An Extraordinary International Dialogue With Lyndon LaRouche

On April 29, Lyndon LaRouche engaged in an extraordinary dialogue with a group that had gathered in New York to discuss various elements of LaRouche's proposed Four Power Agreement and related issues. The group was comprised of policy-makers as well as a distinguished group of academicians from leading American universities that included Stanford University, University of California at Berkeley, Massachusetts Institute of Technology, Princeton University, and Columbia University. Representatives from Russia, China, and India also participated. A number of journalists were also invited to audit the proceedings, although they did not have speaking rights.

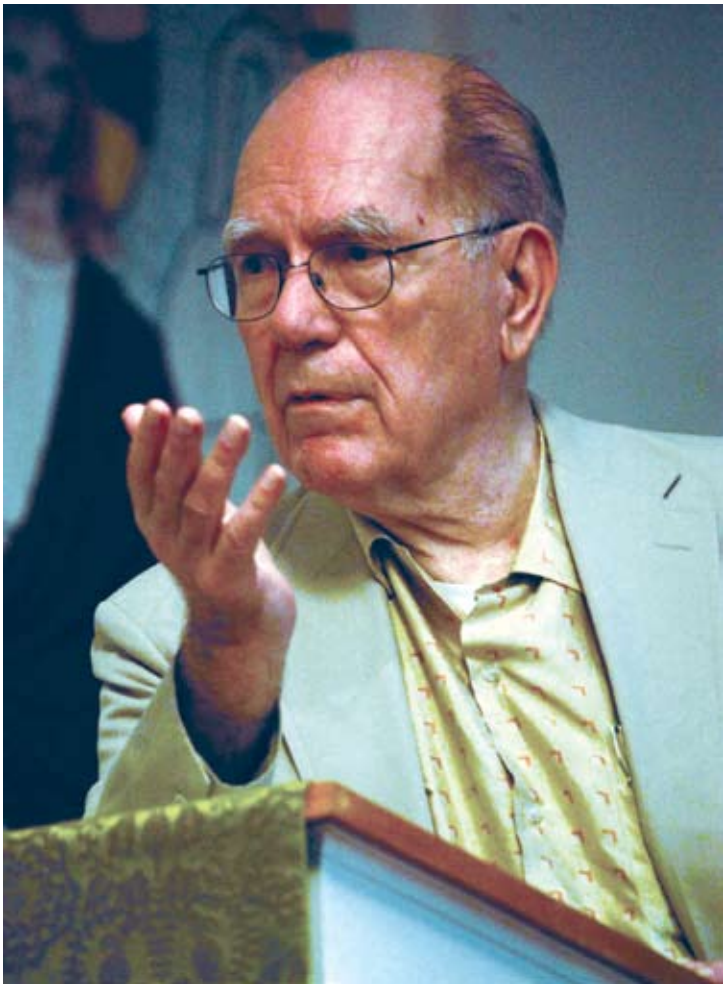
Although the seminar was convened as a private discussion, there was common agreement among the participants that, given the intensity of the current global financial and economic crisis, and the extraordinary nature of LaRouche's remarks, it would be nothing less than a travesty to not make those remarks publicly available. What follows is an edited transcript of the proceedings. The moderator was Debra Hanania Freeman, who serves as Lyndon LaRouche's national spokeswoman.

N.B.: Prior to Mr. LaRouche joining the group live, participants listened to a briefing that LaRouche had delivered to associates on April 24, entitled "The Case of Arkadi V. Dvorkovich: Free Russia from the Pirates of the Caribbean!" which is available on the LPAC site (www.larouchepac.com), and in EIR*, April 30, 2010.*

Freeman: Lyn, the first question came up as a result of some things that went on here this morning. As you know, yesterday, there were two events in Washington: one was the first meeting of the Peterson Commission, this austerity commission, and there was also the economic summit that was pulled together under the auspices of the Peterson Foundation. During the course of that discussion, former President Bill Clinton made a couple of points that were outrageously distorted in the press.

One of the things that came up in Clinton's remarks, which the press erroneously portrayed as a defense of Goldman Sachs, when in fact, it is quite clear that that was not the intent of his remarks; what he did say, is that under the current conditions, under the current legal structure, in which just about everything has been deregulated, that he was not entirely certain that they actually broke the law—with the obvious implication being that we are living in a somewhat lawless universe when it comes to these kinds of antics.

He said that the actual issue, and the more important issue, is that these transactions really have no intrinsic value or usefulness to the economy as a whole. And



EIRNS/Stuart Lewis

Lyndon LaRouche engaged in a wide-ranging dialogue with a group of policy-makers on April 29. LaRouche is pictured here on June 20, at a celebration of Robert Schumann's 200th birthday.

that, from the standpoint of those of us who are policy-makers, that his view is that it was much more important to address that issue.

One of the questions that came up here, was whether or not, prior to this deregulation craze, and the various measures around first, junk bonds, and then derivatives, and everything that has kind of come since then, was there ever a time that Wall Street investment represented something that did have some actual relationship to the physical economy, something that had real intrinsic value?

And this came up precisely because of, on the one hand, Clinton's remarks and how they related to what we need now in terms of actual regulation, but also in terms of remarks that you have made quite frequently in the past year, especially, that Wall Street as a whole should just be shut down, that it has no value whatsoever. And people here are asking if this has always been the case, or if it is a product of the insanity of the post-World War II period?

LaRouche: Well, on the last point, the issue in the Wall Street case is the institutions which are Wall Street, especially the leading institutions, like the case now of Goldman Sachs, and the AIG scandal, mean that Wall Street has been taken over by institutions which no longer have the faintest resemblance to something any decent person would want on our territory. So therefore, the thing to do, is wipe out Wall Street

It is easy to wipe it out, by just convicting it of thievery, and its waste. What we are going to have to do is, the first step toward any recovery of the U.S. and world economy, is to apply a Glass-Steagall standard, not only in the United States, but globally. In other words, it should be an integral part of the treaty agreements of various kinds, which nations should adopt among each other. That means that before we can go into any recovery program, we have to start with a Glass-Steagall process.

Now, what that means, we would, therefore, simply wipe out firms like Goldman Sachs. They would go out automatically, because they can not be classified as legitimate enterprises, consistent with the intention of our Constitution.

Now, the other side of this thing, is, look at the way the laws are written. We have this crazy bill coming out of Connecticut, out of the Senate. It's crazy. You have enormous pieces of legislation, like this one, which has no statement of intention in it. It's a bill which is trying to be rushed through, with all these pages, with no coherent statement of principle, or intention, just a package of, like a caddisfly larva, which has picked up all kinds of stones and bits of dirt and so forth, in order to pupate.

So, this kind of legislation must cease to exist. All the important legislation, under Franklin Roosevelt, for example, was simple, in terms of quantity. You stated a principle, and you stated the manner in which the execution was intended. That was sufficient. But we don't have that any more. This bill, the present bill, is all these pages. It has no statement of intention; there is no reason for the bill to exist, according to itself: It doesn't state a reason why this bill should exist! And the bill itself has no coherence.

The bill itself will never be read and studied in its entirety, competently, by any members of Congress. They don't know what they're voting for. And it's a bill that has no competent statement of intention. It has no relationship in terms of its design, to the principles of the Federal Constitution. And someone says it's not unconstitutional.

It's nothing. It should not exist. If it's not constitutional, specifically, it shouldn't exist.

We can modify our Constitution, by the same method by which we created it. But the Preamble of the Constitution is also a principle. The Preamble of the Constitution is what this nation was founded on. So these considerations come in.

So, therefore, the first thing to do is not have any large-scale legislation. We don't need it. Competent legislation, understood by the members of the Congress—and most of the legislation which has gone through recently, this large legislation, was not understood. And if you put in long legislation, and demand it be considered immediately, without examining it, you are committing a fraud against the nation. The legislation is inherently unconstitutional, because it does not conform to a statement of intent, and it has a lot of garbage in there, which simply has no relevance.

It should cease to exist.

Now, if we do that, which means we have to go to a Glass-Steagall thing, and we have to have an intention among nations, with a fixed-exchange-rate system. Because, as we know, the cessation of the fixed-exchange-rate system, meant that no longer could nations take credit from other nations, and hope that the original terms of the loan would be honored. Because the value of the currency fluctuated, on the world market. And therefore, we would quickly put whole countries virtually out of business, by this kind of lending process. And Roosevelt understood this, and the people behind him understood it.

We need to stick to the U.S. Federal Constitution, as, itself, a governing intent. And I don't think anybody has come up with anything new that would change the essential intent of the Constitution, as it was sworn, and as updated in that process.

Therefore, that's the first thing.

Secondly, we can not have world trade and a recovery without a fixed-exchange-rate system. Which means the world has to go through a fixed-exchange-rate system. It has to eliminate all this garbage, which is the Wall Street garbage of today, and go to a banking system, and a standard of management. And we should probably eliminate the Federal Reserve System, by assimilating its assets, and due responsibilities, into the creation of a national bank.

Because our banks have been ruined, by the legislation which went through, and other reforms, since 2007. It's been wrecked.

