achieved at about 1968-69, we could sustain quite comfortably upon this planet 25 billion people with the standard of life approaching or reaching that which was enjoyed by the standard of a so-called typical American back in those years. We have the means.

The oligarchy versus progress

That's not the limit. There is no limit to what we can do in scientific progress if we put our mind to it. But in 1964-68 there occurred what was called a "cultural paradigm shift." This cultural paradigm shift radiated from the British monarchy to an institution which is called today the World Wildlife Fund or the World Wide Fund for Nature, headed by Prince Philip. This organization is backed by and is an instrument of the most powerful oligarchical assembly in the world today, which is called commonly the Club of the Isles. In the Club of the Isles, the wealthiest and most powerful families in the world are assembled around the British monarchy.

The monarchy itself is very rich, vastly rich, through stealing things. That happened in the nineteenth and twentieth centuries. But the power behind the monarchy, which can kill the monarchs and replace them, is an oligarchy of forces, including the opium traders of the nineteenth century into China, that sort of crowd.

They decided that the time had come to bring to an end scientific and technological progress as a general practice, to bring to an end the desire of the former colonial countries, the so-called developing countries, for parity in development. They used sub-Saharan Africa as a test tube for genocide, and that is no exaggeration.

They introduced, among the youth of the 1960s and 1970s, a dumbing-down process. The students who graduated from universities after 1968, were less intelligent than those before. Not for biological reasons, but for educational reasons, and for cultural reasons. The students who graduated from high schools, universities, in the 1980s in Europe and the United States, are *vastly inferior* in every quality (with a few exceptions, of course, always), generally, to the graduates of high schools, secondary schools, and universities in the 1960s.

As a result of these policies, which were called ecology or post-industrial society policies, not only was the development of the so-called Third World halted; the developing sector was *looted*, denied the right to access to technology and looted at cheap prices. That was the late 1960s.

If you measure productivity and consumption in terms of material consumption, plus education, plus health care, plus science and related services; if you measure that in terms of per capita for labor force, per household, and per square kilometer, the planet as a whole has been devolving economically over the past 25 years.

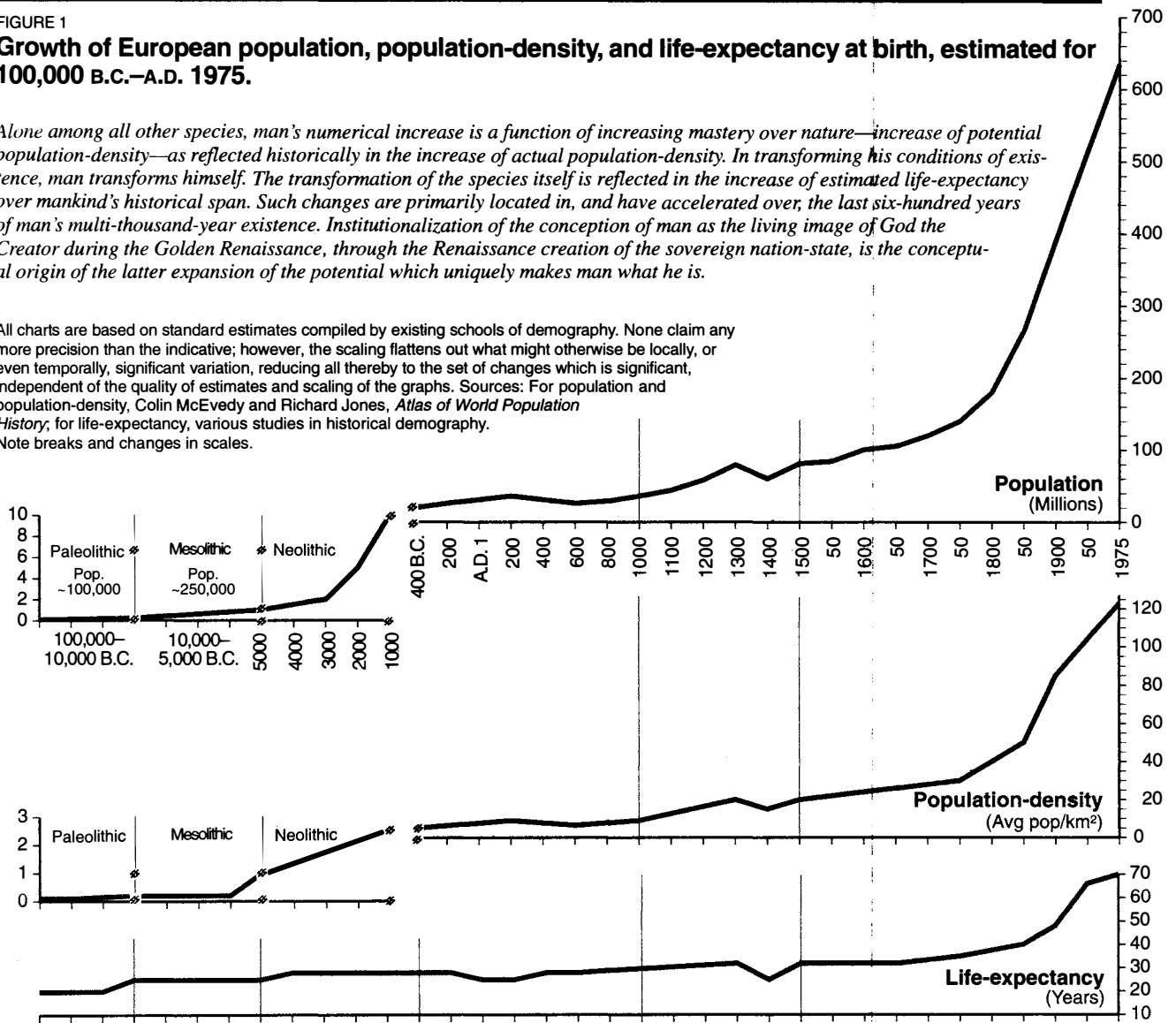
That is, the productive powers of labor, as measured in actual products and services, as opposed to prices, have been declining. The United States is decaying. The United States, by the early 1980s, could no longer have launched the Apollo

FIGURE 1

Growth of European population, population-density, and life-expectancy at birth, estimated for 100,000 B.C.–A.D. 1975.

Alone among all other species, man's numerical increase is a function of increasing mastery over nature—*increase of potential population-density—as reflected historically in the increase of actual population-density. In transforming his conditions of existence, man transforms himself. The transformation of the species itself is reflected in the increase of estimated life-expectancy over mankind's historical span. Such changes are primarily located in, and have accelerated over, the last six-hundred years of man's multi-thousand-year existence. Institutionalization of the conception of man as the living image of God the Creator during the Golden Renaissance, through the Renaissance creation of the sovereign nation-state, is the conceptual origin of the latter expansion of the potential which uniquely makes man what he is.*

All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources: For population and population-density, Colin McEvedy and Richard Jones, *Atlas of World Population History*; for life-expectancy, various studies in historical demography. Note breaks and changes in scales.



Moon landing; we couldn't have done it. We had shut down whole categories of industry, and put out of business whole categories of technology which were essential to the successful Moon landing by the 1980s.

Today, we're in far worse shape.

All throughout the world, essential industries are collapsed and destroyed, and the per capita consumption in real terms, is far less per capita, per household, and per square kilometer. Our infrastructure, our rail systems, our water systems, our sanitation systems, have been decaying without repair. Our municipalities are becoming hellholes. This is obvious to us in the United States; it's also true in other parts of the world.

We have reached the limit of the ability to control resistant strains of infectious disease by means of antibiotics, and means of immunization; and yet, we have *halted* medical

research. What is being done to the physician in the United States, is criminal. The physician in the United States, as a result of changes introduced in the past 15 to 17 years, is no longer legally permitted to follow his conscience in the treatment of his patients. This has been taken over by the malpractice rules, by the insurance companies, and so forth and so on.

The quality of health care available to the population today, is, by and large, *vastly inferior* to that available earlier, largely because government and other busybody agencies, and malpractice practices, have stripped away from the physician, the physician's right to practice medicine.

Since the percentage of the population which is actually producing wealth, has shrunken to below 20% of the labor force, as compared to 60% of the labor force at the end of World War II, fewer people are actually producing wealth.

More people are simply parasites engaged in occupations which make no contribution to the well-being of society, such as the New York derivatives speculators: Who needs them? Such as these people playing with computers and chaos theory, to speculate and *loot* pension funds, to loot school budgets with their privatization programs, to take over corporations with hostile acquisitions, and to destroy the valuable corporations which are our industries, in order to loot profits to retire the debt which is incurred by the hostile takeover.

The condition of most of the developing world, is unspeakable. We have epidemics which are building up. We face a global biological holocaust potentially analogous to that which brought the population of Europe, in the middle of the fourteenth century, down to *half* of what the population of Europe had been, in the middle of the thirteenth century.

Famine and disease are destroying the populations of the world. What is happening in Africa, through famine, disease, and the activities of the World Wide Fund for Nature, and associated agencies, is a crime far worse than was made notorious in eastern Europe under Hitler. It is ongoing. We have faced a situation in Africa, in which entire nations are about to be eliminated from the political map, by the biological consequences of the policies which have been practiced, in particular, over the past 25 to 35 years. That's the condition of humanity.

The debt swindle

In the early 1970s, another step was taken. The U.S. dollar collapsed in the spring and summer of 1971, when some swindlers advised President Richard Nixon to do a very stupid thing—but it wasn't stupid from their standpoint—to destroy the last remnant of stability of parities of currencies on a gold-reserve basis, and to go to what is called a floating exchange-rate monetary system.

The result of the floating exchange-rate monetary system was manifold, and this became worse and worse, especially over the 1972 period from the Azores Conference, through measures taken in the U.S. Congress in 1982, under George Bush's leadership in the Senate. What has happened, is the creation of an unearned debt against the developing nations and other nations, and to the advantage of speculators in the London market. How does it work?

Under a floating exchange-rate system, the currency of a country such as Brazil, is arbitrarily, through market manipulation, reduced way below its true value in purchasing power. Then the International Monetary Fund and other agencies come in, and tell the Brazilians, "You must reduce the value of your currency. Otherwise, you will not be deemed *credit-worthy* in international markets." The Brazilians say, "Okay, fine, that means you will give us higher prices for our goods, than in our current currency, because they're worth more on the world market."

"No! You will price your goods in your domestic market at the *same* price as before. You will simply have to give us more of those goods now, to pay the debt, to meet the debt

services."

"Well, we can't afford that."

This process began with what London orchestrated with the help of Henry Kissinger, which is called the "oil price hoax," in the middle of the 1970s, in which the price of petroleum was rigged. Developing nations could not afford to continue to pay these jacked-up prices, so they would borrow. The exchange-value of their currency would be dropped, and purely bookkeeping loans would be made, through which the nations received no credit, in fact, whatsoever, but were purely charged.

This is how the entirety of South and Central America has more than re-paid the entire debt it had in the early 1970s. And yet, the remaining debt is higher by far than it was then. This is also true in Africa. It's true in Asia; and it's also true in developed countries, such as the United States.

Debt service, created through a floating-exchange rate system, is eating away at real production. In point of fact, if you look at the U.S. economy and the European economies from a *physical* standpoint—that is, in terms of market baskets of physical consumption, market baskets as the measure of productivity per capita—actually, the economies of the United States, North America, and western Europe are operating at a deficit, at a loss. That is, they are using up more goods to operate than they are producing. These countries are living only by looting one another, by looting old assets, or by looting what we sometimes call the Third World.

From 1982 on, this floating-exchange rate system began to generate a massive bubble, a speculative financial bubble of the same general characteristic as that bubble which caused the collapse of the European banking system in the middle of the seventeenth century in Holland, or like the Mississippi Bubble, or like the South Sea Island Bubble in England and France, the so-called John Law Bubbles of the early eighteenth century. We now have a situation typified by the following: On the London financial market, or any other financial market generally in the world, there is a \$1 trillion a day turnover, approximately, in financial transactions, of which less than 2% is accounted for in terms of commerce and trade.

Ninety-eight percent, 97% of transactions are purely speculation feeding the bubble. The policies of government, including the United States government, is to pay the debt to a Federal Reserve System which is creating fictitious cash to feed these bubbles. So what is happening, is that the real economy, that produces the machine tools, the food, the clothing, the housing, and so forth, that economy is being shrunk by austerity measures which are aiming to provide more wealth, to sustain the bubble. That is, a financial leverage against this stream of wealth, is what is used to keep the bubble alive.

The bubble is getting bigger, the economies are getting smaller; because every economy is *physically* operating at a loss, everything taken out of the economy to pay the bubble, is shrinking the economy.

It's like a situation of a man who has cancer, and the

cancer is growing by eating him; it gets to the point that the cancer is bigger than he is, and unless the cancer can continue to be fed at the same rate, the cancer is going to die. *That* is the situation of the world economy, under the present circumstances.

As a guarantee of that, what we face now, is an imminent collapse of the global monetary and financial system. That collapse will come soon. It's highly probable, that this system will end within two years, by about the time of the next general election in the United States. It could collapse almost any morning. It could possibly be stretched slightly longer; that's a political question. But probably this thing is going to blow *before* the next general federal election in the United States, in 1996.

