

The Significance of The U.S. Crisis for Europe

Here is Lyndon LaRouche's speech on the opening Schiller Institute conference panel on "Imminent Disintegration of the World Financial System, or Enactment of the Glass-Steagall Act?" The subject of the July 2-3 conference, held in Rüsselsheim, Germany, was "Rescuing Civilization from the Brink." Schiller Institute Chairwoman Helga Zepp-LaRouche moderated the panel.

First of all, on the subject I have assigned to me, I have to give a little bit of introduction as to what the nature of the subject is, on which I am to speak.

Now, people are talking about the U.S. economy in respect to Europe: Very few people in Europe know what a U.S. economy is. They have what they read from certain press, and certain other information from institutions inside Europe, but they don't know the history of the United States!

Actually, the history of the United States goes way back to Plato. It is true. It's no exaggeration. The actual beginning of the United States, the chain of, shall we say, "breeding," the birthmarks and so forth, come with a great man, from an earlier century: Nicholas of Cusa, who, in the period prior to his demise, recognized that the whole project of the Council of Florence and its results had been threatened by a movement which was centered, as a reference point of power, in Venice at that time. And the reconstruction of the Venetian operations, including the organizations of wars, had weakened and undermined the great achievement of the Council of Florence.

Now, before he had died, Cusa said, "We must send people across the oceans, the great oceans, to find a



EIRNS/Julien Lemaître

"We must avoid war, because it's now a poison!" LaRouche declared in his address to the opening panel of the conference. Therefore, you have to find a common interest among respectively sovereign nation-states, based on physical-economic principles.

place where we can take these precious ideas of ours and plant them on a foreign soil, on a different continent; and bring forth on those other continents where this occurs, bring forth something which will be able to rescue Europe from its polluted system!" And that was the actual birth. In point of fact, Christopher Columbus,



Reviving the policy of Cardinal Nicholas of Cusa (left), whose vision was to create a New World, away from the corruption of the European oligarchy, there began a colonization of the Americas, with the Pilgrims (shown here, as they depart from Holland in 1620), leading to the establishment of the Massachusetts Bay Colony (painting by Robert W. Weir, 1837; now in the U.S. Capitol Rotunda).

on one trip to the capital of Portugal—he was a famous captain in the Portuguese service at the time, with Spanish credentials as well, not to the Habsburgs, but to the opposition to the Habsburgs which had been the previous ruling house of Spain—and Cusa gave a report, to a friend of his, who was a high-ranking official in Portugal at the time, and proposed this policy: That we send people across the great oceans, to establish cooperation with whoever we find there, and to bring them together as the basis for a society which was free of this venereal disease called Europe, the European system, which was Venetian-controlled, and is, in principle, still Venetian-controlled today.

But also, this had an older origin. The older origin takes us back to Greece and to Macedon. During the period of Philip of Macedon, there was an agreement between Philip and the Achaemenid dynasty, to establish a code between Asia and Europe, as represented by these parties, which would become the *oligarchical system*; in other words, the characteristic features of the Persian Empire, whose characteristics are traced from Babylon, and similar kinds of bad places. And the situation in general was such that we needed to make this kind of fundamental change. We had to recognize that the problem of Europe is, that it continues to be a victim, especially since that agreement be-

tween Philip and the Persian Empire on the oligarchical system.

The Oligarchical System

Now, what this means is—and this is the key to the whole problem, to understand the United States, and to understand Europe, and their relationship in particular: We are living, in Europe, under the oligarchical system, and that's the source of our economic problem. We also are, in the United States—because the United States never was, except for a very brief period—a leading power in the world. The actual leading power was various forms of the Roman Empire and the Byzantine Empire that followed, which was a revival of the Roman Empire; the Crusader system, which was the so-called Venetian system, the old Venetian system, which is part of the same thing; and then, of course, what we have today, in the British Empire, which was established, actually, as the New Venetian Party system of William of Orange, who came in to pollute Europe, pollute especially England.

