

The Comet of Doom

by Lyndon H. LaRouche, Jr.

The following is the keynote speech to a conference of the Schiller Institute, in Bad Schwalbach, Germany, on Dec. 14. Subheads have been added. For additional coverage of the conference, see p. 6.

Just imagine that, one clear night, you looked up through the crisp night air, to see a familiar heavenly body suddenly become brighter than usual, and begin to accelerate its angular motion in the sky. The following night, that same heavenly body appeared, brighter still than the previous night, and its angular velocity had accelerated over that of the previous night. Call that heavenly body the famous Asia tiger, South Korea. Each morning, when you awoke, South Korea's currency had lost 10% of its value over the day before. Yesterday, it lost the 10% again, not in an hour, but in a few minutes. What would an astrophysicist say to you, if you reported such a behavior by a star?

He might pause for a moment, then shrug his shoulders. Then, with an ironic smile of resignation on his face, suddenly, his arms flying out, shouting, "Boom!" The whole region of the heavens is about to undergo a catastrophe.

That is the situation which confronts Director Michel Camdessus of the International Monetary Fund this coming week. He faces this in East Asia, and in Southeast Asia. If the United States government fails or refuses to supply, immediately, the \$100 billion in new funds for the IMF, for bailout purposes, demanded by Camdessus, this coming week, and if the western European nations also refuse to meet similar demands from Camdessus, then, what will happen is, the entire system will go, "Boom."

Because what will happen: that South Korea, by itself, has a shortfall, in the short term, of \$200 billion that would have to be bailed out, to keep the system from collapsing. Two hundred billion. Now, if South Korea goes into default, and the default of one bank in South Korea can cause a chain-

reaction default throughout the entire South Korean government, if the government of South Korea defaults, then this will have an impact on Japan, which will be pushed into a similar crisis, at a time that it does not yet have an agreement with the IMF on bailout from its previous crisis. The result of an impact of a Korea crisis on Japan, a default crisis, would send the yen collapsing in value, throughout Southeast Asia and East Asia. What would be the effect of that? This would cause a chain reaction globally, of defaults among national currencies, by national governments, which would sweep through places like Brazil, which is ready to blow, and which of course would intersect the fact that the former Comecon sector, including Czechia, and Russia, are ready to blow.

That's a bad situation, but it's the best of two possible situations. The worst situation would arise if the United States government agreed to supply the \$100 billion next week, which I think is very unlikely. The Congress of the United States is very unlikely to make such a commitment. But this would be the worst possible situation, because the bailout would be temporary, and would set forth in the world, worldwide, a process of hyperinflation, which would match that in form, of what happened to Germany, in a period of less than two years, from the end of 1921 to the last quarter of 1923. Remember what happened: Suddenly one day, the currency evaporated. The printing presses broke down, the currency evaporated. And, Germany would have disintegrated, but for the United States allowing Germany to survive and get a new currency under the 1923 Dawes Plan.

However, this circumstance, if the whole world goes up into a hyperinflationary explosion—which would occur not in less than two years, as in the Weimar case 1921-23, but in a matter of months or perhaps weeks; it could happen in three days, in the extreme, in a chain reaction—who is going to come from what planet to bail out the Earth?

The worst of all possible situations.

South Korea



The precipitous collapse of the Korean currency, the won. "What would an astrophysicist say to you, if you reported such behavior by a star?"

In other words, within the global financial and monetary order, as it has developed since the British sterling crisis of 1967, there is no possibility anymore, for even a short-term survival of the existing international global financial and monetary system. Nothing can be done, even in the short term, to keep this system alive. There are no solutions within the terms of the system. There are no solutions within the terms of any IMF conditionalities. IMF conditionalities are simply a method of mass suicide of entire nations, or if not, murder.

Emergency measures required

Now, there are certain apparent measures which could be taken to bring this under control. And, the first thing would be to eliminate the IMF in its present form. It would mean that the World Trade Organization, all recent international agreements of the past 30 years, of a supranational character, would have to be revoked.

How? The first action would have to be taken by a number of governments, of which the United States government would probably have to be one. If the United States government and China, the government of China, together with a group of other nations, no matter who else is unwilling, say, "The international financial and monetary system is bankrupt," *it is bankrupt*. Because no one can keep a system alive if the United States government says, officially, "It doesn't exist; it's bankrupt." If China supports that, if countries of Asia, including those in this growing Islamic bloc, join that, no one can enforce the fiction of the present, actually bankrupt financial system. Then the system collapses.

But, in putting a system into bankruptcy, you don't simply put it into bankruptcy. You don't set fire to the house and

leave. Especially, you don't set fire to the house and stay in it. What you do is, you set up a new system.

Now, the first thing you do is, you declare the system bankrupt. And, what does the government do when it puts a bank into bankruptcy? The first thing it does, it sets the rules for reorganization of the bankrupt organization: what will be paid, what will not be paid; what will be frozen. You know that some people will have a solution for this. They would say, "Take all the world's unpayable debt, and turn it over to Cr dit Lyonnais and wait for the relevant case of arson to break out, and get rid of the debt that way."

But what do you do? You set new rules. The people who supervise the reorganization of the bankrupt institution set up a set of conditions. Now, since what's bankrupt is the IMF, the IMF system, these people say, "The IMF system is bankrupt, now here are the rules. The United Nations Organization, which is the mother of the IMF, is also bankrupt. So, we set new rules for its reorganization, insofar as it is a financial institution. The first rule, is to abrogate all international financial agreements since 1967. And, all organizations which are set up to administer these agreements. Because we must clear up the mess and start from scratch."

This is very much like, in our experience, what happened at the end of World War II, in which arrangements were set under the conditions of the Bretton Woods Conference, which occurred in my home state of New Hampshire, under Roosevelt's direction during the war, and every part of the world was bankrupt. So, under the IMF agreements, we set up certain rules for international monetary stability. And, these rules, which were fully enforced until 1959, worked. Therefore, we're going to do the same thing again, if we're sane.

Rule number one: How do we deal with the speculators? Exchange controls. Foreign currency exchange controls. Sorry buddy, the rules are that no money is emitted from this country except under exchange-control direction. You want your money, you're a speculator? Sorry, buddy. You say you're going to go bankrupt? Go bankrupt. Have fun!

Capital controls, the same thing. The movements of capital across borders will be regulated, as they were in the 1950s.

Currencies: Currencies will have limited convertibility, under exchange-control rules.

Under these conditions, you can regulate and deal with the speculators. What do you do to the speculators? You *bankrupt* them. What about their rights? They don't have any rights. Speculation against the currency of a nation is a crime against humanity. Such people have no rights. Wipe their debts off first. Give them \$1: get them all together and they can share the dollar. Pay them off.

The next thing is the Classical dirigist methods, in which you have state direction of all economies, and international cooperation among friendly nations, so that their cooperation and direction is harmonious. That worked, and so we got out of the mess [after World War II].