The system will collapse in any case. *Nothing can save the present global financial and monetary system.* It cannot be saved. It has no assets, it is already bankrupt. We can do nothing to save it. No matter how hard you tried, you couldn't save it. If you try to save it, you're just like the man who's already bankrupt, who starts embezzling to try to keep his firm alive when he can no longer salvage it. He's already bankrupt, he's just going to make it worse if he doesn't admit it, and that's the situation we're in.

Bankruptcy or chaos

Now, the intelligent, rational thing to do, would be to have sovereign governments do their job, and to put the world's central banks, the banking systems, and the financial markets into bankruptcy reorganization under government supervision. That would prevent chaos, just the same way as any good bankruptcy proceeding with a bankrupt company, whether the company is saved or not, is a way of preventing or minimizing the social chaos and disruption which attends a bankruptcy.

The worst thing that can happen in a bankruptcy, is to let it run on, which causes chaos. Bankruptcy is a means of stabilizing a bad situation.

Government can prevent chaos, and keep institutions from being swept away, when government gets the guts to put the existing central banks, including the Federal Reserve System, which is bankrupt, and the International Monetary Fund and so forth, into formal bankruptcy reorganization under government supervision. That is necessary.

If that is not done, then you will have another kind of collapse. You will have a collapse which takes the form of what might be called a chain-reaction implosion, caused by what's called reverse leverage, which takes the following form: On one bright, sunny morning, people go to the markets, and the man on the street assumes that everything will be business as usual that week. Two to three days later, the financial institutions of the world will have virtually all disintegrated, because a collapse has occurred which has no bottom.

So we'll have either bankruptcy, and an orderly bankrupt-

cy, or we will have chaos. And if chaos occurs without remedy, we could plunge the world into a New Dark Age.

Generally, in the history of dynasties, each time a dynasty of a culture has collapsed, there has been a protracted period of decades or even a century longer, in which the people of that culture go into what's called a New Dark Age, as western Europe at the collapse of the Roman Empire, or what happened in the fourteenth century, when the banking system collapsed, and about half the people of Europe died during the 100 years bridging that period, and about 30% of the population of Europe died in that period partly because of the bubonic plague. But the bubonic plague spread under conditions which were caused by the economic collapse.

We can go into a New Dark Age which can last on this planet well into the next century, if we allow chaos to take over. So, the question which confronts us today is: How do we address this crisis? How do we bring ourselves to recognize the failure of this system, that we're at the end of a dynasty, that all the old tricks don't work any more, that the ride is finished, the ship is sinking? If you try to cling to the ship and save it, you'll only drown yourself. You've got to get a new ship; and that's going to be the politics of the coming period.

Building a general recovery program

In my view, we now have to build a general economic recovery program for this planet, and that's what I wish to devote myself to. But let me just make a few more remarks on a couple of points before getting to the recovery program.

Let's look at the principle, first of all, which underlay the success of the Golden Renaissance. I'd mentioned earlier that, in ancient times, 90 to 95% of the population was treated within every culture, as virtually animals, peasant animals, mostly living in rural life.

What are peasants, in the mind of the oligarch? The peasant is the person who is like a little animal. He goes out and he manures a rock, and he grows crops. Ninety-five percent of the population are peasants, or similar people. They grow the food. They live in miserable conditions. But they provide the food upon which the small percentile of the population, with its labor, is able to maintain a culture.

So you have at the top, a very small group, an oligarchy. You have under them, people who help them administer society: military, bureaucrats, what not—lackeys. And under it, you have 95% of the population which is oppressed and bestialized.

Let me just identify why the Renaissance in Europe in the fifteenth century is so important to us today. What happened then? What happened in 1440 A.D., which caused a rate of growth of the population, which had stagnated at several hundred million people, suddenly to take off with hyperbolic growth? What made the growth extend through the development of Europe, despite all the troubles and tribulations which occurred there, such that the benefits of this culture



A parade in 1934 celebrates the fact that Tupelo, Mississippi was the first city to sign a contract with the Tennessee Valley Authority for electric power development, in a program to get the nation out of the depression.

were admired and sought out and adopted, sometimes not successfully, but desired, by most of the part of this planet?

Up until the middle or late part of the 1960s, every developing nation of this planet, no matter what its cultural origins, desired the right to access to the benefits of technological progress, and was being told, for part of the time, "Yes, you have a right, but it's going to be a little slow on delivery," or were then later told, "No." Then Prince Philip said, "No. You black Africans are annoying my animals that I intend to hunt. So you're going to keep your population down," a Prince Philip who said he wished he could be reincarnated as a deadly virus so he could wipe out the excess people. And that's the policy of the World Wide Fund for Nature and the Club of the Isles.

Man in the 'image of God'

So, what happened in the fifteenth century that's so important? Well, the principle here was very simple; very complicated, but very simple in conception. You find it, if you read about the beginning of this era, if you read the writings of a famous Hebrew scholar and also a banker by the name of Philo of Alexandria, Philo Judaeus, who wrote a series of papers which includes one on the account of creation given by Moses.

Philo says correctly and very clearly, that man is created in the image of God, as the First Book of Moses on creation says, by virtue of the fact that man, unlike any beast, has an intellectual power which mirrors the intellectual power of

God. That is, not merely an intellectual power to contemplate, but an intellectual power to create new things, and to create true new things, not merely as ideas, as conversations, as opinions; but to take these ideas, bring them to nature, subdue nature, and produce a beneficial improved state of nature which never existed before. This is how man grew.

If man were an animal, without this intellectual power, the human population of this planet would never have exceeded several million people. Man has biologically, without this power, no more potential for growth of population than a baboon or a chimpanzee, approximately; and therefore, our condition of life, and our population numbers would never have exceeded that of approximately one of the higher apes but for this power.

So we know that every human being in every part of this planet, we can prove historically, has this remarkable creative power which no animal has; that the intellect of man attempts to imitate the intellect of God through creativity, to call things into existence physically, states of matter which never existed before, through this creative power. And this is what makes man special and sacred.

Philo and the early Christians taught that. St. Paul and St. Peter undertook an evangelizing mission among the slaves of the Roman Empire, and preached that all men, by virtue of being in the image of God, were equal before God, that you could no longer have categorically a division of society among rulers, lackeys, and slaves, because all men are equal.

Therefore, the just condition of the behavior of man to-

ward man, is to look into the eyes of another person, and recognize that behind those eyes, lies the remarkable intellectual quality which makes that person in the image of God. Well, this was the Christian idea, it was the Augustinian Christian idea which took strong root in western Europe. *But until 1440*, this idea had never been put into practice as a principle of statecraft, of government.

The introduction of the idea of science and a nation-state committed to scientific progress for the benefit of every person and every family, was a new idea—the nation-state with responsibility for all.

For example, look in the U.S. Constitution's Preamble. The most important part of the U.S. Federal Constitution is in the Preamble: "to secure these blessing for ourselves and our posterity," the general welfare clause. What is the function of the individual? Our lives are short. They may be sometimes long for a child but as you get older, as we do, some of us, life gets shorter and shorter. The months spin past. And what's life about? It's for the contribution you make through family and society, to posterity. This is sometimes, as I said, called the general welfare. This does not mean put everybody on welfare; this means that the well-being of society is our concern. The New Age would have everybody on welfare, and then kill them by starving them to death.

So this idea was put into effect with the idea of the nation-state, as Cusa says, for example, that every nation has the right to share in the scientific discoveries of any other nation, free of charge. That's the principle of humanity. And that is what gave western European civilization its great power.

Ah, but it wasn't that simple. The people who represented that which the Renaissance attempted to overturn, the Venetian oligarchy, similar people who had run the old feudal imperialist type of society, objected to giving up their power.

As we know, on every part of this planet, you'll find people who believe that we must perpetuate a system in which 90% or 80% or 60% of the people must be underdogs, an underclass, people who believe that their right to enjoy luxury and idleness at the expense of poor people laboring in bestial or brutish toil, is the natural way of things.

This is the struggle within China. This is the struggle within India. This is the struggle throughout the world: to realize a form of society in which every individual is appreciated as being equal in importance, from the time of birth.

And these forces that didn't want that, fought, and they fought hard. And, as a result of a long history, which is a story in itself, those forces which opposed the Renaissance, which wanted to eliminate the nation-state as an institution, which wanted to create an imperial world government; these people have gained the greatest power, the financial power, and that's what our problem is today.

So, by our not freeing ourselves, as the American Revolution, for example, attempted to do and did with partial success (for which it was much admired in former times, before it began to get British ways and became less admired),

we failed to free mankind of the overlordship of an oligarchy which is typified by the World Wide Fund for Nature and the Club of the Isles behind it today.

That's what our crime is. We have not succeeding in winning the conflict between the oligarchy and that which was good, the impulse to develop mankind, an impulse which was reflected in my generation and our support for the idea of the Development Decades.

But on the other side, the other forces have proven politically more powerful, partly because the ordinary people do not know what is in their own interest. And the ordinary people, as in the recent election in the United States, in many cases, went out and voted for an outright fascist. The senior citizen who voted for Newt Gingrich, unless he's very rich, is committing suicide.

Our problem is that we do not have institutions which have effectively mobilized the average person to understand his own true interest. This problem becomes more difficult when we don't have real education in our schools, because we have people on the streets who we can meet, we can look them in the eyes, and, within, they are good people; but they are so *poorly* educated, so *poorly* informed. They don't know anything. Their minds have not been developed. And they lack the ability to understand their problem.

So, those of us who do know, have the responsibility to act for the benefit of those who do not, and for the benefit of their children, their grandchildren, and the other descendants of those alive today.

There are only a few of us, I suppose, who are really dedicated to that. Most of us tend to get into a Sancho Panza condition at one time or another—we're so concerned with our own belly, we can't govern ourselves. The higher passions cannot seize us and grip us and sustain us. But those who take pleasure in doing good, will look back at the long history of thousands of years of history before us. They will look back to the great gift which was given to humanity by western European Christian civilization in the form of the Renaissance, and the new institutions which were created.

Those of us who enjoy that, will participate and try to continue that process, and re-live it in its proper form for today, because that, to us, is the greatest pleasure. (I'm 72, I'm not going to be around for much longer, and I'd better get about my business, and decide to get the thing done, that needs to be done by me, because I don't have much time to waste.)

Therefore, my interest lies not in myself as such, but in what I do for mankind. And that is the way you reach the richest harvest in your own life, a thing of which your grandchildren can be proud may be the thing which is most vital to your self-interest and true pleasure today.

And that's what makes a statesman. As de Gaulle said in his *Memoirs*, speaking of the condition in which he took over the leadership of France after the disaster of the Fourth Republic when France was about to disintegrate in its own decadence, he found the French people sitting like calves in

the meadow chewing their cud, who mistook the real estate of France, its rivers and mountains and pastures and so forth, for French interests. And he said the true interest of France, was to recognize France's responsibility for the maintenance and improvement of civilization at large, so that France could prove it was a necessary nation for the sake of humanity.

And if each of us can do that, and find that the thing that motivates us, is a recognition of what our necessary duty is toward humanity in our lifetime. That is our true self-interest. The good that we do for others, since we have such short lives, turns out to be our truest self-interest. And our grandchildren and great-grandchildren, will probably share that opinion.

So, it is this conception of mankind which inspired the Renaissance, the few who made the revolution, the good revolution. And, given the condition of mankind, those of us who understand this problem, will have to act as missionaries, and take the responsibility of leadership to bring the poor people of this world into a force that can reestablish the kinds of great institutions which the Renaissance brought us, minus the oppressive oligarchy, such as the Prince Philip and the Club of the Isles entente.

That's where we stand.

The post-industrial debacle

Now, I've indicated what the financial prospects are for us now. I just recommend Figure 1 to your reflection occasionally, to help you recognize what a wonderful gift was given to mankind by the Renaissance, which proved that mankind does not have to live like a beast, either in totality or otherwise. Ninety-five percent of the people do not have to live in brutish toil so that a few can live in privilege.

We've shown in the United States that 2% of the population or less, with modern technology, can, if allowed, feed an entire nation, and part of the rest of the world besides. We have shown that with about 60% of the labor force employed in industry, we can have the highest rate of wealth per capita imaginable, that there is no problem, with the aid of science in this approach, which cannot be addressed. There is a solution waiting for every problem that confronts us out there, if we are mobilized to muster our creativity to solve it.

That is the challenge we must face. That is the problem we must solve. The purpose of today's presentations is to report to you on programs which will aid us in avoiding a long plunge into a world economic depression, programs which rely upon those proven principles which enabled modern western European culture to emerge as a world culture, as the most powerful form of culture which has ever existed.

First of all, I want to introduce to you the way in which the development policies which we will identify here came into being. Some of you know the story. It's of rather historic significance. Some do not. But by identifying it, those who do know it, will put up with the repetition, because it establishes the common ground for understanding.

In 1974, I happened to see something I knew because I

had been involved in my professional work in economics in combatting Norbert Wiener, John Von Neumann, and others. So I knew what the New Age was, and how dangerous it was. I saw, in 1964, some proposals, including the so-called "Triple Revolution," which informed me that the most hideous and most evil movement which could be imagined, was about to be unleashed upon the populations of North America and western Europe, as a mass recruiting project: what became known as the counterculture, the New Age, "post-industrial society."

So, I didn't know what to do. I was only an individual. I was a management consultant privately. I'd worked for corporations, management consulting firms, and I was largely working with people I knew, on projects. What could I do?

