

International E-Mail Dialogue with LaRouche

In the days following Lyndon LaRouche's Sept. 6 international webcasts from Berlin, and leading up to his Oct. 31 webcast from the same city, scores of e-mails continued the dialogue. Here is a selection:

Italy

Mario Agostinelli, a regional councilman for the Lombardy region in Milan; the former head of the CGIL trade union in Lombardy; and the author of a project at ENEA (National Association for New Technologies and Energy) in Ispra to retool Alfa Romeo in Arese for the production of hydrogen-fueled cars.

In an interview with *Nuova Solidarietà* and *EIR* Oct. 29, Agostinelli endorsed Lyndon LaRouche's retooling plan (translated by *EIR*):

I read with extreme interest LaRouche's retooling plan as it was presented to the U.S. Senate. It has a tremendous political significance. Its originality consists of the fact that LaRouche combines a retooling plan for GM/Ford with his plan to reorganize the entire financial system. Industrial policy and the reorganization of the financial system should be combined; LaRouche is right on this point. It is clearly a political issue.

In Italy, we do have a trade union plan to retool Alfa Romeo and reindustrialize: 36 researchers at ENEA worked with me on this proposal, but the Italian left is split over it. One part of the left thinks that Alfa can be shut down, as long as temporary unemployment benefits are ensured. However, others in the left would prefer a policy of reindustrialization. This is the key. You can continue negotiating, but that means that in the meantime, deindustrialization will go forward. The key must be reindustrialization.

Tronchetti Provera proposes transforming Alfa Arese into a Telecom call center; we think it should produce hydrogen-fueled cars and overcome the rigidity of this economic system. If Ford's policy is to sell to India and China, it will not endorse a retooling plan which involves producing more expensive motors, such as the hydrogen one. When I went to Mercedes Benz to talk about this project, they were very interested and told me that they could put a hydrogen fuel cell motor on the market in the next six years, but they then extended that to 12 years in order to amortize the costs of the Series A and Series E cars. It is a political decision, and it involved industrial policy.

My question to LaRouche is: How can an industrial policy

be combined with your reorganization of the financial system?

LaRouche: Certain features of a more ordinary sort of reorganization of an industrial enterprise in bankruptcy can be applied to either bankrupt national economies, or international monetary systems as a whole. The situation of both the present international monetary system is such a case.

From that standpoint, not only is the present international monetary system itself bankrupt, in addition to many individual nations within it, but it could not be brought out of bankruptcy without purging the system of all claims based on what are in fact merely gambling debts, as this is typified by hedge funds and so-called "financial derivatives" generally.

Therefore, the first step in the required procedures for organizing a recovery, is to take the international monetary system itself, nation-state by nation-state, to allow a purging of the system of all gambling-debt-type-rooted nominal obligations by the action of cancellation/nullification, of relevant sovereign nation-state governments.

We are then confronted with two principal kinds of remaining problems within the surviving "distillate." First, in most cases, current obligations vastly exceed attributable current assets. Second, for each nation, we must create a margin of net assets, through creation of new credit, above the level of current obligations, required to finance a margin of growth to bring the currently added margins of current assets of the national economy above the level of currently accumulated margins of net debt of the nation.

In presently industrialized nations of the form of typical European-type economies, the factor of net physical-economic current and cumulative growths will require an approximately fifty-fifty percentile division of new investment-credit between basic economic infrastructure and what has been traditionally private enterprise in agriculture, industry, and professionally skilled services to production and the care of households of the population and their communities.

The expansion of credit for these underlying purposes requires an emphasis on scientific-technological progress. This defines a system in which the physical content of the production by industries and the labor force itself must increase per capita, and, also, implicitly, per square kilometer, largely through continual advances in technology of facilities, materials, and labor.

Taking the several considerations represented in total by the foregoing considerations, the rate of progress in science and technology must run ahead of the rate of net gain expected in productivity of the employed labor-force. The improve-



Italian mathematician and topologist Enrico Betti (1823-1892) was a friend of Bernhard Riemann. "A glance at the Fifteenth Century Renaissance and the era of scientist Enrico Betti and his associates in northern and central Italy during his time, typifies what must be done," LaRouche said.

ment of the quality of education and standard of cultural life of the population of emerging adults, is the characteristic consideration here. This means sharply cutting subsidies for "sinful" social practices, such as subsidy of "bread and circuses" programs, and taxing "sin" wherever it is in reach, as a way of increasing the relative flow of support for noble and healthy practices.

The emphasis for investment must be directed to scientific and technological progress, but incorporating more traditional elements wherever those are necessary features of a scientific-technological improvement.

In sum, these considerations mean that recovery must be driven by emphasis on advanced technology, especially at the start, advanced technologies in development of the basic economic infrastructure needed to drive both technologically driven growth in the private sector, and the increase in physically defined net growth of technological growth in productivity in the economy as a whole. A glance at the Fifteenth-Century Renaissance and the era of scientist Enrico Betti and his associates in northern and central Italy during his time, typifies what must be done. The flexible role of the scientist and machine-tool design specialist in development of each and all aspects of infrastructural development, agriculture, and industry, plus the function of *bel canto* vocal development from the period of the great ecumenical Council of Florence, through the work of Giuseppe Verdi, must be contrasted to the dismal trends downward in culture and economy during the latter decades of the Twentieth Century and the pathetic decadence of today.

In this picture, the role of the machine-tool design specialist in the automotive and

aeronautical industries, exemplify the multi-faceted, central role of this section of the labor-force as a whole. In fact, the labor-force which is suited for high rates of technological achievement in the automotive and aerospace industries is the same labor-force which is easily adapted to development and production in virtually every aspect of the economy as a whole. Therefore, while we must take into account the specific kinds of products we are going to produce, we must not become parochial; we must regard this as an interchangeable function of that labor-force, and also of the particular enterprises it represents.

A great leap upward in technological design of a new type of automobile, for example, is not only a better product, but a productive potential, applicable for many missions, better than the nation or world has had available to it before.

In summary, we need a mission-orientation, like that which Europe's aerospace pioneers adopted, during the early to middle part of the last century, as in Italy, too, like yesterday's for the new missions of today.

—Lyndon

Andrea Ricci, member of the Italian Chamber of Deputies, and author of a book entitled *Dopo il liberismo (After Free-Market Economics)*, which quotes and endorses LaRouche's New Bretton Woods. After analyzing the failure of globalization and International Monetary Fund conditionalities, particularly in Third World countries, Ricci writes a paragraph entitled "A New Bretton Woods to build a new international monetary and financial system," in which he says: "In order to achieve these ambitious political aims,



"We need a mission-orientation, like that which Europe's aerospace pioneers adopted, during the early to middle part of the last century, as in Italy, too. . . ." Here, an Italian engineered C2J Spartan, which was reengineered and produced in collaboration with Lockheed Martin.

the European Union, 60 years after the Bretton Woods conference, should work with the South of the world to promote a new international conference to be called by the UN in order to define the rules and organization of a new global economic order. The history of economics shows that radical reforms of the international monetary system are rare, and usually take place when societies are faced with traumatic events such as wars and depressions. Well, today, we are in exactly that type of situation, with the war and a prolonged and creeping economic crisis, and we have to act before the catastrophe.”

Ricci refers to LaRouche’s New Bretton Woods proposals, and adds: “On the occasion of the 60th anniversary of the Bretton Woods conference, the proposal for a new international conference in order to redefine global financial and monetary relations found an authoritative supporter in the Nobel Prize winner in Economics Robert Mundell (2004). The American economist and intellectual LaRouche (2001), who ran in the Democratic primaries to choose Bush’s opponent in November 2004, was a convinced supporter of this proposal even earlier.”

The bibliography cites LaRouche’s speech at the Catholic University in Milan in 2001: “LaRouche, Lyndon, “Towards a New Bretton Woods: a plan to solve the international financial crisis,” Milan, Cattolica University, published by the Association for the Development of Banking and Stock Exchange Studies.