We no longer have a competent banking system. We have elements of competent banking, *inside* some banks, but that means we have to have a bank reform, by a Glass-Steagall standard.

Now, that means that we're going to need something to replace what is already a bankrupt Federal Reserve System.

Strictly speaking, the Federal Reserve System is corrupted beyond repair. It has elements which are essential, and which must be defended, because they have intrinsic value, or intrinsic claims—just claims. Therefore, we're going to have to take the garbage out of the Federal Reserve System, by this same method: Reconstitute the commercial banks, which we used to have, under regulation—state and Federal banks. And we have to create a vehicle, in the form of Hamilton's system of national banking, which covers the relationship of the Federal government and the economy in general to the banking system.

These measures are absolutely indispensable before coming out. On that basis, that means we have long-term, fixed-exchange-rate relations with nations. We have to fix that up quickly. We have to have a Glass-Steagall-type of standard for international affairs, as well as within nations. We have to then design large-scale credit agreements, which will enable us to develop, essentially, the basic economic infrastructure of the kind of world economy you want to come into being. And we need the mechanisms, which are essentially Roosevelt-style mechanisms, but designed for the present condition.

In other words, we had the happiest condition under Roosevelt, as long as he lived. We do not have that kind of condition of the world we had then. Therefore, we have to take into account the ruined condition of the world, especially the Transatlantic section of the world, and we have to understand the needs of the western Pacific rim region of the world.

And I think, in my terms, what we need is an agreement, with these features, as a treaty agreement, among the United States, Russia, China, India, and associated countries, such as, for example, Japan, South Korea, and so forth. We need that kind of reform.

We have a mission-oriented reform, to save the world economy. Which means we're going to invest—most of the emphasis will be immediately on basic economic infrastructure: mass transportation; high-energy-flux-density power; water-management systems; educational systems; restore a Hill-Burton system of health care, instead of this AIG thieving version of health care.

Go back to that.

We have to have these kinds of agreements among nations, and I think the United States, Russia, China, and India are the absolutely imperative founding elements of such an international agreement. Under this kind of approach, I am *certain*—because I would know how to do it—I am certain we can organize a rapid recovery of the world from this mess. It will take us two generations, to achieve these objectives, but we can start to do it quickly.

And on the other side, we have a general collapse. The general collapse of the economy of Europe, the euro-economy, is disintegrating. Under Russia's present policies, under British influence, it is also disintegrating. So, therefore, this action is immediately needed. I think it's relatively simple—it's simple for me anyway, because I've lived with these ideas so long. But I'm sure it will work.

Anyway, that's enough to say for the beginning.

Freeman: The next question comes from one of our friends, who is here representing Russia. He qualifies his question by saying that this is not necessarily his view, [it is] a question that is raised by many people in his own country, regarding your remarks on Glass-Steagall.

He says that he understands absolutely, the necessity for a Glass-Steagall type of arrangement inside the United States, because our financial system has become such an unbelievable catastrophe. But, he takes issue with your call for a *global* Glass-Steagall. He says that he doesn't necessarily think that it's a bad thing to have this kind of regulation; but, he asks, isn't this really a typically American proposal? And, by that, I mean, rather self-serving to the United States, since the United States right now suffers the greatest indebtedness. It would essentially serve to wipe out the U.S. debt, and isn't that something that some of the countries that are on the receiving end of this, would legitimately object to?

LaRouche: It's quite different. The size of the U.S. debt is a reflection of the size of the U.S. economy, and its role in the world. The greatest mass of debt is in the British empire, as expressed by institutions such as, from the British side, Mr. Rothschild's organization, the Inter-Alpha Group. It's one of the worst pestilences on this planet.

There are also, of course, in terms of Russia—there's a problem, which is that there's a policy conflict in Russia itself. Russia is among the most promising nations, but also the most destitute one. I'm extremely sympathetic to the efforts of Prime Minister Putin, and his efforts, and to the programs for the development of infrastructure. I think what I've heard otherwise from other sources in Russia, which generally represent the interests of useless firms, listed as principal Russia firms, operating in the Caribbean—which I refer to as "the pirates of the Caribbean." And if Russia does not go with large-scale investment in basic economic infrastructure, and the development of manufacturing and agricultural industry, as well as the things that go with this, Russia is going to go the way Europe is about to go now.

There's a crisis there. I know there's a policy difference within Russia. There are those who are for long-term infrastructure, which is sanity. It's the only way that Russia is going to be rebuilt, be built out of the rape that was done to Russia in the immediate post-Soviet period. That's Russia's bigger problem. But the idea of going with that kind of program, is doomed, and if Russia were to stick with that kind of program, it would be doomed. And I'm concerned that Russia not be doomed: that Russia would benefit as much, or more, from Glass-Steagall as the United States.

The big parasite on the planet is the British empire, and British interests, typified by this Rothschild group, which was created in 1971, at the same time that the British interests induced the United States to drop the Bretton Woods system, the fixed-exchange-rate system.

So, I know there are sentiments within Russia which want this other kind of thing. We had a representative, a special representative of the Russian President, here in the United States, and what he said, what we heard, was for me, absolute insanity. Those policies he proposed, or on which he put emphasis, would destroy Russia.

The idea of setting up, you know, a Silicon Valley in Russia, is lunacy. A Silicon Valley is a farce. It was a creation of the U.S. government in a certain period, which was a bailout operation, which former President Clinton understands very well, what this was, what he experienced. As also, the Bush Administration earlier, which started this process. It was a farce, it was a failure. And the collapse of this crazy thing in California,

the dot-com system, was the result of the fact that the U.S. government ceased to bail out a swindle, a swindle which almost ruined our economy—from which we've never recovered since.

No, the greatest debt in the planet is the British, the British system, as extended. As typified by the Rothschild interest, which is actually the interest of the British monarchy.

And, it also is, in the Russian case, that Caribbean pirates, of Russian denomination, are also representative of that same interest. And I see that Russia, as well as other countries, would be doomed by a continuation of that process.

The idea of setting up a Silicon Valley in Russia, as proposed by Arkadi Dvorkovich, is lunacy, LaRouche stated. As one participant noted, today, "Silicon Valley would be better named Death Valley." Shown: the skeletons of empty office buildings in Silicon Valley, following the blowout of the dot.com bubble.

So, I know that people in Russia get this story that the United States is the big debtor and we're trying to bail out the United States at the expense of other countries. That's nonsense.

The United States is the driver, if we have a President who's competent—the United States is a driver for the recovery of the world planet. And without that driver, the world as a whole is going down the tubes. As we see the disintegration of the euro system, as we sit here today.

Freeman: Lyn, more on Russia from an individual who was on site during Mr. Dvorkovich's recent visit to Stanford University. He says: Lyn, there were many things that surprised me about our Russian friend's remarks during his visit to the West Coast. But what really startled me was the concept of establishing Silicon Valleys in various places in Russia. It is obvious to anybody who lives here in the United States, particularly to anybody who lives on the West Coast, that Silicon Valley would be better named Death Valley. It's a complete wasteland right now. Yes, it's true that in the short term it produced a hell of a lot of money, for a hell of a lot of people, but some of those people are now roaming the streets of San Jose, as homeless lunatics.

I was more startled by his plea for venture capitalists to come into Russia, to expedite this process. And again, in the current global environment—and I'm not just talking about the stuff with Goldman Sachs—but look at what unfolded, just a few months ago, in Dubai. Again, the product of these various funds and venture capitalists, and what happens when you let your country become the staging ground of bigger and better gambling casinos.

But, to get to the point, I was sufficiently disturbed by all of this, that I went on the Internet to learn more about the people who were advocating this. I read a number of interviews with some of the people who are involved in this initiative, and who were part of a much larger group that spoke at MIT before Mr. Dvorkovich came out to California.

And what amazed me was to find these people in interviews praising not only Adam Smith, but [Friedrich] von Hayek.

Now, I can't understand this. This runs totally contrary to everything I have thought up to now about the thinking about economics in Russia. And I would appreciate it if you would shed some light on this for me. And please, let me be clear: I'm not asking the question out of any hostility toward our Russian associates here, but I'm really trying to understand this. It seems to me to be an incredible dissonance.

LaRouche: The great opportunity for Russia, and the great thinkers of Russia were actually involved, even under the Soviet period, with certain parts of the Russian Academy of Sciences.

And the core of the Russian Academy of Sciences, apart from the mineralogical aspect, which is not incon-

sistent with the other, was the work of Academician Vernadsky, who was one of the greatest geniuses of the last century.

We today, we are entering a new kind of economy, in terms of technology, in which cosmic radiation, as studied by people such as Vernadsky and his followers, is the key to great changes on Earth; but also, is indispensable the minute we start talking about transporting human beings from Earth to, say, Mars.

First of all, we do not yet know the solution for some of the problems, or even the problems themselves, that are involved in accelerated flight, from Earth orbit—i.e., from the Moon—to Mars orbit, which would take, say, 300 days otherwise, and you would have jelly, rather than people, in the craft, if you did that sort of thing, under ordinary conditions.