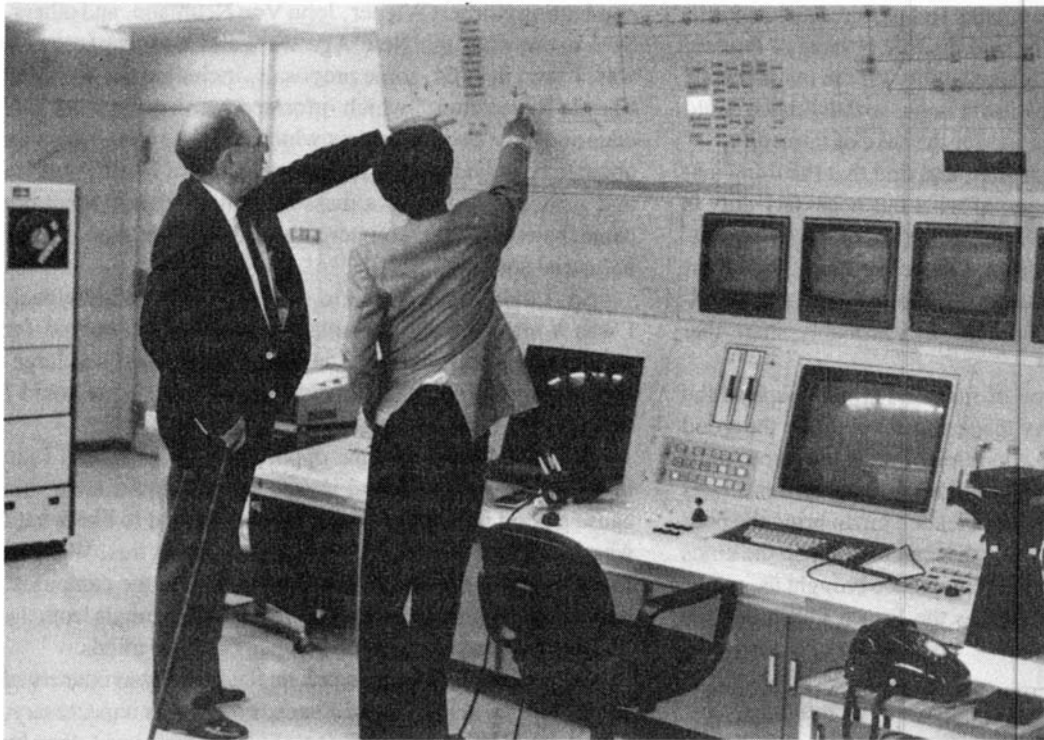
In about 1966, I had the opportunity to teach, and I got into teaching. And I found myself getting into trouble, because a good number of young people seemed to like what I was doing, and what are we going to do about this. Well, all I was trying to do, was to try to intervene on the campuses, hoping that I could help rescue a few talented minds from the garbage that was about to be dumped on those minds.

So, we began to fight on practical issues. I was concerned about poverty in the United States, how it was unnecessary, how it could be understood. Research projects were done by these students, university students, some graduate students. This woman here [moderator Nancy Spannaus] was a student at that time in social work, graduate work at Columbia, and, among others, they did studies of the way the real estate system works in New York, how the tenants are looted in New York City. And they came up with a conclusive case, and learned a good deal in the process. Others did other things.

We organized around the point which I was committed to, of course, as a matter of course, being a World War II veteran, that the solution for the problems of the United States, was that the United States must make a commitment to the technological development of the developing sector. This, even in the narrowest way, would be advantageous to the United States, because if you have a company, and you're manufacturing a product, you don't believe in killing your customers. As a matter of fact, you try to sell them products which will make them more prosperous, because then they'll buy more products. And that was the way we proposed it.

We said, "The people of the developing nations, if they're given the opportunity through infrastructure and investments to develop their own economies, will become bigger customers. So isn't it very stupid to keep them poor, to keep your customers bankrupt? That's not a very good business practice." So, we organized around that.

Well, we got into a lot of trouble, but just to make short and get to this point. In April 1975, I was invited to go to Iraq and spend several weeks there. The occasion of the visit was the Ba'ath Party had its anniversary of its formation every year in April, and I went there, because I liked the



Lyndon LaRouche in the control room of the GEKKO XII laser fusion machine, at the Institute for Laser Engineering at Osaka University in Japan. Third World nations were told to wait for access to high technology, and then were told, "No," by Prince Philip and his minions.

opportunity of talking to the Iraqis, finding out what they're up to, and talking also with many other Arabs and others, who were there, from every part of the Arab world, the Islamic world. And we had some wonderful conversations, and I expressed my views.

I told them that Lebanon was about to be divided by civil war, which some fellows in London and Henry Kissinger were about to unleash. And they said, "No, that can't happen, we've got the situation under control." I said, "You don't know London and Henry Kissinger." And while we were there, in Iraq, if some of you are old enough to remember that, the civil war in Lebanon broke out, orchestrated from London, with weapons supplied in part by Kissinger through the State Department.

Organizing for Mideast peace

So, they became very interested in what I had to say, in that circumstance, and we began to talk about some other things, and I expressed my ideas on a number of subjects, including Arab-Israeli peace. I stated that the only possible basis for peace in a situation such as that between the Israelis and the Palestinians, is to find a common interest, and the only common interest which existed in that circumstance, considering the bloody bitterness which had erupted—it's like the Northern Ireland situation and other situations around the world—is a vital common interest in economic development of the region, to mutual benefit.

If people can share, as separate sovereign peoples, the idea of cooperation to mutual benefit, including economic

development to improve the lives of their people, that common interest can be the mortar which puts the bricks together, and makes peace possible. It doesn't guarantee it, but it makes it possible.

The Arabs said, "Well, if you can pull it off, and get these guys together, we're all for it."

So, when I left Baghdad, on the way home, I decided to make a detour into Germany, to get some jobs done in Europe. So I went to my friends in Germany, and we organized around that, and we had a big mobilization, including a couple of press conferences I gave. My wife was involved in this at the time. We mobilized two things: a general international economic development program to counter the effects of the Rambouillet type of process, of Azores conference; and also, special efforts with both Israelis, the sane Israelis, and our friends in the Palestine Liberation Organization, to see if we could put this together and get some negotiations between Israelis and Palestinians going again on this idea of economic development. Because economic development, *then as now*, in the context of Middle East peace, is vital to the peace of the world.

The Middle East will be an area between Israelis and Arabs, or among Arabs and Arabs. It is the crossroads of civilization. It is where the Mediterranean, which is the heart of Europe, meets the Indian Ocean, which is the gateway to the Indian and Pacific Ocean basins. It's the gateway to India, to Pakistan, to Southeast Asia, to China—the greatest concentration of population in the world, including the population of East Africa. This is the future of civilization, where

the most people are; that's where the most development can occur.

Therefore, it's important that we have peace in the Middle East, and that we have nations in the Middle East which will administer as their business, the things we need to establish—better communications between the Mediterranean and the Atlantic and the Indian Ocean and Pacific Basin, where the great population concentrations of this planet are located.

I saw that then, and it's clearer, of course, now, when there has been a serious effort. And some of the same forces, the forces around Arafat, the forces in Israel which are associated with [Foreign Minister] Shimon Peres and [Prime Minister Yitzhak] Rabin now, these were the forces we talked to in 1975. In 1976, we were very close to pulling something off. It was very difficult. Not "we," but we as a catalytic agent. Then the Likud government came to power, and it collapsed.

In the 1980s, there were efforts to do the same thing.

In 1976-77, I became aware that what was called "Mutually Assured Destruction," the so-called Kissinger-McNamara policy (really, the Bertrand Russell policy), was actually the road to potential thermonuclear destruction of this planet. During that period, it was obvious to me that the weapons systems in Russia and the United States were more accurate, were forward-based, and that, with the development of techniques such as enhanced radiation effects, the so-called electromagnetic pulse (EMP) effect, that a few thermonuclear warheads exploded over the United States could prevent the land-based missile system of the United States from functioning, and that a Soviet submarine, a boomer or two, situated off the Atlantic and Pacific coasts of the United States, could launch a dozen or half-dozen warheads by missiles over the United States, and the United States was out of business. This gave the President of the United States a matter of a few minutes, at most, to decide whether to "push the button."

The forward-basing of NATO weapons toward the Soviet Union, including the submarine-based weapons, created a similar situation on the other side. And what Kissinger and Robert McNamara hailed as the balance of terror as the key to peace, was actually becoming a hair trigger for the potential of first strike. And technologically, the possibility of a first strike occurred.

So I tried to apply to this situation, the same thing we had been applying to many situations, including the Arab-Israeli peace question. This was a featured part of my presidential Democratic Party campaign for President in 1979-80.

I met Ronald Reagan during that period. We had a little chat there, which caused a lot of people to become paranoid, but that's all right. It's good for them. Paranoid people should have a right to exercise their insanity, occasionally.

The time came when, for various reasons, people in the Reagan government asked me if I would be willing to set up

a back-channel, exploratory discussion with the top level of the Soviet government. We discussed it, and I asked them: "How about, if we want to do an exploratory discussion, why don't I present to the Soviet government the proposal which I made as part of my campaign, and see how they react to it, as a way of getting a good discussion going?" And, it was approved.

So, in February 1982, after the agreement was reached to go ahead with this, I organized a conference in Washington, which was actually over two days, on the subject of strategic ballistic missile defense and related problems. Most of the establishment of Washington which is relevant were represented. The intelligence establishment was represented, as were most of the European governments and the Soviet and East bloc governments.

So I put the policy on the table, and then, following that, I met with a Soviet representative in Washington by the name of Yevgeny Shershnev, who is now retired, and we began discussions, where he was reporting to his government what the discussion was, and I was reporting to mine. In the meantime, I was presenting this as an option for discussion.

There was great interest until Andropov was appointed in the summer of 1982 to replace Brezhnev, who was dying. In February 1983, I got a flat turndown on the discussion from the Soviet government, from Andropov, through Shershnev. The point was they agreed that what I had proposed was scientifically sound and militarily sound, but they said the United States would beat the Soviets in a crash program to develop these kinds of systems.

Despite the turndown, the President went ahead with the anti-ballistic missile policy, and it became known as the Strategic Defense Initiative afterward.

The historical opportunity of 1989

Now, in my discussion with Shershnev, what I told him he should relay to his principals in Moscow at that February meeting, was that, if the President of the United States were to adopt my proposal, as he did publicly at the end of March 1983, in the famous television broadcast, and if the Soviet government were to reject that, and to follow an independent course along the track that it was already on, then, your economy will collapse. I said, "Your economy, the Soviet system economy, will collapse within about five years. Your best chance, and the best chance for peace, is not to look for affection and love between the superpowers, but to find a basis in mutual interest, particularly the dangerous threat, where we're both being driven to first strike by this silly system which [Bertrand] Russell dreamed up and which Kissinger and McNamara are noted for. You bought it, it was a mistake. The United States government bought it, it was a mistake. We've got to end it, it's dangerous."

So, these were my policies.

Then, in 1989, something happened. I made an address, as part of my presidential campaign for the Democratic nomi-

nation in 1988. I made it for reasons which are obvious from what you'll see, in Berlin, at the Kempinski-Bristol Hotel. And this is an excerpt of that address [from the videotape]:

Announcer: "Come with me to Berlin, where I delivered a major press conference on the morning of Wednesday, Oct. 12."

LaRouche: "Under the proper conditions, many today will agree that the time has come for early steps toward the reunification of Germany, with the obvious prospect that Berlin might resume its role as the nation's capital.

"For the United States, as for Germans and Europe generally, the question is: Will this reunification process be brought about by assimilating the Federal Republic into the East bloc's economy, or economic range of influence; or can it be accomplished in a different way? In other words, is a united Germany to come into being as a part of Europe from the Atlantic to the Urals, as President de Gaulle proposed, or as Mikhail Gorbachov has desired: a Europe from the Urals to the Atlantic.

"I see the possibility that the process of unification, could occur precisely as de Gaulle proposed. I base this possibility on the reality of a terrible, worldwide food crisis which has erupted during the past several months, and which will dominate the world's politics in every part of the world, for at least two years to come.

"The economy of the Soviet bloc itself, is a terrible and worsening failure. In western European culture, we have demonstrated that the successes of nations of big industries, depend upon the technologically progressive independent farmer and what is called here in Germany, the *Mittelstand*.

"Soviet culture in its present form is not capable of applying this lesson. Despite all attempts at structural reform, and despite any amount of credit supplied by the foolish West, the Soviet bloc economy as a whole, has reached a critical point. At its present time, in its present form, it will continue to slide downhill from hereon, even if the present worldwide food crisis had not come into being.

"I do not foresee the possibility of genuine peace between the United States and the Soviet Union, earlier than 30-40 years from now. The best we can do in the meantime, in the name of peace, is to avoid a new general war among the major powers. This war avoidance must be based partly upon armed strength and our political will. It must be based also, on rebuilding the strength of our economies.

"At the same time that we discourage Moscow from dangerous military and similar adventures, we must heed the lesson taught to us by a great military scientist from about 400 years ago, Niccolò Machiavelli. We must always provide our adversary with a safe route of escape. We must rebuild our economies to the level at which we can provide the nations of the Soviet bloc an *escape* from the terrible and worsening effects of their economic suffering.

