

This Present World Financial Crisis: Credit vs. Monetarist Usury

by Lyndon H. LaRouche, Jr.

Here is an edited transcript of Lyndon LaRouche's keynote address to the Schiller Institute conference, "The Eurasian Land-Bridge Is Becoming a Reality!" held in Kiedrich, Germany, on Sept. 15-16. Subheads have been added.

The task I have to perform here today, is unusual, and it's not necessarily by my choice. The choice has been made for us: We've now come to the point that civilization as a whole is in danger of collapse. We're not faced with merely a depression; we're far past that. We're at the point where a chain reaction, a collapse of the dollar value, which has already collapsed significantly in recent months, but a further, sudden collapse of the dollar, would ruin China, damage India inconceivably, and blow out Europe; that Europe, China, India and other countries could not survive a sudden collapse of the dollar, of the type which is about to take place. It is already in process of taking place.

So therefore, this is an unusual time. We're looking, not at the threat of a depression: We're looking at the threat of a *global, prolonged, new dark age of humanity*.

And the question before us is, can we overcome this threat at this stage. It should have been done before, but sometimes in the course of history, necessary decisions come very late. Only when conditions are absolutely impossible, will people give up the foolishness which they have contributed to causing the crisis to occur.

Now, in such a state, you do not go back and say, "We are going to reaffirm our traditions." Because, as I emphasize today, the tradition we have in the world today, is best understood by people about my age, or older, like Amelia [Boynton Robinson]. We were there when the change came. And the change, as I experienced it, started when I was in military service overseas. And I was in India for a time, at the close of my service there, when President Roosevelt died. And on that occasion, some soldiers came to me, and said, "Can we meet with you later tonight?" They did not say what the subject was, but I had a sneaking suspicion what it might be. And the question was put to me: "What, in your opinion, is our fate, now, with the death of Franklin Roosevelt? What's going to happen to us, now, that Roosevelt is dead?" And I told them, off-hand, I said, "Well, I can say that we have lived and fought war, under a great United States President. We are now left in the hands of a *very little man*—and I'm afraid for us."

Then, I came back out of Burma—I had been stationed in northern Burma in the closing period of the war—and came back, and at that point, what I had feared earlier with the death of Roosevelt, was already taking place. The United States, under Franklin Roosevelt, had a very unsteady alliance with the British Empire. The British Empire was the agency which put Hitler into power in Germany. Not just the kingdom, but the *British Empire*, typified by the Bank of England, and by the correlation of elements, financial elements which *are* the British Empire. The British Empire is modelled upon ancient Venice, medieval Venice, in which a group of bankers, like a cluster of parasites, forms an empire. And finds instruments of government to do its bidding.

Roosevelt vs. the British Empire

What happened is, Roosevelt had been committed to eliminating that. *But*, in order to defeat Hitler, he had to get into an alliance with Britain. And he had to *force* them into that alliance, because they didn't want to do it! *They liked Hitler! They invented him! They created him! They put in him into power*, with the help of some people in the United States: the Harriman bank, for example, known for its racist policies in an earlier period. It was the grandfather of the present President of the United States, Prescott Bush, who was general secretary for the firm of Brown Brothers Harriman, who wrote the check, in effect, the message to a German bank, at a point that the Nazi Party was bankrupt, and *saved* the Nazi Party! It was the British monarchy, and its representative, Hjalmar Schacht, who put Hitler into power.

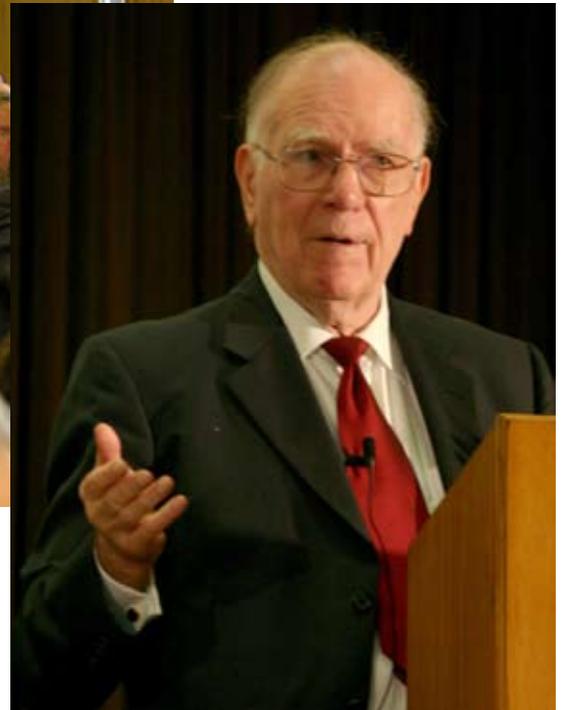
We had to get rid of Hitler. We couldn't do it alone. We had an alliance with the Soviet Union on this issue. We had to have the British alliance. And we were dragged down during the war, by the fact that we had an untrustworthy ally, Britain.

I once had met a German general, who had been a colonel in North Africa; a distinguished fellow, a great man in international law. And at my first encounter with him, I said, "Well, General, would you agree with me that Montgomery was the worst commander in World War II?" And he answered me, and said, "Well, you can't say anything bad about Montgomery. He saved my life." He said, "I was commanding the rear guard for Rommel, in the retreat from Egypt, and if he had ever flanked me, I'd be dead!" [laughter]



EIRNS/Helene Möller

The question before us, LaRouche said, is whether we can overcome the threat of a prolonged new dark age. There is only one pathway out: by returning to the republican principles exemplified by the anti-depression policies of President Franklin Roosevelt. It can still be done, but there is no time to waste. Above, attendees to the Schiller Institute conference listen intently to LaRouche's words.



Well, if you know what Montgomery was, you know what he was in “[Operation] Market Garden”: He prolonged the war in Europe, for over a year, by moving a First Army operation through a field where the roads couldn’t carry the supporting troops to rescue the parachuters that had jumped in there! And he continued the war for a year! The war would have been over, by the end of 1944, but for Montgomery. And he was stuck in there, not only because he was a very bad general, very incompetent, but he had provided precisely that margin of incompetence that Churchill wanted: Because Churchill took out competent commanders on the British side, for fear they would help to win the war too soon. So, this is the kind of problem we faced.

So, when Roosevelt died, what went into action? Roosevelt’s program for the postwar world was something the British were determined would not occur: And that was, to eliminate colonialism, in all its manifestations. That all nations, and Roosevelt’s speech in Casablanca, where he confronted Churchill on this, was explicit. He said, “Take this part of Africa! What can we do after the war? What can we do to rebuild this area?” And laid it out: Roosevelt’s policy was *elimination of the British Empire*, elimination of colonialism.

And when I got back to Calcutta, from northern Burma, with Truman as President, rather than Roosevelt, I saw it in action. I saw it through Southeast Asia: The Japanese troops had surrendered to the forces of Ho Chi Minh, who had been a U.S. ally under Roosevelt. And the British ordered the Japanese troops to be taken out of the internment camps, given

back their weapons, and reoccupy Indo-China. And you remember that history? What that led to? The wars of France in Indo-China, the other wars?

How about the Dutch, what the damned Dutch did in Indonesia, in the same way? A *long war*, to suppress where there should have been development. The promotion of the split, the civil war, in India. And all through Africa! Africa is the worst of all cases! What the British have done in Africa, is one of the worst crimes against humanity ever imagined. And that started back with Kitchener, not with someone later—Kitchener, in 1898.