His question to Mr. LaRouche is translated by *EIR*:

What is the perspective in the United States for such a New Bretton Woods reform of the financial system, considering the fact that the Bush Administration is going in the opposite direction? How will the U.S. be able to make such a change, considering its increasingly weak, but influential economy, and the country’s enormous trade deficit?

LaRouche: As I have emphasized in locations published on sundry earlier occasions, the developments initiated in 1971-1972, largely through the instrumentality of the U.S. Nixon Administration’s George P. Shultz, the Bretton Woods system was dissolved, and replaced by a floating-exchange system located within the institutional premises of the IMF. With this action, the U.S. dollar ceased to be a U.S.-denominated currency, and became, instead, an IMF currency.

The effect of these changes in 1971, 1972, 1975, was later aggravated in an extreme degree by the process of global deregulation centered, at that time, within the Anglo-Dutch Liberal system. With the advent of the French government of François Mitterrand, through the Maastricht agreements made early during in the post-1989 developments, and the non-functioning European system brought into being under the European Central Bank and the installation of the euro, a deadly condition of global monetary-financial instability now exists; the situation is advanced to the degree that an imminent global monetary-financial explosion and threatened general collapse of a form comparable to the Fourteenth-Century

chain-reaction set off by the collapse of the House of Bardi now prevails.

The role of the U.S. dollar, as usually discussed among either the press’s amateur commentators, or even leading governments of Eurasia and elsewhere, is dangerously incompetent. The widely circulated deadly nonsense is, the idea that a collapse of the U.S. dollar would not bring down the entire world system in a chain-reaction collapse. Various among us in leading circles inside the U.S.A. have warned against such delusions being spread among Europeans and others.

The current exchange-value of the U.S. dollar is a “floating” conventional value, not otherwise an actual value; despite chatter about shifts out of the U.S. dollar, the dollar remains the instrument of reference on which values are determined in international markets, especially the long-term valuations of investments and contracts. A collapse of the dollar within the present international system would mean an immediate chain-reaction collapse of the entire world monetary-financial system, a general shut-down of the physical economies throughout the world.

This state of affairs is aggravated greatly by what is called “globalization.” At an early time, such as the 1970s, or even part of the 1980s, the already existing risk, that a substantial collapse in one part of the world’s monetary system would lead to a “runaway” chain-reaction throughout the system, was tempered by the buffering effect of a significant residue of national reliance on domestic and regional political protection of essential elements of long-term investments in production and in protection of the family structures built into combined private and public social systems. Under the accelerating process of globalization launched in the wake of the opportunity for such changes created by the way in which collapse of the Soviet system was mismanaged, especially under rabid qualities of Anglo-Dutch-French Liberal manias, especially Anglo-Dutch Liberal factors of international finance, those buffers have been disappearing. Globalization has had the economic effect, on this account, of creating the preconditions for a wildfire, chain-reaction-like collapse, spread throughout the world, of a major collapse within any economically weighty portion of that world. The collapse of the U.S. dollar, even in a significant degree, would now be assuredly sufficient to bring the world as a whole virtually to a rapid halt.

For me, the actions to be taken against such an emergency are obviously the following:

1. The U.S. Government must adopt a solid commitment to the strict defense of the long-term fixed value of the U.S. dollar as a currency of account within the world system as a whole, at least among sufficient leading nations to put the necessary regulatory harness on any rogues. The long-term commitment of the U.S. to transform the dollar back into an instrument of long-term, fixed-exchange-rate cooperation among what would be an effective consort of nations, is now indispensable. Otherwise globalization is now the trigger for



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We must abandon the “services economy” (exemplified here) and globalization, and adopt a science-driver approach, LaRouche said.

global doom.

2. To accomplish that, the present world financial system must be put through drastic measures of reorganization of claims related to the banking systems. This means, for example, U.S. Federal emergency action putting the Federal Reserve system into receivership by the Federal government, in order to avoid an otherwise present inevitability of a virtually overnight collapse of the leading banks of an Alan Greenspan-rotted-out U.S. banking system. Most of the nominal volume of gambling-debt-like holdings must be simply cancelled, and long-term guarantees installed to keep all essential banking needed for the economy and its population standing in place, and in the process of regrowing needed essential financial-economic tissue.

3. These measures would not succeed unless they were backed by a sudden dumping of the trappings of globalization, and a shift into long-term investment in physical-economic development. The role of the nation-state in creating credit locked securely into long-term investments in essential basic economic infrastructure, and the use of such credit for infrastructure to create employment and investment in the traditional private sectors, is the essential mechanism to be set into motion through long-term credit agreements among governments.

4. In other words, the financial reorganization must shift

the burden on a restored fixed-exchange-rate dollar and dollar-related system from today’s ultra-short-term, wildly financial-speculative practices, to obligations associated with regulated long-term agreements.

5. This would not be sustainable without long-term commitment to abandoning a “services economy” orientation and abandoning “globalization,” to a science-driver orientation in commitments to private farmer agriculture, private industrial, and related investment stimulated by public investments in rebuilding infrastructure, and in pushing both the frontiers of science and technology and a Classical cultural revival.

For today’s generation, such measures are tough medicine; but, since the alternative to such remedies is a tortuous death of economies of the world, and what that means for all people, these measures would be accepted, however grudgingly, by any people with the moral instincts for national survival. In the past, most great changes in history have been forced upon a people with overripe habits. Governments, if they are sane, may do these things reluctantly, but they will make these changes, even energetically, because there is no sane alternative to doing so available.

—Lyndon

Giorgio Vitangeli, economist, author, and director of the monthly *Finanza Italiana* in Rome submitted the following question to LaRouche at the Oct. 31 webcast (translated by *EIR*):

The U.S. real estate bubble has already begun to deflate. If the fall in real estate prices accelerates, the impact on the credit system runs the risk of being very serious, with a chain reaction on the entire international financial system, already strained by a series of hedge fund bankruptcies. Up to the present, what has held up the dollar have been loans by China, Japan, the Arab and Asian countries, that is, the poor who are lending to the rich, the “upside-down world” denounced by Robert Triffin.

The U.S. considered as a whole, including public, household, and corporate debt, has an exposure of \$30,000 billion, towards itself and the rest of the world, that is an exposure of 300%—three times GDP. In the period immediately prior to the 1929 crisis, the ratio was 240%.

It is clear that a reform of the world monetary and financial system is dramatically urgent. Will we succeed in time in implementing a reorganization, a New Bretton Woods? Some economists think that as early as the beginning of next year, a crisis could erupt in which everything come to a head. Is it possible politically to arrive at an agreement on an international monetary and financial system, which is more egalitarian, more just and based on development, and which involves, beyond the U.S. and Europe, also Russia, China, India, and the other great emerging countries?

LaRouche: The problem which most specialists experience in attempts to define methods for forecasting the implica-

tions of the form of the mortgage-based securities bubble created under the regime of U.S. Federal Reserve Chairman Alan Greenspan, has been that most of the relevant forecasts reported have been composed according to the currently conventional Cartesian, mechanistic-statistical view of the process, rather than the appropriate, Kepler-like, dynamic view of phases of development within long-range cycles. Therefore, in replying to your question, there are complications associated with the discrepancies between the two, opposing kinds of systems which we must take into account.

Today's real economies are not financial economies, but are monetary-financial systems superimposed upon the real economies, i.e., physical economies, upon which finance preys. Crises of such systems therefore have two principal aspects. One aspect is the monetary-financial system superimposed upon the physical economy of entire nations and groups of nations; the other aspect is the variables in the physical investment in capital improvements and technology-based productivity in the economy as the physical economy upon which the monetary-financial system is superimposed.

The long-term cycles of the economies are, therefore, determined, primarily by the physical economy's reaction to the demands made by the superimposed monetary-financial system, not within the bounds of the monetary-financial system as such. Greenspan's operation to this effect, was to postpone an already inevitable collapse of the combined monetary-financial and physical system by creating a mortgage-based securities market of a type which could only have a temporary existence, and which would lead, if continued, to a general collapse of the entire monetary-financial system.