The precedent: American System economics

Also, we have to go further. We have to go back to the 1861-76 United States. The United States was in a mess, because we had a treasonous bunch of Presidents before Lincoln. Lincoln's first measure as President, while declaring war against the British puppet-state, the Confederacy, was to unleash what the Confederacy had never allowed. The United States unleashed, in full, the machine-tool-design principle of dirigist economy. During the period from 1861 to 1876, which was the year of the international exposition, the 100th anniversary of the Declaration of Independence, in Philadelphia, the United States had become the most advanced and most powerful economy in the world. Every nation in the world was backward, technologically, compared to the United States. Every nation-state in the world, was a poor relative, compared to the economic power of the United States effected in the period of 15 years, under a program started by Lincoln and continued by the man who trained him in economics, Henry C. Carey.

As a result of the 1876 convention, out of that came a change in Bismarck's policy for Germany. Germany adopted the American model, fully, for its industrial economic development. Germany, in the period between then and the First World War, emerged as the most powerful economy in Europe and the most rapidly growing.

This had an effect in Japan. Japan immediately during this period, adopted the American System of machine-tool-design-driven economy, as the model for Japan. It was under the specific and immediate direction of Henry C. Carey, that Japan became a modern nation-state.

Russia, which had been an ally of the United States against

Britain since the period of the Crimean War, under Alexander II, adopted the same model. The great chemist became a great railroad builder and a great industrialist: Mendeleev; and, the industrial development of Russia proceeded rapidly, despite the hindrances of the old archaic serf system, under the immediate direction of the great Mendeleev, and under the continued direction by Count Sergei Witte. Until the eve of the 1905 Revolution, which stopped this process, for the time being.

In the same period, toward the end of the century, China, as represented by leaders like Sun Yat-sen, adopted the American System, and had cooperation from the United States for the economic development of China. The ideas in the Chinese government today, which are directing China in its great growth, are the American System principles brought into Chinese culture by Dr. Sun Yat-sen. The same thing.

France had ceased to be a pig-sty with the loss of Napoleon III—which was no loss. He was sort of the forerunner of Crédit Lyonnais. (The sooner that thing is dead and buried, the better for France.) So, France became, in a sense, a partner with the United States, and with Russia, and, reluctantly, with Germany, during the period of Thiers, under President Sadi Carnot, and under the great historian-diplomat Hanotaux.

These countries collaborated in a plan to develop all of Eurasia, in the same manner in which the United States had developed the transcontinental system from the Atlantic to the Pacific, through the transcontinental railroads. This was proposed by Carey, to Russia, to Germany, and to others, in the 1870s, and these countries adopted a policy of building railroad links, not simply as communication links or transport links, but as development corridors—in the same way that the railroad building from the Atlantic to the Pacific, under Lincoln, had been done—as development corridors from the Atlantic to the Pacific, and from the north to the Indian Ocean.

Britain strikes back

This constituted a great threat to the British Empire. And thus, the British Empire organized World War I, under the leadership of the Prince of Wales, while his dotty, batty old mother was up in the attic, and, when she died, and he sighed a great sigh of relief and put the crown on his own head and he became Edward VII. Edward VII was the person who was principally responsible for all of the guilt for World War I. It was his stupidity. He took the garbage of France, the right-wing fascists, the left-wing degenerates, the so-called—this party, that party—put them together, to overturn the government, to introduce a government in the footsteps of Napoleon III, without an emperor, but he turned the Third Republic into a cesspool, a political cesspool. France abandoned its mission in civilization, and became a running-dog, under the Entente Cordiale, for the British monarchy.

Having enlisted France, and seeing that, with France bending on its knees to the British Empire, to Kitchener, at Fashoda in 1898, the British now used France to assist it in

drawing Russia into an alliance against Germany, a Germany which had been its ally, Russia's ally. And also, in cooperating with the British beginning 1894, in Britain's launching the first Sino-Japanese War, as a break with the United States.

So, Japan was turned against China, and against the United States. Russia was turned away from its ally, Germany, and the United States, to ally with France and Britain against Germany. The British and French freemasons, with their usual apparatus, organized the Balkan wars, and utilized pan-Slavism, as a way of bringing Russia into the coalition. The British ran a number of assassinations of heads of state, during the period between the middle of the last century into the period of World War I, including the Archduke Ferdinand, who was actually assassinated by British agents. It was an orchestration of politics.

And so, the very nations which were on the verge of great cooperation, with the United States, in developing Eurasian development corridors, from France through Germany and Russia to China to India, and so forth, into Japan, these nations were put against each others throats. And a great war was fought, which almost destroyed civilization in Europe. And, the British weren't happy with the results of that, so they put Hitler into power in Germany in 1932-33 operations, in order to ensure a second war, which would be more devastating than the first.

And so, European civilization has been destroyed from within by *refusing* to understand that the British Empire is the evil which must be removed, or there will be no civilization.

We are now at such a point again. The British are preaching geopolitics. And when the British preach geopolitics, then Kissinger preaches geopolitics, and Brzezinski preaches geopolitics: because they're nothing but British agents. One of the problems we have with our secretary of state: she's a protégé of Brzezinski, and is infected by some of that bad thinking that comes by way of London. It's a problem for the President, who has somewhat different ideas than she does.

But, this is the great model, the great model represented by the United States, adopted by its allies in France, in Germany, Russia, Japan, and China, during the second half of the Nineteenth Century. This is the only successful model of economy, the one used by every power since then to achieve economic recovery and economic development. And therefore, we have to go back to that.

Human values vs. paper values

We cannot do completely what we did in the post-World War II period, because the central banks are all bankrupt. We have over \$100 trillion of current obligations outstanding globally. In the United States alone we have over \$30 trillion of these current obligations in the form of futures contracts, sitting on the United States alone. There is not a central banking system in the world which is not bankrupt. Hopelessly bankrupt. This \$100 trillion and more must be written off, entirely. We have to write off, if we're going to save this

planet, we have to write off about \$120-130 trillion of current obligations, mostly in the form of futures contracts, over-priced real estate mortgages, things of that sort. All of this inflationary speculative garbage must be simply written off, with no compensations to the shareholders, the stockholders, or the creditors. It's *written off*, because human values come before paper values. And that's going to be the great struggle: human values versus paper values.

So, we cannot use the central banks. We will have to use national banking, that is, state banks, created by the Treasuries of nation-states. State banks which operate largely on the basis of the emission of currency by national governments, banks which control international relations in terms of capital movements among powers. These banks will obviously use banking facilities modelled very much on the model of the Kreditanstalt für Wiederaufbau in Germany, as a way of fostering development programs, using state credit, in the various countries. We will not put money out on the streets, for people to pick up in bushel baskets. We will revive the economy by reviving certain key projects, especially basic economic infrastructure: power, transportation, urban development, all of the things which are necessary to industry and manufacturing. By infrastructure projects of this kind, we bring into play those private facilities, especially machine-tool facilities, which support the feasibility of such a project. And, thus, you stimulate all kinds of business: construction firms, other kinds of firms which are suppliers to these infrastructure projects. You also stimulate, and must stimulate, above all, the machine-tool-design sector. We must revive the machine-tool-design sector.

This is pretty much what we have done in the United States, in the 1930s, under Franklin Roosevelt. It is what has been done in most countries of the world, where an economic revival, recovery, has been reorganized.

These are all things which have been historically proven. None of these things involve conceptions which might be called untried ideas. As a matter of fact, we've tried these ideas, and we've tried the alternate ideas. The alternate ideas, as we now see, *don't work*. Free trade does not work. It never worked. Free trade was a swindle which the British exported to its victims. When the British economy was viable, it never practiced free trade at home, but demanded that all its customers practice it. Free trade is a method of rape, and must be so considered. Deregulation is a method of rape, and must be so considered. We must go back to the dirigist principles exemplified by the American System, especially the form of the American System which became hegemonic worldwide, in all successful economies, from 1861 on.