So, what we have is that.

The UN Mission: To Liberate Colonial Nations

Now, Roosevelt’s conception and alliance were based on a number of things, for the postwar period: The first thing was, bringing Russia and China—even though China was a shattered nation in part at that time—into a bloc to create the United Nations. And the United Nations was supposed to be a forum, for the liberation of areas which had been victims of colonialism, or similar kinds of things. To build up new nations, and to assist them in their development *as* new nations. And to build a community of sovereign nation-states on this planet, of perfect sovereignty of each nation-state, but bound together by an understanding of the lessons of the recent war: What we had to do, to live with one another, and to achieve *the common aims of mankind*—different cultures, but the result desired is the same: the common aims of mankind, from the



Three generations of treason: Prescott Bush and George H.W. Bush (left); and H.W. with little George W.: It was George W.'s grandfather Prescott Bush, working for the Wall Street firm of Brown Brothers Harriman, who arranged, on behalf of the British, to bail out the Nazi Party which was then bankrupt. He saved the Nazi Party!



top. To create a community of nations, which, as a force, would prevent anything contrary to that ever happening.

And under a British policy, dictated to the United States, by treasonous elements in New York City and elsewhere, we adopted the opposite policy.

Now, the first thing we did, under Churchill's prompting, was to virtually declare war on the Soviet Union. And Bertrand Russell, a great Liberal, proposed—actually earlier than he published it, but proposed it earlier—a preventive nuclear attack on the Soviet Union, even though the United States no longer had the weapons to do that, because we had used up our last two nuclear weapons as prototypes on Hiroshima and Nagasaki; a totally unnecessary attack. Japan was already defeated; and the terms of surrender had been negotiated through the Vatican, with Hirohito. But under Churchill's and British pressure, the Truman government did not accept the surrender of Japan. All they had to do, was what was negotiated with the Vatican office of special affairs—the man who later became Pope Paul VI [Cardinal Giovanni Montini]—all they had to do, the one condition in the agreement, was to negotiate the surrender with the office of the Emperor of Japan, the Mikado. That's all they had to do. Because, the Mikado otherwise would not have the authority to tell his own troops to stop the fighting.

Japan was hopelessly defeated! The main island of Japan was completely blockaded. U.S. air power and naval forces had them bottled up—they weren't going anywhere! Either out of

there, or in there. Supplies weren't coming in; resources didn't exist; it was a defeated and crushed nation, with one island, with a fragile control there. And we prolonged the war unnecessarily, because the British wanted us to do it!

And then, in the process, we went ahead with this attack on the Soviet Union, because it was believed, that the Soviet Union didn't have the capability of developing nuclear weapons in time to counter the British. Once they discovered, about 1948, that the Soviet Union was developing weapons which could do that—then they changed their mind somewhat. And that was the end of Truman.

The United States Becomes a Great Power

But the rest of the policy was a return to the British Empire! And the British Empire was founded, actually, at the Treaty of Paris, the Peace of Paris, of 1763—the same Treaty of Paris which caused the patriots in the United States to realize they were going to have to fight to free themselves from the new British Empire, which led to the American Revolution. And only the traitors and scoundrels in our country still felt loyal to the British. The world has been living under a British empire! We threatened that British Empire, as a nation, as the United States, with a defeat of Britain's agents inside our own country: the Confederacy! The Confederacy was created by the British Empire, by Lord Palmerston.

We defeated that, and we developed a continental nation, which had been our policy always: to accept the Canadian

border, accept the Mexican border, and have a border at the Atlantic and Pacific Oceans. We would develop ourselves as a continental, sovereign nation-state.

And we did it. We did it with the transcontinental railroads and other things. We did it with immigration from Europe and elsewhere. We took whole areas of land, brought Germans from various parts of Germany, and brought them into the United States, into the Dakotas and elsewhere, Nebraska. They were farmers. We gave them tracts of land, we gave them assistance. We built a supporting system. We became the most powerful nation of any individual nation-state on this planet—under the conditions of civil war!

What this did in Europe, this unleashed in Europe a desire for freedom from the British Empire. It occurred after the fall of Napoleon III in France, developments there. It occurred in Germany in a very significant way: Bismarck responded to the American success, and *challenged* the British Empire—not seeking war, but challenging it in terms of economic development. Mendeleyev, the great scientist, attended the 1876 Convention in Philadelphia, and went back and convinced the Czar to build the transcontinental railroad. Germany decided to build railroads from Berlin to Baghdad. Great railroad building occurred. Great changes in the laws occurred in Germany, the Bismarck reforms, 1877-79, were done directly in consultation with the United States, by leading circles in the United States—the Lincoln tradition.

And the British Empire didn't like it. Because, if the nations of Europe, the nations of Eurasia, were to develop their own land-area with railroads, especially of the type we had built as transcontinental railroads in the United States, then, by means of railroads, you could develop more economically efficient methods of transporting goods, over long distances, than you could by water, by sea! This was the issue. If you have internal control over your own territory, efficient internal control, and modern technology, and modern science, you do not use inefficient methods of transporting goods, which is by sea, because you can transport by land. And every inch of movement, on land, in mass transport, well organized, increases the productive power of the nation's economy! Movement by sea, does not, as a movement by sea, contribute anything to the economy. The geopolitical fraud.

And we've now entered a time, with magnetic levitation, and with the kinds of projects that Helga [Zepp-LaRouche]



Forest History Society

Under the brilliant wartime economic policies of President Abraham Lincoln, the United States became a continental nation. We built a transcontinental railroad, brought immigrants from Germany and elsewhere, to settle the interior. Here, construction is completed on the Great Northern Railway's transcontinental railroad, in Scenic, Wash., on Jan. 6. 1893.

was reporting on earlier, we've reached the point, where we can develop systems to take what has been previously considered the undevelopable or undesirable areas of the world, where development is potential. We now have the means, on this planet as a whole, to transform the planet, to increase the productive powers of labor, the ability to survive, to earn a decent living, as never before in human history! With new forms of mass transit on land; with emphasis on nuclear power, on higher forms than nuclear fission, in terms of developing isotopes, and things like that; to open up the unreachable areas, where raw materials lie on this planet, with vast populations in China, India, and elsewhere, in great *need* of these kinds of technologies, these kinds of materials; we can now proceed to assure the provision of those materials for the development of people, even in the poorest areas of the world. We now have that potential. It lies before us.

What this represents: This represents a threat to Empire. The United States, which was the most powerful nation that ever existed in 1945, is now a piece of wreckage. And except for nuclear weapons, it does not have much power in the world. Ruined. The issue is, all the way, especially since 1648, since the Treaty of Westphalia, the issue has been the development of sovereign nation-states, according to the Peace of Westphalia, throughout the world. We have demonstrated in Europe, in the United States, and elsewhere, that that can be done. The thing is, to continue the job.

But! What that represents, the very objective of bringing about that kind of world, is a threat to the existence of empire in any form. And therefore, what the United States represented on the day that Roosevelt died, was the greatest threat the British Empire had ever faced. And everything bad, of importance, that's happened to the world, since Roosevelt died, has been the result of forces centered in the Anglo-Dutch Liberals of Europe, but with treasonous elements in my own country. Treasonous elements, like some of our past Presidents—and idiots like one of our present ones.