Thus, for example, the current leading expression of the crisis in the U.S. real-estate mortgage market is a reflection of the pressures of the real economy (the fluctuations in the per-capita rates of incomes of those who buy or rent) on the super-speculative mortgage market, and the back-pressure on a banking system, in which the mortgages compete with the voracious demands of the hedge-funds which are looting the banks of financial assets to support the bubble in corporate acquisitions.

In dealing with a real economy, including a real economy as the basis for a monetary-financial system, we must abandon quasi-Cartesian models, and turn, instead to Keplerian cycles of a form comparable to astronomical cycles. Among all those forecasters whose work has been made known to me, and these have included the leading generally known such internationally, I have been successful thus far, over more than four decades, where they have failed, for, chiefly, precisely that difference between what could be contrasted as a Keplerian versus a Cartesian approach to long-term cycles.

We are presently at the end of such a world-historical cycle.

Presently, the existing international monetary-financial system is already hopelessly bankrupt, and is verging, al-



The mechanistic approach to economics of bubble-blower Alan Greenspan, former head of the U.S. Federal Reserve, and his co-thinkers, has to be replaced with a Kepler-like, dynamic view of development within long range cycles.

ready, on the embarrassed "economic environmental" conditions of the Lombard banks of the middle of Europe's Fourteenth Century. Only measures of desperation by both governments and powerful international financier interests have postponed what is already the override preconditions for a general breakdown-crisis of the present world monetary-financial system. The question of when a general collapse is to occur, is, therefore, a matter of the ability of those supranational interests to "keep the lid" on a crisis which is already more than ready to assume the form of a phase-shift to either a general hyper-inflationary or collapse function. The factor of timing is now entirely political in those specific terms of reference. The most likely trigger for the impending general, global explosion is the factor of heteronomic friction among the leading governments and leading financial syndicates afoot.

There is no way in which the threat so represented could be solved by "advanced knowledge" of the date of a relevant catastrophic event. A collapse of the sort brewing at the edge of today's calendars, has mammoth features beyond the intellectual-emotional capacity of any existing government of which I know. Either we shall act appropriately now, or we shall not have the privilege of acting at all. A general reform of the international monetary-financial system, which could bring this world crisis-situation under durable control, is available now. Either we act according to that option now, or we shall have no opportunity to act at all.

The problem is a want of leaders in positions of power, who have the combined intellectual qualities of daring and competence needed to do the possible, while the possibility still exists.

In short, in my view, we are on the verge of a general and global, chain-reaction collapse of the world's present monetary-financial, and also physical-economic system, a collapse which is being postponed by short-term desperation measures

taken for the closing period of the present U.S. mid-term elections. I believe in making miracles, and miracles are possible; but the willingness and competence for successful miracles are not prominent features of the currently reigning establishments.

—Lyndon.

Germany

Col. Eberhard Möschel (ret.):

I have been trained as a fighter pilot in the United States and, later, I was military attaché for my country in Cairo and Beijing. I would want my country to be the *Scharnier* [link or joint—ed.] in trans-Atlantic and Eurasian political and economic cooperation. I know only too well the problems in Germany, but I do see an almost organic tendency here to move in that direction.

What leaves me perplexed is the situation in the U.S.A. I have followed with keen interest your efforts, in 2005, to catalyze in Congress bi-partisan efforts against the destructive and self-destructive (for the U.S.) policies of the Bush/Cheney government. However, during 2006, these efforts seem to have fizzled out, especially among Democrats in Congress. I'm afraid even a good showing of the Democrats in the mid-term elections will not really change the situation. What political and/or institutional forces—and under what circumstances—could be mobilized to bring back “realism” in U.S. foreign and security policy? Do you think that political, economic, and military shocks will shake up the U.S. population, so that political and institutional forces will feel pressured enough to act?

Lastly, what is your “China Doctrine” for the U.S.?

LaRouche: You have been apparently misinformed, apparently by one or more of several relevant European sources, some with regrettable but significant U.S. connections. The impression of this left by your message, runs to the effect that my U.S. efforts have somehow “fizzled out.” I have heard such ill-informed rumors circulating in some circles in Europe. They are incorrect and unsubstantiated in reality.

The fact is, that, despite the temporary vacillation within the Democratic ranks, because of campaign financing pressures, the core of the Bush-Cheney popular support is collapsing, in terms of their base of popular support and among the institutions outside the ranks of political campaigns obsessed with getting campaign funding from the upper three percentile of the relevant income-brackets. The same leading forces responsible for the Democratic Party initiatives of 2005 are still the same leading forces, although there has been some temporary attrition around the edges; my position among those circles remains the same. However, there are some leading circles in Europe, including Germany, which tend to the worship of the idea of the horribly inevitable, and are also a

bit too close to some right-wing currents within the U.S.A.

However, in respect to the work of the youth movement, and the shift of the center of gravity of U.S. politics from the upper twenty percentile of the “Baby-Boomer” generation, to the erupting revolt from within the ranks of the lower eighty-percentile, our political position inside the U.S.A. has been considerably strengthened over that of 2005. This is also reflected among professional military and intelligence circles. The apparent strength among my political enemies is centered in the type of financier circles as the past alliance of the French Synarchists with Anglo-Dutch Hitler backers as Deterding, such as Soros and Rohatyn today. The confusion tends to come chiefly from ideologically “Baby-Boomer” strata in the age-interval of fifty to sixty-five years.

The problematic feature of the electoral situation, is, that the Democratic Party campaign committee is not only trying to include all political tendencies of the party in a “broad,” unprincipled coalition of “unity,” aided by appeal to funding from even frankly fascist rations of the upper three percentile of the relevant income-brackets, especially financier circles deeply engaged in hedge-fund and related speculation. The Democrats propose to “settle the differences” within the party’s ranks after the votes of the November mid-term election have been registered.

The first issue to consider in considering your question, is the following. It is essential not to make the mistake of focussing so intently on the nominal issues of the moment, that the real, underlying, and immediate seismic issues are disregarded.

The Global Strategic Situation

The issue, on background, to bear in mind, above all others, in any discussion of those topics you pose, is that unless the turn which I am pushing is carried through inside the U.S., there is no possibility that the world at large will escape the early and rapid onset of a collapse of the entire planet into “a new dark age” comparable, in broad terms, to that which dominated mid-Fourteenth-Century Europe. Unless what I am doing from inside the U.S.A. succeeds, there is no possibility for the rest of the planet to escape a plummet into a planet-wide new dark age, one broadly comparable to what struck Europe during the Fourteenth Century, but, this, on a global scale.

Look at the current phase of the strategic developments to date in modern Europe since the end of the Seventeenth Century, in the following, broad terms.

The American side of the problematic features of present global strategic situation, is the same circle of traditionally treasonous “families” within the U.S.A. since the February 1763 Peace of Paris, which have been used by, chiefly, the Anglo-Dutch Liberal gang and their French Synarchy partners (e.g., Worms-Lazard/Deterding) since the transition from the defeat and death of Lord Palmerston and the fall of



Alexander Helphand ("Parvus") was the Russian-born British intelligence asset who devised the "permanent revolution/permanent war" ideology that Leon Trotsky adopted in 1905, and that now dominates the Cheney's and their fellow neo-cons.

his creation Napoleon III: what is otherwise known as the "geopolitical" strategies of the Anglo-Dutch Liberals for defending the British empire-in-fact by getting the continental Eurasian fools to butcher one another for the greater glory of Liberalism, as the Anglo-Dutch Liberals did in duping France's Louis XIV into war and luring the continent of Europe into the Seven Years War.

Today, the name of the present, short-term goal of the same, centuries-old imperial game, is "globalization," the name for an intended, virtually stateless mode of Anglo-Dutch Liberal world-empire, under a financier oligarchy, with the enforcement supplied by aid of a set of multinational, virtually private military forces, all mimicking the medieval alliance of the Venetian financier-oligarchy in an imperial alliance with the Norman chivalry.