These are all proven ideas. The contrary ideas which we're replacing, are the ideas which have caused the bankruptcy, and therefore must be *eliminated*. That means a lot of professors will have to be reeducated. Or perhaps better still, we'll have get new professors who are properly educated from the beginning.

Destroy the British Empire!

Now, one of the characteristics of this process, is who is going to do it. Well, we've worked hard, ourselves, to try to catalyze the success of a partnership in process of being established between the President of the United States and the President of China. One of the included reasons for that, was to create, between the world's leading nation-state powers—

The leading power on this planet today is the British Empire. And the British Empire *exists*. People who do not know that the British Empire exists, should go back to school, or maybe it's a waste of time to send them back to school, because all the evidence is clear: The most powerful force on this planet, politically, and financially, is the British Empire. For example, 80% of the foreign financial control of every state of Central and South America, is British, not United States. Ninety-five percent, or more, of the foreign financial exploitative investment in Africa, is British Commonwealth, not United States. Similarly, the British control 65% of the world's precious metals traffic, about the same amount of the world's international financial traffic. Controlled through London. All of this, controlled under the British Crown, not the silly British Parliament.

The Westminster model was a farce; it was made for sheep. It should be called a sheep-herders' Parliament. These are the guys who go out and herd the sheep. This is not a government. The Parliament does not decide anything, unless the British Crown allows it to decide something.

Earlier this year, some well-meaning British parliamentarian made the suggestion that Britain ought to stop harboring international terrorism. The British Crown intervened into the Parliament and said, "No." The British government, including MI6 and MI5 and the British Foreign Office, will *continue* to harbor international terrorism. And the Parliament will do nothing about it.

The real government of Britain, and of the British Commonwealth, lies in an organization called the British Privy Council. That is not something in the backyard—though it ought to be, or ought not to be, as the case may be. It is the organization of permanent bureaucracy of the British Empire. The British Privy Council not only controls the United Kingdom, it also administers the Commonwealth countries, with some restrictions; in some cases, a large country, like India, has some resistance to that degree of control. And, the British are very sly people, that is, the British Crown. They don't use force, when they can use diplomacy. And, they don't use diplomacy, when assassination of heads of state will work better. Those are their methods. These are *Venetian* methods that they use. But the British Privy Council knows when to push and when not to.

That is how Mrs. Gandhi died. She was assassinated by the British. That's how her son, Rajiv Gandhi, was killed. That's how the Archduke Ferdinand was killed: by British assassins. The change in the United States came in 1901, when

a British assassin assassinated the President of the United States, in order to bring Teddy Roosevelt to power, who was a total British agent. That's how they do things.

The British Privy Council controls all of the Commonwealth. The British Privy Council controls most of the strategic raw materials of the world today, including gold. It controls Africa, from the top down, with a few points of resistance. It controls most of Europe. In every European country on the continent, what percentile of the members of Parliament are raving Anglophiles? In virtually every country in Europe, between 40-60% of all elected officials on the continent of Europe, are raving Anglophiles. I think they ought to take up British citizenship and leave their country to the patriots.

So, this problem exists today. The British are determined to destroy it again. For example, I did a recent paper on this subject, on the subject of Brzezinski. Brzezinski has written a paper, which caused some fuss in Moscow, when a translation of that paper, which is based on a book of his, was published in *Nezavisimaya Gazeta*. It proposed a geopolitical game in Central Asia. The British are running such a game, an oil game, a so-called Caspian oil game, which the British, in their own press, brag is being run by the British, as an anti-American operation in Central Asia. This game diverts the oil from China, from Iran, and from Russia, to move it directly to the Mediterranean, through Turkey, in order to market it in the world, and also looting the other parts of Central Asia. Orchestrating conflicts withing Central Asia, which includes the Afghanistan situation: run by the British, which run right in the heartland of the future development of Asia.

What do you have: You have Russia, which has to be revived. You have China; you have Iran, which is the key partner of China today. To the south, you have India, which must become a partner. Pakistan, which must be brought into this. Bangladesh, Malaysia, Myanmar, Indonesia, all ready to be brought into a new global system of infrastructure development and economic cooperation.

The Middle East is a cockpit.

All of these areas have to be brought together in cooperation. And what do you have sitting right in the middle of this, in the heart of it? The former Soviet Central Asia. And, what are the British doing? Running a destabilization operation there. Unless you crush that, and end that destabilization, there's no possibility for the future of Europe or Eurasia. And, Brzezinski, of course, right in the pages of a well-known Moscow paper, publishes this piece of obscenity, a strategic obscenity: balance of power, balance of power—all British methods.

The U.S.A. alone is not sufficient

Now, what's happening is, my concern is to get my somewhat cowardly President, Clinton, who is not a bad fellow, he's just a Baby Boomer, he's a '68er generation, and as many of you know, '68er generations are not very good for fighting

wars, or facing other serious conflicts. And therefore, he flinches; he compromises. He's weak; he's ideological. All these weaknesses. Well, he's the best we've got, at the present. I know how to do the job, he doesn't, but that's all right. We'll have to figure out some way to solve that problem. To get the United States to break with the British; and he hates the British. Clinton really despises the British, for all the good reasons. He just doesn't— He hasn't invaded the place yet. Terrible. He's tried to do it though— Give him credit; he worked well on this Irish question, and, he does hate them.

But the point is: the power of the United States is not sufficient; but, the power of the United States together with countries such as China, and a combination of states, is sufficient correlation of forces to determine the future of this planet. It is the correlation of forces which is indispensable to introduce the kind of reform which is needed to get the world out of chaos, the chaos that we're on the brink of today.

Now, if we bring those forces in, what are they going to be? Those forces are going to be China, India, Iran, countries of Southeast Asia; some countries from Africa probably may be involved soon. What are we talking about? We're talking about what we used to call the Third World.

Now, the Third World has not been able to get much of a voice in the post-war period, especially since 1966-67. But, if the Third World has a grip, a political grip, typified by large nations such as China and India, *has a grip on shaping what future monetary and economic policy on this planet must be*, what is going to be the result? New rules, buddy. New rules. Justice for humanity. China, 1.3 billion people. India will soon exceed China in population. Pakistan, Bangladesh, Indonesia, other countries of Southeast Asia, Iran: This is the heart of the world's population. If Russia is to be revived, it's going to be revived as a partner in this policy. It's the only way to revive Russia now, no other way is going to work. We have to get that canker out of the middle of Central Asia, though: the Brzezinski canker, I guess it would be called in Moscow these days.

This represents the majority of humanity. And, the majority of humanity as represented by their nations, their national governments, is going to have the power to determine the economic policy for the future of this planet. This means, a fundamental change in policy from that we've experienced in the post-war period to date. It means that one person becomes the political unit, population becomes the unit, which determines policy. The benefit and welfare and improvement of the condition of life of the population, becomes the standard of economic policy on this planet. In that case, we're in for a new game, a game I like.