And therefore, the geopolitical issue remains the same. It's not geopolitics of land-area against sea. It's the fact that the time has come, the long period of time when power lay with maritime power, as opposed to land power—that has ended, technologically. We've now reached the point that we can provide, by land, in development of land-area, a much greater power, much greater efficiency, in economy, than we could by sea. Oh, we'll use the ocean! The ocean has a lot of minerals in it, we have to manage that. We'll use it in many other ways. But the basic power, of productive power, lies in that. And the productive power lies, not just in people; the productive power lies in the development of people: the development of their technologies, their freedom to invent, the power of discovery, the rejoicing in improvement.

And therefore, that's what the fight is.

And that has been the issue of wars! Ever since the Renaissance, the 15th-Century Renaissance: The issue of all major European wars has been *that issue!* Stop this system of imperialism—whether it's ancient Persian imperialism; whether it's the imperialism of the Roman Empire, or the Byzantine Empire, or the medieval Crusader/Venetian system, or the British Empire. The challenge to humanity is to become human: We must get rid of this factor of empire.

We must create a system of sovereign nation-states, which is based on using the culture of a people, and the development of that culture, to enable people to participate with parity, in the work of a community of nations, of sovereign nations, and to develop man as man can be developed.

And that's what this crisis is all about.

Long Wars to No Purpose

It didn't start recently. It didn't start with the death of Roosevelt. It was there, already. It was the great, long-sweeping crisis of humanity, from as far back as we know the inside of the history of any part of the world; back to about 700 B.C., for Europe.



Library of Congress/Victor Hugo King

The United States progressed with fits and starts following the death of Franklin Roosevelt. President John F. Kennedy had attempted to revive the FDR tradition, but with his assassination in Dallas, on Nov. 22, 1963, a phase-change took place. The crisis we're living through today, began with that assassination. Here, the President and First Lady Jacqueline Kennedy, moments before he was shot.

So, what happened is, the crisis we're facing today, started as the Cold War. Now, the United States continued to prosper, with some ups and downs, until the assassination of John F. Kennedy; we continued to progress, but the evidence is all there. We don't need to discuss that. But the beginning of the so-called "Cold War," the war of recolonization, and the seeking of a war with the Soviet Union, for which there was no reason. Not on Stalin's side—only on the British side.

That is the beginning of the crisis, because, the geopolitical issue was the motive of both London, and also of those forces centered in New York City, which we associate with the financier oligarchy, the people who were behind Hitler, and the people who were behind this. At that point, it was impossible to shut down the United States, as what it had become under Roosevelt, because we had a great productive potential. The world had been shattered by war; Europe needed us to rebuild, the Soviet Union needed us to rebuild, China needed us to build, and so forth.

So therefore, we went along with fits and starts, until the assassination of John F. Kennedy. And that was not an Oswald mistake, nor was that a mistake of any side. It was intentional. The intention was to destroy the United States. John Kennedy, unlike his father, had come into the Presidency, under association with Franklin Roosevelt's tradition. He campaigned for the revival of the Roosevelt initiative.

So you have a phase which is from 1945 to 1964, the assassination of Kennedy and so forth—'63 and what happened afterward—you have a period in which the United

States' economy is still powerful, and it's still growing; the standard of living of people is still increasing. Then something starts—and this is where the crisis begins. The crisis we're living through today, begins actually with the assassination of President John F. Kennedy. The roots of the crisis already existed. The roots of the crisis were the conflict between the United States and the British Empire, essentially since the time of Lincoln's victory over the British puppet called the Confederacy. But the ability to wreck the U.S. economy, wreck the U.S. system, began with the assassination of Kennedy.

What happened was, of course, as you know, we got into the war in Indo-China. *There was never any damn good reason for getting into that war in Indo-China—none!* We had the wrong policy, and we tried to shove the wrong policy down the throat of Ho Chi Minh. Ho Chi Minh was a man who was very favorably disposed toward the United States. He had been an ally of the United States, when Roosevelt was President! Any decent treatment of [Ho Chi Minh] by the United States would have been respected. It might have been difficult—but, diplomacy is always supposed to deal with difficulties. The fact that it's difficult is no reason to avoid it.

So, with this war, we did something which is the same thing that was done by the Persian Empire to Athens, when Athens committed a war crime against the people of Melos. And this led, through the introduction of Sophistry by the Persian Empire; the Persian Empire had been defeated on the sea, it was outflanked, and therefore was defeated by land. But it conquered through the Cult of Delphi, through the corruption of the Sophistry, which destroyed the morality of Athens, and induced Athens to commit crimes against its neighbors and allies! Which continued as the Peloponnesian War. And Athens has not come back since then!

Over the history of mankind, since the rise of European civilization, from about 700 B.C., centered on Greece and Cyrenaica, as an ally of Egypt, and allied with the Ionians, and allied with the Etruscans, since that period of the birth of what is a distinctly European civilization—which is unique; there were traces of it from earlier times, but it was unique: This civilization has been constantly destroyed, in itself, by these kinds of methods.

The method that is most frequent is *long wars*, like the Peloponnesian War, a war with no purpose; that is, with no moral purpose; with no objective, with no strategic objective. A war, you get into with great reluctance and promptness, when you must do it: You get through and *get out*, as quickly as possible. You don't prolong a war. You don't want your nation fighting a war for two, three years. You want it short, snappy, and out! And the major weapon in warfare today, is, good diplomacy. There's no condition or conflict on this planet, that can not generally be handled with diplomacy, or aided by good diplomacy, including the whole mess in Southwest Asia.

All right, so we had that war.

The Destruction of the United States

Then, we had the 68ers—and this is something that's a very sensitive subject in Europe, as well as in the United States. What were the 68ers? Go back to the early 1950s and the middle of the 1950s; you take two books, which were rather popular in that period: One was called *White Collar*—the earlier one; the second was called *The Organization Man*. The U.S. population of my generation had children—they had children whom they taught a certain ideology, which they were conditioned to teach—which became known as the Baby-Boomer generation. It was not a biological generation, it was a *cultural* generation; or, I used to call it a cultural *de*-generation.

So, this generation has a peculiarity, strategically, which you will not find in history otherwise—not to my knowledge, not in the history of the United States since my first ancestor landed there in the early part of the 17th Century. Every cultural tradition in the United States, as generally in Europe, has been, the individual person thinks of themselves as an adult, as being an adult generation which is going to produce a generation of children, which are in turn going to produce a generation of grandchildren. So the normal sense of self-interest of a healthy person in a healthy culture: They know they're going to die; and therefore—obviously, the purpose of living is not to die—it's a contingency of life; it's not a purpose of life. The purpose of life is to use what you have, as a life, in your development, in your self-development, in what you think is good, in what you are going to contribute, to at least your children and grandchildren. That's elementary morality in virtually any part of the world, where there is morality.

The Baby-Boomer generation did not have morality. And that is not a biological generation; that is the so-called “white-collar generation” of a group of people who were educated in the same way that Sophistry was produced in Pericles' Athens. By a corruption, a cultural corruption, introduced—an existentialist corruption, of the type typified by Hannah Arendt and Theodor Adorno, and so forth in Germany; and also Bertholt Brecht. This corruption, this Dionysian, Nietzschean corruption of the culture, was induced as a method of education and family culture, in the United States. This was associated with a period of a reign of terror, which some people think of as the name “McCarthyism”: That if you wanted to have a secure position, and gain an advantage, well, you had to get through a university, you had to get employed in a place where you could get a security clearance; otherwise, you could not get the kind of household you wanted. But as a condition of keeping your security clearance, on various levels, both formally and otherwise, you had to behave in a certain way. And the main thing was to instruct the children not to do anything that would get their parents, and their fathers' income, into trouble. Because all this juicy middle-class income would vanish!