This was the policy of U.S. Secretary of Defense Dick Cheney and his particular set of backers, during the Bush "41" Administration, and has been the intended war-policy of the Bush "43" Administration, not from Sept. 11, 2001, but from the moment that Administration was pre-crafted under the coordination of a George P. Shultz of August 1971, Pinochet dictatorship, Bechtel/Halliburton, etc. renown as a fanatical totalitarian of the same "Chicago School" as Carl Schmitt's ideological followers among the so-called, frequently Trotskyist (i.e., Alexander Helphand—"Parvus") "permanent warfare/permanent revolution" followers dominating the ranks of the Lynne Cheney's Dick and her followers among the attempted neo-con, "Goebbels"-style, takeover of the U.S. universities and mass-media of the U.S. today. Calling the U.S. warfare in Southwest Asia under Bush-Cheney as "Halliburton's War," and Rumsfeld's efforts to destroy the professional military, are typical symptoms of the trend.

This fanatically pro-medievalist eradication of the institution of the sovereign nation-state, has been the policy of the Anglo-Dutch Liberal/Synarchist alliance of financier-oligarchical interests since the day President Franklin Roosevelt died. The destruction has proceeded, however clumsily, and

with some fits and starts, ever since the day Franklin Roosevelt died. The Maastricht agreement and the birth of the euro are typical expressions of this quasi-medievalist madness.

So, under totalitarian fanatics, and virtual traitors such as George P. Shultz, the U.S. today is under the nominal leadership of a lunatic of a certain nominal family pedigree, George W. Bush, with a personality which is a bad, one might say "Bertolt Brecht," imitation of the Emperor Nero, whose assigned function, which he has served rather well, is to induce the U.S.A. to destroy itself.

The problem for Europeans in particular, among others, is that the acceptance of the oligarchical residue associated with the Anglo-Dutch Liberal notion of "independent central banking" prevents any sane remedy initiated from Europe for dealing with the presently onrushing threat of a global, chain-reaction form of planet-wide, general breakdown crisis. The Maastricht agreement and the implementation of the euro, when these conditions were added to the ruinous effects of a system of "independent central banking," have wrecked the chances for any viable European initiative unless there is an opportunity forced upon Europe by the combination of a threatened 1923-Germany-style financial breakdown crisis, and the proffer of a New Bretton Woods-style of initiative from the U.S.A.

On this account, the fight to save the D-mark was the last clear opportunity to prevent Europe from adopting a set of conditions which made a European-prompted European recovery a possibility. Only a break by the U.S.A. with this Anglo-Dutch-Liberal-directed lurch toward "globalization," could make possible an escape from that fate of that global "new dark age" which haunts the immediate future of today's financial-crisis-ridden world as a whole.

The Matter of Method

The underlying incompetence of generally accepted doctrines of economic and related forecasting today, is that these methods are systemically Cartesian, whereas real social processes are Dynamic in Leibniz's sense of the modern use of the ancient Greek "*dynamis*." Leibniz's method is to be recognized as premised on the underlying features of the whole work of Johannes Kepler. This is to be recognized by competent economists, when representatives of that extremely rare species might be found, as reflecting two crucial elements upon which Leibniz's general contributions were largely premised: Nicholas of Cusa follower Kepler's uniquely original discovery of universal gravitation, in contrast to the systemic failures in astronomy of all rivals since the circa B.C. 200 work of the Platonic Academy's Eratosthenes and his correspondent Archimedes, and Fermat's demonstration of the universal principle of "quickest time." Not only Leibniz's uniquely original discovery of an actually infinitesimal calculus, but his related attack on the intrinsic incompetence of the method of Descartes and Descartes' followers, then and now, is of leading relevance to the issues

of competence versus econometric statistical mechanics today.

Notably, as Kepler's work on the Solar system generally emphasizes, the principle of universal gravitation demonstrated crucially for the case of the Sun-Earth-Mars alignment, a universal principle of gravitation, which is to be reflected as an infinitesimal in the generation of the elliptical function of the Sun-Earth-Mars alignment (the origin of the development of elliptical functions from Gauss et al. through Riemann's physical-hypergeometric notion of the tensor), but the existence of a Solar system generated from what had been earlier a faster-spinning, relatively solitary Sun, showed that the function of gravitation, which predetermines a planetary orbit, is also, contrary to reductionist adorers of the Newton myth, (such as Clausius, Grassman, Kelvin, Mach, et al.) a reflection of an anti-entropic universe, as this is typically expressed in the evolutionary development of planetary orbits in a system based on what had been "originally" a solitary, faster-spinning Sun.

This "Kepler-Leibniz-Gauss-Riemann" (and Einstein) track, is, so to speak, the only available model on which to premise physical economic forecasting, and therefore, to treat the paradoxical, inherently conflicting relationship between physical and monetary economic processes. The latter are essentially reflections of derivatives from Cartesian linear-statistical-mechanical "flat Earth" dogma; actual economic cycles are long-wave cycles, in the sense of planetary orbits.

The latter type of economic cycles are intrinsically Riemannian as a matter of relevant physical principles. My successes in long-range economic forecasting, since my first, successful venture in short-term forecasting of the 1957 U.S. recession-crisis, and my subsequent forecast of the threatened collapse of the Bretton Woods system to occur, unless certain changes were introduced, by approximately the close of the 1960s are typical of unrivaled record of successful forecasting, relative to all known potential rivals, since the close of the 1950s.

That sums up the situation on that account at the present time. Unless certain, very specific types of changes in fundamentals of organization of the world's present physical-economic policies and also financial-monetary systems are made now, the world as a whole were already doomed to a long-term "orbital-like" effect, especially that over the 1967-68 to 2006-2007 cycle now in progress, of a general collapse of the planet into a prolonged "new dark age" during which most of the nations and language-cultures presently extant will tend to disappear.

The defines the present policies of and among governments as a moral question, an existential question. There is no moral excuse for failure to replace the present Anglo-Dutch Liberal mode of financial-monetary system and current physical-economic policies now. No one has a place of honor who does not recognize this situation, and act accordingly.

Therefore, since this could not happen without the indi-

cated near-term role for the U.S.A., there is no alternative for any part of this planet but such a change in U.S. policy as I have prescribed.

Is that ultimatic? Not at all. This planet has seen the collapse of entire systems many times before this, taking into account historical and archeological evidence to that effect. We are at such a critical juncture in the existence of the human species, once more. This time, the difference is that the immediate reaction would be of a chain-reaction-like process of collapse-function, and it would be global.

The Eurasian Economy

I have addressed the prospects for China in varying degrees in various published locations. I have addressed this most recently within a feature presented in *EIR* (Nov. 3, 2006) "President George W. Bush, Jr. Attempts Our Species-Jump Down," and in earlier treatments of the Eurasian model and of implications of the differences, within the Eurasian model which I propose, between European and Asiatic cultures, as I do on the subject President George W. Bush.

It is my proposal for a new relationship between the modern European and Asiatic legacies which is the most crucial pivot for planetary cooperation now.

—Lyndon

India

Jagdish Kapur, New Delhi, Oct. 29:

Those who control more than 9,000 nuclear weapons and are improving and extending their reach are threatening other countries, big or small, not even to develop nuclear energy for peaceful uses. It creates an impression that the so-called superpowers are so concerned about their dwindling credibility that they do not trust anybody; and consider other countries as a threat. The United States of America has spent most of its time and money and efforts during the last quarter century in making more lethal nuclear weapons of mass destruction and no development in safe and peaceful uses of nuclear power. They are now getting scared of outreach of other countries to be self-reliant and hit back. It would appear that this is the cause of the present crisis and confrontations between the United States [and] Israel with Iran and North Korea. Would you like to comment on the nature of the American foreign policy vis-a-vis nuclear energy development?