Here we stand in Germany, Germany which is in the process of committing *seppuku*; it is driving a British knife into its gut. (It takes a little time, because I understand the chancellor here has a large gut. I must say, I looked at him early last month, and he was giving an address to the Parliament, and I said, if he gets into a large hotel room with a low ceiling, they

tell the chancellor to "Stand up, the ceiling's too low.!")

But, Germany must be revived as what it was. The imposition which was made by the British and by Mitterrand, and Bush, on Germany in 1989, must be revoked. The implication of certain powers, including Britain's complicity in the assassination of Herrhausen of Deutsche Bank: that policy must be revoked. Germany must go back to being the machine-tool center of Europe. High-technology industry. Why? Because the people of Asia lack what? Outside of Japan, the people of Asia have a deficiency in per-capita input of machine-tool-design capability. I'll get to that later.

The Machine-Tool Principle

Without machine-tool-design capability, no economy can prosper. There is no economic recipe for prosperity in any economy, in any part of the world today, without a machine-tool-design factor. That means the conversion of scientific principle into new technologies, in the form of machine-tool designs. These machine-tool designs are then supplied to develop new designs of products, new kinds of products, new qualities of products, and to change and revolutionize the productive process. And, to educate the populations of these countries in how to use these new principles. Therefore, an educational program, of educating a labor force which is capable of assimilating new scientific principles rapidly, and effectively, and a supply of machine-tool designs from a developed machine-tool-design sector of the world, to ensure that these economies have the means to translate the improvement of the productive powers of labor, in their labor force, into effective productivity increases in their own country.

In areas like China, with dense populations, in areas like India, without a massive infusion of machine-tool capability from countries that have it, which include the United States, Germany in particular, if it revives what is almost lost now, and Japan: that is *indispensable* for the survival of the majority of humanity. And therefore, Germany's duty must be to reorganize and revive its machine-tool-design capability, to go back to a high-tech educational system, one based on the *Humboldtsche Erziehungsprogram*, which is the only program which can produce a labor force competent, as a whole, to do this. And, the countries which are the formerly industrialized countries which were machine-tool-design-oriented, must play a key part in supplying to the more populous regions of the world, the machine-tool-design capability which these nations require, in order to increase adequately the productive powers of labor.

In China this is obvious. China is a developing economy, but the great barriers to China, the bottlenecks that must be overcome, are machine-tool design.

The only other part of the world which can supply a significant machine-tool-design capability, is the former military-industrial complex, scientific complex, of Russia. That would have to be revived, and be revived around integrated projects, in which scientific capabilities can be turned into

new machine-tool resources needed on behalf of the general program.

This would work. If the United States and China, and a combination gathered around them, such as Russia, Germany, India, Iran, and so forth, agree to do what we've outlined in other places as the global Land-Bridge program, and agree upon reforms of the international monetary system and financial system, in bankruptcy, to get the economy moving, there's nothing that can prevent us from succeeding. Nothing: apparently.

The question is, is there the *will* to make the decision, to put the world into bankruptcy? Is there the *will* to force through the immediate implementation of recovery programs of the type I've indicated? Everything I've indicated: nothing new, all proven by experience. Just applying the lessons of humanity's experience, especially of modern times, to the problems that face us today. No farfetched ideas, no unproven ideas. Get rid of the ideas which have been proven wrong, and go back to the ideas which were proven workable. Where's the problem? The *will* to do it: lacking.

So, we have to go to another dimension. Not to economics as it's taught in universities, which is incompetent. There are some competent economists because they're competent as human beings, not because of what they've been taught as economics. We have to go to cultural questions.

Human discovery: the subject of history

Now, this brings us to another problem, and I've addressed this in a piece which will be out in the coming week in *EIR*, on this question of history.¹ Very few people understand much of anything about the past 50-odd years of history. And they understand almost nothing about the past 500 years of history. And, almost nothing about history in general. Especially people who specialize in the study of history: They're the most crippled, usually.

What is history? The first question you ought to learn in a history lesson: What is history? Is it a chronicle of events? Is it a study of who succeeded, and who failed? Is it a study of how to become successful in politics, or something else? What is history? Do animals have history? No, animals don't have any history. Animals don't develop; they remain the same species, with the same species-specific behavioral tendencies, through all their existence. They can learn, but they can learn only within the limits of those fixed tendencies which appear to be genetically fixed. Dogs of a certain race, always behave alike. Highly bred dogs behave very much alike, like Beagles. Every Beagle thinks alike. Every Beagle is a clone of a Beagle. As a matter of fact, when they want to do a standard test on brain tests, they use dogs' brains, Beagle brains, for tests on these kinds of things, because they're so highly in-bred. Every Beagle reacts the same way. Now, they have different behavior, they're not stupid, but they all react the same way.

1. Lyndon H. LaRouche, Jr. "Wells of Doom," *EIR*, Dec. 19, 1997, pp. 12-30.

Would we like to live in a society of human Beagles? Everybody reacting the same way. How boring! A little diversity is helpful in making life more interesting. And also in getting some options.

What's the difference about humanity? Humanity changes its behavioral characteristics, *willfully*: not accidentally, not by learning, but willfully. How? Very simply: We discover principles of nature, called physical principles. Now, did you ever see a physical principle? Did anyone ever smell one? Taste it? Touch it? You cannot see, smell, hear, or touch a physical principle. Yet, you can prove that they're efficient. You can identify them precisely. You can demonstrate that anyone who denies their existence, is a fool!

How do you get to a physical principle? The human cognitive processes, unlike those of the animal, when presented with a validly defined paradox, a so-called ontological paradox, which has no deductive or formal solution, in terms of *existing belief*, existing axioms of belief: the human mind, when it is demonstrated that nature is violating the rules of their belief, as manifest by this ontological paradox, the human mind is capable of generating a discovery of a principle, which enables humanity to overcome that error in its thinking, to revolutionize its thinking, and, thereafter, to revolutionize its behavior.

The history of mankind is the history of these discoveries. These discoveries fall into two classes. One class, we call "physical principles": things you cannot lick, smell, touch, or see; but, you can demonstrate beyond doubt. If you don't believe in them, the universe will kill you. So, you'd better learn them.

The second one, is cognition itself. It has very interesting characteristics. Cognition is a process you have to learn: not learn, in the sense that you learn a textbook; but, you have to re-experience it. Now, the most interesting thing about cognition is, since you cannot *see* the process of cognition actually generating an idea, the only way you can generate an idea that somebody else has discovered, is to *replicate* it. You cannot *learn* it. And, if somebody discovers a principle of nature, and they write a description of this in a textbook, if you learn the words in that textbook, you don't understand the principle. That's true of most environmentalists today, and those who write these so-called environmental programs, like global warming, and other things. Complete frauds and scientific incompetence, and it's all based on "learning"; no cognition. It's animal-like behavior. You can only understand a scientific principle by going through the experience of rediscovering it.

In a competent school, in a competent educational system, such as the type that used to exist in Germany, called the Humboldt educational reforms, the basis for education was to *relive the act of discovery*, whether in geometry, or by reliving the evolution of Greek history, Classical Greek culture, from Homer through Plato, and beyond. Reliving the experiments. Reliving the discoveries of geometry. Reliving the discoveries of principles in astrophysics. Reliving these

things. So that you never said you *knew* something, unless you had relived the act of original discovery.