This generation then went through the shock effect, as children—they were born largely between 1945 and 1958, be-



The Baby-Boomer generation's contempt for anything connected with blue-collar work extended to anything productive: technology, industry, nuclear power. Boomers were easily manipulated by such frauds as the Three Mile Island hoax, which was used to shut down nuclear power in the United States. Here, TMI, on the Susquehanna River at Harrisburg, Pa.

cause it was in the earlier period that the adult members of the family of the so-called white-collar class, developed this idea that “they had made it.” They were not like the blue-collar people whom they treated as inferior—farmers, blue-collar workers, so forth, “Oh, they’re inferior. We are the golden generation. We have the jobs in the corporations, where we’re white collar. We’re engineers, we’re this, we’re that! *We’ve made it! We’re the Golden Generation!*” And they imbued this idea in their children’s generation as an ideal standard of dynamics.

And so, thus, this thing came to an end, because the ’57-’58 depression spoiled the party for the parents of the Baby-Boomer generation.

And we had the explosion in Europe, as in the United States, for the same general reasons: the so-called 68er explosion. The 68er explosion was pre-orchestrated, it was pre-orchestrated from the beginning of the postwar period, as an operation to destroy culture. As in the *Paris Review*, for example, which is one of the abominations which typifies this systemic destruction of culture, by people who remain my enemies today, like John Train, and his crowd there.

So, we were destroyed. Now, this is the generation which hated blue collar! The youth, the 68ers, they hated blue collar! They hated industry. They hated technology. They hated Classical culture. And from 1968 on, they did two things: They destroyed the Democratic Party inside the United States, because the division between blue collar and white collar inside the Democratic Party on the issue of the Vietnam War and so

forth, *that* destroyed the Democratic Party! That brought us Nixon and the Nixon Administration. And the Nixon Administration was a vehicle to proceed with the actual destruction of the U.S. economy. From the day that Nixon entered office, virtually, and said that he was a man of Adam Smith, that was the beginning, that was the signal. And from there on, we went through this.

So, we went through several periods, and I’ll go through this, identifying this. Remember, this is against the background of the prolonged Indo-China War, 1964-1975, approximately, this period, ’72-’75. The Indo-China War was the marker which produced the Hate Generation, called the Baby-Boomer Generation. And that generation said, no nuclear power, no technology, no more investment in infrastructure. “We wanna smoke our pot, and take our LSD. We want our crazy sex life. We invented new sexes—we’re going to try them all out.”

So, what we went through, with the floating of the dollar, we broke up the Bretton Woods system, and we started a process of liberalization which is the root of the destruction of the economy and financial system of the world today, especially the United States and Europe. We went through a second phase, the destruction of the economy, the Trilateral Commission thing, of that crowd. What we did is, then we destroyed the structure of the economy: The first thing they did, they orchestrated Three Mile Island, and that was an orchestrated operation, and that was to get rid of nuclear power. That’s how they did that.

They also destroyed every method of stabilization which had been set up by Roosevelt for the internal economy. They unleashed a reign of usury. They wiped off the books, all anti-usury laws in the United States. They destroyed the mortgage system, under which housing had been developed in the post-war period. And the banking system, the kind of banking, real estate banks which were associated with the promotion of the housing industry, and continued to loot it.

So, by 1981, we'd gone through two phases. We had destroyed the international monetary system on which our lives depended, and we had destroyed the internal integument of the political-economic culture of the United States.

In comes Reagan: And for peculiar reasons, you had a lot of Democrats who had left the Democratic Party and went over to Reagan, because they hated the Democratic Party so much, in what it had done in destroying the economy, and destroying the social life of the country.

So, this led into a period of continued collapse of the U.S. economy, over the period 1981 to 1987. In October of 1987, in the first two weeks of October, we had a 1929 depression, in terms of the markets. The collapse was that deep, just as deep as had occurred under Hoover. But what happened? A decision was made. Paul Volcker at that time was chairman of the Federal Reserve Board, and Paul was uncertain about what to do. But Alan Greenspan, who had been nominated to take the position, said, "Hold everything, I'm going to fix everything. I'm coming in." So we went through a monetary lunacy period, of 1988 to 2007, and to the present day, in which we have *destroyed* much of the world's economy.

For example, the physical economy of the United States, the industrial economy of the United States depends upon what? It depends upon military-related production: Halliburton, for example. The war in Iraq is a way of making money for firms which are producing military goods, and doing military things, in civilian guise, for that war. What we've done with these things: We have changed the character of the society.

The 'Revolution in Military Affairs'

And there's one thing that's most important through all of this process: Remember, there's a book by Samuel P. Huntington, called *The Soldier and the State*. And *The Soldier and the State* is actually an echo of not only the Nazi system, the Nazi SS system, but also, earlier, the Roman legions. This is called, in the United States today, the "Revolution in Military Affairs." This is what's being conducted: is to create private armies, that is, eliminating all military—that's why they're not too unhappy when the U.S. military goes down in Iraq, because they're eliminating every part of the military, except the Air Force, and related systems. Because, the objective, under this regime, if it continues, was to have space-based systems of delivery of weapons, so that you could, on some place on Earth, with a monopoly of weapons based in space, you could push a button and annihilate any part of the human race

you chose to eliminate. So they want a space-based system, an international space-based system, which can exert tyranny over the world, in the way the Roman legions tried in the time when they were doing that sort of thing.

The policy of the United States has been, since the time that Dick Cheney was put into the position of Secretary of Defense, in the first Bush Administration, has been this policy: the Revolution in Military Affairs. People like George Shultz, are part of this; Felix Rohatyn, a real fascist little dictator in finance, is part of the same thing: Revolution in Military Affairs.

The other side of this thing, is globalization. A feature of globalization is this so-called global warming hoax, for which there is no competent scientist, who believes in global warming—unless he's a liar. He can't believe in it. It contradicts all science, and there's no evidence to support it. But the green philosophy, just as the green philosophy was used to destroy nuclear power and other things in Germany, this ideology is one of the weapons, together with the Revolution in Military Affairs, which characterizes a *change* in the cultural characteristics of the population of the United States and other countries.

This is another version of the Apollo-Dionysian cult tradition, which is what we saw with the *Paris Review*, for example, back in the 1950s, and so forth.

Now, this is what Eisenhower defined, in his last days as President, as a "military-industrial complex." That's the meaning of "military-industrial complex." But what he meant, referred to what had happened under British direction with the death of Franklin Roosevelt and Truman's entry into the office: We have been on that road, toward this "reform in military affairs" to eliminate the citizen army! To eliminate national military forces, as national forces, and to turn more and more of control over military power into private hands, in the hands of supranational agencies. This is true empire! This is the New Empire, the new form of what was proposed to the head of the British operation, Lord Shelburne, by Gibbon in the *Decline and Fall of the Roman Empire*.

Again, the center of this is the Anglo-Dutch Liberal system, typified by the British Empire. That's where the problem lies.