And England has never recovered from William of Orange, who created the foundation for what became, in 1763, the British Empire, with the Peace of Paris, because the damned fools in the European nations began to make war upon each other, and the British sat

there, organized and excited the warfare, and when the victims had all bled themselves mutually to death, the British declared themselves an empire, in 1763.

So this is a problem.

Now, the United States actually originated, as a full nation. Despite the intention of Columbus and what was done in those terms, the Habsburg takeover of the Spanish royal family, through, you know, invasion of the marriage bed of the former house, took over Spain. And so, at the very time that Columbus was landing in North America, the power over Spain had been taken over by the Habsburg dynasty. And that's how the whole thing began.

So, from that point on, even the early colonizations in the Americas, under the Spanish, and to some degree the Portuguese, which was pretty much the same thing, then, this colonization was polluted from the beginning, by the fact of the Habsburg influence.

The Massachusetts Bay Colony: A Credit System

So therefore, you had a new development, which came from the opposition forces in England, who actually were reviving the policies of Cusa. Then the English development was generally crushed. *But*, among those in the Netherlands and in England, who agreed with the importance of a change, a new colonization was uttered into the Massachusetts Bay area, the Pilgrims first, and then the Massachusetts Bay Colony. And there, there was established a form of republic, with the Commonwealth of Massachusetts, then. And as long as it survived, was intact, until William of Orange, this institution created a turn, back to an economic principle: a credit system, not a monetary system.

Because the key thing here, is that the European systems are *monetary* systems, and *money has no intrinsic relationship to physical economic value!* In the United States, in the founding of the United States, we went back to the policies of the Massachusetts Bay Colony, we went back to those policies. Benjamin Franklin was an heir of that, the same policies. And the United States was generated on the continuation of those policies.

There was one advantage of this: The British were so bad in their behavior, their imperialistic behavior as the British Empire, that you had an alliance in Europe, of France, in particular, the King of Spain, and, led by the great Tsarina of Russia, you had the League of Armed Neutrality. So these forces allied themselves,

realizing what fools they had made of themselves, in letting the British suck them into these crazy wars against each other, and for one moment, they supported the young North American republic in defeat of the British forces.

This was essentially completed in 1782, but it still didn't work, because the separate colonies were under British influences, largely, and therefore, they were trying to operate under a monetary system of the British model, or the Anglo-Dutch monetary system. So what happened was, we reached a point: Franklin already had a conception of what this policy of the young American Republic must be. But, it had to be reclarified.

So, Franklin took a young protégé of his, Alexander Hamilton, and they said, "What are we going to do? Here we have this war debt, which we've incurred, among the various colonies, in fighting against British imperialism. But now we're stuck with our nominal victory, our nominal independence, but we owe debts all over the place to Europe, for the cost of the war." And with Franklin and company's influence, Alexander Hamilton said, "There's only one solution: We have to pay this debt, which is a war debt. How do we get rid of it?" Well, they said, "We're going to create a credit system."

And so, the U.S. Constitution was a reform of what became the United States, but it was a fundamental, systemic reform, into the form of a credit system. Now, what this means: As long as a nation functions on a true credit system, in which there is no gambling; no gambling is allowed, hmm? Everything has to be, as the Massachusetts Bay Colony did under its own original constitution: Credit was uttered as a *debt*. The debt, the relations of debt were calculated on the estimation of performance, and the debts were paid. That was the principle. The Massachusetts Bay Colony was the most successful experiment in economics in that entire period. It was crushed by William of Orange, who was in the process of raping the Irish, and killing the Irish, and doing nice things like that.

So, our roots were in this. We adopted a Federal Constitution, which changed the character of the United States as a nation. It was a transitional period, in which we came up with a Constitutional form of self-government, as expressed succinctly in the Preamble of that Constitution. It is when you read the Preamble from the standpoint of this background, that you really understand what this is.