The challenge of the Mars journey, a journey which should be completed by human beings before the end of the present century, is the marker of the long-range perspective which is required to build economy in the world.

But the other side of Vernadsky, it's not just that. His work is very relevant to that. We are now working, ourselves, on the question of a revision of the Periodic Table, to take into account the implications of cosmic radiation. And very little has been done on it. The weaker fields in cosmic radiation are extremely important, because they pertain largely to living processes, which is what human beings ought to be concerned about.

So, these kinds of concerns are absolutely necessary.

So, I think that the destiny of Russia, economically, since Peter the Great, who may not have been a perfect individual, but his policies set Russia on the road to greatness, coming out of the conditions of earlier centuries. And Vernadsky typifies, together with his predecessor Mendeleyev, the great genius in Russia, which enabled Russia to achieve great things as Russia, under certain tsars, before the war, and afterward, in the Soviet Union.

The world has not changed in physical principle since that time. And the idea which comes from Bertrand Russell, and IIASA [International Institute for Applied Systems Analysis]—these ideas are not only stupid, but they are malicious. Because remember, IIASA and the Club of Rome are founded by one and the same operation. And their conception of economy is incompetent.

And the question you ask about these conditions, of the design of the policy, Adam Smith, is completely an aspect of that. Marx claimed that he was Adam Smith's apostle—I don't think that's quite true. It was true in some degree. But this thing, this idea of Bertrand Russell, and the positivist insanity of Bertrand Russell and his followers, have to be contrasted with the genius of great thinkers such as Vernadsky. And today, when you think about what is the role of Russia: Russia's a large nation; it's a Eurasian culture, rather than just a European culture. It has vast resources in its fields, in Siberia, for example, some areas which are very difficult to handle, which Russian scientists have understood how to deal with.

Below there you have China, Mongolia, India, and so forth, which have an insufficiency of resources. Now, China is doing an excellent job in mass railroad development—it's crucial. Its efforts to succeed are noble. India is moving in a similar direction. Both China and India have many poor people, a large portion of poor people between them. Well, you have a natural relationship, on the one hand, between Russia, which has the science, the scientific background, and the other qualifications for supplying the necessary minerals, and other kinds of things, to China, to Mongolia, to India, and to other countries of the Southern rim.

We have the cooperation available for this purpose, from nations such as Japan, which is eager to assist in the Siberian development process, for this thing. We have South Korea, which is extremely interested in this process. So, the destiny of Russia lies, from a physical economic standpoint, in the development of Russian science. Russian science as applied to these needs. Typified by the role of Russia in contributing to the nuclear power development, and its application on the planet.

That's where the future of Russia lies, and that has to be understood.

Now, Russia can not do that without contractual relations, with the United States, and with what we hope can be salvaged from Western Europe. With cooperation with India, with China, with Japan, with Korea, and other countries.

So, we need a system, a fixed exchange-rate system, purged of everything that smells like financial derivatives.

Remember, the Inter-Alpha Group is largely based on the swindle of these kinds of financial derivatives. You will not bring Russia out of Hell, which it's headed toward now, under those trends—opposed to those of Putin—you will not bring Russia out successfully, without cleaning this mess up, and getting rid of these ideas

from Bertrand Russell and others.

Look, what happened is, it was Bertrand Russell and his influence which wrecked Russia to begin with, especially during the 1980s. Russia did not have to collapse then. There were solutions available for Russia, with cooperation. But some of the influences of leaders in Russia, which shifted *against* the traditional Russian tendency, like the Vernadsky tendency, wrecked Russia, and opened Russia to being looted by the British, and those Americans who were part of the British operation.

We have to learn this lesson of history. And what we have to realize is, we are going into a period where the future of humanity does involve space development. Russia has been a pioneer in space development. Those things must be revived, and retained. Large-scale infrastructure projects must be built, as a way of developing the economy of Russia. The economy in Russia must be developed rapidly. Russia's survival depends, as a nation, on having constructive relations of benefit to China, to India, and to other countries, in that vicinity.

Russia is a key in reviving a Western and Central Europe which is now being wrecked by the British influence, established in 1990, where the euro system was imposed by [British Prime Minister Margaret] Thatcher, by [French President François] Mitterrand, and by George H.W. Bush. Russia was looted and ruined under British direction, from 1990 on, in this way. And there has been an effort to revive Russia; and there are people who are in Russia who want to do the right thing.

And my belief is that the United States must treat Russia, not as a trading partner, but as an ally. Must treat China as an ally. Must treat India as an ally. And must hope that we have Western Europe recover from the euro disease, the euro which is now breaking up, and to be a partner in this process.

And there are great projects, and great aims, for mankind on this planet, otherwise. And this combination of nations, the four great nations, combined with what we can salvage of the nations of continental Western Europe, as partners: This is the key to the future of humanity. And without this kind of future, there is not going to be much humanity.

Freeman: I have some questions relating to what you've discussed regarding Vernadsky. But, first, I want to entertain one of the questions that came up, specifically related to the Inter-Alpha Group, and that is the question of the BRIC [Brazil-Russia-India-China]. Earlier today, this was being rather hotly debated between our friends from the Stanford Group, and our Russian guests.

Here's the question: We have had extensive discussion of the Four Power agreement among the United States, Russia, India, and China, and while our friend from Stanford says, given the current behavior of the United States, I understand why right now, the current alliance among Russia, India, and China, while still in a nascent phase, seems to be proceeding forward—although I would contend that it can't function without the United States, for reasons that Mr. LaRouche has addressed in tremendous detail over the course of the time since he first made the proposal.

But, my question has to do with this BRIC business, which I'm trying to understand. It would seem to me that there was some effort to take the United States out of the Four Power agreement, and to somehow replace it with Brazil. Now, I may be wrong about this, but that is what it appears to be to me, and it makes absolutely no sense. While I have the utmost respect for Brazil as a nation, it ain't no U.S. And I was wondering, Lyn, if you could talk a little bit about this whole BRIC configuration, because the only way I can understand it, is to see it as something that has been put on the table, and promoted, inside Russia, taking advantage of what is probably some justified hostility toward the United States right now, given the behavior of this administration, and the one before it.

I understand why it might be seductive, except that, in practical reality, I don't see it working. But it does seem to be something that was put on the table specifically in opposition to the Four Power agreement that we are working on.

LaRouche: Okay, first of all, the BRIC was not launched by the Russians. The BRIC was launched by Goldman Sachs, and it was launched by Goldman Sachs' collaboration with the Rothschild Inter-Alpha Group. The first surfacing of the BRIC came in a meeting steered and controlled by Goldman Sachs, in Modena, Italy.

This was the meeting which led to the process of Russia's distancing itself from association with the United States, in terms of economic cooperation.

The BRIC includes, of course—Spain and Portugal are BRIC countries. The major country in the BRIC operation, by the British, which is by the Inter-Alpha Group of the Rothschild interests, is Brazil. In Brazil, which is a divided country, because you have some very poor people, and very not-so-poor people, who are vir-

tually at war against each other, under a controlled state of virtual warfare. So, it's not an integrated, stable country. It's not a democratic country by any means. It has some good qualities in it, some good people, some good industrial talent, and so forth, but it's a divided country, which anyone who's been there, and seen the terrain, sees cities at war against each other, under temporary no-fire agreements.

Now, what the function is—and this starts from an old Spanish firm, which was actually a British asset, and has been a British asset, part of the British Empire. The whole operation is Rothschild, Lord Jacob Rothschild and his associates, which are the key bankers for the British monarchy. They set this thing up.

Now, what does it do in Brazil? What it does in Brazil, is, it runs a carry trade. The highest-leveraged carry trade in the world. And this is a fraud. The whole thing is a fraud.

But for various political reasons, largely British—because you had a lot of people who left Russia after 1989, and they went to where? Among the places they went was to Antigua, to the Cayman Islands, to other hot spots of great virtue, among the pirates of the Caribbean. And these Russians, who were boosted by the British—many of them were trained by the British, such as [Anatoly] Chubais, and so forth. They operate on the basis of: Their interests lie outside Russia, in enterprises whose offices, whose home offices are in the Caribbean. Which have damn little care for what happens to Russians on Russian territory back home.

So, there is a division. It's obvious to me. A division of perception of interests between Russian ex-patriots, who have more British citizenship than Russian sentiment. And Russians, as I think Putin has tried to do during his Presidency and his prime-ministership, who are trying to develop Russia.

So, I think the people who have policies which are dedicated to developing Russia, along the lines I've indicated, for the purposes I've indicated—there is a clear interest of Russia.

It's clear to me, it's clear to anybody who understands the world: Russia's a Eurasian nation, with a large territory, with very special missions and opportunities. And it needs to get back, to rebuild, on the basis of the Russian Academy of Sciences, its great ones, especially the great departments, in the tradition of Vernadsky. And that's Russia's vital economic interest. It's the existential interest of Russia.

The opposite kind of policy, what is called the BRIC, which is of the great swindler who created the BRIC—not Brazil, not Russia, it was Britain that created the BRIC, with Goldman Sachs, as the Modena case illustrates.