The example of Classical composition

Same thing applies in music. You have people who say they know how to perform music. You say, "How do you know that?"

"Well, I know how to perform the notes."

"You're not a musician."

"But, I can perform the notes very well."

"You're still not a musician; you're just a note-player!"

Because, if a work of art is any good, you can't learn how to make it. You must re-experience the act of creation by the discovery.

For example, you have a lot of people who are called conductors, in Germany. They should have been trolley-car conductors, at the time we had trolley-cars! They were not real conductors, like Furtwängler. Furtwängler identified a principle, and just think of the number of musicians that attacked Furtwängler on this principle! None of them was a good musician; none of them was a competent musician. Furtwängler said, you must go into the mind of the composer, to relive the experience of composition by the composer. And then, you must go back to the notes, and perform the notes and notations, according to your understanding of this unifying idea, which is the principle of composition.

If you wish to present a poem, there is no rule for reciting the lines, one at a time, or the words, which would be a competent recitation of the poem. You must go into the mind of the poet, the composer, relive the act of composition. Re-experience the *idea* which causes the poet to choose certain things, and then, you must use the poet's choice of terms, to convey that idea. Furtwängler called this performing "between" or "behind" the notes. You do not perform on the basis of note-by-note or phrase-by-phrase. You do not perform according to rules. That's incompetence. That is not art! There's a school for that: It's called Romanticism. And Romanticism in Germany, was best known as *fascism*. Hm? The Romantic School, where you play, create a sensual effect, a *sexual* effect, or, shall we say, more generically, an *erotic* effect? Like Wagner, or Liszt. Liszt was a man who knew how to play the notes! He played many of them! Many of which would have been unnecessary, in a good composition. He was a master of playing unnecessary notes, to show you how many notes he could play. He was the inventor of "passage work." Wagner, who gave up music in order to make bombs on stage. For *sexual effects*! Take the case of the famous *Liebestod*, from *Tristan und Isolde*: nothing but one chromatic experience after another. A chromatic orgasm of protracted length! It's not music. It's erotic effects.

But Classical composition is important to us, whereas Romantic is not. Modern music is not necessary; put it out in the trash, where it would be happy, by itself. Popular music, as it has developed recently: Put it in the trash, it doesn't belong, it doesn't do anybody any good.



Romanticism is the creation of sensual, erotic effects—unlike Classical composition, which expresses ideas. Shown here: a scene from Wagner's "Das Rheingold," on PBS television, 1983. Wagner "gave up music in order to make bombs on stage," says LaRouche.

The Classical composition, in poetry and drama, and music, addresses directly those cognitive processes of the mind, which are brilliantly demonstrated by the great composer of poetry, or tragedy, or music. There's always a challenge; an ontological paradox is created. The composer *solves* that paradox, that *metaphor*, as it's called in art. And piles metaphor upon metaphor. And, out of that, comes a dramatic effect, an *idea*, which, you say, is called *beautiful*. It's associated with an idea called *happiness*, which is very rare. Modern people don't have happiness, as those of us who are older know. The younger generation, the Baby-Boomer generation, under the instruction of the Frankfurt School, went away from happiness, and found a substitute for happiness, in a monotonous succession of momentary pleasures. People look at television for momentary pleasure, for escape from happiness! Very few people in this generation, are happy. I'll get to that in a moment.

Educating world-historical personalities

The problem here is a cultural problem. Every human being, as a part of history, the history of ideas, is equally capable, potentially, at birth, to be developed in re-experiencing the ideas of mankind before him. In a certain order, in a

certain way. But thus, that child, who gets that kind of education, is reliving the moment of discovery in the mind of a person who lived scores of years, centuries before, millennia before. And thus, every child who has the benefit of a Classical form of education, that is, one based on replicating the discovery of ideas, of valid ideas — that child is an historic personality. That child, if that child has broadened beyond his own culture, to learn other cultures as well, has become a *world historical* personality, because that child embodies, within himself or herself, the living history of mankind. That child has developed a *conscience*, that they must not betray that in themselves which represents the truth, of the progress of mankind. They have their ancestors, the best of their ancestors, looking over their shoulders, from inside their minds, at all times. The presence of those ancestors, is part of their conscience. A child who understands, and knows by name, the great discoverers in art, and science, and statecraft, from times past, in that way, also looks at himself or herself as a person of the future. That the ideas that we transmit to our children, and to others, our legacy, is going to shape the future. The way that we solve problems, or fail to solve problems, is going to determine the future of humanity.

Therefore, we find ourselves in a sea of faces: of some, we know the name; other faces, we don't know the names. Faces from the past, faces from all around the world, and faces from the future, whose names we don't know. These people, these faces, in a sense, are all looking at each of us, in every moment of our life. What are we doing, to fulfill what the past has given us, the treasure given to us? What are we doing, to ensure the future of our children, and those that come after us, all throughout this planet?

The function of a Classical education is to transform this lump of flesh, that is born, with its cognitive potential, and transform that little creature into a world-historical personality, in whose mind resides the re-enacted, relived experience of the discovery of important ideas from the past of mankind. A mind that looks forward to the future and says, "I am going to *be*, I am going to do this, this is my mission, this is my vocation. And the future will benefit from my existence. I am a person to my people; I represent all humanity; I am going to do *good*." And that person, whenever they find themselves experiencing the beauty of what has been given to them from the past, and the beauty of being somebody who is *good for humanity*, is happy. Because the same quality, the emotional quality that is experienced by the scientist, in making a valid discovery, the emotional quality experienced by the artist, who composes a poem, a piece of music, or performs such, in the appropriate manner, is emotion which is called, in Greek, *agapē*, which Plato, through the mouth of Socrates, uses to identify the commitment to justice and truth. It is the opposite of erotic; it is this sense of being a world-historical person, with a world-historical sense of oneself. That whenever one is *being that self*, one is happy; when one is sharing being that kind of person, with other people, one is happy. When one is

doing good for humanity, one is happy. Not in acts of charity, individual charity, passing out sandwiches or something — even though that can be a happy job, but, nonetheless, the more principled thing, is not giving material goods to somebody; it's giving future humanity the means by which to *survive*, to *live a better life*. Whenever you're doing that — Like the workman who's proud of a machine-tool design. The person who's proud of a discovery. The child who's proud of the fact that they have actually composed something, according to a Classical principle. When the child's face glows, as if an inner light had turned on inside the personality: a state of *happiness*.

We're not a happy people. There are very few happy people on this planet. We live in a highly erotic, highly decadent, highly degenerate, highly demoralized, pessimistic — deep cultural pessimism. "Nothing will work, you can't do it! It's not going to succeed! You've got to stick with the mainstream!" All these people say, you've got to stay with mainstream ideas. You say, "I want to stay out of that sewer! I want to stand on the high ground, away from that *mainstream* down there, under the street." That's what our problem is.

Time to dispense with geopolitics

Now, the connection to this, is to try to get people to understand something about humanity, and stop all this gobbledegook about, "This nation has a war with this nation," and so forth. All that's nonsense. All this geopolitics, all the usual strategy, all the usual public opinion, is utter nonsense. We know it among us, those of us who are familiar with each other, in the room; we know what we're dealing with. We have an impassioned concern; Russia's being destroyed; Africa's being destroyed; South and Central America are being destroyed; Asia's being destroyed. People are suffering; disease is on the increase; poverty is increasing; and we're on the edge of a Dark Age! Are we concerned with one nation, as opposed to another? That's silly! We're concerned about humanity. And we recognize *nations* as vehicles for addressing this problem. That cooperation among nations is needed to deal with this problem. But the nation-state is essential to the people who live in it.