"During 1988, the world will have produced between 1.4 and 1.7 billion tons of food, of grain, and that is already a

disastrous world shortage of grain. To ensure conditions of political and strategic stability during 1989 and 1990, we shall require between 2.4 and 2.5 billion tons of grain worldwide, approximately. At those levels we will be able to meet *minimal* Soviet requirements; without something approaching that level, we could not."

What happened, of course, after that address (this was an excerpt of the address, which was broadcast nationwide during the campaign that October), was that, as we subsequently discovered, the Soviet forces were mobilized in East Germany in 1989, to overrun western Europe.

That is, until the Berlin Wall actually fell in late 1989, Moscow was prepared for a military launch, an overrun of western Europe, including the British (which probably would have been fair to them, but I didn't want the rest of the people to suffer).

At the same time, of course, the Wall did fall, and it fell for exactly the reasons that I told Shershnev in 1983, and for the reasons I indicated in that address in Berlin and similar things elsewhere.

So, my response to the fall of the Wall, particularly in discussions with my wife, who did a great deal of the work on this, and who will tell you something about that from her eyewitness experience; she shook the world up a little bit on this one. She can do that. Don't let her deceive you. She can do that. She shakes me up, occasionally.

My response, was to propose what became known in English as the "Productive Triangle" proposal, or "Das 'produktive Dreieck' Paris-Berlin+Wien" in German.

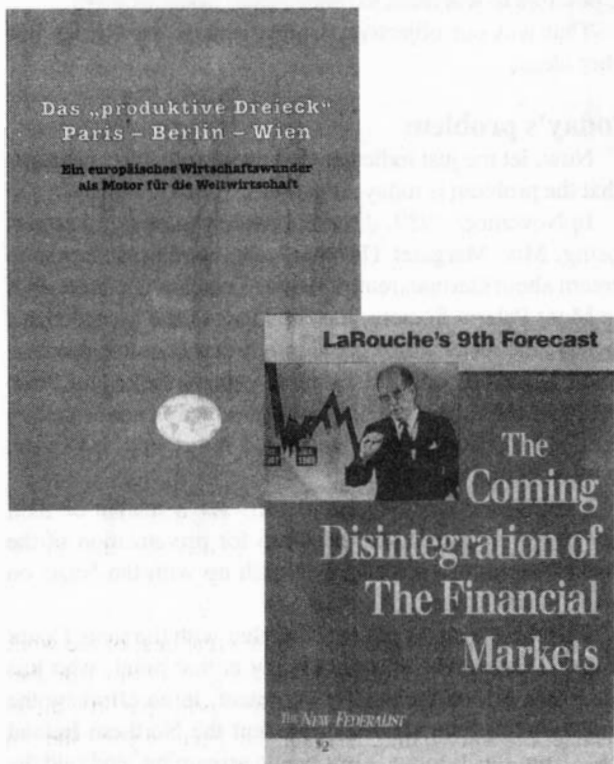
This is the document which was later published (**Figure 2**) which contained (it's a fairly thick document) the plans for a general economic development of Eurasia, starting from an area in Europe, which I called the Productive Triangle.

I want to give a physical-geographic image of this (**Figure 3**). There is an area from Paris, which runs down to Vienna, which runs across Bohemia, into Berlin. From Berlin, it runs back above the Ruhr, and above Lille in France, to Paris. This area of Europe is the most highly developed area of the world. It has the greatest productive potential, in terms of infrastructure, of the world. It has inland waterways, which were started by Charlemagne, on a large scale. We just completed, in 1990, I believe, the last leg of the Rhine-Main-Danube Canal, which was projected by Charlemagne in that period, nearly 1,200 years earlier.

It has the highest concentration of rail transport, per square kilometer. It has the greatest volume of ton-mile-hours of distribution of freight. It has the highest concentration of productive power potential of any part of the world.

Therefore, my proposal was: develop the Productive Triangle, and run from the Productive Triangle, from Berlin, from Vienna, from Paris, what are like the stellar spiral arms of a spiral galaxy. These spiral arms will include high-speed modern rail, preferentially, magnetic levitation rail, including through the development of better superconductors,

FIGURE 2



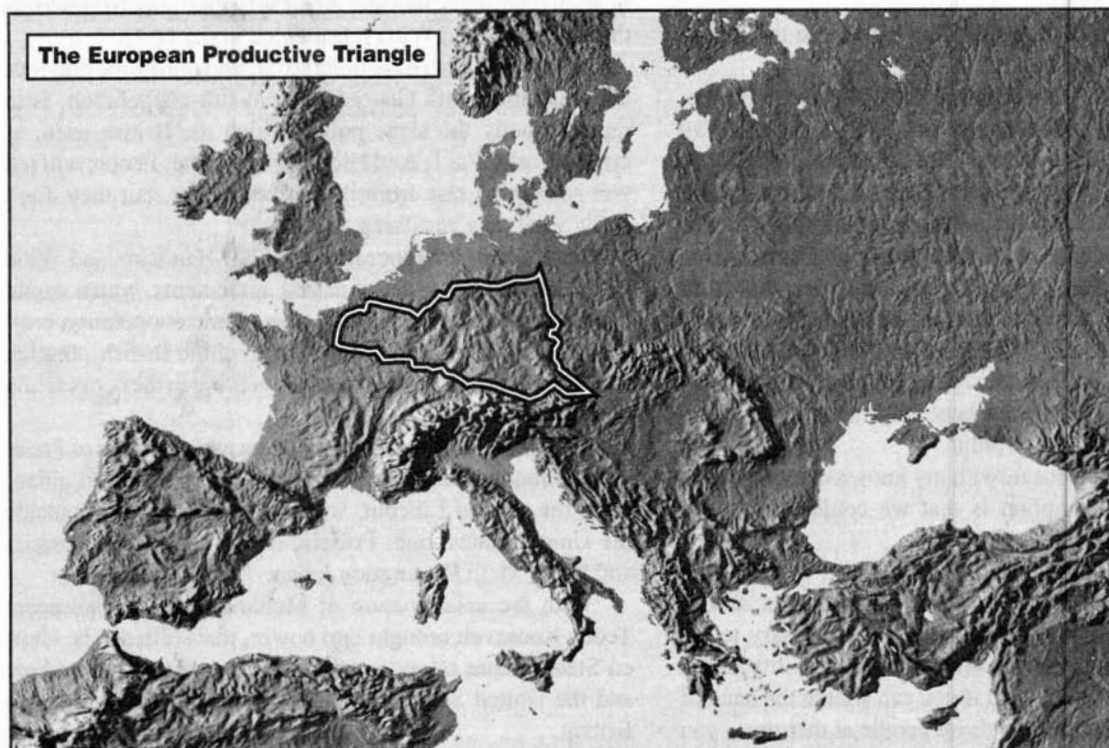
heavy freight carriage by this high-speed substitute for rail, magnetic levitation. This means [travel speeds of] 300 miles an hour. This means the virtual elimination of air transport, air traffic congestion, for passenger flights, because if you can travel 300 miles an hour, along the route from Boston, Massachusetts down to beyond Washington and Richmond, who's going to take a plane? You can get there cheaper and safer and quicker by rail or by magnetic levitation than you can by air.

So, develop that system. In the same way, use our inland waterways. Western Europe is rich in standard inland waterways. Barge traffic is the cheapest method of inland freight, especially for bulk freight, for agricultural commodities, for heavy ore, sand, whatever.

There is almost *no* development; there are some big things in Russia, but no general development in eastern Europe of an adequate system of inland waterways, to enable us to have low-cost bulk freight. There's almost no rail system capable of handling the needs of a modern economy.

In western Europe, the Triangle has a great concentration of productive power, energies, including, in France, nuclear energy, and some in Germany. So you want to put up an industry? That's the ideal place in the world to put it, or was at that time. You've got the labor, you've got the power, you've got the transportation, rail transport, cheap truck transport. This is very efficient—though very costly, much

FIGURE 3
European 'Productive Triangle'



more costly than rail—but efficient on short hauls. Also readily available are barge transport, power, sanitation, labor force, educational facilities, and so forth.

The region of the Productive Triangle is the best place in the world to invest. We must begin to develop the areas down through the Balkans, into Italy, into North Africa.

Go to Warsaw from Berlin. From Warsaw, go to St. Petersburg; from the same area, go to Moscow. Go down to Ukraine, to Kiev, and so forth, and so on. And move further. Build across Asia.

The Franco-Russian alliance

This is not a new fantasy. This was actually proposed, in a general way, in the 1890s, by a Russian, Count Sergei Witte, the foreign minister and government leader, at times, in Russia, who was politically a follower of the great Russian ally of Abraham Lincoln, Alexander II; who was a collaborator of Dmitri Mendeleev, the discoverer of the Periodic Table, the great chemist; who also built the railroads of Russia, such as they were. And did some other things; Vernadsky was one of his students.

And then in France you had Leo XIII, the pope, and a French politician, who was better than the average French politician, though I have a lot of complaints about him. His name was Gabriel Hanotaux. And Gabriel Hanotaux and Witte shaped a policy, to build a network of rail and other infrastructure developments, across from Brest in France, to Vladivostok and into Japan, by modern rail systems. The next step was to take these rail systems down into China, to build a rail network from Berlin into Baghdad, and so forth and so on.

This was the cause of World War I, because the British didn't want this to happen.

The point is: We've had hell in Europe since that time, since the beginning of this century. In 1989, the Berlin Wall dropped, the division of Europe, the amputation of Europe from itself by the Wall, by the communist divide, had ended, or at least partly. This was the great opportunity, to take this vastly underdeveloped part of this planet of Eurasia from Berlin to the East, into Japan, down into China, linked to India, and in turn, the rest of Asia, which is the greatest concentration of the world's population, into a workshop of great productivity. And obviously, where you have the most people, you can get the greatest benefit from improvement in productivity, as in China, or India.

So that was my proposal, with my knowledge of modern technology. The assumption is that we could bring these nations into a new era of development.

You know, it's like a death in the family, when even a communist regime falls. The people are living in shock, they're living in a sense of freedom. It is necessary to act then, in some way, to establish a sense of stability under these conditions of shock. And if you can stretch the hand of friendship and cooperation to those people at that time, you

may be able to bring about a great good, which it would not be possible to win them to, under other circumstances.

That was our objective. Unfortunately, the British had other ideas.

Today's problem

Now, let me just indicate what the problem has been and what the problem is today, in politics.

In November 1989, directly contrary to what I was proposing, Mrs. Margaret Thatcher, who is a fascist, began to scream about German reunification. Thatcher is a protégé of the Mont Pelerin Society, has the ideas of the Mont Pelerin Society, the ideas which came out of that brand of fascism, which is associated with Friedrich von Hayek, and those types of people, the type of fascism which is advocated by Phil Gramm, the senator in the United States, and, in a sense, by Newt Gingrich.

I know these people very well. As a matter of fact, they've got an Auschwitz program for privatization of the prison system. They really do match up with the Nazis on these kinds of things.

Thatcher began to scream, together with the same Conor Cruise O'Brien who was her lackey at that point, who just caused the fall of the Irish government, in an effort by the British intelligence service to prevent the Northern Ireland peace from functioning. They began screaming, and said the unification of Germany would constitute an economic threat to the vital interests of Great Britain. It would be a Fourth Reich. It would link up with Russia. It would open up Eurasia—they didn't say this, but they meant it: German reunification represents the same threat to British imperial interests that Hanotaux and Witte represented in the 1890s.

What the British have done so far, and during the previous administration with George Bush in full cooperation, is to repeat exactly the same policy which the British used, to create World War I. And I do not exaggerate. People will tell you something else from the history books, but they don't know what they're talking about.

Here's how it happened. By 1896, Hanotaux and Witte had cemented a number of nested agreements, which would have established these Eurasian economic cooperation projects, to help free China from the grip of the British, through aid of economic development, and to bring in the cooperation of the Japanese.

At that time, prior to 1901 and the assassination of President William McKinley, the United States had been allied, since the time of Lincoln, with three major powers outside the United States: one, Prussia, or Germany; two, Russia; and three, Meiji Restoration Japan.

With the assassination of McKinley and British agent Teddy Roosevelt brought into power, that shifted. The United States' close relations with those countries was broken; and the United States established a close relationship with Britain.

The Entente Cordiale

But something else happened in the meantime.

In Africa, the policy of England at the time, was to run a railroad as a method of conquest from Cairo to Cape Horn. The area which was at risk in this, was what we call today, Sudan. The French policy in that period, was to run a railroad (as it had been from the 1870s on), from Dakar (what we today call Senegal), to Djibouti, in East Africa, a sub-Sahel rail line, which would run through the areas we'd call Nigeria (Nigeria, Chad, and so forth), across Sudan, and across what we'd call Ethiopia or Abyssinia, to Djibouti.

This was 1898. The British were ready to go to war with France on this issue. Lord Kitchener came onto the scene, along with the grandfather of Boutros-Boutros Ghali, who was called Boutros *Pasha* Boutros-Ghali, and was a great assassin of Sudanese people in that time (and, I guess, the present U.N. secretary general maintains that tradition as a British lackey who likes to assassinate Africans). Lord Grey from London controlled a French politician by the name of Théophile Delcassé, and the so-called *revanchiste* faction in France.