So, that's what you have to understand. We have a war, we have virtually civil war, in various parts of the world, between those who are for this kind of swindle, which the BRIC represents. There's no intention. It does not represent the interests of India, or China, or Russia. It represents the interests of the Caribbean pirates, who are steered by Lord Jacob Rothschild's operation, under the Queen in Britain. And once you understand that, there's no real mystery.

What has caused the world crisis is, in the United States, as well as outside it, has been this.

What happened? Roosevelt died in April of 1945, and Truman, his successor, made a deal with Churchill, to effectively destroy the United States. And started a war with the Soviet Union, or a threat of a war with the Soviet Union, and similar kinds of operations. The entire Cold War was totally unnecessary from the standpoint of U.S. or Russian interests. And many people in the Soviet Union understood that. They understood that Franklin Roosevelt typified a United States, whose existence coincided with the future existence of Russia, or the Soviet Union at that time. The same thing for China. And this is the opposite side.

And you have people in Russia who represent the opposite side, who represent the British side, more than they represent the Russian interest. And you have people in Russia who are patriots, who are enraged, and justly so, at what I, among others, saw happen to Russia, with the looting operation by people like Chubais, who is one of the figures behind this operation, back in the 1990s.

I saw Russia raped. I went into a great machine-tool plant at that time, back in 1994, which had been one of the great machine-tool plants. And in that plant, I watched people, Russian workers, at their machines. Aged! These were the Russians who had worked in Moscow during the siege by the Nazi occupiers around Russia. And here they were, aged, continuing at their jobs. And shortly after I visited this plant, they shut it down. One of the great machine-tool plants. Did it have aging features in it? Yes. But it still had the skills, the human skills, the human orientation, to rebuild a country which was damaged by the way the Soviet Union collapsed.

I think these are the kinds of terms you have to start to discuss this issue in.

National Science Fdn/Kristan Hutchinson

LaRouche described the tragedy that befell Russia following the collapse of the Soviet Union, when its economy was raped, its industries shut down, on orders from London, by the "pirates of the Caribbean." Here, a machinist works aboard the Russian icebreaker Krasin*, 2005.*

Freeman: Lyn, the next question comes from one of the leaders of our group out there on the West Coast, and she's been doing a lot of good work, but she wanted to preface her question with this. She says: You know, back in 1998, in the Summer of '98, there was a terrible crisis in Russia, with the crash of GKOs. And at that time, I was still in the process of washing the muck of Washington, D.C. off my body, but I was still privy to a good deal of what was going on, and I think it's just useful to point something out here. Because I'm sure most of the Americans here, are completely unaware of this.

But, one of the things that did occur—and I think this relates directly to Lyn's remarks on the rape of Russia by this crowd—is that at the first sign that this GKO thing was going to explode, or rather implode, what happened? Well, there was old Goldman Sachs, who managed, with the help of the same Mr. Chubais, to organize the conversion, if you will, of the devalued GKOs that Goldman Sachs clients were holding, into what were essentially dollar-denominated Russian government bonds.

Now, I may be off in my numbers, but, as I recall, it was worth about $4 billion, which is a significant sum of money. But what was most notable about this restructuring—and, at the time, I was amazed that Mr. Chubais would buy into something like this, because it seemed to be of no benefit to Russia at all, because this dollar-denominated restructuring—these $4 billion in bonds, were exempt from the forced restructuring that later took place.

So, Goldman Sachs' clients did just fine, and basically, Russia ate it. So the fact that, today, you'd have any willingness to invite the likes of Goldman Sachs into Russia, is something that I find rather amazing, Certainly, it's not my place to raise the issue, but I do wonder if anybody has looked closely at this, and looked closely at Mr. Chubais's actions at that time. Because when Debbie was out on the West Coast, and was ranting and raving about how these people might have Russian surnames, but that essentially, they were the enemies of Russia, everybody here thought she had temporarily lost her mind. But when you look at the role that some of these people have played, there are questions that I think are worth looking at.

It certainly raised questions in my mind, and therefore, I think that it would raise questions in the minds of some of our friends in Russia. Okay, now that I've probably created a diplomatic incident, let me get on to my actual question here:

Lyn, I found particularly interesting, some of your statements in the videotape presentation that we had listened to before you came on live, where you talked about how monetary systems, and how they developed, were intrinsically imperial, that they were intrinsically based on the notion of empire. Because, as you know, we've had a particular discussion and it took us a long time to get a firm handle on this question of a credit system versus a monetary system. But I did not really think of it before, in quite these terms, and I find this very interesting.

But I think that the next step that we have to take—and this did come up very specifically in some of our discussions with our friends from Russia—it's not only organizing a monetary system versus a credit system, but really I think that it gets right to the heart of the question of what is national economy, and I don't think that there is a clear understanding of this at all.

If we take, for example, this back and forth with Russia—you know, when the Russian President formed

this modernization commission, on paper, I thought it was right on the mark. It was a call for greater investment in high technology, in high-technology energy production, infrastructure, etc. But then, this gentleman [Dvorkovich] came to the West Coast—and I don't know if this is the Russian President's conception—but his conception of high tech was translated into this Silicon Valley thing.

Now, aside from the fact that Silicon Valley was a miserable failure, in terms of simple profitability, the question that it poses to me, and that I posed to him, is really, how does it add to national economy?

Let me just say, I'm the mother of a young man who loves the Internet, and I think eBay is swell, and it's where I buy my "Jimmy Choos" because I couldn't afford them otherwise. I'm not inclined to shut it down, but I don't particularly view it, when I sit down, and try to map out the direction of U.S. policy, and the direction of the U.S. economy, and the same applies to any other nation—I don't figure that in to my overall perspective.

But, getting back to where I started, in order to move away from this imperial conception that's implicit in any monetary system, it would seem to me, that what is necessary for any nation, and what has to be their first point of concern, is the ability to not only produce goods internally, but to be able to move things internally. And from that standpoint, I think the question of the development of railroads, in particular, and today, obviously, high-speed rails, seems to be absolutely essential, not only from the standpoint of economy, and national economy, but really from—I'm having trouble thinking how I want to articulate the question—just from the standpoint of the security and the sovereignty of a nation, these kinds of projects are crucial.

And obviously, there's no need for them to stop at national borders, but first and foremost, it seems necessary—I think one of greatest problems that we see in Africa, for instance, is that they have no capability to move anything within their own countries, let alone on the continent as a whole.

And similarly, in studying the history of the United States, what was integral to true U.S. independence, and the development of the U.S. economy, was the development of the continental railway system.

And therefore, I would think that, just in terms of defining what it is that constitutes a national economy, and what it is that really is the business of government, as opposed to the business of entrepreneurial people who want to set up eBay-type ventures, this is a very—you have to apply some litmus test.

And I think about Russia—this incredible landmass, that has so many different features to it—the fact that the government would concern itself with the expansion of Facebook and Twitter, rather than figuring out how to build high-speed rails everywhere—I don't want to keep dwelling on the Russian question, and I know it's a very big issue for all of us here, because of what's gone on over the last few weeks—but I'm really posing this question more generally, from the standpoint of what defines national economy, versus just day-to-day commerce that somebody might make a buck off. So, I'd like you to address this a little bit more.

LaRouche: Well, in terms of modern economy, starting with the 15th-Century Renaissance, and with people such as Brunelleschi, who was the first to discover the application of a non-geometric curve, that is, a non-Euclidean curve, the catenary; who constructed the dome of Santa Maria del Fiore in Florence, based on the use of the catenary principle as an active principle of construction. And then following him, Brunelleschi, Nicholas of Cusa. And Nicholas of Cusa is actually the founder of modern science, in his term, as well as the other things he did.

So, you have then the development, which leads through things like Kepler, Johannes Kepler, who is the first one who extended this to the generality of a general principle of physical science, especially with his *Harmony of the Worlds*. Then you have the things of the 17th Century, in which the work of Leibniz was based, Kepler and Leibniz.

So that, actually, when you look at the way the economy of Europe, of western and central Europe and beyond, developed, coming out of the New Dark Age of the 14th Century, it was always a physical principle of economy, which determined successful economy. And it was those who suppressed technological and scientific progress, who caused the great catastrophes, by various means, including wars.

So, then you had the influence of Leibniz, despite his opponents, in the 18th Century, and you had the emergence of France as a great productive nation. You had the emergence in Germany; also Russia, of course, is developed in this period. In Germany, during that same period, the 19th Century, especially under the influence of Bismarck. And all of this development was—including the great development of the United States from its founding, from the Massachusetts Bay Colony—was always physical development. The de-

velopment of the physics of production, and the nature of the design of the product, and the design of the manufacturing of the product. With the system of transport of the product, and people.

So that physical economy is actually the basis.

Now, the other side of physical economy, the new part, which came into being significantly at the end of the 19th Century, was the idea of physical chemistry. And since that time there has been a very significant difference among, on the one hand, mathematics, so-called mathematical physics; physics as such; and physical chemistry.