So, this is not the problem: it's not some "natural conflict" of one human being with another. There's nothing natural about that.

I wanted a cartoon to be drawn, for several reasons, in this connection, which shows a man, who is labelled "IMF," beating his wife terribly, and the wife is labelled "Developing Nation." And, he says, it's nothing — He's not doing this for any malicious reason; he's doing it for *pleasure*. Which tells you something about wife-beating, too, by the way. Men who beat their wives do it for pleasure, not for malice. It's a *perversion*, a sickness, which is passed down from father to son. The father beats the son, the son beats his wife and beats his son, the son beats his wife and beats the children. It goes on and on.

But that is not the natural way of humanity.



“Nothing personal! He does it only for pleasure.”

The Whore of Babylon

The problem is this: The conflict comes from Babylon: and, we in Europe, in European civilization, trace it to Babylon, though it's older than Babylon. Some thousands of years ago, there was a group of people from India, called Dravidians, who established colonies. One of the colonies was in southern Mesopotamia, it was called Sumer, which is not a Semitic culture; it was a Dravidian culture, a branch of the culture of India at that time, what is sometimes called the Harrapan culture. And the other cultures of that time: You had Yemen, and Ethiopia, which were dominated by Dravidians. Canaan was actually developed, among the Semitic people, by Dravidians, who were the dominant culture of that period, contrary to the British theory about God standing in Mesopotamia, in the year 4004 [B.C.], and creating the universe, hm? The Dravidians were way ahead of the Semites, in this operation.

But the culture of Babylon, of Mesopotamia, was an evil culture, from the beginning: as we know it. And the culture of Babylon was something we had a tough time getting rid of; we haven't gotten rid of it yet. It's the big problem of European civilization: Babylon. Because, what kind of a society was it? We saw it all over the world. We see it in archeology; we see it in every evidence of culture, from every part of the planet. That, prior to a few hundred years ago, the characteristic form of human existence, was that less than 5% of the population, consisting of oligarchs and their lackeys, ruled over 90-95% of humanity, which lived as slaves, or serfs, or

other forms of human *cattle*. So, the conflict on this planet, for as far back as we know history, has been between societies which had slavery, serfdom, or other conditions, similar conditions, where some people were the cattle-herders, and other people were the human cattle. That's the conflict.

This cattle system, of Babylon, was maintained in such forms as the Roman Empire. As a matter of fact, the Jews and Christians of the First Century A.D., referred to Rome as “New Babylon,” as the famous Apocalypse of John refers to Rome, the Roman Empire, as the Whore of Babylon. Byzantium was the Whore of Babylon, too. European feudalism was the Whore of Babylon. The entire system of serfdom was not a natural system, it was an unnatural system; it was a continuation of the policy of the Whore of Babylon. And today, the Whore of Babylon is officially called Queen Elizabeth II. Because, by way of the Venetian system, which is otherwise called the Anglo-Dutch oligarchy — And if you understand the history of Rome, under the Roman Empire, under Augustus; if you understand Byzantium, as it actually existed; if you understand European feudalism generally; if you understand what Venice was, as a maritime power, dominating the Mediterranean and adjoining regions, into the Sixteenth Century; then, you understand that this Whore of Babylon system has perpetuated. Today, it's called the British Empire, or the Anglo-Dutch oligarchy, which has replaced the so-called landed aristocracy, with a financier aristocracy.

This aristocracy pollutes every part of the world. Russia has got a good dose of it recently; it's called mafia, and banks, and it's very difficult to tell the difference between the two of them, recently. Every part of the world is polluted; every country tends to get a financier oligarchy, as a junior branch of the British, Anglo-Dutch oligarchy. And, they will say, “No! The oligarchy, the finance oligarchy must keep the financial system *free* of control by governments. We must have central banking — private central banking, which is authorized, and funded, and backed by the government. But the government must not *interfere!* The government must not interfere in the marketplace.” What is that? That's an oligarchy. If you allow financial contracts, and procedures so defined, to control the lives of human beings, are we any more than slaves? And when the time comes, when the debts for these financial obligations are to be paid, shall we sell our children into slavery? Shall we starve people? Shall we increase the morbidity rates of the populations? Shall we cut off the health care, take away the *Kur*, in Germany, from the senior citizens, and so forth? Simply to satisfy a bunch of greedy, blood-sucking bankers? That's what we do.

That's the conflict. The conflict is between those, typified by the British oligarchy — and we have pigs of this type in the United States, too — those who demand that we retain the system, under which parasitism, called “finance,” is able to suck the blood from an economy, and spread the myth, which the fools believe, that you need a fund of money to start an economy.

The science of economics

What is real economy? Now, I'm going to get a little bit tougher, but I think it's necessary, so that this be understood.

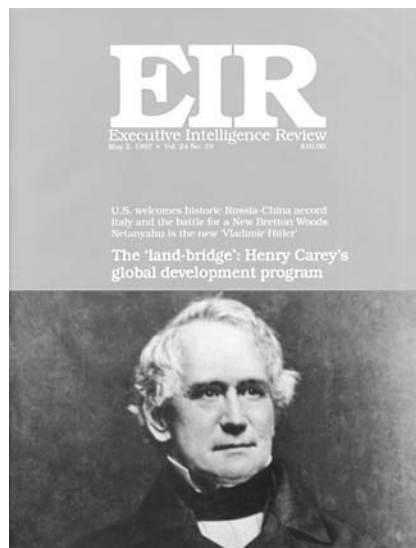
Every kind of formal economics taught, in every university which I know today, and every textbook, and at every major economics colloquium, is *bunk!* There are some people who are good economists, not because they know an economic theory, but because they have some clinical insight into the way an economy works. There are some people in Germany, who have that. Some people in other parts of the world, who have that sense. A sense of: "How does the economy work; what do you have to do to make it work?" It's like a doctor's sense of a patient: It's a clinical sense, not a theoretical sense. Economic theory, as I know it, taught in all these universities and official institutions, around the world, is bunk. Absolute bunk, garbage, fraud, a hoax! Why? It goes back to what I began with: this question of this heavenly body which suddenly gets brighter, and is accelerating in angular momentum motion, every day. Which means, doom! That's what's happening to the economy now.

What is a profitable economy? What is growth? Growth is several things. The essential thing about man, is that we exist as a species, in relationship to the universe. What's important about man, is not what our activity is, as such. What's significant about man, is our ability to increase what we call our productivity; that is, to increase man's power over nature, man's power over the universe. This is the power we get from cognition. We discover *valid physical principles*, and other principles of cognition. If we change

our behavior, as nations, as people, according to these discoveries, we increase our power over nature. That's how we know these things are valid. Because the universe accepts these discoveries, and *submits to us*, and to our will, when we express these discoveries.

So, man is a supreme creature in this universe. The only creature in this universe, who can change its behavior, to increase its power over the universe, the only creature that the universe *obeys*. That's man.