Delcassé cut an order, ordering a French captain who was in the area, one Captain Marchand, to surrender to Kitchener. And the policy of France was changed, so that France became the lackey of England from that point on, in an arrangement which became known as the Entente Cordiale, the relationship between a sodomite and a catamite.

The Entente Cordiale was consolidated in 1904. In 1905, the British began organizing the Russian Revolution. Actually, they had already organized it, but in 1905 they called it into action to bring down Witte. Witte's power in Russia was destroyed by the 1905 Revolution, just as a lot of Russian industry was destroyed, and the Baku oil fields. At the same time, the British, through the Dreyfus scandal, and through the surrender of the French at Fashoda in Sudan, ordered by Delcassé, when Marchand surrendered to Kitchener, made France a captive of London.

The British owned the Serbians. The Serbians of that period were complete puppets of the British, *as they are today*. This is not something new, this is an old story. The British had a freemasonic lodge in Salonika. This freemasonic lodge was called International B'nai B'rith. The International B'nai B'rith Lodge in Salonika became a government of Turkey, called the "Young Turk" government. Vladimir Jabotinsky, the founder of the Israeli Likud, was the editor of the newspaper of the Young Turk government.

On this basis, they induced Bulgaria to find itself at war with Greece, and, with the aid of Serbia, set into motion a series of Balkan wars which ultimately became World War I. In the process of this, with Witte out of power, the British managed to manipulate their assets in Russia to activate a Slavophile faction, to move in support of Britain's puppet Serbia, against the Croats, Slovenians, Bosnians, and so forth, as they have done today. Out of this arrangement, the

British organized what became known as the Triple Entente. World War I began when the Russian Army was called up in a general mobilization for the purpose of launching a war, a military attack on Austro-Hungary and Germany.

The Germans attempted to get the Russians to call off the mobilization, because the mobilization would require *them* to mobilize. The Russians refused to call off the mobilization, the Germans mobilized; and World War I was on.

What Mrs. Thatcher and George Bush did, *was the same thing*. Thatcher organized, with [President François] Mitterrand and other forces in France, a revival, as the British press and British government said, of the Entente Cordiale. The same faction of British intelligence today says this openly; the same faction is out to kill President Clinton, and that's a fact. They are organizing a Triple Entente with Moscow, against Germany in the lesser part, but primarily against the United States.

The destruction of eastern Europe

Instead of opening up eastern Europe, Russia, Ukraine, and so forth to development, as we should have done, which would have led to the greatest economic boom in this planet's history, if we'd done it, what they did, was to impose so-called reform, through a virtual British-shared puppet, Mikhail Gorbachov, and his successor, who has the same politics, Boris Yeltsin.

As a result of these reforms in Poland, in the Czech Republic, in Hungary, Romania, and Ukraine, the level of per capita, per square kilometer, and per household production of wealth, in the former Soviet bloc, is now today *less than 30% of what it was in 1989*.

What you have in these countries, are former U.S. Ambassador to the U.S.S.R. Bob Strauss's friends, a mafia composed of elements of the old state apparatus, which is stealing the country blind from the inside in Russia, and hawking the proceeds for nickels, like people who steal television sets out of your apartment, on the streets of London, for pennies. Russia is being bled dry. Poland is being looted dry. The Czech economy, which is the so-called glorious example of reform, is in dangerous trouble. Hungary is suffering.

The British, in order to prevent development, in 1991 launched their Serbian fascist puppets (and Serbian President Slobodan Milosevic is *owned* by the British psychological warfare division), first of all against Croatia and Slovenia, then against Bosnia-Herzegovina, with the intention to broaden the war generally.

The United Nations, through the Franco-British Entente Cordiale, and a British agent as U.N. secretary general, and a Yeltsin who is playing ball with the British (up to a point, he may be overthrown any minute, who knows, he's not long for this world), have orchestrated a bloody war, and have run the war as a war against the present government of the United States. Not a shooting war against us; but every Bosnian shot, is really a bullet aimed at the policy of the United States

government.

If this continues in eastern Europe, you can imagine what the consequences could be. The Russians have not been conquered by anyone since they escaped the Mongol occupation in the course of the fifteenth century. They have not been conquered. They are not a people like some of the other nations of Europe, who are used to being defeated and occupied for a time by other powers. They have a distinct culture, with distinct problems, and they cannot accept defeat.

These idiots in London and in Washington and elsewhere, are driving the Russian people and the Russian military and other forces into a state of desperation which can lead to an explosion. They are committing crimes in the Balkans, with the endorsement and backing of the British government and the French government and the United Nations, which are *crimes as bad as those committed in the field, by any stretch of the imagination, by the Nazis in World War II.*

What they are doing in Africa, is worse. But that doesn't make the headlines. What they are doing in other parts of the world, is similar. And so *that is our problem.*

We can fix it, still, if we can stretch out the hand of friendship and economic cooperation to these troubled areas of the world. We will say, "Look, we're all in trouble, terrible mistakes have been made. *Let's fix it.*" And we can have peace. And that's what I'm at.

I believe in the principles which I tried with the Arab-Israeli peace, which are very important to me, that Mr. Peres and Mr. Rabin pulled off as well as they did; because that is a touchstone of an example of what can be done in the way of building peace between peoples who are separated by rivers of blood. And if you can build peace between people who are separated by rivers of blood, you can build peace anywhere, through economic and related cooperation. To solve hunger, to solve the problems of the individual, of the family household, and so forth.

Okay, we have the political map of Europe. We've gone through this. And you know the Ninth Forecast [pamphlet published by *New Federalist* newspaper, see *EIR*, June 24, 1994, p. 24 (Figure 2)]. In this pamphlet, I indicate what I described before, the nature of the impending global financial and monetary collapse.

Build infrastructure

So, the question is: Given these facts, what do we do? And one would hope that we could induce some people around Washington and elsewhere, to support the President of the United States, and to push such a policy now.

Forget the fact that this system is going to blow. My policy, in every part of the world, is to build infrastructure. When our friends or governments or other people ask us, "What shall we do?" I say, "Start the infrastructure-building projects now. Start them on a small scale, because you have to start large projects on a small scale, to bring together the cadres of people who are going to do the job, and then you

can expand the project on a larger scale, once you've got a nucleus which is functioning and is a proven administration and initial core."

They should be done in all parts of the world. Water systems: in Africa, for example, fresh well water, potable well water, is a crucial factor. You can always do something good, in every part of the world, if you just put your mind to it. Let's get these projects going, especially large railway, pipeline, power line, infrastructure-building corridors.

The way we finance this is simple. When we go into a bankruptcy, as we will, either through chaos or through orderly bankruptcy, it is obvious that anybody who is talking about free trade, *has to be a lunatic*, living in virtual reality. Because when the central financial and monetary systems of the world are in bankruptcy reorganization, there is no large source of private capital for large-scale investments. In a bankruptcy reorganization, you're lucky to keep the doors open. You do not have abundant internal resources.

There's only one way you can approach this effectively, and that is to replace the present world system of central banking, that is, central banks controlled by private interests, like the Federal Reserve System, which is chartered by the federal government, but it's owned by private financial interests. They have a monopoly over our money and credit, not the government. If you want to cure the problem of the burdens of taxes, put the Federal Reserve System back into bankruptcy, and you'll find out how wonderfully the problem can begin to be solved.

We saw that with the way that George Washington and Alexander Hamilton solved the problem of a bankrupt United States in 1789-91. Go to Article I of the U.S. Constitution. The Congress of the United States has the authority, under the Constitution, of a monopoly on the creation of money.

So, what do you do? You can get the money you will need in the United States for projects as I indicated, about \$1-2 trillion, just to get the United States moving in public works and related projects, to keep it from going into a depression.

You put the money into a depository called a national banking institution, which is connected to all the significant banks in the country. This institution loans this money to approved investments, such as by federal, state and local public utilities. These public utilities can borrow at the preferred rate, and they get payment on the same basis that a building contractor gets progress payments for salaries, payroll, and for materials, as he goes along and does phase-in of the job. That way, you're not putting a big chunk of money into circulation, except as the work is done.

So then you have contractors who go to work as bidders who win contracts to assist these agencies in building these projects. They, too, get credit, the way we used to give credit out for war contracts. When you got a war contract, you could take it to a bank, and you could discount that contract for lending, and you could get the money to keep your project going.

On that basis, by putting \$2 trillion, for example, into circulation in the United States—*through work*, not through throwing money out in the street—you then generate the basis for a general revival of the U.S. economy. And that is the *only way* that any part of the world is going to recover from the kind of crisis which we're going into now.

There is no hope of getting out of this crisis, until we get rid of central banking, and replace it with a kind of national banking which the United States used in its first federal administration, to get the United States out of bankruptcy, to become one of the most prosperous, productive economies in the world. That, of course, was also used in Germany with Friedrich List.

So, that is the authority which the Congress has under Article I, the authority which the President can invoke with the consent of Congress to provide the money as credit through national banking, to get essential projects going. And we have a need for massive rail, power, and water projects, as well as cleaning up these cesspools which we call our cities in the United States today. Remember, an urban community is a piece of infrastructure. And if it's rundown and destroyed, it's just like a railroad or a water system, or a sanitation system broken down. You cannot have industry, you cannot have production, without these kinds of things.

So, that's the method around the world.

The Great Projects

Now, on that basis, let me indicate what some of these projects are. What we proposed originally, of course, was to go from the Triangle in Europe, across Eurasia. This has two features.

Back in 1983-84, we did a proposal which is called the Indian-Pacific basin development program, which addressed the fact that the Pacific region, with the Indian Ocean region, its littoral, will become the center of the world economy in the coming century. That's where the population is concentrated. If you look at North America, South America, Central America, bounding on the East; you look at Africa, East Africa, bounding on the West; if you consider the Antilles, Japan, Taiwan, and so forth, the Philippines, down into Southeast Asia, Indonesia, Malaysia, and so forth. The Indian subcontinent.

In China, you're talking about over 1.2 billion people in that region. You're talking about a similar, actually a larger number, in South Asia, if you include Pakistan, Bangladesh, India, in that region. You're talking about something going up toward a half-billion people in Southeast Asia alone.

Look at the population of the United States and Canada, the population of the nations which are on the Pacific Coast of South America. You envisage a new sea-level canal through the region of Panama, which brings the Atlantic into the Pacific much more efficiently than now, and you can see very quickly that with high-speed ships using new techniques, magneto-hydrodynamic drives, we now have a com-

pletely new picture of the world, in which the maps no longer center around the Atlantic Ocean, as they used to, but the maps of the world center about the Pacific Ocean, and the Indian Ocean. So now, Europe has access to this region, through the Mediterranean, the canal, and the Middle East.

The object is to build a land bridge to and from Europe into China, into Japan, and into Southeast Asia, so that the littoral development, the coastal waterway system in Eurasia, in Asia in particular, is supplemented and integrated with a rail bridge situation.

Now, there are three rail bridges from China into Europe (Figure 4). One goes North directly, to intersect, through Kazakhstan, the trans-Siberian artery. Another goes along a more southerly route through Iran, and goes up into Turkey. A third route, goes down, through a link, through an area where I served back during World War II, into the area near Bamu from Kuoming. And that link goes across to Dhaka in Bangladesh, goes across into Egypt, across that region.

So, there are three major rail arteries potentially from China into Europe, and vice versa.

This means that the entire area of Siberia, if we do some major engineering on freshwater, and there's plenty there, the center of water for Eurasia is right there, if we do major engineering, then this whole area opens up seriously for development; and the development of trade, power, inland waterways, and so forth, ensures that.

Obviously, this kind of planning has to be controlled in some way. You have to have some scorecard, some meters and measuring devices to determine what works and what doesn't work. Generally, I use my specialty, which is called physical economy. In physical economy, we may use prices in a certain phase of our work, but we do not base our estimates of national performance on prices. We study the flow of price movements, but we do not base the estimate of the performance of the economy on prices.

What we base it on, is values of essential consumption, in infrastructure by producers, essentially, and by households, of material consumption, the material consumption required to maintain a certain standard of living, which generally corresponds with a certain level of technological development, *plus* education, plus the health care, plus the science and related services.