So, this is not a war among nations. This is not wars among nations. This is not strategic conflicts among nations; this is not what runs this thing. What runs this thing, is a struggle, of the legacy of empire, and the form of empire, from before the time of the great Council of Florence in the 15th Century, to the present. It's the determination to *eliminate* the sovereign nation-state as an institution from the planet, to establish what's called "globalization."

Maastricht vs. the Nation-State

For example—and I'll get to this, under the next heading here—but, the problem we're facing today, is that Europe, in

particular, Western and Central Europe, do not function. Why don't they function? Because Maastricht, in its present implementation, has destroyed the effective sovereignty of the nation-states of Western and Central Europe. Sovereign decisions based on national interest are no longer a right of the people or governments of these nations, as long as this arrangement continues to be the case. The Maastricht Treaty did it. Therefore, the great reform, which I'm coming to now, which we have to make, can not be undertaken, initiated, from anyone in Western or Central Europe, not by any government; it can't be done. They have lost their independence! They've lost their sovereignty! Maastricht took away the sovereignty. Maastricht proposed it as a British proposal—but they didn't join it. It was meant for others' consumption, not theirs, hmm?

Therefore, we depend upon those nations which still have a sense of sovereignty, and power, as a combination, to make those reforms which *eliminate everything that went wrong*, in general, from the time that Franklin Roosevelt died. That's what the issue is. That's the issue of every struggle on this planet of any significance.

Therefore, we depend upon getting the United States to recognize its own self-interest. And this bill that I've proposed, which is being pushed now, by people in the Congress, on this protection of housing and banks, this is simply the kind of measure that *will* mobilize the American people to take back their sovereignty, their sense of sovereignty. Under those conditions, conditions in which the President of Russia has been assiduously pursuing some kind of cooperation with the United States, and correctly so—since the time Putin met Bush for the first time, Putin has stuck to that policy, repeatedly. He's continuing it now. There are important parts of the U.S. institutions which are continuing that discussion, with the Putin government. You would be surprised at some of the names involved in that, but it's there.

Only by the United States realizing that potential, and coming to an agreement with Russia, which also has to be in an agreement with China and India, would we have a possibility of an initiative, to change the way things are going now, away from doom, into an immediate change into a new system. That does not mean we're talking about four powers to run the world. It means, we need an initiating force, around which the nations of the world can rally. They *need* that. They need an initiating force, of authority, around which they can rally to say, "Me, too." Then we can use the United Nations, and what that implies, as a vehicle for what Roosevelt had intended, to create a system of sovereign nation-states, and nothing but sovereign nation-states, on this planet.

So therefore, that's where the problem lies. Go back to the death of Roosevelt: *That's the problem!* And all the other things are diversions—often caused by people who try to distract our attention from what the real issues are.

Creating a Public Credit System

This involves, now, a special problem. And this is where I become somewhat technical, but it's necessary: *There is no way, no conceivable way, in which the existing monetary-financial systems, among nations, or of any nation, could be salvaged.* The degree of bankruptcy within the existing financial systems, is so far gone, there is no possible way of refinancing any part of this, within the terms of the system. There's only one thing you can do, and from that flows the only method that can work: What you can do, is put the entire, international monetary-financial system into bankruptcy.

Now, that's easily done, *technically*. Because these systems are so intertwined with each other, there is no such thing as a national monetary-financial system. The banks of the United States, the banks of Europe, don't own anything! They are controlled by the hedge funds. The hedge funds have been using the banks like toilets; they visit once in a while for comfort! Banks don't have resources in them. It's not a matter of settling how many dimes for a dollar. It's impossible. There are no reforms within the framework of the system that can work! Not only because it can't work on a national basis, and because it can't work for a system as a whole. The monetarists can all be unemployed: We don't need monetarists any more. Matter of fact, we would like to get rid of them!

Because, we're going to have to go to a completely new world system, and it's going to have to go by a certain kind of step. And this is the remedy: What has to be done—and my little proposal for this new legislation, for Federal protection of households, mortgaged households, but households in general, and banks; that is, legitimate banks, banks that actually take deposits and loan money, and conduct that kind of business. We need them, and everybody knows that. You need these banks, because those are the ones on which the community depends, for managing its affairs. Without these banks, communities don't function. So those banks, even if they're bankrupt, are going to be protected under this act.

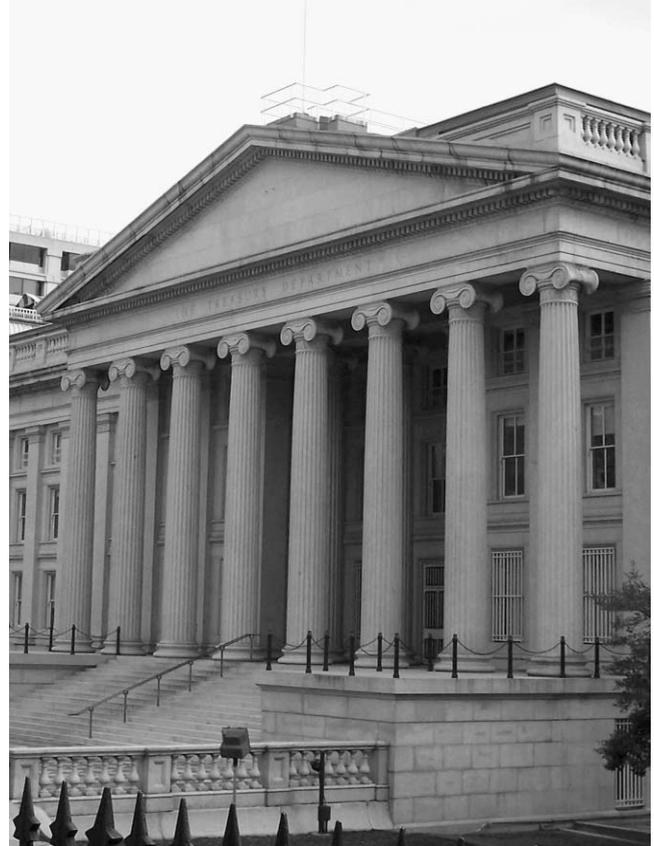
Secondly: No householder can be put out of their home because of foreclosure. We're going to settle it? No! We're not going to settle anything! We're just going to take all this whole package of mortgage paper, we're going to take it, in one big package, and say it's all frozen. It's all taken in receivership by the Federal government. And it's going to sit there. And we'll arrange that the people who live in those houses will pay something to the relevant bank on that account, every month. But they will stay in their houses! We are not going to try to settle the accounts, because we know that the value of these mortgages is going to collapse to a very small fraction of their present nominal value. So any attempt to write down some of the mortgages, or buy off part of it, is not going to work. Because the intrinsic value of these mortgages—we don't know where it lies, but it lies "way down there," someplace!

And therefore, our problem is, to prevent a disruption of the U.S. economy, in particular. Therefore, how do you prevent a disruption? Well, you freeze it! It's like taking a firm



EIRNS/Stuart Lewis

Under LaRouche's Homeowners and Bank Protection Act, no one will be put out of their home because of foreclosure. This photo was taken in Leesburg, Va., "ground zero" for the housing bubble.



Only the Federal government, through the U.S. Treasury, has the power to create money. Ours is a credit system, not a monetary system, which will issue credit for primarily large-scale infrastructure development, to rebuild the physical economy of the United States.

into bankruptcy, into receivership for protection—you freeze it.