Now therefore, what we're concerned about in history, and what we're concerned about in economy: we're concerned about this matter of *increase* of power, of the human species. This is not a simple thing, because in order to increase the power of mankind, we can't have people dying at the age of 40—because if your life expectancy is the age of 40, how are we going to allow children to be adequately educated? If the productive life of the typical member of society is not of the order of magnitude of the life expectancy of 70-90 years, what chance do you have, of educating and developing the population? So, therefore, the demographic characteristics of the population are essential to the progress of humanity. More ideas to be learned, more development required; simply to maintain the society, you must have more and better education. You must sustain the young people longer parts of their life, in the educational process and related processes. Therefore, you must improve the material conditions of life, as those material conditions of life bear upon this capacity. You must improve the conditions of life in the household. You must eliminate drudgery and



For further information on many of the questions discussed by Mr. LaRouche in this speech, see these landmark issues of EIR from 1997: **Feb. 7**, "Return to the Machine-Tool Principle," a theoretical analysis of what makes for growth in an economy, with case studies from around the world; **May 2**, "The 'Land-Bridge': Henry Carey's Global Development Program"; **Nov. 7**, "A Successful Voyage Through Stormy Waters," on the necessity of a strategic alliance between the United States and China, and progress to that end achieved during President Jiang Zemin's Oct. 29 meeting with President Bill Clinton.

menialness from the household. So, the household's role as a place of nurture, becomes predominant. A place in which the development of culture, in the population, is encouraged and fostered. This requires material means.

We must develop the land, we must change it. We must improve it. We must constantly discover new kinds of resources, to develop. We must develop more investment in these improvements, which have to be maintained. Now, this means that the amount of material passing through our hands, per capita, each generation, must increase. That the infrastructure must increase. All these things must increase.

Let's call this the *energy of the system*. Given the planet as it is, what is the total production of society, which must be provided, per capita and per square kilometer, in order to keep this human system going, without deteriorating: *Energy of the system*.

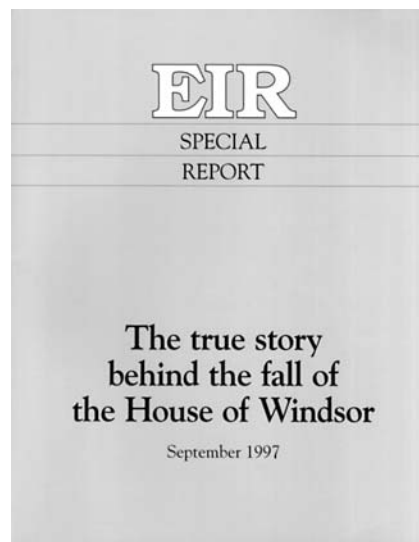
Now, above the *energy of the system*, which is increasing all the time—that is, the per-capita, per-square-kilometer energy of the system, in terms of countable objects and requirements, is constantly increasing. Now, despite this increase, we also want an additional increase, which enables us to explore, expand, develop, which we call profit, or *free energy*: It's the same thing. It's materials; it's things that we use, to foster growth of the population and its productivity. We call it energy of the system. It's not money; it's *real*. It's education, it's health care, it's science services, it's better housing, it's better infrastructure, it's improved technologies. It's called "profit."

Now, describe to me, mathematically, a system, per-capita system, in which the *density* of the *energy of the system* is

increasing. But, at the same time, the *ratio of free energy to energy of the system*, is constantly increasing. Describe that system. Now, go to the blackboard, and write me a mathematics which describes that process. Now, pick up any book in economics, any textbook. Take any lecture, any writing on economics. Where's that function? You have theories of profit! For example, that's the problem in Marx. Marx says, in the end of *Capital I*, and elsewhere in his writings, that he has left out of account "the technological composition of capital." He left it out of account! That's why Volume III fails. That's why his whole idea of cycle of production, of simple and extended reproduction, fails. Because it ignores this question.

Where does this function occur? An increase in the ratio of free energy to energy of the system, despite the fact that the energy-of-the-system requirement, per capita and per square kilometer, is increasing. Which is what happens in every successful form of economy. And, something which happens only through scientific and technological, and related progress. A zero-technological-growth society is a dying society: It is a corpse, or it is an economy on its death bed, waiting to rot. Like the one we're going through right now.

What's wrong? Well, they come up with mathematics, but they don't *have* competent mathematics; as a matter of fact, competent mathematics are generally not taught in any university in the world today. If you don't believe it, look at any calculus course. Any course in differential calculus will include today, generally, with a few exceptions here and there, the famous Cauchy fraction, or the so-called "limit theorem,"



Nov. 28, "The LaRouche Method: What Economics Must Measure," on the centuries-long battle to defeat financier oligarchism—the legacy of Babylon and Venice; Dec. 5, "Tweedledum Goofs Again," a blast by LaRouche against the latest strategic drivell from British agent Zbigniew Brzezinski; and September 1997, EIR Special Report, "The True Story Behind the Fall of the House of Windsor," reprints of four of EIR's groundbreaking feature packages on the historical role and current power of the British oligarchy. Single back issues of EIR are available for \$10, while supplies last; the Special Report is \$75.

which results in what is called “linearization in the small.” Any mathematical system which is based on linearization in the small, cannot possibly derive, in any competent way, a system in which the ratio of free energy, to energy of the system, can increase, or even be maintained constantly, under condition that the density of the energy of the system is increasing. Can’t be done! It’s called anti-entropy.

No one can describe a mathematical formula for a living process, in which the same thing occurs, or, in the living process in general, same thing occurs. Can’t be done! It’s incompetent. As a matter of fact, the same thing applies to all facets of human behavior.

It’s that people’s ideas about people — this is typified by the Hobbesian conception, or the Lockean conception, or the empiricist or positivist conception of mankind — *people’s ideas about other people, are like objects in a linearized universe*. The economic policy of no nation today, especially the IMF, recognizes that the individual human being must be educated in a certain way, that the education must be up to a minimum standard for every human being; that the demographic characteristics of the average household must be maintained and improved in a certain way; the characteristics of life within that household, the increase in science and technology, must be provided — contrary to the Greenies; the Greenies have an anti-human philosophy. They have the philosophy of *cattle*. And, a cow would be embarrassed, if he could understand what they were saying.

Existentialists and Baby Boomers

The problem is today, that people are oriented, not to the idea of being world-historical personalities; not oriented to the conception of developing themselves as world-historical personalities; not conceiving themselves as persons who are generating discoveries; but rather are simply looking at themselves as trying to succeed in a society. They’re *existentialist*, in the sense of that Nazi professor Martin Heidegger, and his Nazi-like friends: Theodor Adorno, who couldn’t get into the Nazi Party, because he had the wrong religion, so he had to leave Germany. Same thing. Jean-Paul Sartre, or Jean-Paul Sartre-Masochismus, hm? Same thing. The conception of man is *linear*. The conception is one of passions, such as lust, greed, hate — all these kinds of things — of one person toward another, or one nation toward another. Or, today, *my pleasure*. “My pleasure.”

The problem we face today, thus, is that we are dealing with a population around us, and all throughout the world, which, predominantly, has lost the moral fitness to survive. The problem does not lie in the leaders; the problem lies in the consent of the governed. The governed are behaving like cattle.