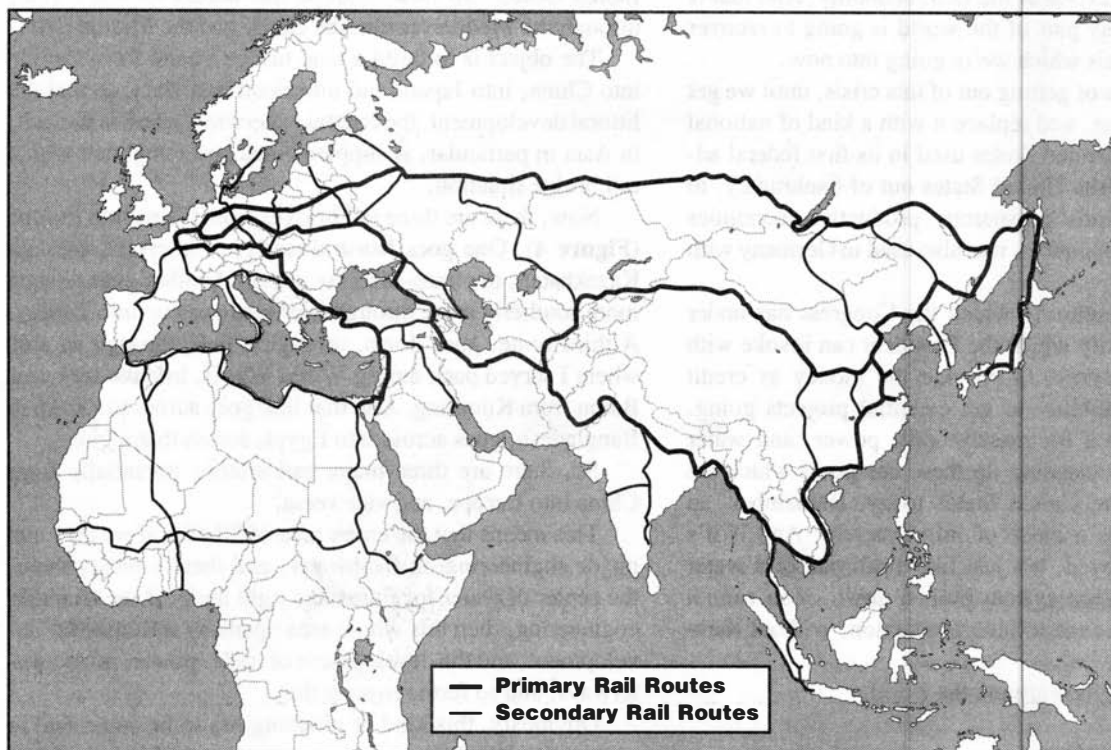
That is what people consume, that's what industries consume, that's what infrastructure consumes: physical product plus these things. We measure the market basket per capita and per family of consumption, we measure the consumption in industry per capita, we measure the productivity in these terms per capita, in the labor force.

We measure that in terms of per capita for labor force, household, including accounting for household demography, and also per square kilometer. We measure things like ton-mile-hours against relative physical cost, from media of transportation, such as inland waterways, ocean freight, coastal freight; that sort of thing.

And we measure also the water, in terms of liters or cubic

FIGURE 4

Eurasian land bridge (the Silk Route)



meters per capita, per hour, and so on and so forth, for human consumption, for industry; and the water requirements of a society *increase* as the level of productivity increases.

We measure not only the kilowatt hours of energy required for a level of technology and productivity. We must measure what was called the energy-flux density of that power. As you go to much higher technologies, you acquire better-focused power at higher localized energy-flux densities. Higher energy-flux densities of the type you get with hydrogen fusion, for example, give you much higher, vastly higher efficiency throughout your entire system, than you could get with a low-temperature source of heat.

So, all these factors are taken into account.

We will then figure out what the price is of a wage, and we will then trace the price movement of trading and so forth through the economy, but we measure primarily in physical economy.

Measuring economies

Now, therefore, in measuring, we have two things to do. I won't go into the details here, but indicate that the basic way in which you measure economy and physical economy is by what is called a *system of inequalities*—what has to relatively increase, what has to relatively decrease. But you must scale it. So, what I had to do years ago, was to define an approximate scaling.

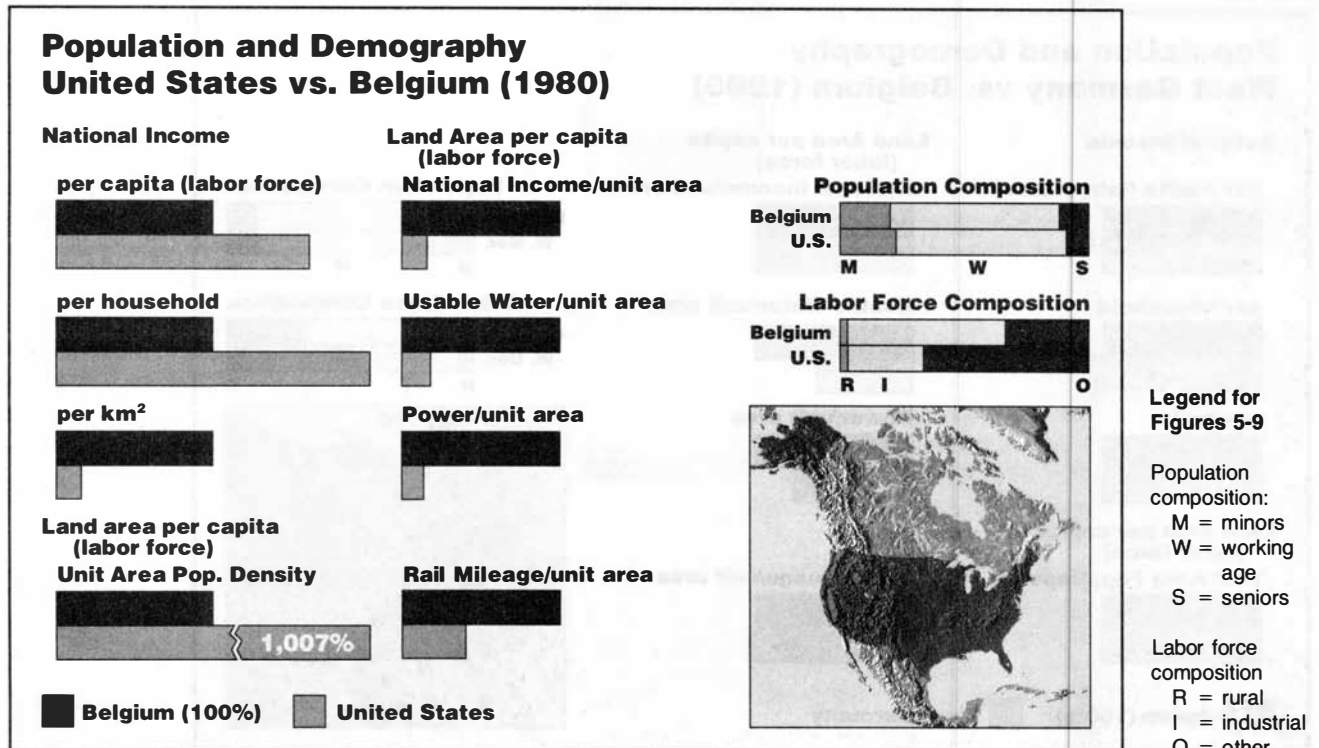
When it comes to scaling, if you want to build a ruler, you can pick an arbitrary measure, if it's a linear ruler. You can make your ruler up of anything: cubits, feet, centimeters, whatever you want to make it of. Except it has to be consistent.

Now you go out and measure things, and that's called scaling. What I needed, was a **standpoint** of reference for scaling economies upon which this kind of long-range planning among different kinds of economies and different conditions, could be correlated without subjecting them to these so-called misleading price calculations.

So, what I did, was to take three economies which were industrialized, and two which were underdeveloped. The three I chose which were industrialized were Japan, West Germany, and the United States. As my baseline, I used 1967-69. The reason I chose those years, is that at that time, the technology and productivity of the three economies was at the same level, approximately, because after 1968-69, the U.S. economy began going into the sewer bucket, and Europe began to decline more rapidly than Japan, so disparities developed after that.

I then compared 1967-69 with 1980 figures. Against these three industrialized economies, each having different population densities and therefore different infrastructural characteristics, I compared the two major developing economies: China and India.

FIGURE 5



Therefore, by exploring the *gap in development* between India and China on the one side, and these three industrialized countries on the other, I established an arbitrary ruler of arbitrary length, to compare different economies around the world, and to reference which one is improving, and which one is going into the bucket, so to speak.

So, that's what these are.

I'll just run through these slowly, so people can see (Figures 5-9). You see the factors we've listed here, just to give some indication. The world is *not* overpopulated. If you want to say the world is overpopulated, you should go first of all to Singapore or Hongkong, but then you would go to Belgium.

Africa, by the way, is vastly underpopulated. If somebody tells you differently, they don't know what they're talking about. As a matter of fact, there's vast agricultural land there, if it were developed, if people had fresh water, if babies could live long enough to have babies. Things like that.

So, these are the kinds of measures we used, a set of inequalities, plus, as a yardstick, a comparison with Belgium as a common unit of relevance, comparison. And comparing Japan, Germany, and the United States with China and India, because in that, you will find all the problems stated that you need to know, in studying how things are going in the western world.

What we really need to know is, for a level of technology

and productivity, what standard of living do you have to provide for a household to sustain that productivity? What standard of living do you have to have, to maintain a demographic model which will make the economy work?

If you have an economy in which the altitude is life-expectancy by years, the baseline is the percentile of the population in that age interval. If you get into economies like very poor developing economies, it's a very flat triangle.

In the case of China, what they're trying to do, is to make it like that, so you have almost no babies, and a lot of old people. So the solution is to control your problem by killing the old people, which is pretty much the idea that Newt Gingrich has for the United States these days.

The point is, in this case, there is a tremendously large population in Asia, admittedly poorly educated in large part, in particular the part we have to reach. But also the land is very poor, and, when someone says, "We don't want to invest in infrastructure, we just want to put industries out there," take them to the nearest loony-bin, get them canvas waistcoats, the ones that tie the arms behind or something, and just keep them out of economics, because the *first requirement of any modern industry* is an adequate development of infrastructure, transportation, ton-miles-per-hour. That sort of thing. Measured per square kilometer.

Water: liters per square kilometer per capita per household.

Power: kilowatt hours.