A Partial Success

Since that time, we in the United States, usually beleaguered by allied forces in Europe, from time to time, were able to carry the idea of a credit system into a success. The success was secured, in part, by the development of the canal and railway systems, and the development of railway systems out of canal systems; and the development, then, of the Transcontinental Railway system! We won the Civil War, and the victory of the Civil War launched us as a world power. The great influx of migration into the United States, in the period of that war, helped *build* the United States on these conceptions!

But then, Lincoln was assassinated and things didn't go so well. Grant tried, but he was not as smart in these matters as President Lincoln had been.

We went on; we were still a great power. We had great Presidents, when they weren't being assassinated on British interests. But then, the McKinley assassination changed everything, and we had a skunk who got in as President, Teddy Roosevelt, who was owned by the British, and we foolishly got ourselves into a world war. A world war which was organized by the British by getting Bismarck out. And the elimination of Bismarck, who understood the game of the so-called Seven Years War game, said, "No!" And Bismarck had made an agreement with the Tsar of Russia not to be trapped into a world war in Europe, by the folly of an old Habsburg bum, who still was called a Kaiser. He was not going to be involved in using a Balkan war, to draw the rest of



The United States, often beleaguered by the retrograde forces of Europe, succeeded when it employed the credit system established by our Constitution, as can be seen in the success of the Transcontinental Railroad. Shown: illustration of the 1881 Timetable and Map of the Union and Central Pacific Railroad Line; "The Last Spike," by Thomas Hill (1881), May 10, 1869, joining the two railroads at Promontory Summit, Utah.

Europe into a world war!

So the British did the simple thing: They got Bismarck fired in 1890. Then they made a deal with Japan,

to attack China, to destroy Korea, and then to destroy Russia; to accelerate the Balkan wars. Europe was depleted.

The United States was under President Teddy Roosevelt in that period. He was a bum! A traitor, a scum! We had another President, Woodrow Wilson, who was the re-founder of the Ku Klux Klan—a *fine* gentleman! And he organized the Ku Klux Klan from inside the premises of the White House! That's how it was done—a fine fellow!

And during the 1920s, we had a President who was functional. He died of oysters, on a train! Died of oysters on a train? No! So, anyway, we had that problem too: Harding was gone. And the New England crowd,

the same, old Tory bunch, were back in business again.

Then came Franklin Roosevelt: And Franklin Roosevelt was a descendant of a great Roosevelt, Isaac Roosevelt, a collaborator of Alexander Hamilton, and that was reflected. And so, Roosevelt immediately took a step—he prepared for it in his governorship in New York State. And the step was: Glass-Steagall, the Glass-Steagall law of 1933. The Glass-Steagall law was not a precedent in legislation. It was an attempt to *get back* to the intent of the original Constitution. And it's still that today.

All the European systems have never freed themselves from an oligarchical system in which *money* is controlled by an imperial power. And imperialism, since Rome, since ancient Roman imperialism, was always based on the supremacy of a currency controlled entirely by a tyranny from the top. So, everything was rigged. Prices were rigged, everything was rigged, by the central agency of government which was an imperial power. And then you would have wars among the imperial powers—wars, sometimes to eliminate a certain part of the thing; you know, friendly gestures, like a “kill your neighbors” policy, and for other reasons. And this is what got us into this kind of mess, to take us into wars!

There Must Be No More Wars!

We've reached the point now, as many of you may have observed, that general warfare, can no longer be accomplished among major powers, on this planet. Because of the existence of nuclear and thermonuclear weapons, and similar systems, it is not possible for the great powers of the world to engage in a serious war. So what we do instead, the imperial powers now pick on certain nations, as we saw in the two Iraq wars, the wars that are going on now in Afghanistan, and so forth. We use wars on the fringes, we use destabilizations on the fringes, to have the same effect as warfare, to control society by organizing war, as the British did in the case of the Seven Years War.