It now lies in the Federal government. The Federal government is now responsible, at some time in the future, to clean this mess up. In the meantime, it's frozen. The people will stay in their homes; they will pay a reasonable amount, as the equivalent of rent, into the accounts against these mortgages. But the mortgage will sit there in the banks! We're not going to try to renegotiate them now.

In other words, we're creating a *firewall*, against a chain reaction, already in process. We will have to do the same thing in other categories. What does that mean? It means that the Federal government—and we recommend this heartily to European and other governments to do the same thing—faced with this situation, you have to realize that you have to eliminate the factor of the present system, from the economic and related life of the people in the nation. And it's only by neutralizing that, by putting it in a cage—like a little squirrel in a cage, let it spin as fast as it wants, but it's going to stay in that cage. *Because we're going to a new kind of system.*

We're going to get out of a monetary system which is the

basis for empires, of the type we've been discussing, and we're going to a public credit system, which is what the United States Constitution prescribes. The U.S. Constitution says, "We're not owned by banks. We're not owned by bankers. We own the bankers." Because, in our Constitution, the printing, or uttering of money, or the uttering of a promise to deliver a created money, is the power of the Federal government. The states have no power to utter money. Only the Federal government has the power to do so, and does so, only with the consent of the House of Representatives.

Now, the uttering of money, under this kind of system, is a *credit system, not a monetary system*. The government utters the currency, or utters the credit, against an issuable amount of currency, as the Congress has allowed it to do: The Congress votes a bill; the government can now utter so much currency, which will be charged to the debt of the United States. That is the equivalent of money.

What do you do with it? Well, you can do necessary things, but you also do something much more fundamental: You use this money, that you've created, this credit, you use this for large-scale infrastructural development, primarily. Because

large-scale infrastructural development—and we’re way short of it in the United States and in Europe, right now—it means all the things that are the public sector: power stations, mass-transportation systems, health-care systems, so forth. These are things which are essential to all parts of the population. They have no control over their need for them—hmm? They are facilities on which we depend. So therefore, we issue credit; we issue credit for fixing up infrastructure, maintaining it.

Now, when you start to fix up infrastructure, then you really put the rest of the economy to work, in contributing to this work of building up the infrastructure. So now, you issue credit to people who are doing that. Now, you’re into the private sector, and you’re bringing in firms which supply this or that facility, this or that job. And now, you are stimulating the business, in the community, through infrastructure for the future. And you’re doing it in a way which keeps a balance between the ratio of the public sector and the private sector.

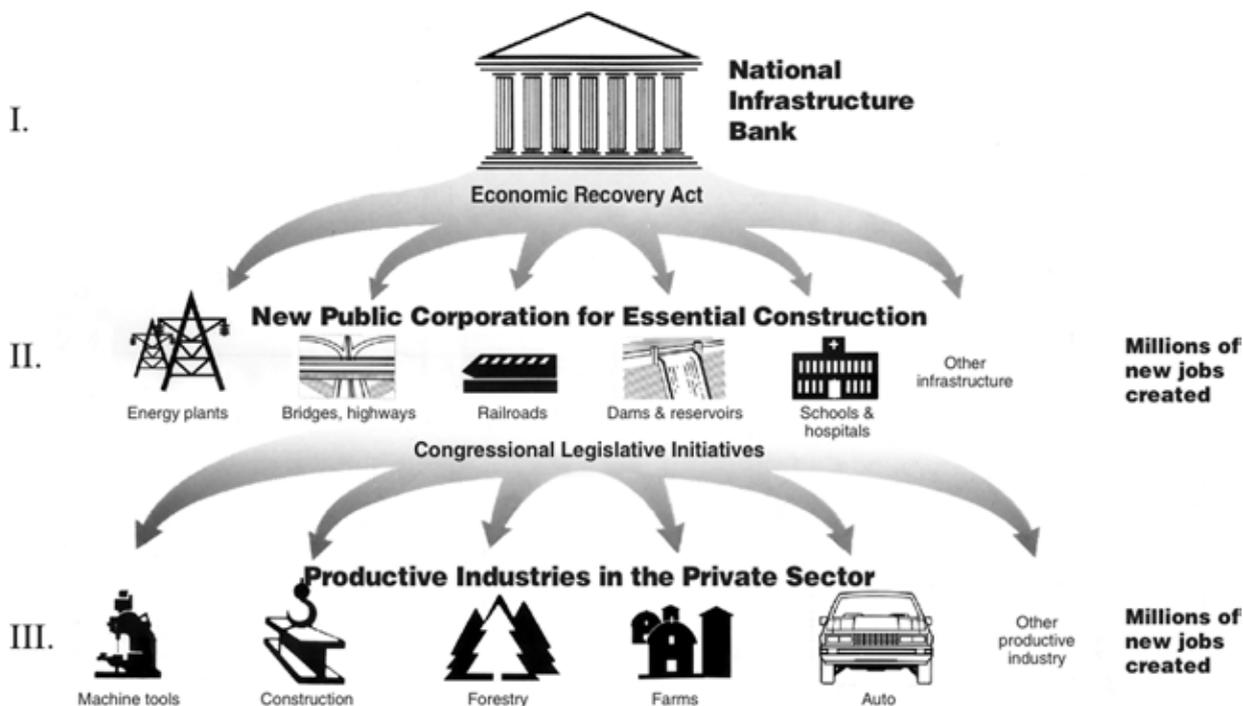
But how is this going to function? Let’s take another problem here: We have now a floating condition of currencies. Under floating conditions of currencies, the price for lending is uncontrollable. Because, if the currency that you’re dealing with is dropping in value against your currency, what are you going to charge for your interest rate? So, under a floating exchange rate in a declining economy, the tendency is, on the one hand, for a demand for cheap credit, and on the other, a

denial of a possibility of generating it through the private sector, or through central banking.

So therefore, we have the problem, that, for global development, we must have a fixed-exchange-rate system internationally. What does that mean? Essentially, you try, as close as possible, to actually freeze currencies at their present relative values. Freeze them.

And then go to a state public credit system. How do you do the state public credit system? Well, we have China, we have India, we have Russia, we have the United States, and other nations, which all need a lot of things. And these things involve a heavy reliance on trade, trade goods. So therefore, if we’re going to have lending and credit issuing across national borders, we must have a fixed-exchange-rate system. Otherwise, how are we going to determine what the rate of interest is going to be, in terms of medium- to long-term loans?

So, now, what do you have to do? You say, what’s the basis for an international credit system? Is it a monetary system? No. The monetary system was a bad idea, didn’t work out too well. We get rid of that. We’re going to have long-term treaty agreements. What do I mean by long term? I mean 25, 50 years, minimum. That governments, of the world, will enter into treaty agreements, long-term treaty agreements, in the form of trade and related agreements, in a fixed-exchange-rate system; and instead of trying to balance the system by let-



Prepared August 2007

LPAC

A table of organization for a U.S. economic recovery. A National Infrastructure Bank will issue credit for large-scale physical-economic development; this will be correlated with Federal legislative initiatives, creating millions of new productive jobs both the public and private sectors, as shown here. For a full discussion, see: www.larouchepac.com/files/pdfs/070810_fdr_era.pdf.

ting currencies float, you balance the system, by letting the prices of goods within currency domains, float, within a regulated range.