FIGURE 6

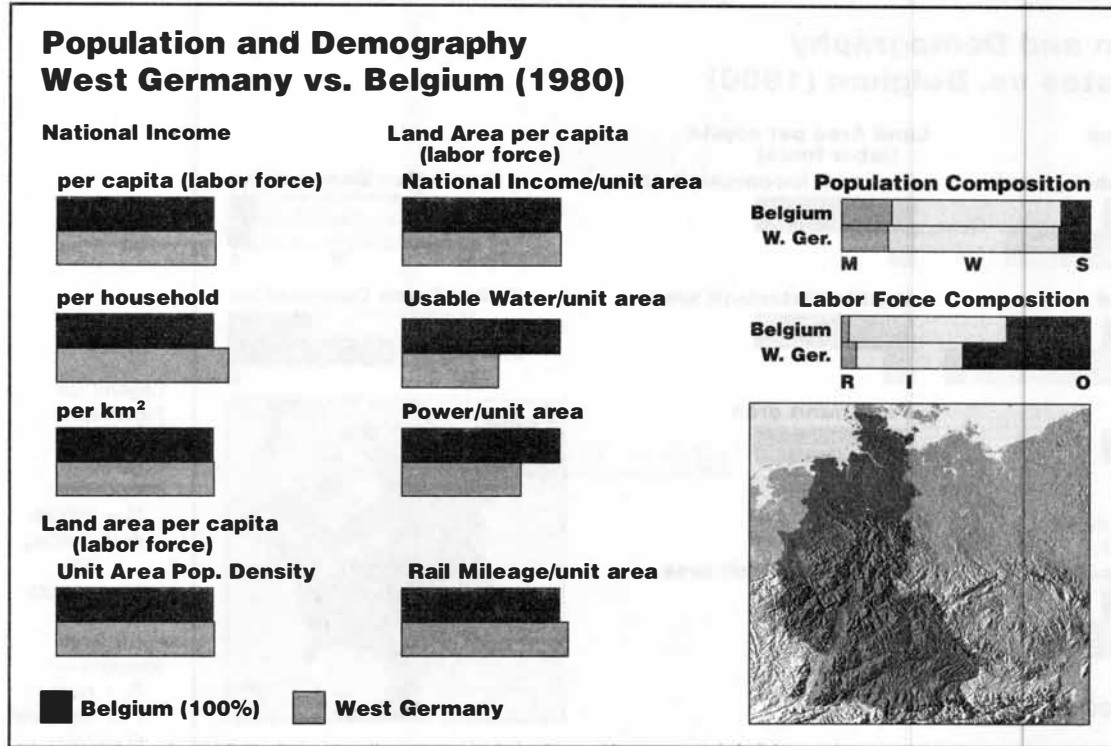


FIGURE 7

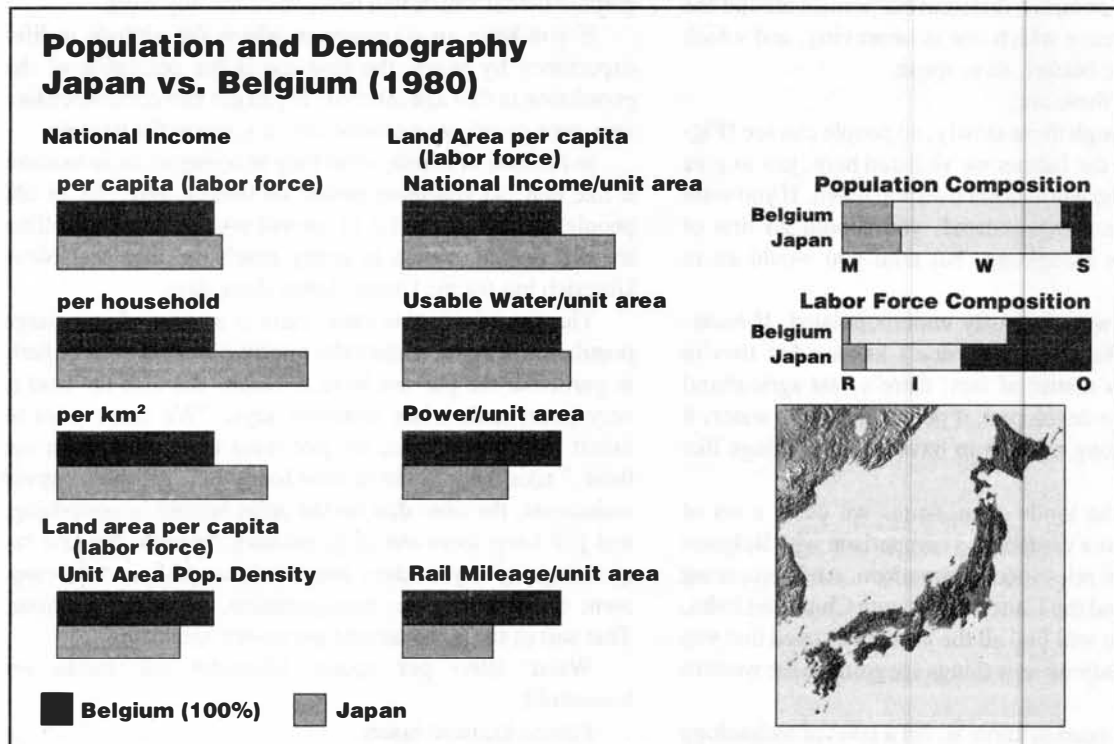


FIGURE 8

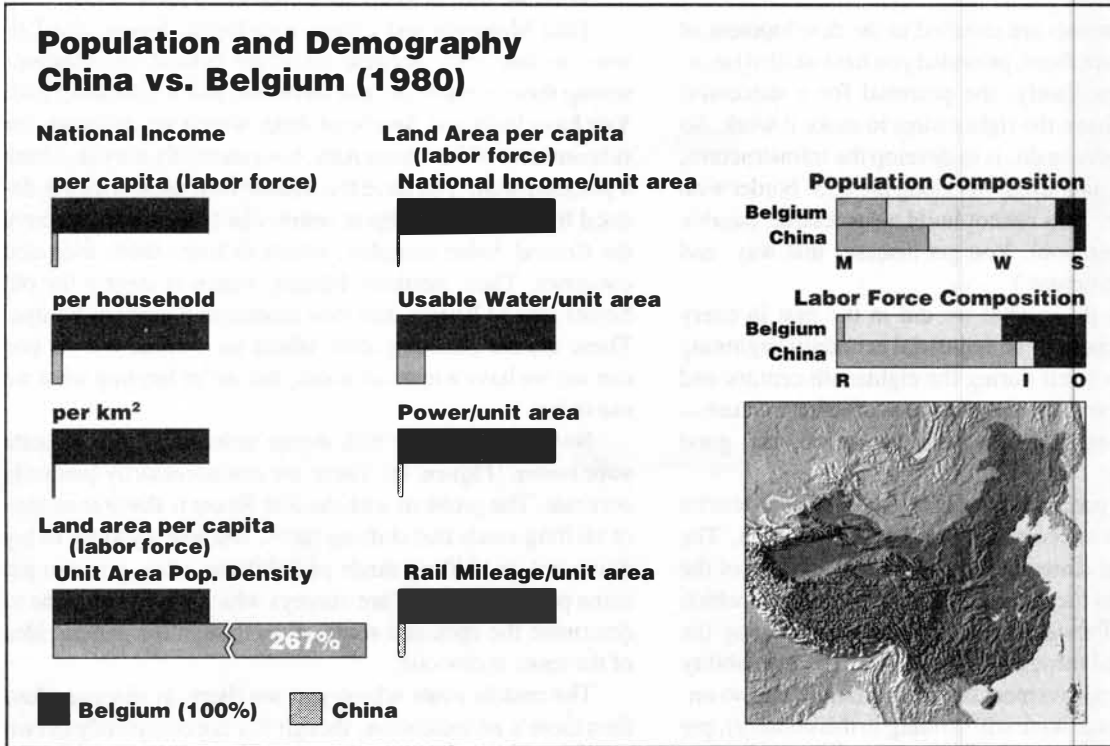
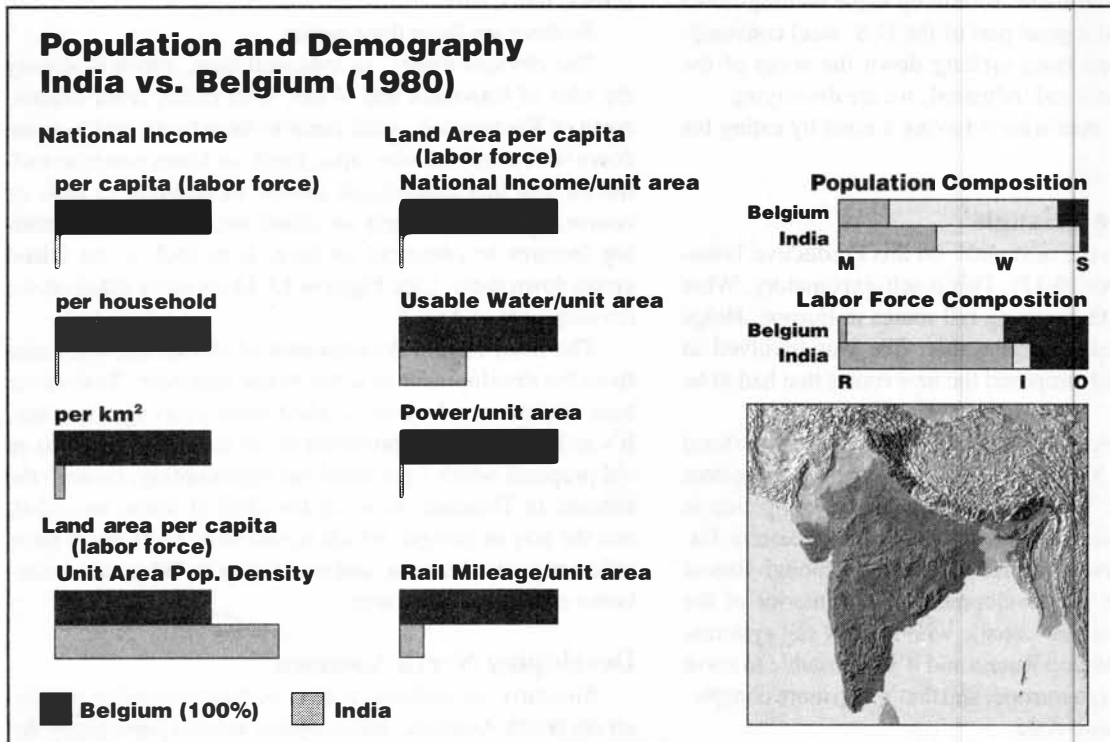


FIGURE 9



Energy flux-density: same thing, for each mode of production you require.

If these requirements are satisfied in the development of an area, then you have there, provided you have skilled labor, automatically, immediately, the potential for a successful investment, if you have the right cadres to make it work. So the first thing you have to do, is to develop the infrastructure, *first*. (Ideas like the *maquiladoras* along the U.S. border with Mexico, are *insane*. You cannot build a successful, durable plant on top of a cesspool. You get diseases that way, and you get poor infrastructure.)

Then what you do is what we did in the past in every successful development of an industrial economy beginning in the United States itself during the eighteenth century and the nineteenth century: the development of infrastructure—canals, ports, power facilities, rails, sanitation, and good urban organization.

These were the preconditions of the successful industrial revolution, and the successful agricultural revolution. The biggest factor in the American agricultural revolution of the postwar period, was the rural electrification program which was started under President Franklin Roosevelt during the 1930s and continued throughout the 1940s. The availability of electricity, the improvement of transportation, and so on. Farms (when there was still farming in this country), per hectare *were greater consumers of steel* than most industries. When they began to liquidate the farm, they were ripping the steel out of the soil, pipeline, everything else. And you had the people who were doing the looting, like Cargill, the great grain cartel trust, which loots the farmers here and loots the farmers in Africa, out there, setting up these melting-down scrap facilities. And a great part of the U.S. steel consumption today is derived from melting down the scrap of the economy, agricultural and industrial, we are destroying.

We are like the man who is having a meal by eating his own left leg.

The 'Productive Triangle'

Now, let's go to the next slide, on this Productive Triangle program (Figures 10-12). This is self-explanatory. What we did, is we took the existing rail routes in Europe. Helga [Zepp-LaRouche] can describe this. She was involved in this, heavily. And we proposed the new routes that had to be added.

We did the same thing with the water system, defined the water systems. You see the difference between western Europe and Russia? What are your chances in competing in productivity with western Europe, in Russia or eastern Europe today? You have a limited access, even though Russia has giant rivers, to the development of the interior of the country. So, without new canals, without new rail systems, it's impossible to develop Russia and it's impossible to solve the problems of eastern Europe, and that's also more conspicuous when you get into Asia.

Development of Asia

What we did, is to divide Eurasia into these areas.

Take Mongolia and China, with Japan, Korea, and Taiwan, as one unit, because there are natural interrelations among these economies, and therefore, that's a planning unit. You have India and Southeast Asia, which are different, the subcontinent of Southeast Asia, but essentially they also form a planning unit. You have the Middle East area, which is defined by Sudan, the largest country in there. And you have the Central Asian complex, which includes those indicated countries. Then, northern Siberia, which is largely the old Soviet area of Russia, and then eastern and western Europe. Those are the planning areas which we worked on. As you can see we have a mass of slides, but we're limiting what we use today.

Now, we have the Silk Route railroad. These indicate your routes (Figure 4). These are not necessarily precisely accurate. The problem with the Silk Route is that it is an area of shifting sands and shifting lakes, and when you try to lay down rail on shifting sands and shifting lakes, you can get some problems. There are surveys which have been done to determine the optimum route, even though the general idea of the route is obvious.

The middle route which you see there, is obvious. And then there's an indication, though it's not completely drawn on this map, that if you go from Kunming, into this little area where Khun Sa, the drug lord bandit, is now operating in Burma afresh, you'll find there's an area which leads into my old area, Bamo and Mishina, in Burma. This railroad can lead across into Dhaka, in Bangladesh, into India, and then across, into Cairo.

So there are these three routes.

The obvious routes, as indicated here, which is already the idea of Hanotaux and Witte, is to make, from Siberia, north of Vladivostok, a rail jump to the islands, and to come down with a rail link into Japan itself, so Japan would be rail-linked into this trans-Asian group. In addition to that, of course, this area is largely an inland sea. One of the interesting features to comment on here, is to look at the island group down there. [See Figures 13-14 for more detail on the development of Asia.]

The most natural development of Indonesia, will come from the development of water-borne transport. That whole base area there, which we worked some years ago, is water. It's an inland sea. We proposed to cut a canal, which was an old proposal which I got involved in promoting, through the isthmus in Thailand, between the Gulf of Siam, so-called, and the Bay of Bengal, which would bring India much more efficiently into this area, and to develop an integrated water-borne economy in that area.

Developing North America

Similarly, in addition to this, we have extensive proposals on North America, which center around particularly de-