LaRouche: To simplify my reply to a question which touches upon numerous complexities, I begin by saying that the alleged issue, of Iran's nuclear program, is a fraud, a smoke-screen masking uglier real motives. We must go back, as I do, from my experience as a U.S. soldier in India, after return from war-time northern Burma, during the first half of 1946. The death of U.S. President Franklin Roosevelt, resulted in an immediate shift in U.S. policy, to an anti-Franklin Roosevelt policy of Winston Churchill and his



John Rawlings Rees (above) of London's Tavistock Clinic steered the drug-addiction culture of the United States, and its anti-technology 68er generation (shown here at a 1967 march on the Pentagon). "To rule a nation by tyranny, you must make the mass of the people stupid, and aid greatly in doing this by avoiding their familiar use of scientific and technological methods in the practice of production."



White House Photographic Office

Since the fall of ancient Greece, through its plunge into the Peloponnesian War under the corrupting influence of the Delphi Apollo cult's program of Sophistry, Europe has endured the empires of ancient, medieval, and modern civilization; the Roman, the Byzantine, the medieval Venetian financier oligarchy's alliance with the Norman chivalry; the internal religious warfare of 1492-1648; and the rise of presently ruling form of financier imperialism, the latter, the present empire of the Anglo-Dutch Liberal successor to the reign of the Venetian financier oligarchy, of which the U.S. became a mere auxiliary with the 1971-72 collapsing of the fixed-exchange-rate Bretton Woods system.

The essence of this process of European imperialism, through all of those, and related phases, has been the reign over nations and their people by causing the

Mountbatten, away from a Roosevelt policy of liberation and development of all colonial and semi-colonial nations to full status as sovereigns being assisted in development by U.S. cooperation. For the relevant factions within the Anglo-Dutch Liberal heirs of the old East India Company, and the "white shoe" Anglophile Liberals of the U.S.A., such as Allen Dulles, the objective was then, under Truman, as now, the elimination of both the European 1648 Treaty of Westphalia, to what is a virtually stateless world-empire of the form of "globalization" today.

Currently, the U.S. is being destroyed, under the influence of that imperial, Anglo-Dutch Liberal faction. The U.S. is being destroyed in the only way a great power is destroyed; it must destroy itself. It must do this, by first, discrediting itself in the eyes of the world, and of the majority of its own citizenry, in the fashion the current Bush-Cheney Administration has brought the U.S. to the level of the utterly contemptible, thus destroying itself to the degree that other factors "finish the job." This is presently already the future of the U.S., unless the present Bush Administration and its manners were abruptly changed for a better, clearly human form of U.S. government, now.

Now that I have said that much on that cardinal feature of the present situation, I am enabled to focus my attention on replying to the relevant, closely-related matter of Anglo-Dutch Liberal, and, hence, U.S. "energy" and general technology policies.

great majority of their people to wear the slave-chains of ignorance and, often narcotics-assisted stupefaction, as we observe the rule of the London-steered drug-addiction-culture of the U.S. launched by Brigadier John Rawlings Rees's London Tavistock Clinic, a launching combined with the introduction of prohibition against alcoholic beverages in the U.S.A. To rule a nation by tyranny, you must make the mass of the people stupid, and aid greatly in doing this by avoiding their familiar use of scientific and technological methods in the practice of production.

The anti-technology drive associated with the rise to power of the so-called 68er generation, and the associated shift of production from the U.S.A. and western Europe into developing, or much less developed nations, has been a lowering of the technological potential of the world as a whole, and the dumbing-down of the most parts of the populations which had been formerly the most advanced in their technological and related potential.

It happens that the authors of these anti-science policies associated with the rising power of the 68er generation have also succeeding in making the authors of this policy increasingly stupid, thus guaranteeing that any empire they create with their present intentions will fail before it begins, thus ensuring a planet-wide dark age of more than a generation for all humanity as the markets to which Asia (for example) sells will have suddenly gone into a very sudden and deep collapse, that very soon.

Therefore these advocates of “globalization” and dumbing-down of the culture and morals of Europe and North America are bringing about not only their own doom, but that of the world at large.

Wise leading forces in Asia and elsewhere will, therefore, go into a high-technology program directly contrary to the leading opinion in IMF and related circles today. Given the poor intellectual development of the mass of Asian poor, we must use the most advanced form of existing power-generation and distribution systems as a lever for creating a leap in the quality of the circumstances of life and production of and by the poor of Asia. A massive development of feasible models of nuclear power sources is the leading weapon of defense through development today: Getting “rich” financially is a foolish policy when compared with the alternative of becoming powerful.

Kapur: As is widely known, India has been a responsible nuclear power in matters of proliferation, and on energy development and research for military purposes. They entered into a friendly relationship with United States for moral support in the development of nuclear energy for satisfying their growing energy needs. Instead of a straight-forward support for such an agreement, the United States endeavoured to use it as an instrument for domination to serve its own politico-techno-economic and security interests. They have thus placed this in jeopardy.

What would be your views on such policies using every opportunity to dominate the entire politico-socio-techno-economic affairs of other countries and catalyse their alienation?

LaRouche: I agree precisely with your assessment on this matter.

Kapur: For many years now, India has been carrying on research on the use on fast breeder reactors and the thorium cycle. These two together can be a major factor in the development of peaceful uses of nuclear power around the world and greatly extend the life of available resources. These developments can also contribute towards de-salination of sea and brackish water for human consumption. Water is going to be an area of great conflict within this century. There is an immense opportunity to serve both the energy and the water problems at the same time through the development of such technologies. How do you view this?

LaRouche: I am in full support of such a perspective, with the following addition.

The most strategically important potential of a recovering Russia, a potential which serves Russia’s most vital long-term interests by serving its Eurasian (and other) neighbors, is the potential within the Vernadskyian legacy of Russia, for developing the so-called natural resources of the least developed regions of Russia’s own and adjacent Eurasian territory in the long-term measures needed to assure a supply of minerals of a quantity and quality adequate for meeting the

needs of the entirety of a growing population of Eurasia. The nuclear/thermonuclear driver in developing operational sources of power should be seen as an integral part of the larger scope of development, in managing the development and application of an expanding variety of resources on the so-called “Periodic Table.”

Prof. Lokesh Chandra, eminent historian and former Member of the Indian Parliament:

[How] do you view the aggressive policies of the present U.S. administration in alienating vast sections of the world’s peoples? This is encouraging alternative protective coalition in continents—Latin America, Europe, and Asia—which emphasises that there is a need for more integrated and harmonious policies rather than attempted domination of other countries for the purposes of the misuse of their economies and the political system. A participation between Asia and Europe and the emergence of the new Eurasian land mass can contribute greatly in reshaping our future. Could you comment on this?

LaRouche: The U.S.A.’s abandonment of its revolutionary legacy must be seen largely as the relative success of the oligarchical predators of Europe in inducing the U.S. to destroy itself by such practices against its neighbors, turning former active and potential friends in various parts of the world into sullen partners, and even enemies, as the wars, under Bush-Cheney in Southwest Asia have set the stage for a growing threat of self-inflicted doom of the U.S.A. foolish enough to tolerate Bush-Cheney and their antics.

However, an added word of caution. There is no possibility that Eurasia could survive the chain-reaction, planet-wide effects of a presently onrushing collapse of the U.S. dollar. Unfortunately, very few people in the world today, being saturated with the confusion of “economics” with the ideologies of imperial Anglo-Dutch Liberal dogma, have the relevant quality of understanding of how an economy actually works. The customary taught dogma is based on the axiomatically Cartesian statistical-mechanistic ideology of Anglo-Dutch Liberal ideology, whereas the real economy is dynamic in its essential characteristics.

Côme Carpentier de Gourdon, New Delhi:

Many of the present world problems arise out of the distorted consumerist paradigm and the financial system, which is trying to manipulate it from behind the scenes. These aspects need serious reexamination and alternatives to Bretton Woods model explored, if a orderly human situation has to be created.