Now, take two figures, one an American—William Draper Harkins—and Vernadsky, sort of contemporary. And they represented a new dimension in the development of economy, because of their contributions to physical economy, as opposed to physics as it's taught, as a mathematical subject, or mathematical physics, which is not quite as good, and not quite as useful.

And you look, of course, at this case we mentioned Russia before, at Vernadsky. Vernadsky was one of the great—he and Harkins were two of the greatest geniuses in developing the science of physical economy, and of mathematical physics as such, physical chemistry, in the century.

So, the way we have survived, as people, as nations, the way we have increased the potential population density of the human population, where this has happened, and where we had the greatest increases in productivity of labor and standards of living—improvements of that sort—has always been in terms of the application of physical chemistry. And Vernadsky, in the case of Russia, for example, typifies that.

Probably, he is the most important figure in the science of physical chemistry, in history. He and his followers. And his discoveries are one of the greatest sources of benefit in terms of health care, in terms of agriculture, in terms of about everything, including the present science, which is a shift in science occurring today, in terms of the cosmic radiation problem. He was a part of this process, as was Harkins.

So, the actual increases of the productive powers of labor, of society, of the nation, depend upon the application, by man's mind, of developing principles of physical chemistry, through the problem of supplying mankind with the means of existence. There is no intrinsic value in money. Money is simply a certificate of something. And when we run an economy well, we stick to what we might call physical economy, the economy based on physical production, or physical transportation, the physical conditions of life, physical conditions of health care.

And it is the improvement in man's power in physical chemistry, in terms of per capita, per square kilometer increases of power of mankind, increases in the population density of mankind: These steps of progress have always been made in this way.

So, that what we're doing in economy, is translating the benefits of applied physical economy; that is, today, looking back at this history since the Renaissance, the 15th-Century Renaissance: We're transforming society, transforming the economic policy of the economy of the nation, by these methods, methods which are essentially physical chemistry methods.

Thus, when we know what the physical chemistry is that's required, then we put a corresponding value on the elements of the economy.

We determine, first of all, what is it worth to us, as mankind. We're comparing that with what it costs us, to perform this function, which produces that which is of worth to mankind.

Most of the problems of economy have come from the idea of monetary economy—the extension of monetarist economy, as opposed to physical economy. Monetarist economy assumes that there's a statistical relationship among financial events, which defines the way economies function. It doesn't. Not true. It's false.

What we need, as the American System typifies this, as Hamilton's influence typifies this, as Franklin before that, or the Massachusetts Bay Colony before it was crushed by Andros—always our experience in economy has been based on this. And we had the highest rate of gain, in terms of economy, of any nation on this planet, except when we were under British influence. Always.

We always understood that you do not want a monetarist *system.* You want a system of credit, which is the basis of your use of currency and so forth, and sales. But you want to adjust the system of money, as credit—you want to adjust that to two values: one, the cost of producing it, or supplying it, of delivering it, against the physical cost of producing it; and what its value is to mankind, according to the benefit it represents—the relative value it contributes to mankind. Including health care.

So, that's where our problem lies. Those are the terms we have to think in terms of.

The idea of an area like Russia, of trying to say that we're going to use innovation, games like Facebook, or

things like that, silly things like that as having economic value, they have *no* economic value whatsoever. They're a swindle, a waste of time. And we have to go to this concept of physical economy. That everything we should spend money for, has a physical basis.

And what we're concerned about always, is the increase of the physical productive powers of labor, and, at the same time, with the physical benefit of those powers—including the social benefit.

So, what we've come into, increasingly, since the death of Roosevelt, but especially since the insert of Alan Greenspan in charge of the Federal Reserve System, we have become clinically insane, and criminal in our practice of economics, internationally, under these influences.

That's what happened to Russia during the 1990s. Criminal behavior. By whom? Well, by the British. Partly by the French. By Americans. Russia was *raped*. How was it raped? Well, the rape was continued as a Caribbean phenomenon. You couldn't get a hotel room in Antigua unless you spoke Russian, because the thieves robbing Russia, under British direction, who are of Russian origins, were betraying and raping their own country.

Then they come back, in the form of people like Chubais, who is typical of this; and they come out, and now they tell us how Russia must be run. And you look at what they proposed; if you're an economist and understand how economies work, you see that Chubais is still a thief. He's a robber. He's a rapist of his own people, in his own nation.

But he's not the only one. The present Administration of the United States, under Obama, is equally evil. What has happened since de Gaulle, in many cases in France, has not been too good either. What's happened recently in Germany, is rape. What's happened to Italy, repeatedly, is rape. What the British do to their own people repeatedly, is automatically rape, and sometimes the British say they enjoy it.

But that's where the problem lies. That's where you have to come down on this thing.

Goldman Sachs is what? Goldman Sachs is a part of the British imperial system. It's nominally American, but it's not really American—it's Wall Street. And Wall Street has never really been a patriotic part of the United States. Wall Street was the British East India Company branch inside the United States, by traitors to the United States. And that's why I consider some of these people in Russia to be traitors to Russia, as they were, in some cases, to the Soviet Union. Like Chubais.

They raped their own country and betrayed it, and took up residence of their assets and parked them in the Caribbean, in a tax-free zone, or a quasi-tax-free zone, and paid nothing back to the country which they were robbing. And this is what we do to ourselves in the United States, what is done to the nations in Europe, and otherwise. And we have to establish a system which recognizes these things as crimes, crimes against humanity. Like Hitler's crimes against humanity. And we have to say we are going to stop this criminality.

We are going back to a system where countries work and cooperate, to improve the conditions of life of their nation, and other nations. And once we decide we're going to do that, we'll do just fine. As the United States did; every time we did that in the United States, we had a great benefit. As under Benjamin Franklin's leadership; under the Massachusetts Bay Colony in the earlier period; under Lincoln, under McKinley, under Franklin Roosevelt.

Every time we've followed these principles, we've prospered. And we have also been a benefit to other nations of the world. And that's the basis for economy.

Freeman: The next question touches some of these points, but on a very different level, and the questioner says: You know, after the last webcast, when you answered the question about math versus physics in economics, a number of us were very excited by your answer. And, as you may know, there is a little bit of a—to call it a split among us would be an exaggeration—but there's a difference in orientation among us, that comes largely from training, and also just from the focus of what different people work on. A lot of us are people who have, at various points, spent a lot of time working on domestic policies, and how to finance domestic policies, and they will probably take out their guns and try to shoot me, but they tend to take a more sociological approach to some of these questions.

Not in a bad way, but it's just, that's what they work on, and they've done stints in Washington, and stuff like that. But for others of us here: We have long grappled with this conflict between mathematics and physics, and have been fascinated, really from the outset, although we have only recently begun to discuss some of the issues you've raised about Vernadsky. And there is a group of us—it's not a large group—but about six of us are fluent in Russian, and we have gone back, and we have looked at some of this stuff. And we are still at a much earlier

stage than you are, obviously, in looking at this, but it's something that we agree is critical to the underlying methodology of long-term economic development.

But, one of the things that now has come up as a new source of debate—and we have different views of it here—is the question of Vernadsky versus Oparin. My own view—and everybody is going to accuse me of shaping the question in my favor, to get you to say something that will support my position—and they can ask their own questions if they want to. But the bottom line is that I see Vernadsky and Oparin as representing—I don't know if I would go so far as to say opposite views—but I don't see them as kind of *sympatico.* It's kind of like the difference between Plato and Aristotle.

I'd like you to talk about this a little bit, because it will not simply resolve the debate where I actually know I'm right, but also, because I think it will be very useful in guiding the future work of this little group of us who are pursuing this. Unless you just think it's too internal for this discussion, in which case we can ask you in a smaller setting.

LaRouche: No, it's relevant. Oparin was a Marxist, who was strongly influenced by circles in Britain, circles which, in part, were associated with [Bertrand] Russell's circles. And he was also a chemist. And he tried to get a definition of life, from reductionist chemistry. Under Stalin, he had very few opportunities to attack Vernadsky, except on one notable occasion, but, probably, some other occasions that I've missed, or have been missed by people I've consulted. But his thing was intrinsically incompetent, and remains incompetent today. Because he assumed that you can get a living form out of a non-living process. That you can get it out of a simple chemistry, a cookbook chemistry, almost.

He made an argument on this thing—it's well-known—and some of the chemistry that he referred to does occur, and does appear as a phenomenon, in the living processes. But it does not *generate* living processes, and life is defined by its developed generating life. Vernadsky understood what this meant, and understood also that chemistry, true chemistry, has three categories, from the standpoint of experiment, from the standpoint of investigation and practice.

One, we have the non-living processes, those things which are chemically distinguished as being non-living in their characteristics.

Then we have things that are residues, of living processes, or things that were living processes, like residues.

And thirdly we have human life.

Now, the universe as a whole is creative. In other words, the universe was not—argued against the Aristotelian tradition by a very famous Philo of Alexandria, on the question, God did not *die* when He created the universe, contrary to Friedrich Nietzsche. But rather the universe is inherently creative. Its existence is creative. It is not fixed. It is not dead.