Take the picture painted by Jonathan Swift, who wrote a famous book, published in the 1720s, which is called *Gulliver’s Travels*. Now, *Gulliver’s Travels* is not a children’s story; it is actually a bunch of true stories, about fictional

visits to an island. The island is called *England*. And, what he describes in these stories, of Gulliver’s travels, including the travel to Lilliput, where the small-mindedness of the British population is made clear; and, at last, to the land of the Houyhnhnms — I shall not whinny for you — is a depiction of life under George I in England. And, he describes life as such: You had a bunch of horses, or, more properly, horses’ rear-ends, who are lording it over the population, [horses’ rear ends] who have a slave class, who look somewhat like humans, are generally rutting in the ditch, incapable of coherent speech, and, when they’re not rutting, they’re compelled to perform certain menial tasks for the horses’ rear-ends; they’re called Yahoos. In the United States, we call them pro-Confederacy types.

That is the condition into which the human race has allowed itself to be degraded. They’ve been degraded to the idea of the *pleasure* of rutting in the ditch. I saw this in the 1960s; I’ve described this in some detail, the historical situation involved in this problem. We saw young students, at universities, who presumably were going to advance through various careers in business and the professions, and government, to run the society as they’re now doing today. If you look, in the various positions in government, and industry, and so forth — especially in the crazy banks — you will find the idiots who are running these places, were college students, university students, between 1964 and 1972. That generation: the so-called Baby-Boomer, or ’68er generation.

Now, recall what they were doing, back between ’64 and ’72. They were taking strange drugs, in order to induce an inhuman state of mind. You found them rutting, in the classrooms, in the basements of the university, or in the bushes, seeking *pleasure* — not happiness. A bunch of moral degenerates, the so-called “Me” and “Now” generation, which gave up all sense of historic responsibility for humanity, and were concerned with their own pleasure, and their lifestyles. That’s what’s running society. Their children, which we call the “Generation Xers” in the United States, are the victims of such parents. Poorly educated: more poorly educated than ever before. This is true in Europe, in a slightly different form. It’s true in other parts of the world.

We have allowed the noblest creature in the universe, man, to become degraded, not merely by the conditions imposed upon man, but by the state of being that the individual imposes upon himself or herself. We are living amid a human species, which has lost the essential quality of moral fitness to survive.

A precious opportunity

The problem we face, we can solve, objectively. The measures to be taken are clear. No rational person should deny it. What can be done, will succeed. Nothing proposed, which has not been proven, again and again, before. Why don’t we do it? Not only because the governors are unwilling to do it, but because the people who are *governed* demand, as consis-

tency with public opinion, the very policies which are bringing about their destruction. They demand free trade. They support environmentalism. They support this crazy lifestyle business. They support the substitution of pleasure-seeking, for the obtaining of happiness. They cling, like criminal elements, to the practice of crime. You say, "But that's foolish. You're only going to go to prison or something." "I don't care. It's my lifestyle. It's the way I live."

We have one opportunity to save this humanity. And, the opportunity is being given to us. But the time is short. In the coming period, including next week, we're going to have another shock. And, people are going to get down on their knees with *terror*. Either, take the first scenario I mentioned: The IMF fails to deliver a new Korea package adequate to the situation — we're talking about \$200 billion, not \$60 billion, not \$50 billion, \$200 billion! That is the short-term obligation, at least, at minimum, which is hitting South Korea. If South Korea, one major bank, goes under, or maybe two, then the whole system goes under. Then the nation of South Korea goes into total *default*. Then, every piece of paper in Japan which is based on claims against South Korea, becomes virtually worthless. Can Japan take that blow? Can this blow to the value of the yen — What's the effect going to be on South Asia, Southeast Asia? What's the effect going to be on Germany, on the collapse of the entire East and South Asia markets? Throw a little crisis in, in Central Asia. What happened to the investment in Iran? Brazil will go. To where is Europe going to export? From whom is Europe going to collect the proceeds of what is sold? Recapture its investments? What will then happen to the European economies, which are already bankrupt, every one of them? Germany's bankrupt — that's why they keep cutting health care, because there's no money to meet the current obligations. Russia's going to blow, under these conditions.

You will have chaos, you will have a New Dark Age on this planet. And, they're going to begin to feel that effect, in case of a chain-reaction default, starting this week. Or, if the chain-reaction default doesn't occur, then the worst will occur: a global hyperinflation, which will go on until the system blows. In which the value, the price of things, can go up, within minutes, until one day, the currencies give up, altogether, as they did during the Weimar hyperinflation.

The shock of this reality will shake people out of their little Baby-Boomer follies, their Greenyism, and other idiocies. And, some of them, enough of them, will have sense to say, "We're wrong, we've got to change." That's your last chance.

The issue is leadership

Now, you're not going to get a spontaneous reaction from the people, which is going to improve things.

Just one final note on this: Do you know when I first knew that Russia, the Soviet Union, was doomed? It wasn't simply because I knew the general pattern of problems there. It was

in the 1970s. How did I know it? I knew it, because the Communist Party of the Soviet Union delivered a statement of praise to Leonid Brezhnev. When I heard that praise of Brezhnev, by the Soviet Politburo and Communist Party, I knew the Soviet Union was doomed. Why? The warning to me, was when they said the greatness of Brezhnev was that he was not a *voluntarist*. He was *objective*, not a voluntarist. The essence of all successful human history, including the case of Lenin and the case of making the Russian Revolution, the October Revolution, was voluntarism! The Mensheviks rightly said, that Lenin cheated, in making the October Revolution, because he was not objective, he was a voluntarist. Why? By going against the pulsations coming from the base of society, to do what was necessary.

All humanity, the history of humanity, is *ideas*. Ideas are generated by individual persons, and transmitted by replication to other individual persons. The masses do not secrete truth! Mass opinion has never produced anything good. It is leaders *from* the people, who uplift the people, with leadership. That's what lifts the people out of a menace. The problem is, that the person who is qualified to lead, has to wait. Has to wait, until what the mass of people believe is so discredited, that the mass of people are finally willing to listen to the ideas they should have listened to before, but didn't have the sense to do.

The problem today: The opportunity will be given. Mankind is going to face the opportunity to junk the things that are destroying us. The danger is, if we don't have the leaders to seize that opportunity, we're going to lose it. And humanity will go into a ditch, for at least two generations, of a New Dark Age, planet-wide. The worst of what is already happening, will occur, until humanity is purged of the idiocy of what is called "popular opinion" today, especially the popular opinion of the economists and people in government.

The question is, are there enough of us, to ensure that the people are given the leadership they require in that moment when the people are ready to listen, to provide the ideas at that moment, which are necessary to make a global revolution in the condition of mankind. To establish once and for all, the foundations of a form of human society, in which the sanctity of that noblest creature of all the universe, man, the individual person, is the law; in which society must always do those things which are necessary to meet its responsibility of truth and justice, for that creature, that noble creature, the human individual, *all* of them, including economic justice; and justice, not only for the living, but justice for the generations which are yet to be born.

We have the opportunity in our hands. Whether it will be realized or not, I don't know. As you know, I try. But unless we can generate and inspire enough leaders, to seize the opportunity, when a people who is terrified, are willing to listen to leadership, for new ideas they need to have, then this isn't going to make it. You wait for the people to demand it: You'll never get it. Thank you.