LaRouche: There are, in fact, no viable alternatives to a revival of the Bretton Woods system, as defined under Franklin Roosevelt, but adapted to the existing conditions of today. The point to be emphasized, is that the 1971-72 destruction of the Bretton Woods system, transferred the dollar from being a supported U.S. economy, to a nominal, fictitiously supported,

IMF paper. Today, virtually nothing is actually supporting the present world, dollar-denominated system of indebtedness, especially since the lunatic rampage of the frankly fascist former Federal Reserve Chairman Alan Greenspan's financial-derivatives rampage.

Therefore, unless the U.S. dollar can be stripped of gambling debts (e.g., financial derivatives and related nonsense), and converted largely from a short-term to a long-term basis in reorganization-in-bankruptcy, the collapse in trade levels which must inevitably accompany a devaluation of the U.S. dollar would plunge the world trade-level to the degree that a new dark age must ensue.

Thus a new Bretton Woods system, of fixed-exchange-rates, and long-term treaty agreements on credit and trades, must be instituted immediately, to prevent an otherwise inevitable collapse of the world, very soon, into a prolonged new dark age.

—Lyndon

China

Prof. Dai Lunzhang, Dr. Zhang Yun, and Mr. Dai Jun,
People's Republic of China (Oct. 30):

1. Many thanks for your detailed explanation for the origin of the Bretton Woods system. Just as James Baldwin said, "We can not escape our origins, however hard we try," we agree with your opinion that *the Bretton Woods system was not the product of some special conditions of that local part of history*, but it should be understood as the product of the long-wave course of world history, and it originated in the adolescence of modern Western civilization.

In your manuscript, you compared the feudal systems such as Sparta, the Roman Empire, and the medieval Venetian city-state with the commonwealth form of society emerging in the 15th century. The substance of a list of various political-economical systems including Sarpi's system, Anglo-Dutch liberal system, Vienna system, and American system is exhibited, and it is proved that the Bretton Woods system could help guarantee *the right of all of the people to share in shaping the idea of society*, especially favorable for lower eighty percentile of family-income brackets, rather than the rich and powerful few. We believe your reasoning hits the point that a new Bretton Woods system is destined to be established in the future, because the course of human history shows an iron rule that the wish of people will, sooner or later, placidly or dramatically, peacefully or unpeacefully, be realized, and any political-economical system embracing ideological corruption will be inevitably ruined.

2. Undoubtedly, the ongoing economic globalization is afflicted with great injustice, because it has sharpened the unevenness of development by moving production to where infrastructure is lacking, and standards of living are poorer. As you mentioned, partly due to the policy of the Nixon,

Ford, Carter, and George W. Bush, Jr. administrations, sub-Saharan Africa suffered most seriously from the dark-side of the globalization.

China has noticed this issue for a long time, so despite its own difficulties, China still helped the African people build a project like Tanzania-Zambia railway in 1970s. Now with a economy booming, China becomes an accountable "stake holder" in international society, and aims to establish a new type of China-Africa strategic partnership featuring equality and mutual trust in politics, economic cooperation, and win-win results, and cultural exchanges.

As China Premier Wen Jiabao of the State Council presented at a press conference in Egypt this June, "China's economy prospered. We shall remember our old friends better than ever. There is an old Chinese saying that goes like this, 'As distance tests a horse's strength, so does time reveal a person's real character.'" Let history be the witness. It was witnessed that, in recent years, China has already exempted RMB10.5 billion of debts of 31 heavily indebted poor countries and the least developed countries in Africa, and granted zero-tariff treatment to the commodities under 190 tax items exported by 29 least developed African countries to China.

However, we regard the foreign investment and debts exemption could only temporarily help African people, but are not a way for them to get rid of poverty. The key of the issue is to improve the self-development ability of Africa. Thus, international society needs a fresh mechanism to conduct collective efforts such as encouraging domestic enterprises to start cooperation with African counterparts, implementing infrastructure and public welfare projects, offering training to African professionals, dispatching medical teams, etc. We believe a new international economy system could take the duty, and the U.S.A. could play a leading role in this upcoming framework.

3. According to our analysis, the gap between the rich and the poor in the U.S.A. has rapidly expanded during George W. Bush, Jr.'s presidency. As you mentioned, this phenomenon is caused by the pro-Anglo-Dutch liberal economic policy of Bush Administration. Furthermore, recently an official report revealed that the war in Iraq in fact aggravated the terrorism threat to the U.S.A. homeland security. [Whether] from economical or political view, Bush's so-called Neo-Conservatism is losing people's trust and support. CBS's poll on 14th August shows that the supporting rate of Bush Administration is loitering around 36%.

Compared with the Republicans' policy, the Democratic Party pays more attention to the benefits of lower eighty percentile of family-income brackets, and you represent the most progressive force in the party. So we are grateful to see you are *acting* now, sincerely looking forward to your winning the "*battle which is set before*" you. We believe your foreseeing idea will positively influence the U.S.A.'s policy after the 2008 Presidential election, and devote to establishing a



Courtesy of Korea Hydro and Nuclear Power

Thousands of new nuclear plants are essential for a world development program that will make use of existing and new natural resources. Here, six nuclear plants at South Korea's Yonggwang nuclear complex.

harmonious society for humanity as a whole.

As you scheduled a new conference on the 31st October with regards on Eurasia issues, we have prepared the following questions:

Q: It is reported that the 14th round ministerial-level conference of IMF was held in Singapore on 17th September. And the resolution was that the voting right of China rose from 2.98% to 3.72%; 0.77% to 1.35% for Korea Republic, and 0.45% to 0.55% for Turkey. So it concluded that the voting weight of Asia in international financial society was dramatically increasing.

Do you think this is an encouraging sign for a new Bretton Woods system? If so, do you expect a crucial position of the IMF in handling Eurasia issues in the future?

LaRouche: I think these developments are essentially diversionary, not promising, except as they express a desire of the Anglo-Dutch Liberal imperial faction, of which the controllers of the U.S. Bush Administration are a subsidiary part, a desire to lull the nations of Asia and elsewhere into false confidence, pending the dictatorial measures of stateless globalization being set into motion for the relatively near future.

Q: The North Korea nuclear issue remains a hot spot in the international political scene. The stability of Eurasia highly depends on this issue. Unfortunately, the D.P.R.K. claimed its first nuclear test on 9th Oct. International society firmly opposed the nuclear test, and denounced the development as "brazen."

From this point, do you think the six-party talks have already failed? And furthermore, what steps should the U.S.A. take to resolve the crisis? Will military action be an option? And how could China play a more positive role in this regard?

LaRouche: There should be no assumption that the current U.S. Bush-Cheney Administration will play a positive role. Only a crisis-driven change in the U.S. Administration, putting the present Administration under "adult supervision," would lessen the increasingly threatening likelihood of a deadly crisis.

Q: China and India are undergoing seemingly unstoppable growth, and the increasing economic strength of the two countries has dominated the news for the past few years. Although these two Asian giants recently have made significant progress in resolving the border dispute haunting their relationship for several decades, it is still anticipated that bilateral disputes will inevitably rise in the future, because "their development patterns are incompatible."

As both China and India play critical roles in the strategic balance in Eurasia, so we want to know your opinion on which will be the mainstream in the future relationship of these two nations, competition or cooperation? It is said that India will overtake China in the near future, because of the advantage of their political system. Do you agree with that?

LaRouche: If Russia agrees to play the relevant role, Russia, China, and India will emerge as three leading poles, in cooperation, hopefully, with a western-central European partnership centered in Berlin, of a new long-term (two gener-



www.swietelsky.cz

The Chinese questioners commented on how sub-Saharan Africa suffered most seriously from globalization, and noted how China had helped Africa, going back to the 1970s. China's largest aid project at the time was the Tanzania-Zambia Railway (shown here). This was a turn-key project, operational in 1976, which starts at the port of Dar-es-Salaam, crosses Tanzania, and then links to the Zambia Railways, giving land-locked Zambia an outlet to the sea.

ation) system of Eurasian development. In such a context, currently improved cooperation between China and India, for this long-term purpose, would be indispensable for the long-term benefit of all Eurasia, and would help to make Eurasian cooperation the center of global development.