And so, for example, as Harkins emphasized, you can have evolution of atoms, which occurs not with radioactivity, but by a kind of tunneling process, where a proton gets slipped in on something else, and changes the chemical composition of something, by slipping a proton in the right place, in terms of an atom.

The universe *is* creative. The universe we know now, is essentially cosmic radiation, of all kinds. And from this soup of cosmic radiation, the other forms of expression of material existence, and experience, come up.

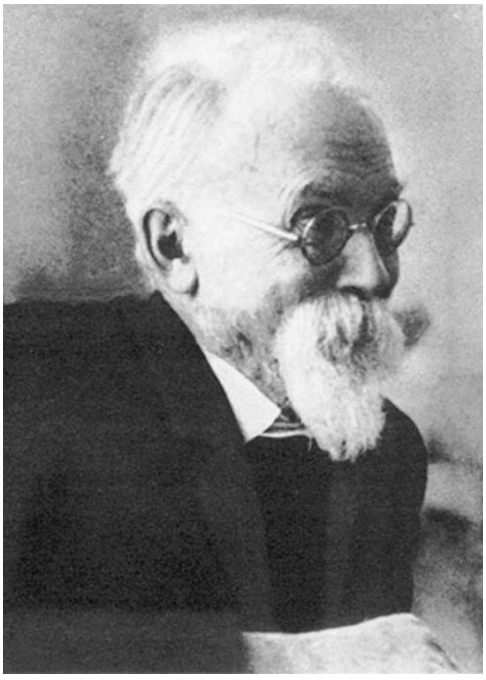
But on top of this… But life is peculiar in the sense that only the human life, is actually conscious. We have the development of successive orderings of species of animal life. We have the ordering of plant life species in general. We have the ordering of the non-living, the non-living aspects of life. They all are there. But only in mankind, with the creative powers of intellect, which are consistent, shall we say, with the image of Albert Einstein, do we find, as Vernadsky points out—only then do we find human life.

And our concern is two things: life, the difference between non-life and human life. These are systemic differences. They belong to entirely different categories. You can not jump from non-life to life. Only life produces life. Only life generates life. Only human life generates willful evolution of the universe to higher states of existence.

This is all in Vernadsky. And the reductionists, who were tied to usually British ideology, as was Oparin—these are problematic cases.

But this is essential to understand economy. What do we want to do? We want to reproduce and strengthen the condition of human life. In order to create an environment for human life, we have to promote the increase of life.

For example, we want more carbon. Because it plays a crucial role in developing living plants. And we need living plants, so we want more of this stuff. Better quality of it. We don't want grasses, we want trees. Grasses



One of LaRouche's interlocutors raised a question about the great Russian biogeochemist V.I. Vernadsky (left), versus the Soviet scientist Alexander Oparin (right), suggesting the difference between them was like that between Plato and Aristotle.

convert about 1-2%, at most, of solar radiation into biomass. Trees will go up to 10%, in terms of consumption ratios, converting solar radiation into biomass. Trees, especially, even grasses in part, make a more moderate climate, as opposed to a desert, which has an abundance of solar radiation, but no means to convert solar radiation into something useful to life.

And therefore, these are the parameters to which we must refer, even in a primitive way, a classroom way, of indicating what the principle of economy is. It's mankind's powers of creativity, which enable man to make a revolution which changes the physical chemistry of the human environment, which is really the root of production. And when you think in those terms. And you have to think of something else. You have to think of what is human creativity. In other words, you can not get human creativity out of mathematics. Mathematics is not creative. You use mathematics as a tool in this process of production. But the most important thing is the environment of human creativity. The kind of human innovation, typified by the personality of Albert Einstein, one of the best to typify this, or earlier, Nicholas of Cusa, or if you go through the detail work of the discoveries of Kepler—you get the same kind of thing. Leibniz on dynamics gives you the same image.

So that, if you understand these things, you understand what the reality of economy is, as opposed to the appearance of experiencing economy. And my purpose in life has become—because I liked this, is why I did it—and I have come to look at it as more than something I like, but as a profession, a devotion, as a result.

That's the way you have to think about things. You have to realize that the Vernadskyian categories are, as far as we know, valid. That what we are beginning to find out more and more, in studying cosmic radiation, and its relationship to living processes, and other things, informs and strengthens our views in this connection. When we think about trying to get a man safely to Mars and back, and not as a piece of glob, then we also think in these terms.

What is required to create the necessary biophysical conditions for man living in a reduced gravitational environment, or in these other kinds of problems that you get when you go into a long-term—you know, it's about 300 days to travel by ordinary propulsion to Mars. The hard goods can make it nicely, the human beings not. You might end up as a blob of jelly by the time they got there.

So, we have to get to Mars faster than that method, which means we need acceleration. We need acceleration of the rate of speed—acceleration, deceleration—to get people quickly, theoretically, it might be two days to Mars, something like that.

But these are the kinds of directions in which we have to think, and think back from, when we start thinking about how what we're doing today, will affect humanity with a span of a lifetime, which now today is about 70, 80 years, or longer, of life. What can a human life contribute, in a span of existence between zero, from birth, to the termination of life, perhaps somewhere before 100 years of age? And we should think

about the consequences of what we're doing *today*, in terms of where we're taking humanity, the humanity of our grandchildren.

Many investments today are long-term investments. You invest in something which has a useful life of a century, like a great water system, as China recently built. Or a railway system, or the equivalent. Or new kinds of industries, which involve a lot of long-term investment. So, we have to think in terms of two decades at a time, or two and a half quarter decades at a time. We have to think about our life, and what is going to come out of our life. Not just for us, but for our role in society, which spans the better part of a century.

So, we should be thinking from the beginning of the birth of a child, to the child's maturity, and approaching death, of a mission in life, which takes that child, and gives a continuous meaning to the development of that human being, and that generation, for nearly a century to come. Therefore, you must adopt goals of change, goals of increases of man's power to exist, to reach out in the universe, which go up to a century.

And it's the physical development of economy, to that effect, which, for me, is crucial.

Freeman: This makes the next question very appropriate. Because the questioner, who is part of our Stanford group, says, one of the issues that came up in the discussions both with Mr. Dvorkovich, when he was out at Stanford, but which also has come up today in some of our discussions—and I know that it's a persistent problem among Americans, in terms of discussion—is this issue of infrastructure. And when I say infrastructure, I'm not just talking about paving a highway, or something, but I'm talking about long-term infrastructure investment, as, in fact, the space program was. And various people argue that the space program was not part of infrastructure, and I really rather emphatically disagree. But one of the things that Mr. Dvorkovich said, he said, well, infrastructure is nice. We all like infrastructure. But the problem with infrastructure is that it takes a long time. It takes a long time for it to be built, and it takes a long time for it to be "profitable."

And it was kind of ironic, because my own view of infrastructure investment, and why it represents such a significant stimulus to economic growth, is precisely the opposite of that. Because it is an investment in a long-term project, not just that it then creates jobs for a long time, but that you're investing in something which is not only useful in this moment, but which, if it's based on advanced notions of science and technology, is something which is useful long into the future.

But what it raises, and what came up in the discussion, certainly not in the discussion with Dvorkovich, because I don't think this is his area, but we've been discussing this question of energy-flux-density, as a measure of what actually constitutes human progress, since, presumably that's what we're all devoted to. That's why we got into this business in the first place.

And if, in fact, the question of increases in what you've uniquely identified as energy-flux-density, is what constitutes progress, the actual carrying capacity of this planet, and the capacity of life on this planet to explore the Solar System as a whole, then it seems that when you are trying to shape national policy, the preeminent question is how do you increase—I may be wrong on this, which is why I'm asking the question—but, it would seem that the immediate question that you deal with, the thing that somehow is your measure, and I guess this goes back to the earlier question that was asked about national economy—but it seems to me that what you use as kind of your test, and the question you're constantly answering, is: How do you increase energy-flux-density? And, if that's the case, then my conclusion is really: Infrastructure is what does that.

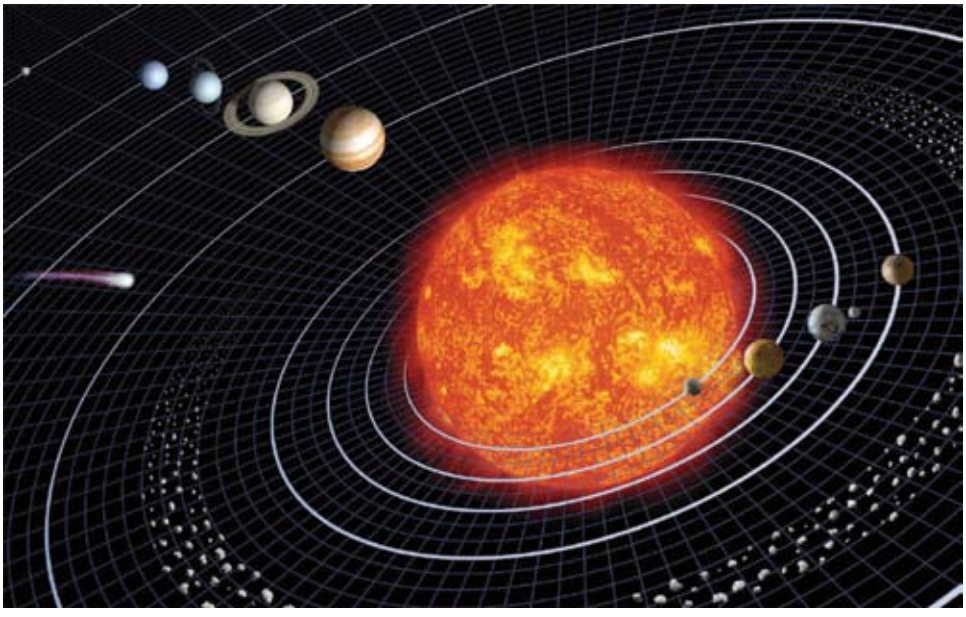
But, I'd ask you to comment on it, Mr. LaRouche.