Get the suckers—Friedrich der Grosse recognized this. That he'd been a fool, a successful fool! He was the most effective military commander on the continent of Europe! He didn't have enough troops to win all the battles he had, but he was the greatest military genius of



Frederick the Great, shown here leading his troops during the Seven Years War, was the most effective military commander on the continent of Europe. But, he realized that he'd won the wars, and lost the cause. "Oy vey! What did I do?" And this is typical of today, where people fight wars, but lose the cause.

that particular time. And then, he's like, "Oy vey! What did I do?" He realized that he'd made a mistake: He'd won the wars, effectively, marginally, but he'd lost the cause! And this is a typical thing of war today; where people fight wars and think they're going to win something, they've lost the cause.

We've reached the point, that agreements and disagreements among nations must be resolved *out of the war field!* If you get into general warfare, civilization will be destroyed. And that is the great danger today: that those who are playing with the euro game, coming from Britain, will find a way to ruin the world, starting with Europe, by stirring up conflict, social conflict, quasi-military conflict, in the Mediterranean region.

So, we must avoid war, because it's now a poison! No longer is warfare effective as a means of defense. General warfare among nations means nuclear weapons and beyond. And when you talk about nuclear war, *you can not control it!* Once you start talking about bio-

logical warfare, also as an aspect, you can't control it!

And therefore, warfare among principal nations, can not be tolerated.

But you can not make arbitrary peace. What you have to do, is find a common interest, among respectively sovereign entities as nations. And the fight to define the terms of a progressive common interest, which is largely always associated with, really, a physical-economic end to it, is the way to resolve problems. It's to realize, that if you can't kill, then what are you going to do if you have a quarrel? You've got to create a system, which is both effective economically for the parties involved, even despite the fact they don't like it, but that it will work, and solve the problem. We've reached the state at which I think we can do that.

Glass-Steagall: The Form of the Solution

But that's what you have to understand. That's what the issue is here! We're talking about Glass-Steagall: That's the *form* of the solution! It's a form of the solution which is implicit in the work of Nicholas of Cusa. It's the form of solution which was demonstrated, in Massachusetts, in the Massachusetts Bay Colony. It's the form which was demonstrated in the formation of the Constitution of the United States. It was the form demonstrated with the Lincoln Administration, intended by the McKinley Administration, accomplished by the Roosevelt Administration.

We've always understood, in the United States, those of us who are veterans, I mean, old enough to be in World War II. And there, we knew what we were doing; at least we in the United States largely did know what we were doing. But since that time, we've gone the wrong way, and we've made as big mistakes as anybody else. And once we have learned that lesson, and learned that we have to deal with the real problem, we will recognize what the enemy is: The enemy is the financier oligarchy, the financier oligarchy, centered in the British Empire—and it's still a British Empire—which controls Europe, and much of the United States today.

So we sit like fools, like nations killing each other in the Seven Years War in Europe. We find an enemy to kill, an enemy to hate, we focus our attention on trying to get a *victory* against that selected enemy, to make them a victim! We do not proceed, consciously, with efficient intention, on the interest of which we fight and build: the welfare of humanity as a whole, the notion that nations must be sovereign, because without the cul-

tural factor of sovereignty, human creativity can not proceed!

Human creativity depends upon the ability of the human mind to freely innovate, in making contributions which can be accepted and demonstrated, as useful to humanity *as a whole!* We need to have national sovereignty, because we need to have the participation of a people *in its own culture*. Otherwise, their creative powers are not manifest.

So, we in the United States today, because we have a privileged position, potentially, if we get rid of this present President, who is not really a President, he's a disease; he's a mental case, and the 25th Amendment, Section 4, provides for the elimination of mental cases from the Presidency. We have now a very diseased quality of mental case, called President Obama. He's a pathological case. He's as pathological as Adolf Hitler was in the extreme, and he's going in the same direction.

The danger is that he, out of his stress, will try, under British promotion, to organize new kinds of wars and strife as a way of trying to control society, *according to the same principle that the British monarchy used in the Seven Years War! Stir up quarrels among your intended victims!* Let them cut each other's throats, and you come out of the thing collecting all the tribute. That's the way the game is being played.