Q: Sino-Japan bilateral relationship plumbed to the record low while Prime Minister Junichiro Koizumi was in the post. Now Shinzo Abe has become Japan's new premier, and said he would not disclose any future pilgrimages to the Yasukuni war shrine, which is reviled in China and South Korea as a symbol of Japan's past militarism. Shinzo Abe has already had a summit with President Hu of China this week.

In China, on the one hand, Abe is considered a hawk on security matters and a proponent of a more assertive Japan, and on the other hand, he is regarded as a politician dealing with concrete matters. What's your comment on today's Sino-Japan relationship? And, what further steps should the U.S.A. take to handle the future U.S.-Japan axis, and in detail, how could this axis to positively maintain the China, Japan, and Russia's triangle relationship?

LaRouche: One must recall that the First and Second Sino-Japan wars of the 1895-1945 interval were the product of an arrangement with the plans by the British monarchy, initially under Prince Edward Albert/King Edward VII, for a permanent geopolitical domination of Eurasia by the Anglo-Dutch Liberal interests centered in London. Edward Albert's argument, which swung the Meiji reforms away from the U.S.A., to the role of the anti-American British ally of 1922-

1939 and beyond, was pivoted on the idea of common dynastic interest between the two monarchies, even despite the contrary impulses of the Emperor Hirohito against his own war party's delusions. The same Anglo-Dutch Liberal interests, now represented chiefly by the right-wing faction associated with the Bush-Cheney forces, intends the subjugation and possible break-up of China along the same lines seen during the 1920s and beyond. Russia is also already a strategic target in this Liberal imperialist targetting under the "globalization" policy.

—Lyndon

Turkey

Yarin magazine sent a question:

Recently the American Army published a new map of the Middle East, which caused a lot of controversy: www.internethaber.com/news_detail.php?id=44865

At first sight, you notice Turkey splitting up into the rest of Turkey and free Kurdistan, Iraq splitting up in three parts, and there are other border shifts in the Middle East. This map was introduced to a group of Turkish Army officers by an American army officer in a NATO briefing, whereupon the Turkish officers left the briefing room in protest. How do you reflect on this?

LaRouche: For me, there is no mystery in those curious events; it is sufficient to correct the widespread false assumption concerning the actual authorship of these and similar

kinds developments. To understand this matter, it is essential to begin by looking back to the time of the death of U.S. President Franklin Roosevelt, and of the sudden, open reversal of Roosevelt's policy, by the Truman Administration, a change which began to appear on the day of Truman's inauguration.

As I emphasize repeatedly to those who are astonished by my cumulatively unique string of successes as a long-range forecaster over approximately the past five decades, significant developments in history unfold in the way Johannes Kepler discovered the essential principle of the orbital characteristics of our Solar System, as long-term developments, usually completing their approximate cycle over one or two generations, and, in some respects, over centuries. The proper response to your question lies within that domain of analysis.

Decisions made are sometimes historically significant. However, it is cultural trends set into motion over several or many generations which reduce the crucial decisions to a few alternatives presented at critical junctures defined by long-term trends, as is the immediate situation, today.

The customary error of would-be economic forecasters and others today, is that they rely upon the wrong, crudely mechanistic method for such forecasting, and, therefore, also for analysis of the significant consequences of current developments. The usual error in forecasting, even among specialists, for economic forecasting and other matters, is that they analyze processes in terms of mechanistic kinds of current, apparent, statistical trends: not in terms of the "Keplerian," "Gaussian," "Riemannian" qualitative phase-shifts which are characteristic of dynamic, rather than mechanistic (e.g., "Cartesian") forms of statistical processes.

The shortest lapse of time to be considered to answer your question competently, even with approximate accuracy, is more than seventy-five years ago, on the day President Franklin Roosevelt was inaugurated, on a date slightly more than a week after Adolf Hitler had been awarded dictatorial powers. We are dealing with a process which goes back, even in fair approximation, more than three generations ago, when the most significant decisions pre-shaping today's strategic situation for decision-making, were being made by men and women now long deceased.

For example, think of the famous story, as featured within President Richard M. Nixon's favorite movie, "Patton," according to which Patton proposed to take German prisoners of war out of their internment camps, rearm them with their weapons, and use them as part of the force to launch a military assault against the U.S. ally of the moment, the Soviet Union. That story was essentially true, as was confirmed to me directly by persons who had served, either as officers of relevant rank under Patton, or knew this from their post-war role as part of the U.S. intelligence capabilities of the so-called "Cold War" period.

What this action by Patton reflected, was also expressed

as the intention shared by President Truman, Roosevelt's immediate successor, with Britain's Winston Churchill.

Roosevelt's explicitly stated policy for the post-war period, was the use of U.S. economic and related power to eradicate all remnants of colonial-imperial systems from the planet, in favor of a planet organized as a system of sovereign nation-states engaged in scientific-technological development. This was the issue of the continuing fight between "allies of the occasion" Roosevelt and Churchill's British Empire during the 1939-1945 span. The British Empire represented by Churchill was determined to "preserve the British Empire," and also check the impulse for liberation of colonies of London's colonialist co-thinkers. Churchill's views on this matter were shared among what World War II OSS and similar veterans called the U.S.A.'s "white shoe boys," the Wall Street-centered crowd of sometime traitors and always worshippers of all things British, such as today's still living cup-bearer of the evil gods, John Train, who typifies the anglophile financier species which Roosevelt had pulled out of their earlier support for bringing Mussolini, Hitler, and Franco, among others, into power in Europe—and who, often, like Train, an ally of Mrs. Lynne Cheney and Senator Lieberman, represent the present expression of "international fascism" today.

At the point of Roosevelt's death, Churchill's Britain had created the policy crafted by Bertrand Russell, for creating "world government" through a nuclear aerial bombing of the Soviet Union, to, as Russell published this openly in September 1946, force the Soviet Union to submit to world government. The holding up the peace treaty already arranged with Japan's Hirohito, was intended to permit a nuclear bombing of civilian mass-population targets in Japan, to make Russell's "world government through nuclear terror" a sensuously accepted prospect. Many of the leading Nazis and their collaborators were more or less fully "rehabilitated" and working in support of Truman's policies, by the time of Truman's 1948 election as President.

Back then, as today, the policy of the same Anglo-Dutch Liberal, trans-Atlantic crew, is the same policy of elimination of the existence of sovereign nation-states, which Bertrand Russell announced on behalf of London and its U.S. accomplices in 1945, a goal expressed through the establishment of what is called "globalization" today: a system echoing medieval Europe's so-called "*ultramontane*" system of empire, of Norman anti-Islam, anti-Semitic chivalry, under the direction of the Venetian financier oligarchy. Notably, the destruction of the U.S.A., which has been fully in progress since 1971-1972, has been among the leading included targets, a targetting supported, within the U.S.A., by international financier interests, such as Lazard's creation, Felix Rohatyn, behind the policy of "globalization."

The policy-aim is to break up all nations into small micro-states, with the whole collection under the control of Venetian-like, vast, slime-mold-like financier syndicates, with en-

forcement by private armies which replace what had been national military forces.

Turkey is currently a prominent target of an operation—this operation, spun out of operations targetting the Arab world, Iran, Pakistan, Transcaucasia, and so on, an operation which was the actual motive not only for creating the present mess in Iraq, but for every destabilization operation within the entire region, since Henry Kissinger, et al., under the direction of British “advisor-on-loan from London” Bernard Lewis, unleashed the April 1975 religious warfare in Lebanon.

The induced self-destruction of the U.S.A., has been an included leading objective, from the death of Franklin Roosevelt to the present day. That is the reason a pair of the brutish incompetence of George W. Bush and Dick Cheney, have been assigned the duties of virtual co-dictators over the U.S.A.: to ensure the self-destruction of the U.S.A.

For reference, look up the international names “Northcote Parkinson,” “Heineken,” and “John Train,” legendary names in the contemporary history of such phrases as “international fascism,” and universal “Waffen-SS.”