LaRouche: On this question, you have to go back to a discussion of Leibniz at the end of the 17th Century, the last decade in particular, when he introduced the concept of dynamics.

Now, the term dynamics in Leibniz has no resemblance to the common use of the term dynamics today, on the street, or even in the universities. They mean compulsion or impulsion, and that's not the measure.

Dynamics refers to the fact that as we live in the universe, say, the universe as we describe the cosmic radiation—that's where we live. And, as in mass movements, in politics, for example: Politics is based, politics in the broad sense, is based on the influence of the impact of an idea, or something that has the expression of something like an idea, on a broad area of people, and of the effects of this action. That's what Leibniz defined dynamics to be.

Shelley, for example—I've often referred to this—Shelley, in the conclusion of his "A Defence of Poetry," describes a similar form of dynamics, or mass action, as Rosa Luxemburg, for example, described it: mass action, which moves a people, even despite their contrary tendencies. And in studying the dynamics of soci-



NASA

Another participant asked LaRouche about whether increases in "energy-flux-density," are what constitutes progress, and the capacity of life on this planet to explore the Solar System as a whole. Shown: an artist's concept of our Solar System.

ety, you're looking actually at dynamics in that sense—in the same sense that "A Defence of Poetry" that Shelley describes this process. And also you get the same thing with other great poets, and so forth, who recognize this phenomenon, as a social phenomenon.

So, when we talk in terms of dynamics, as Leibniz uses the term dynamics, not the way it's commonly used today, which is a sort of illiterate abomination, then, what you're looking at is the relationship between a change in the environment, in some sense of environment, and the potential performance of, for example, human society. The potential improvement of the conditions of life, or the potential productivity of a society.

And therefore, in this process, we install improvements, such as basic economic infrastructure, which is necessary for community life, to improve the standard of life, and also with machinery, modes of production, to improve the productivity of labor. Or simply a countervailing action against the depletion of a resource, where it takes more effort now to get the same benefit that you got earlier, before you depleted this type of resource. So you have to go to a higher level of technology, or energy-flux-density, to solve the problem.

So, the ability of mankind to survive, does not depend upon man walking around, as on a plate or something, but man in an environment. How does that environment, including the environment of work, the environment of life, affect the productive powers of labor, per square kilometer, per capita? When we make investments in new processes, we increase the productive power of labor, and we calculate the ratio difference between this improvement in the productive powers of labor, in society, and the benefits, as compared with the investment that has to be expended to provide this factor which causes that improvement to occur.

And we're always depleting society. If we stand still, with the same technology, without technological progress, without capital-intensive improvements, we are depleting society. We're using up the richest lodes of natural resources, for less rich lodes. But we make up for that by going to a higher level of technology, usually in the order of an increase in energy-flux-density of the process involved.

And that's the way we progress. If we don't do that, we're going to Hell. So, these improvements include infrastructure, real infrastructure: mass transportation; freshwater systems; clean air; better quality of food; availability of foodstuffs, more cheaply, more accessible. You don't want super-large cities, and countrysides at a distance. You want medium-sized cities, and you want the medium-sized cities permeated by parks, and other things which give you a quasi-rural effect, and you want your agricultural development in the surrounding area, or forests and agriculture immediately surrounding this medium-sized city.

And you don't want to have everything concentrated in one part of an entire continent. You want to have plots all across the entire continent you're developing, which have these benefits: an efficient transportation system, high-speed transportation system, so freight and people can move efficiently, at low cost to themselves, in terms of lost time; and comfortably.

So, production is distributed over a wide area, rather than being concentrated in a great slum, or a slum-like operation.

So, the concept that you referred to, as some peo-

ple's concept, is idiotic, and it shows one thing: That the person that makes such an argument has no competent knowledge whatsoever, of city planning, of designing machinery, designing a productive process, determining the cost of a productive process in human terms. All these essential things which should be the natural talent of a professional economist, largely in the area of physical economy.

Also, you consider the social environment, or the psychological environment, which is just as important for human beings as the physical environment. You want schools that are not overcrowded. You want a program of activities in the schools which promote the development of the creative powers of the people, of the students, things like that. You want to be on the frontier of science. You want to have a human being who's developed in the educational process, as a *creative* human being, not some dullard who knows how to repeat what he was taught, but a person who will spontaneously tend to contribute the ideas which lead to a qualitative improvement in mankind's potential.

The other side, which is also morally important, as well as physically: We can live, today, about a span in modern society, with decent health care, and decent conditions of life, we can live up to 100 years. And that is within the reach of mankind, if we can reverse some of this nonsense about health care. Get rid of Obama's health care, and go back to a Hill-Burton system in the United States. We can keep people generally alive and functional, up to the age of 100. That doesn't mean it's going to work for every case, but that can be the trend, that can be the standard.

And on something else: What's the motive in living? What's the human motive in living? You're born. Eventually, inevitably, you're going to die. Well, what keeps you together as an individual in that span? The fact that you are going to die, means that there should have been a purpose in your life, which made that life's existence worthwhile to future humanity. And since we're social people, we like to think of that. And we like to think in terms of our grandchildren. We like to think of old friends. We think of their children. We like to think of cities and towns which have been improved, and somebody on the verge of death, can look around them, and see the improvements that have been made, partly through their help.

And then they say, mankind has a mission in the universe.

And we have participated in that mission. And therefore progress, including scientific and technological progress, is a moral value in its own right. Because there's a difference between a human being who considers himself a rat, who's born to die, and not much else—and a human being who can live three or more generations, and live with the intention that their life will have meant something in a continuous way, to the time beyond their death.

Then they say, our existence, as human existence, has a purpose. It has a mission. And we are, therefore, motivated to choose decisions, which contribute to that effect. The notion of being good, means that you think that mankind, as such, has a mission in existence. A mission which reaches beyond their mortality. And they will choose the course of life, and the behavior, according to their desire to represent that kind of immortality. The immortality of having a meaningful thing that you have contributed to the future of mankind, while you were still alive. And you don't want that destroyed. You don't want that denied.

So, you have the two aspects. First of all, you have to have a moral society. And a moral society is one that cares for humanity as being a very special part of creation. And humanity which has a limited life, about three generations of potential for life for any newborn human being in a decent society. But what is that person going to do with those three generations?

They're going to mature, of course, and they're going to make some contributions, develop to make those contributions, but they're going to have a sense of purpose.

For example, when you think of other nations, they speak a different language. They have different habits than you do. But why should you care about them?

Because they're part of humanity.

What then should humanity do? If you care about the fact that the other nations, cultures, are a contribution to the outcome of your existence, and therefore, you look at that other nation, not as a competitor. You may compete, but you don't look at them as merely a competitor. You look at them as complementing your role in creating the future of mankind, in this universe.

You go to space. Why? Because you're going to get kicks out of it? No. You go into space because you know this is important for humanity, in future generations. And that's the kind of thinking that's required. And that's the way a really competent economist will tend to think anyway. You think of the edifices you build, the

goals you achieve, the goals you make possible.

Like in space: I am not going to be on Mars. I will never live long enough to land on Mars. But I would hope that I would be represented in man's landing and development of Mars. Because what I'm doing now will help to contribute to that end.

Therefore, my life has a purpose and that purpose controls my morality, and my intention. And that's the way a real economist has to think.

EIRNS/Stuart Lewis

One participant reported that former President Bill Clinton, speaking to a Washington, D.C. fiscal summit in April, "blew everybody away, by insisting that, if we're going to get out of the current mess . . . he's absolutely convinced that we have to increase immigration," that it's essential for both America's economic future, and the global strategic situation.

Freeman: Thank you, Lyn. I'm going to ask you one last question just to wrap things up, and we're going to try to work out another discussion.

This last question kind of brings things back to the issue of the Four Power agreement. The questioner says: Yesterday, before this fiscal summit that occurred in Washington D.C., and then in greater detail later on, President Clinton blew everybody away by insisting that if we're going to get out of the current mess that we're in, if we're going to get out of the current financial-economic crisis, he said that, along with everything else that we've been discussing, he's absolutely convinced that we have to increase immigration; that it's essential for America's economic future, but that it's also essential for just the global strategic situation.