If we, simply in the United States, therefore, knowing the weakness in Europe, that Europeans do not understand what a credit system is, they don't understand the difference between a monetarist system and a credit system; therefore, if we, in the United States, do our job, the job which is peculiarly suited to our nature and history, *then*, if we enact Glass-Steagall, and throw this bum of a President into the mental institution where he belongs, then we will have established the *only option, for Europe, under which Europe can survive*.

If we set the precedent, then Europe has no choice among the so-called monetarist powers. *It has no choice*. It has to accept the fact that the American dollar, under this kind of reform, is a factor that can not be ignored! They can not overlook the fact that China is looking very closely at the United States, wondering if the United States is going to come back to itself, in which case, China can breathe deeply, a sigh of relief, and other nations, as well.

It's up to the United States to do its duty for all humanity, a duty which it historically incurred, in the founding of the United States itself, founded in the form,

initially, of the Massachusetts Bay Colony, until their charter was taken away by William of Orange, the representative on the European continent of the *New Venetian Party*, the same school of usury of the old Venice; the same school of usury agreed upon, between what? Between Prince Philip of Macedon and the Persian Emperor. It's called the agreement establishing European imperial tyranny in a form based on the *oligarchical principle*: *The oligarchy must control everything! And maintain power over the sheep, by getting the sheep to kill each other, out of folly.*



White House/Pete Souza

It's Time To Grow Up

We have to grow up, as Europeans on both sides of the Atlantic. We have to grow up and recognize *our duty to each other!* The United States must recognize its historic duty to Europe in this matter, and *vice versa*.

Together, with that approach, even at this dark hour that we've come into now, we can survive! European civilization can resume going forward. It's there! What is needed is the understanding, the will, and the forms of cooperation which will enable us to use this as a means to solve the problem.

The problem is intrinsically soluble: Do we have the brains and courage to do it? That's the only question. And what we're doing about Glass-Steagall in the United States—this involves other complications. Just one other thing is notable, here:

The problem I have with the United States government is our party system. Now, under the principle of Liberalism, that is, under Liberalism, there is no truth. It's the doctrine of British Liberalism: *There is no truth*. Read Adam Smith and his description of this: There's no truth in society. "Mankind is not capable of knowing the actual truth! He can only know, what is, for him, *pleasure, or pain!*" The British System—it's called British Liberalism—there are no boundaries, there are no principled boundaries; there are no loyalties; there's no truth! There's only *pleasure and pain*.

Therefore, if a government wishes to become a tyranny, it has to dish out pleasure, as it defines it, and pain

Allegiance to the "pleasure/pain" principle, in the form of "party loyalty," has led to the corruption of once-honorable political leaders, such as John Kerry, a "cowardly Senator who lied on the issue of war in Libya."

for those who don't like the pleasure. And that's the way it works.

So what happens is then, party interest—this happens in Europe, too—*party interest* becomes more important to those who are attached to that party, than is the nation! Therefore, when push comes to shove, the question is, "Well, if it's good for the nation, maybe we'll support it. But, is it good for our party?" And you find, in Europe, the same thing we have in the United States—the Democratic and Republican parties, and then, the sub-parties: People say, "Well, we've got to stick together! Yes, we'd like to deal with these guys, but we have to have it our way, too, you know what I mean? Therefore, we've got to keep the party members together, and drive party members out who don't agree with that policy." That's what you get, this display of cowardice on the part of, you know, a Senator from Massachusetts; a coward who *lied* on the issue of the war in Libya, supporting the argument that the war in Libya was not a war! You know, it was a public service organization.

It's a bloody war! And it's being spread, unnecessarily. And we can't get anybody in Europe to recognize this, not at least those in power, in a government. There's no reason for that war! We can handle the problem in other ways: We nations, if we agree, that we've got a disease among us, among the nations, nations can *properly agree* to take those measures, which preferably are

free of any taint of homicide, to make sure that an errant force in some nation is told they have a lousy future, if they don't behave themselves! We have the capability of doing that! We can orchestrate the environment, if we understand what we're doing. We don't have to kill!