So, the problem here, is that, on the one hand, we must *immediately* take this action. We must immediately bring a group of nations—and we’re talking about weeks, now, because this thing is blowing! This is finished. There’s no bottom to this crisis—*none!* You either stop it, by the methods I’ve indicated, or you don’t stop it at all! And pretty soon, you have something worse than Germany, 1923.

You have no choice, that is, no rational choice. Do this, or else, the worst’ll happen to you.

So, governments will tend to go along with this, only when they perceive, that they have no choice. Some governments are clinically insane, and won’t go along. So therefore, we need to have a stable system, created by agreement among a growing number of nations who are joining the list of those who enter this agreement. And, essentially, we will try to reform the United Nations Organization, to perform a function in accord with this type of agreement.

Creating the Firewall

Now, in order to do that, you’re making a transition from a monetary system to a credit system. You have to make it turn on a dime. Because a week of chaos, or two weeks of chaos, may destroy your country—you can’t have it. So therefore, you have to come in with a *firewall*. And the housing and banking protection act is a firewall: The Federal government takes this category—the housing market poses a threat, a threat to the banking system; it’s a threat to the entire system. Therefore, we must protect those two pivotal elements of the economic system, otherwise, *we don’t have a chance of surviving!*

Are we willing to plug the hole in the bottom of the boat? If we’re not, we’re not fit to survive. And our elimination will probably help the human race of the future.

So therefore, we need a method of firewalls; now I mentioned two kinds of firewalls. I mentioned this act; it’s a firewall. It is a *feasible* form of firewall under U.S. law. We just need that one piece of legislation, no more complicated than what I’ve written. That piece of legislation will create a firewall.

Now, we need another firewall: We need a firewall for the transition from the way the U.S. financial system is operating now, to what we are installing. We also need, in that, we need



In addition to the “firewall” needed to protect our population from economic chaos, we need a firewall, LaRouche said, in the form of treaty agreements among a powerful aggregation of nations, who will come to each others’ support and defense, to build a new, anti-globalization system. The historical model for the kind of firewall needed today is the 1648 Treaty of Westphalia, which ended the Thirty Years’ War in Europe, by placing the “advantage of the other” above selfish interest. This painting by Gerard ter Borch depicts the signing of the Treaty.

a firewall in the form of treaty agreements among a powerful aggregation of nations. In other words, if the majority of the powerful nations of the world agree that something is going to be protected, *it can be protected*. Without such an agreement, it can’t be protected: That’s a *firewall*. If these nations agree to come to each others’ support and defense, on this issue, knowing that it’s their interest that’s at stake—a firewall, a transition from a system that has failed, the Cold War system, the present system, the globalization system: These systems have failed. We must, with one fell swoop, get rid of them! Well, you can not reform them, piece by piece: You have to create a firewall, to *contain* the disease.

And you have to have the backing and support for this firewall, from a sufficiently powerful group of firemen, firefighters. Those firefighters are powerful governments, who agree to cooperate with one another to defend each other’s interest, their mutual interest: the same thing as the Treaty of Westphalia, the Peace of Westphalia—the *interest of the other*. The nations know they’re going to Hell, if they don’t protect one another. Therefore, the interest of that nation, just as the people in the Peace of Westphalia after the Thirty Years’ War, knew: *They had to go to this, to protect themselves! They had to put the interest of the other, first!* And that had to make that a *firewall*, and all decent European civilizations since that



EIRNS/Will Mederski

"We have to get rid of the idea, that there's any mathematical law in the universe that determines the value of money. There is none," LaRouche said. If you want to understand economy, what you really have to do, is study Riemann and Vernadsky, who have good insights into some very important, new things, and start to apply that kind of thinking to the way our economies work or don't work. Leandra Bernstein (left) and other members of the LaRouche Youth Movement work on geometry at a cadre school in Seattle, Wash., last February.

time, depended upon that 1648 Treaty of Westphalia. We need the equivalent now: *Firewalls!*

And we need, above all, to educate people, to understand *that there is no alternative*. Because there is no alternative! The boat is sinking! Fix the leak, or get off the boat! Don't try to get a better stateroom.

There's a principle involved in this, which is a sticking point: Most systems, economic forecasting systems that are used, the formal ones, the mathematical ones, are junk. A good economist does not depend entirely on figures. A good economist always looks behind the figures, to what the reality is. He does not go by the financial figures—never believe an accountant. Use the accountant, employ the accountant, but never believe what he writes. You need his figures, you need his head, but you're going to have to decide what it really means, not him.

And the problem is, that we operate, as right now—we're in post-industrial economies, not entirely physically, but ideologically. These economies—look at the government, the

government of Germany, the government of other countries—they're all, ideologically, post-industrial societies. They have no perception of reality. They *don't like* reality! It annoys them. It gets in their way. They would ignore reality where it's possible. "If reality comes in the front door, we will *defy* it!" That's your present population.

Mathematical Formulas Cannot Describe an Economy

The problem is, that—speaking as an economist, looking at reality as I know it—we are in an insane society, on this kind of issue. Let's take the case of Myron Scholes; he's a good target to hit. He was the famous forecaster who was employed as a mathematician in the LTCM case. And he made a mess, and he keeps making a mess! The hedge fund business, all of these fellows are functioning on mathematical formulas. Every one of these mathematical formulas are utterly incompetent! They're wild-eyed. It's traces of John von Neumann—and he was an idiot. He was a mathematician; he was not a scientist, he was a mathematician.

Therefore, they believe that somehow there's a law, somewhere, that dictates what prices must be, by some mathematical formula. There is no such law. No economist believes that. Every competent economist looks at a physical reality, and thinks in terms of the consequences, the *physical* consequences, of a certain policy, or a certain trend. Not the price movement, as such. Not John von Neumann's crazy system, which is what people are using.

The other aspect of this, where people fail, is on *trends*. They believe in statistical trends, in terms of Cartesian systems of mathematical systems, mechanical-statistical universe. They think of bodies floating in empty space. And the empty space is their head. And they have these objects, these balls, are floating in there, and they're watching the trajectory of these balls in this empty space, which is inside their head. And they assume that you can predict a future state, within this Cartesian vacuum, on the basis of a statistical current trend, they extrapolate. And what gets people like Myron Scholes and company into trouble—and they haven't given it up even after the lesson of 1998!—is they think they're all going to compete to use the right mathematical formula! But using the right mathematical formula the way they do, is like a bunch of people betting on the same horse, in a horserace. And if they're wrong, which they probably will be, they're going to lose everything.

That's what's happened with the hedge fund business. They're all using this kind of formula, the same kind of formula, the mathematics that Myron Scholes uses. And they're all creating a system, which is collapsing. They're all going to

lose. *And the whole hedge fund pile-up, is now hopelessly bankrupt. There are no net assets in the hedge fund domain.* They're demanding money be given to them, to bail them out, like beggars on the street. And they're all based on projecting something, like the projection of a trajectory of a ball in empty space—a mechanistic-statistical system.

Real economies do not function in that way. They function in terms of physical laws, as we know, if we know production. A gain, through a technology, or a gain in the way you use a technology; the interrelationship of infrastructure to productivity in manufacturing—these kinds of things. Physical factors. And we have a way of dealing with that in science. It was called, in ancient Greek, "dynamics," or *dynamis*. Since Leibniz, in modern society, we call it "dynamics."