And he raised it from a couple of different standpoints. He said that it's obvious to him—and he said he felt very strongly about it—that there's no way out of this current mess, unless that's part of the strategy. He referred to the collapse of the machine-tool sector in the United States, but he said, not only in the United States, but in the advanced sector as a whole. And in doing that, he referred to the average age of a machine-tool designer right now. And he said that he feels that one of the difficulties that we face, is that we're dealing with an aging workforce—of which he included himself as one—but that bringing young talent in was crucial.

And he said that he's very aware of the fact that this completely flies in the face of popular opinion, but that he feels strongly about it, and he's willing to defend it. And he said that he's always been convinced that one of the things that has allowed America to compete globally, and to progress as rapidly as we did, is that, unlike some other countries, which, in fact, are great countries, is the fact that the U.S. developed really as a coalition of more than one country, and that—the way that he put it is, he said, we've got somebody from everywhere here, and we manage to make it work.

But he then went on, in terms of the discussion of the Four Power agreement, and this is what I really wanted you to comment on, because this came up especially with some of our international guests, is, he really stressed that what was being discussed in terms of the Four Power agreement is not a diplomatic arrangement. That it's not a diplomatic compromise that will kind of keep the world peaceful, although he said he thought that it would. But that really, what it is, and what it represents, is something really on a different level; that it's a long-term commitment to collaboration on a common goal, for the entire planet. And that that is something which he sees as very different.

He said it's not—because some people said, isn't this just a new form of globalization?—he said, absolutely not. What it is, is it's a question of totally sovereign nations, working together, collaborating together, on a common end, which is good for everyone, he said; and that's not merely a diplomatic initiative, although it does have, it's diplomatic in the sense that it will pro-

mote, it will definitely promote world peace, and it will stabilize what is otherwise an unstable situation.

But I thought that it was important for him to put that on the table, because I think that, especially people who have not been involved in this discussion from the beginning, tend to kind of reduce—you know, there are a million different diplomatic initiatives going on, most of which I find to be pretty useless, but this is something that we've all gotten involved in, because we do see it as different. And since you're the author of the policy, I thought that it would be very useful if you'd just put forward your own thoughts on it, especially for our guests here.

LaRouche: Well, let's take the case of the SDI, which was, as I've documented this for people in other locations: It was my baby. I got into this mess, as I've indicated, because Brzezinski and company were planning a nuclear confrontation with the Soviet Union, and I knew we had to stop it. And so, I had the evidence in my hand, knowing that this is what that crowd had intended, and I did something to scandalize the issue. And then also, having scandalized the issue, which we did prevent *that* particular form of horror by Brzezinski, but we got the other kind, and they wanted to kill me over my opposition to that thing, at that time, from around Brzezinski.

So, I realized that I had only addressed part of the problem. To avoid the nuclear confrontation with the Soviet Union, we had to have some positive measures to reverse what had been started by Truman, and the British, after Roosevelt's death.

We had to get the relationship between Russia and the United States, in particular, on a basis which was consistent with that of Franklin Roosevelt's intention.

So, I looked at possibilities in terms of technology, and so we came up with, with the aid of some very capable scientists, we came up with an approach as to what we could do. I discussed, with the permission of the U.S. government, the relevant people, the security-intelligence department, secured the go-ahead.

We had, in the meantime, a report from a Russian military person, assigned to the United Nations, we had a suggestion that they wanted to talk to the new Reagan Administration, and wondered what I could do for them. So, I passed along the message from this Russian gentleman, and took it to the relevant people in the incoming Reagan Administration. And said I strongly recommend that this be followed up. And they said back to me, from the security department, why don't you do it? You initiate this. So I did. And I had a certain amount of knowledge at that time, on how to deal with this, what the Strategic Defense Initiative would be, and so I went ahead with it.

Now, I was able to recruit leading military figures, top-ranking military figures, from Germany, from France, from Italy, and elsewhere, and from the United States. And also from the ranks of my own contemporaries, who had been in the OSS, for example, or similar institutions during World War II. I hadn't known them then, but I got to know them very quickly when I met them, because we had the same temperament, the same outlook. And so therefore, we made the offer, the proffer, to the Soviet representatives.

The responses were, at that time, at that stage, positive. The feasibility was acknowledged on both sides. Even at the end, when they said, we are not going to do it, because you will win. And I said, that's not what our objective is, to win a military conflict. Our objective is to avoid it, to prevent it, because there are other people, like the British on this planet, who are evil, who will get us to start a war with each other, unless we put this thing under control. And we succeeded.

But then Andropov came in, and President Reagan, who adopted the policy, which was my policy, and presented it. And the important thing was that the Russians knew that what Reagan was presenting, was a carbon copy of what I had negotiated with the Russians. So, nobody was fooled, on either side. Reagan fully understood what he was doing, and he made a proffer directly to the Soviet government, which Andropov turned down, as a shock to many Russians who had seen this as a very viable alternative, to get out of this Cold War nonsense, with all its nuclear threats involved.

But then, there was a crowd from England, which had taken over, the Bertrand Russell crowd. He was now dead, which is the good side of the thing, but his influence still prospered. And the British were able to organize this by playing upon various characteristics of our military. Some people in the defense industry said, well, you're going to destroy our *defense* posture, if you get into this kind of agreement with Russia. We won't be making war against each other. We won't have a Defense Department. Some of this was just plain greed, just plain greed for defense contracts, and money, and getting rich and so forth.

So that went on.

And Gorbachov, who was really much worse, to my liking, than his predecessor, was really a fanatic, and

actually called for my assassination, through his wife's channels. Called publicly for my assassination by the United States government, and there was an attempted assassination of me, from U.S. sources, which came in response to this pressure from Gorbachov. So the man is a stinker.

And we went through this process.

But in the meantime, the Russian population had been conditioned by the propaganda of, first of all, Andropov, and then Gorbachov, to believe that this was a terrible thing. But then the terrible thing which I tried to prevent, *did* happen. It happened that Russia was crushed. If Russia had accepted this, and it had many opportunities to accept it, including 1986, when Reagan was still President. He made the offer, in Iceland—he made the offer. We could still have done it.

And the destruction of Russia, which was orchestrated chiefly by the British monarchy, with assistance of a French President, would never have happened.

And yet, there were silly people in Russia still today, who thought that my SDI proposal was terrible. And many of the people who are now talking about the same kind of thing, that is, the same attitude toward the United States and its people, and toward me too, are the fools who typify those people in the Soviet system, which, when the opportunity to avoid all this trouble was on the table, with a feasible operation, which we're now discussing again with Russia—implicitly. We're still discussing missile defense, ballistic missile defense. We've got the threat of Israel launching an attack on Iran, which can lead to all kinds of hell. We're still talking about defense against this kind of horror show, and how we deal with it. Without getting into a conflict between Russia and the United States.

So, what we have to do in diplomacy, we have to understand that the importance of national sovereignty lies in national culture. In a national culture which contains the dreams and stories and language and so forth, and everything, of a nation-state of people. Because we have to bind the people together from childhood, that is, each nation has to bind itself together through the *children*, the education, the culture of the children of that nation. To bring them to common aims, and common ends. As was one of the discussions between [Edward] Teller and the Soviet representatives at Erice, on the common aims of mankind.

So, therefore, what we need is, we need sovereignty of national cultures: You need the sovereign nation-state, perfectly sovereign nation-state, because you must have the people functioning with one will, on crucial issues. And on their own development. But you must also have partnership. You must have a sense of need, and comradeship, among nations, which are different. Which have different customs, and different behavior, but we have common ends. And when you look up at the Moon, and you say, well, we have a shortage of helium-3, and if we're going to go to Mars, or something like that, we need helium-3. And it's up there—parked on the Moon. We'd better get up there and get it. Because we need it on Earth, as well as in space.

Therefore, we need to set up a whole Moon industrial project, on the Moon, in which various nations participate, commonly, and share the development of industries and facilities, to this purpose.

Because mankind has a common mission beyond Earth, and beyond petty quarrels on Earth. Mankind has a mission in the universe. First, in the Solar System, and then in the universe.

And we have to have that kind of attitude. We have to have the joy of sharing the goodies we create. We've got to organize around common goals, which take a child from birth, until death, as an adult, and give them a purpose in the course of their life, which gives them satisfaction at the time of their death, that their life continues to *mean* something, long after they're dead, for having lived that life.

That is the kind of morality we must have.

And in economics, in my way of thinking about economics, it's elementary. You can have quarrels with nations, you can have differences, but you must also, at the same time, since you're human, you must have common human ends, which become the standard of negotiation, of projects, shared projects, and difficulties, among nations: a shared intention for all mankind, in terms of what happens to our generation, when it dies out.

What kind of a world are we creating? What has been the meaning of our life, or our existence, at the time we die? Are we just something to be thrown down in the wastebasket, because we die? Is our culture to be thrown down in the wastebasket when we die? Or should there be a purpose in life, which transcends the borders of death, in the sense of a purpose for all humanity, so that mankind can, in his soul, look back and say, "We helped do this, in our time. We contributed this. It's now good; it's here. Our life, and the troubles we took in it, was all worth while."

That's good economics.