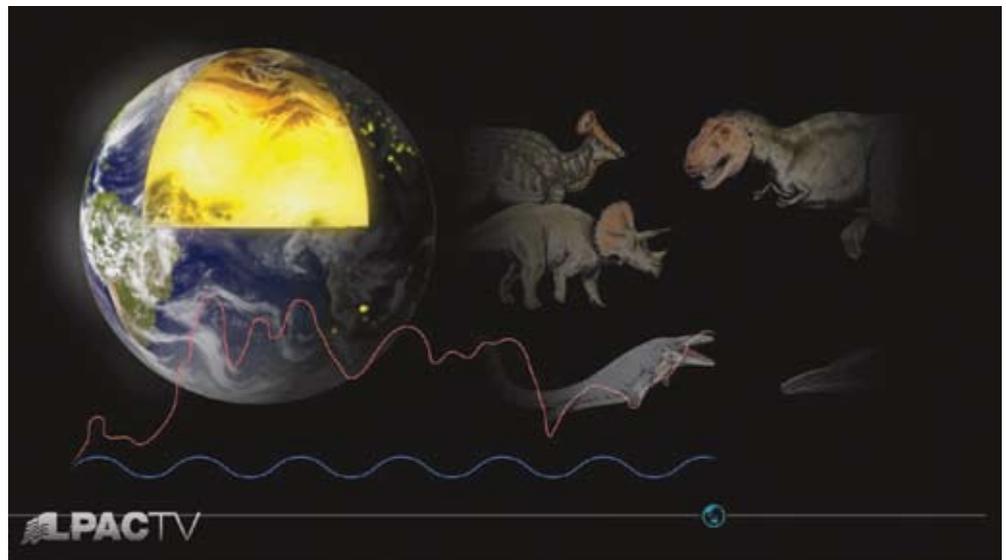
But now, we have a doctrine: "Well, killing is all right, if you like it, if you like doing it." And that's what the other side of the thing is. The problem we have is, you've got to override *party partisanship* as a factor in national decisions. National decisions must be made by the people, by the institutions, *not by party!* The parties are useful, only as they serve the purpose of the nation; parties are useful as they open up the dialogue and force the dialogue, on which the common interest in the nation exists, and the common interest among nations exists: *to find what is the pathway of common interest*, not for opinion, but for mankind.

We Can Save Mankind!

And the test is: What are we doing for the human species? Are we making it better fed, better educated? Are we equipping ourselves to deal with the increasing dangers from this shift in man's position, the Solar System's position with respect to the galaxy? We are acting on that?

We need a high-technology science-driver program. We need it even before, and beyond, thermonuclear fusion. Because, without a great increase in the power of humanity, per capita and per square kilometer, we can not assure coming generations that the human species will continue to exist.

We're coming into a dangerous period. And we are reminded, by history and by science, that mankind is the only species which would be capable of surviving the mass-kills of all species. About 95% of all species that have ever existed have been destroyed, because they became outdated, in terms of the circumstances in



"We can not sit back and knit wool, and protect humanity from extinction. We have been given a weapon, the conscious creative mind of the human individual," LaRouche stated. We need but use it.

the universe around them. Therefore, our mission is to increase the power of mankind, *not over one another*, but over those forces in the galaxy and beyond, which are now threatening—remember, humanity's existence on this planet has only been for several million years. Out of all this existence, towards this period, 95% of all species that ever existed, have been exterminated—like the dinosaurs, for example. And of certain conditions that mankind as a species has never experienced, but which we're coming to, as a partition of a 62-million-year cycle in the galaxy, now.

We can not sit back, and knit wool, and protect humanity from extinction. We have been given a weapon, the conscious mind, the conscious, creative mind of the human individual. We can increase our power to protect mankind and to develop secure conditions for mankind—we can do that. We have the access. We have developments in science, which are pointing in the direction of our developing those capabilities. We can save mankind! We will still maintain nations, nation-states as sovereign, if we're wise, because it's within the *culture*, the national cultures of people, that the power to create is located.

We can do all these nice things. We just have to rise above the petty considerations which lure people into folly. It's all right to have a donkey, but don't marry one.

Thank you.