The kind of dynamics you require to understand an economy is Riemannian dynamics: That is, we are in a universe, in which any assumed *a priori* axioms and postulates, or definitions, are insane. They're wrong. They're arbitrary. We live in a universe, which nonetheless, does have some laws; it does have the equivalent of laws which are universal. Gravitation is an example of that. These laws define a universe, not as a Cartesian universe, not something open-ended, which is stretching out infinitely in all directions without limit. No, but, a universe in which there are certain things that *bound* the universe! Like the shells that enclose the universe, and which affect every part of the universe, as a shell, like gravitation. Gravitation, as Kepler defined it, as Einstein defined it later, as Riemann defines it. It's a principle of dynamics. Universal principles.

For example, the difference between man and an ape, is a principle. It's a universal principle. Mankind is creative. That is, mankind has the ability to increase the potential population-density of a species, itself! No animal has that. Therefore, there's a principle which separates mankind from any animal! These bound the universe.

When we introduce a power system, or anything else in the form of infrastructure into an economy, we are creating a boundary condition which *contains the space in which we're operating*.

And therefore, you do not determine value in economy by Cartesian methods, by statistical Cartesian methods. You determine value in an economy, if you want to succeed, according to the principles which confine the economy you're talking about. The way you design an economy, the way you design its operation, the kind of technologies you develop, the way you apply them, this is the action of the universal physical principles of the universe, *as you have come to know them*; or as things you have done, you have understood what you have done, which now bound the way you behave. And you're able to see where you're getting, because you think like this.

It was why I have had the success as a forecaster that nobody else has had, on precisely this issue. Because, the field of economics is dominated by people who believe in accounting, as a basis for forecasting; believe in Cartesian mechanistic

methods of forecasting, as a way of predetermining trends, who will tell you, "We see the fundamentals are sound." Somebody tells you, "The fundamentals are sound." The economy's collapsing! What's sound about this? This is the *Titanic*, buddy, it's going down!

We Have To Change Our Thinking

And so, therefore, the other problem we have here, is precisely that: That we have to change our thinking, away from what's prevalent today. And to what many people, as economists understood, but they understood it almost as by instinct. You're dealing with a physical economy. You're thinking about the effect of changes in the physical structure of economy, about the way people live *physically*, that sort of thing. You think about how this affects the future of humanity, not statistically. And then, on the basis of this knowledge, you inspect something, you think about it. And you come up with some answers, which are good approximations. But then you realize, well, a good approximation isn't good enough, so we're going to do some more research, and we'll try to find out what the principle is involved here.

And that's where we are, when you try to function in economics, today. We do not have competent economics as a theory, taught in any university. We have a lot of things we know about economies, from a physical standpoint, of how they affect the economy. We can make some very good medium- to long-term guesses, about what to do. And if we know what we've done, and how we thought about it, and it doesn't work out the way we thought it was going to, we can get in there, and see what corrects our error.

So, we are going by a kind of approach to physical science, with a lot of trial and error, and pure insight goes into it. And because we take care to know what we've done, we make good decisions. If we go as a statistician, and try to forecast everything just by von Neumann's method, and his and Morgenstern's, then you have incompetence. What you have now, is drastic incompetence.

We have to get rid of the idea, that there's any mathematical law in the universe that determines the value of money. There is none. We can construct systems, of designing priorities, long-term investment priorities, management of currencies, regulation of prices, fair-trade regulations, which give us a good approximation. And if we keep somebody on the job, watching this, to make sure it's working as we thought it was going to, we can do a good job. And that's good economics.

But, if you want to understand economy, what you really have to do, is study Bernhard Riemann, and read some people like Vernadsky who have good insights into some very important, new things, and start to apply that kind of thinking to the way our economies work or don't work. And that's what I do.

So, we've come to this point: We have to make a change. Forget all the usual habits which have been accepted as acceptable, as expert. Know that the experts have created this

big mistake, this collapse, and don't ask for their opinion about anything, about how do they think they made a mistake. Because everything they've done is obviously a mistake. Every government of the world, has made major mistakes: China is apparently successful, but I know some big mistakes they've made. India's apparently successful, but I know the poverty in India is greater than it was before. They've made some mistakes—the caste system had something to do with that. Europe made mistakes. The United States made mistakes.

So: We are dealing with good, scientific approximations. And science never had the last answer. It gave us better and better closure on the suspect area of principles. And as long as we remember, how we came to certain conclusions, and are prepared to reexamine them, when the evidence suggests it's time for a little fresh look, that works. But we have to get away from all the assumptions that are taught and believed today, in this society, especially the post-industrial society.

And make this change.

It requires guts. It requires the same kind of guts as required for command in warfare: *You have to make a decision.* You have to think about what the consequences are, if you're wrong. But you still have to make the decision. And we're going to have to start thinking that way, right now: If we do not build firewalls, instead of trying to muddle with this thing, if we do not freeze the system, and ensure that we keep functioning on essential things without any change of step, *we're not going to make it!* And it will be the end of civilization as we know it.

Oh, somebody will come back a few generations down the line, and start to rebuild. But civilization, as our generation knows it, the living generation now knows it, *will cease to exist, very, very soon*, unless we change our ways. And I can give you some insight at best, on some of the things we have to think about.

Conference Resolutions

The following two resolutions were unanimously adopted by the approximately 350 assembled members and guests of the Schiller Institute at the historic Kiedrich conference of Sept. 15-16, 2007. The participants represented 40 nations.

Resolution Against Military Action Against Iran

The participants of the Schiller Institute conference in Kiedrich unanimously condemn any plans to launch any military attack on the Republic of Iran. Such an attack would have devastating effects on international peace and throw civilization into a dark age.

It would have much, much worse effects than the war against Iraq, which already is the worst strategic catastrophe in the history of the United States.

We point to the statements of the head of the IAEA, Dr. Mohammed ElBaradei, who recently warned, that the media campaign against Iran has dramatically reminded him of the lies leading to the Iraq War.

Dr. ElBaradei also reported that in the recent negotiations with the Iranian government, a breakthrough was made, many important questions have been settled, and a framework has been agreed upon to settle all remaining questions by November of this year.

In the 21st Century, war is outdated, and can no longer be a means to settle disputes, which can be settled through economic cooperation, according to the idea of a commu-

nity of principle based on the principle of the Peace of Westphalia, in the interest of the other.

The Kiedrich Resolution

The central feature of the conference of the Schiller Institute in Kiedrich of mid-September focussed on the need to implement a just New World Economic Order in the near future. Given the advanced state of disintegration of the world financial system, it is urgent that the governments and the parliaments of the nations of this world put the question of the reconstruction of the physical economy on the agenda.

The conference on the building of a transport corridor between Siberia and Alaska through the Bering Strait, in April of this year in Moscow, highlighted one crucial project in what must become a global system of transport and development corridors, uniting the sovereign nation-states of this planet in a peaceful way. The new world economic order must focus on reconstructing the physical economy in order to provide the physical and economic means for all human beings alive today, and to overcome poverty in the shortest possible time.

The Eurasian Land-Bridge as the cornerstone for this New World Economic Order is a development perspective for the 21st Century, and will end the period of barbarism, in which conflicts among peoples were carried out through war. The worldwide land-bridge therefore will establish a method of war avoidance through peaceful economic cooperation for the coming aims of mankind.

We, the participants of the conference, call on the governments of the world to adopt this program at the upcoming General Assembly of the United Nations.