FIGURE 10

Productive Triangle, rail projects

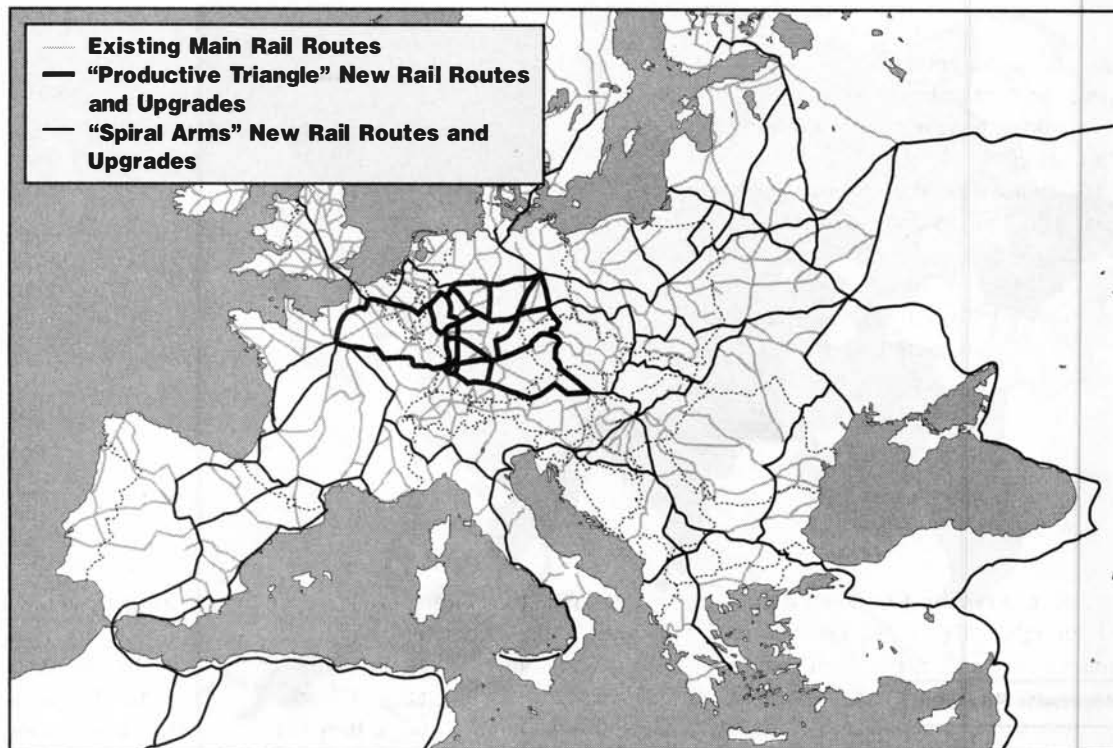


FIGURE 11

Productive Triangle, water projects

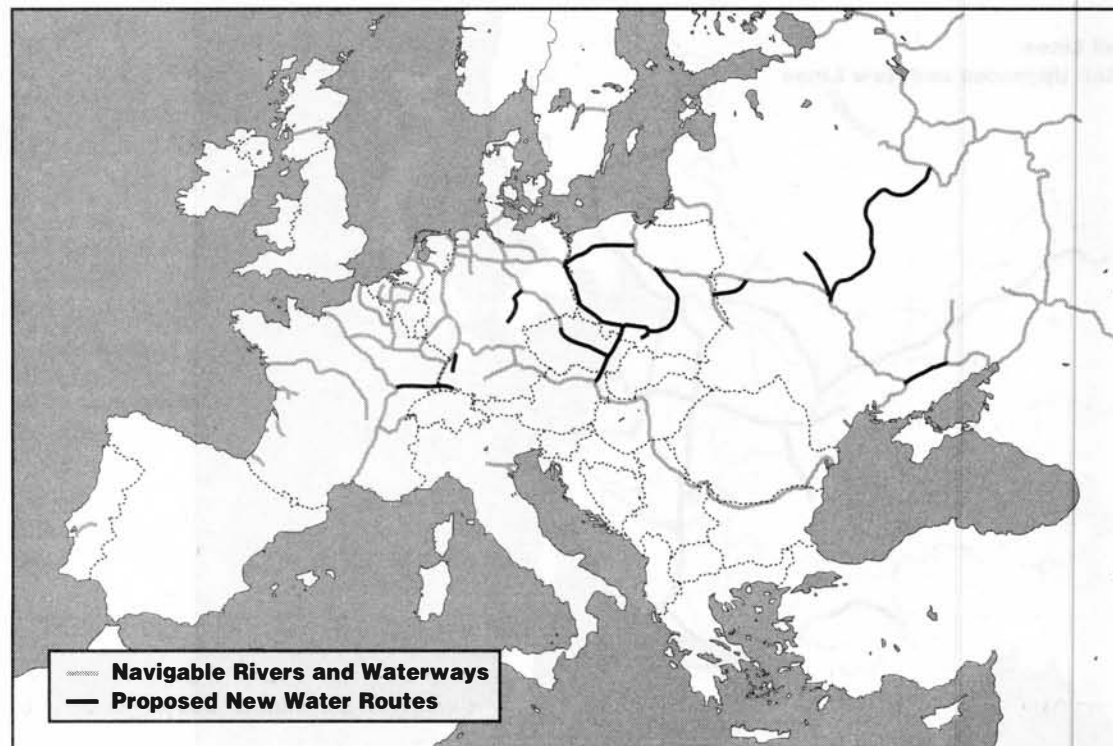


FIGURE 12

Eurasian development zones

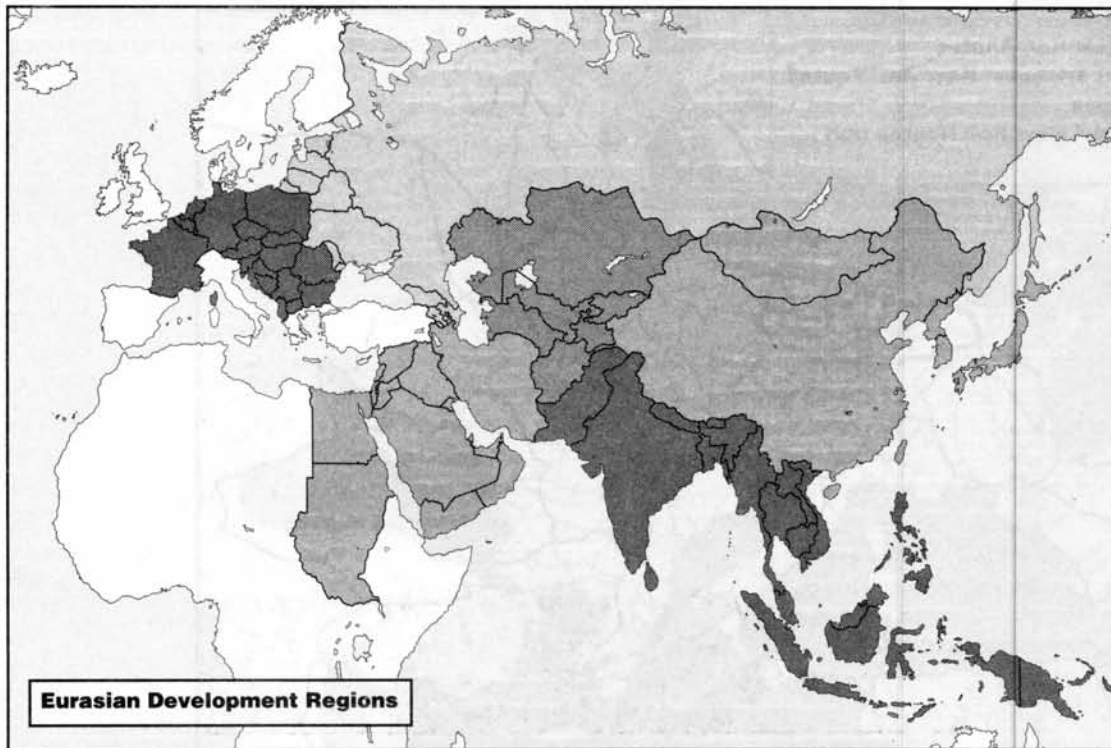


FIGURE 13

China, rail projects

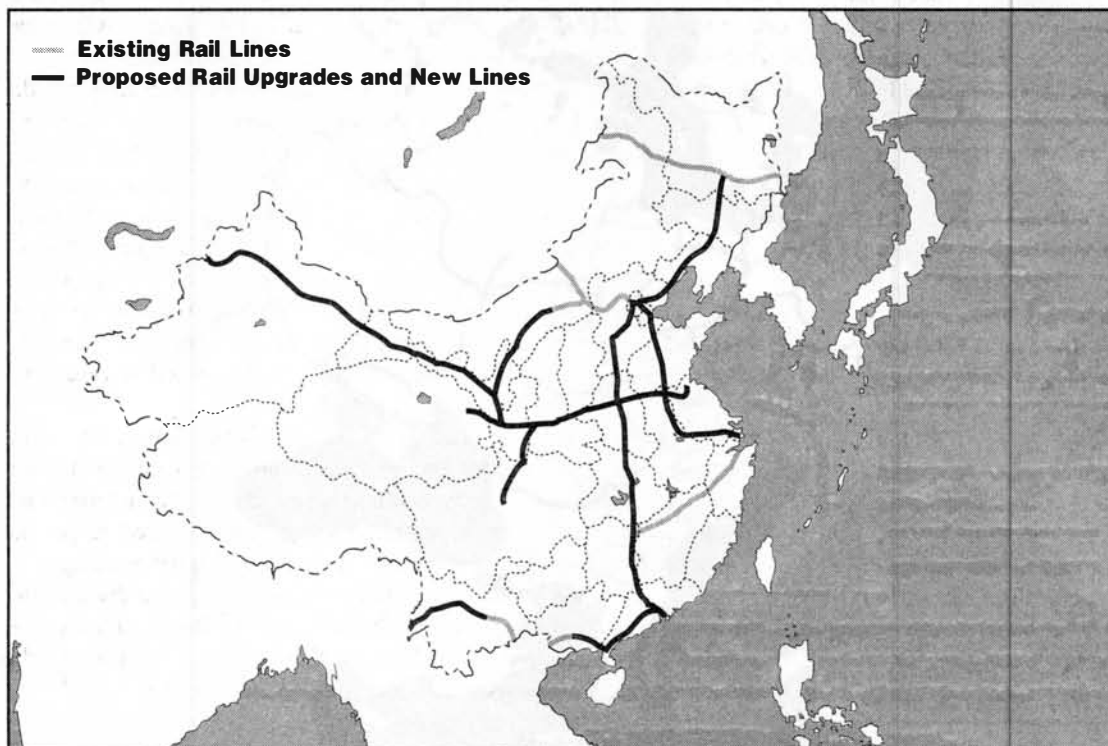
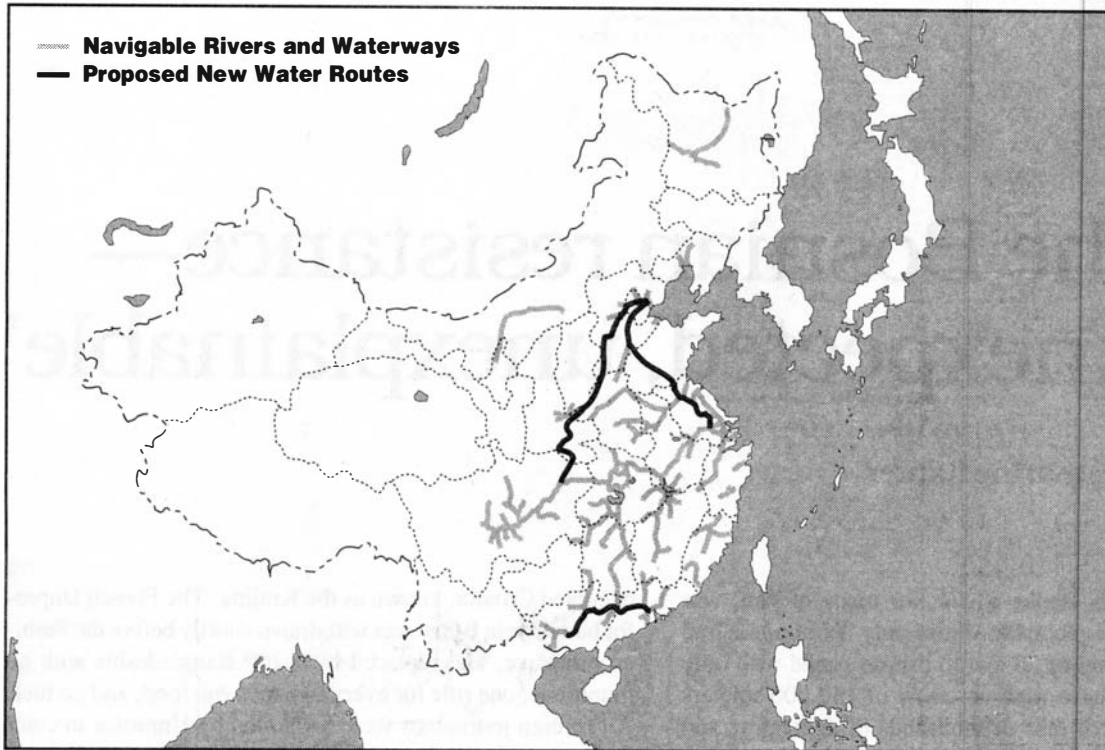


FIGURE 14

China, water projects



veloping the eastern area of the Pacific Basin (moving from Japan and Indonesia, to the eastern part of the Pacific Basin which is California, which Teddy Roosevelt shut down). It would be interesting for you to check old maps, and ask yourself how many new cities have been developed in the United States, apart from suburban mushrooms or whatever you call them, since 1911, or since Teddy Roosevelt became President. Find me and tell me how many new cities came into existence in the United States as functioning cities since Teddy Roosevelt became President. Virtually *none*.

Now, look at the western lands, between the 20-inch rainfall line and into California. Show me how much development of this precious land area has been done. You've got people out there in California, idiots, worrying about Proposition 187, about trying to kick the immigrants out. We've got a tremendous amount of land that needs to be developed, right in that area, which is the great American desert, and so forth. *We have the water*. We have the design for the project which would deliver the water where it's needed. We can solve these problems.

We can take our poor youth off the streets, stop them from killing each other, and give them a future in a youth work program to assist in this kind of project. We can do that. We can build new power systems. We can rebuild this country, we can clean up the garbage, and make this country one we're proud of again.

There are great opportunities also in Mexico. Mexico has projects which have never been scratched yet, and they're good projects, I've seen a number of them. They're sound. Colombia has great potential. Venezuela, Brazil, Argentina, Peru. We've done studies on all of these areas. Africa has tremendous potential. We've studied these areas.

There is much work to be done to bring humanity into the kind of condition which would have satisfied my dear friend, Cardinal Nicolaus of Cusa. There's no want of employment. We can do with a lot fewer stockbrokers who do nothing but steal our pension funds and raid our corporations; but we do need skilled people, engineers, scientists, and skilled labor.

We do need the opportunity to take the young children who are destroying each other with drugs and whatnot on the street, and enable them to get a second chance to become real human beings, with work and education and some caring, and a prospect of hope.

We can do that not only in the United States, we can do it in the world. And I've just limned over this, and given some of the concepts which are essential within a time which is already, in a sense, too long, but I wanted to get the essential concepts across. And that's what we're doing.

We know certain things. A lot of things we don't know, a lot of things we have yet to find out. But what we know, we know. And it will work. Shall we say, "I have seen the future and it works"; and it wasn't communism.