Such is real history, as distinct from the babble usually encountered in the current press.

—Lyndon.

Colombia

These questions were submitted by the heads of the Economics and Art departments at **Universidad INCCA**, in anticipation of the Oct. 31 webcast.

Q: What would be the alternatives for Colombia, that would be different from free-trade agreements, but would strengthen economic integration with the United States?

LaRouche: We must return to the principles which underlay the policies and treaties under the Bretton Woods system. This includes emphasis on long-term tariff, trade, and credit agreements. The object is to create the setting for utterance of long-term credit, at fixed, low simple-interest rates over terms of up to between 25 and 50 years for capital improvements made under the terms of treaty agreements.

Q: What is really behind the Plan Colombia [the U.S.-backed anti-drug/anti-terror program]?

LaRouche: This is a mess! Rather than approaching this matter ad hoc, we require a continental agreement to a treaty of cooperation for general development among the participating nations. Direct action will not work unless we create an international environment which makes success of direct measures acceptable.

Q: How do you propose to defeat the U.S.’s war policies toward the rest of the world?

LaRouche: This I have covered in essential, if broad terms, in this week’s *EIR* [Nov. 3, 2006]. I have presented all of the essentials of a general approach at considerable length, there.

Q: What are the theoretical bases of physical economy?

LaRouche: Ancient through modern, now globally extended monetary-financial systems, have continued to operate under what were originally imperialist systems, such as the Roman, Byzantine, medieval Venetian-Norman, and Anglo-Dutch Liberal forms of imperialist systems which were of Asian origins, but were typified in ancient European history by the loan and trading policies associated with the Cult of Delphi.

Since those ancient times, European and Mediterranean cultures have been dominated by the role of imperial and related types of usury, such as that of Delphi. This persistence has been closely associated with what Marxists and others have misled themselves into describing, by their superficial way of thinking, as “class society,” rather than recognizing that the reality is that in and among most of these societies, the distinction was not of “social class,” but of the bestialization of the rulers and their lackeys by the treatment of subject populations as virtual beasts, as human cattle.

The Physiocratic dogma of François Quesnay and Turgot is the most flagrant statement of the cardinal underlying assumptions of the policies which Lord Shelburne’s lackey, and plagiarist, Adam Smith, appropriated from the Anglo-Dutch and French followers of Paolo Sarpi in the new Venetian party of Descartes, Mandeville, Quesnay, and the plagiarist of Mandeville, Quesnay, and Turgot.

The developments in the aftermath of the February 1763 Peace of Paris established the Lord Shelburne-led British East India Company as Venetian style empire-in-fact. Since that time, the influence of the U.S. followers of Gottfried Leibniz’s influence expressed chiefly by the American System of Franklin, Hamilton, Carey, Lincoln, et al., and also President Franklin Roosevelt, has been the only durable challenger to the global, Venetian-style hegemony of the Anglo-Dutch Liberal system, that of ideology and economy. However, the American System, even when influential, has operated within the context of a world system dominated by the imperial ideology of the Anglo-Dutch Liberal ideology. The Marxist, like Marx himself, were no exception to ideology domination of thinking and practice respecting economy throughout all leading societies of this planet since 1763.

My own thinking on this subject of physical economy has been dominated by adoption of Leibniz since approximately my fourteenth birthday. This influence came to the fore in developments which began ten years later, during the years immediately following World War II. These ideas respecting a Leibnizian science of physical economy, were seen by me as that term was defined by Leibniz himself since 1671-1672. My own original contributions to this field, which now defines

the applicable meaning of the term “physical economy” in the world of today, were crafted by work during the interval 1948-1953, work originally launched as my reaction to the obvious fraud in the propagation of the hoaxes associated with the terms “information theory” and “artificial intelligence” by the followers of Bertrand Russell, Norbert Wiener, and John von Neumann. My campaigns against the fraud of the popularized doctrine of “information theory,” were crucial in leading me to the time, by 1953, when I had firmly adopted my contributions to a modern science of physical economy as essentially an outgrowth of the leading work in physical science by Leibniz follower Bernhard Riemann.

The formal difference in method of my work in the field of applied physical economy, is expressed, on the surface, by my opposition to the particular forms of radically reductionist ideologies associated with the Anglo-Dutch Liberal schools and their Marxist offshoots.

In my practice as an economist and forecaster since that latter time during the early 1950s, what should be the most obvious distinction between my method and that of the majority of economic forecasters, is that they employ varieties of what have been, during recent decades, the repeatedly failed statistical-mechanistic method derived by the followers of Descartes, whereas my methods of forecasting reflect the influence of Johannes Kepler’s work in creating the explicit foundations of all competent approaches to modern astronomy. Notably, since my 1956 forecasting of an approximately February 1957 outbreak of the most severe recession of the post-World War II time, and my subsequent, 1959-1960, long-range forecast for the second half of the late 1960s, I have never erred in the specific forecasts as I have stated them.

The presently accelerating world monetary-financial and physical-economic crisis, a crisis now entering its terminal phase, has become the basis for both refinements in forecasting by aid of methods derived from my work in developing physical economy, and in designing of proposed programs of long-term reform needed to uproot and correct the policy-shaping errors of, most emphatically, the 1971-2006 interval to date.

That said to describe the significance of “physical economy” historically, as I have just done, I am now situated here to turn to the conceptual root of the issue which the question implies.

The root issue is whether the physical universe, within which real economy (i.e., physical economy, as distinct from monetary systems) is situated, is a fixed form of creation, that view of the “God is dead” outlook of Nietzsche and others, or a self-developing form of creation, as Kepler’s (like Plato’s) approach to the matter of world harmonies poses a universe in an “axiomatically” self-developing (one might say “Heraclitean”-Platonic) mode. From the latter standpoint, the function of man as “made in the likeness of the Creator,” is expressed in the role of a required commitment by society, to

the development of physical and related science to the purpose of increasing mankind’s power to exist within a self-developing (i.e., anti-entropic) universe, a universe consistent with the policy of Prometheus, as opposed to the policy of the Delphi Cult’s Olympian Zeus.

In other words, the issue is the matter of the essential difference of the species man from the species of all beasts: the human individual’s power of discovery of universal principles in the domains of physical science and Classical artistic modes. It is the difference between a society based on the fixed quality of behavior of any species of animal, and one based on the individual mind’s power to change the universe, willfully, by discovering relevant universal physical and Classical-artistic principles.

It is this creative power of the individual human mind, when encouraged in its development and the expression of that development, which defines the real economy, a physical economy, on whose development, or lack of such development, the prosperity or collapse of monetary-financial systems ultimately depends,

So, instead of using schools and universities as places to train animals to perform learned tricks, we focus on fostering the creative powers of the individual in the domains of knowledge and practice of universal physical principles and Classical-artistic principles, too.

The proper object of economic policy is the development of the quality of existence of the individual person in society. What is needed to that end, is the subject of physical economy, as Leibniz already understood in introducing the concept of a science of physical economy, by name.

Q: How can we integrate art, science, and politics? [This question came from the head of the university’s Art and Music Department.]

LaRouche: My associates and I, in the U.S.A., in particular, are dealing with this from the standpoint of the history of the *comma*, from Pythagoras, through the Florentine *bel canto* school associated with the surviving elements of Leonardo da Vinci’s “De Musica,” Bach, and the Classical followers of Bach through (most notably) Brahms. The emphasis is on the singing voice, the *bel canto* trained singing voice in choral work and instruments such as the stringed viol and woodwind extensions of the singing voice, and on the manner in which the *comma* expresses its crucial role in the performance of string instruments and Classical ensemble compositions. This same conception of the *comma* arises as crucial in astronomy, as in the work of Kepler on the planetary organization, and the related work of Gauss. The *comma* as the expression of the concept of the ironical role of the infinitesimal in respect to the conceptions of universal principles, in competent currents of physical science and the role of irony in Classical artistic composition, unite the two aspects as one.

—Lyndon