

Trump-Putin Summit: What Lyndon LaRouche Proposes for Discussion

by William F. Wertz

This is an edited transcript of opening remarks, delivered by William Wertz, a member of the EIR editorial board, on the LaRouche PAC Fireside Chat of July 12, 2018. The full [video](#) is available.

We're just days away from the summit between President Trump and Russian President Putin. President Trump was just in Brussels; he's now in the UK. He was interviewed by *The Sun*, a British tabloid newspaper, and entered into the fray against the Theresa May government, saying that the policy towards Brexit that May is carrying out is wrong, and that it may kill off any chance of a trade deal between the United States and the UK. So, this is undoubtedly going to explode the whole situation in the United Kingdom, where three Ministers have already quit the government, and a conservative faction of the Tory Party itself has essentially been orchestrating resignations, one after another. Perhaps there will be even more after Trump's visit. After England and Scotland, he will travel to Helsinki on Sunday, for his meeting with Putin on Monday.

LaRouche on International Relations

We don't know precisely what is going to be discussed there, but on the other hand, we know what *should* be discussed there. That is precisely what I want to address this evening by making reference to a document Lyndon LaRouche wrote on March 30, 1984, "[Draft Memorandum of Agreement Between the U.S. and the U.S.S.R.](#)" That's one year after President Reagan's TV announcement of the Strategic Defense Initiative, a policy Lyndon LaRouche had been instrumental in crafting, both in the United States and through back-

channel negotiations with the then Soviet Union, as authorized by the U.S. government itself, by the National Security Council.

In his Memorandum, LaRouche laid out what the policy agreement should be between the United States and the Soviet Union. The Soviet Union later collapsed, in large part because its leadership declined to accept Reagan's proposal for the SDI. In the back-channel negotiations that Lyndon LaRouche was engaged in with the Soviets, when they told him that they would not go with President Reagan's SDI proposal, LaRouche warned the Soviet leadership that the Soviet Union would collapse within five years. And of course, that's precisely what did occur, approximately five years after their rejection of the SDI proposal.

The principles put forward in LaRouche's Memorandum apply today. Of course, there have been many changes since then. There were further proposals made by LaRouche, including the necessity of putting together an alliance among the United States, Russia, China, and India—what LaRouche calls the Four Powers concept, in order to reshape the global economic order and finally defeat the imperial principle embodied in the continuing British Empire. As you can see from the unraveling of the British government right now, we have a unique situation in which President Trump could actually bring about that Four Power alliance, and we could finally defeat our enemy, the British Empire.

Remember, the British Empire has been deeply involved in the ongoing coup attempt against President Trump. It was initiated on the British side by the Government Communications Headquarters (GCHQ), which is their equivalent of the National Security

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Agency. GCHQ's actions started in 2015, pretty much just after Trump announced that he was considering running for the Republican nomination for President. So then of course, there was the Steele dossier, written by MI-6 operative Christopher Steele. The entire operation was a major effort on the part of the British to prevent Trump from becoming President in the first place—and then, after being duly elected President, to prevent him from working with Russia and China, in particular, to shape a New Paradigm of economic development on the planet and reverse the policy of deindustrialization and free trade which has wreaked havoc with the United States for more than 45 years, going back to 1971, when President Richard Nixon broke with the Bretton Woods system which had been created at the end of World War II by Franklin Roosevelt.

Peace Through Development

Let me just go through the principles which Lyndon LaRouche put forward in his 1984 Memorandum. As I said, we don't know precisely what will be discussed at the Trump-Putin summit. We know that the two Presidents will have a one-on-one discussion with only translators present at the beginning, as in the Trump-Kim meeting in Singapore; that's the way it was organized. There won't be a bunch of bureaucrats there; Trump and Putin will be able to establish a direct relationship. We know that certain issues such as Syria will most likely be discussed; and there's a concern on the part of both of them for strategic stability in the world in terms of arms policy.

Fundamentally, however, what needs to be discussed are the principles laid out in this memorandum by Lyndon LaRouche back in 1984. I'll just give you some quotes from it. It's a short document, consisting of seven articles. The first four are really sort of a preamble, as in the U.S. Constitution, presenting the principles involved. The **First Article** is **General Conditions for Peace**:

The political foundation for durable peace must be: (a) The unconditional sovereignty of each and all nation-states, and (b) Cooperation among sovereign nation-states to the effect of promoting unlimited opportunities to participate in the benefits of technological progress, to the mutual benefit of each and all.

The most crucial feature of present implementation of such a policy of durable peace is a profound change in the monetary, economic, and political relations between the dominant powers and those relatively subordinated nations often classed as "developing nations." Unless the inequities lingering in the aftermath of modern colonialism are progressively remedied, there can be no durable peace on this planet.

Insofar as the United States and Soviet Union acknowledge the progress of the productive powers of labor throughout the planet to be in the vital strategic interests of each and both, the two powers are bound to that degree and in that way by a common interest.

So, that's the first principle.

Article 2 is **Concrete Technological Policy**, and what LaRouche emphasizes is:

...Technology ... is understood to be the indispensable means not only for increasing the potential relative population-density of societies, but as also indispensable to maintaining even any present level of population potential. ...

In all aspects of production excepting agriculture, and in respect to industrial goods required by agricultural production, advances in technology are transmitted into the productive process as a whole through the incorporation of improved technologies in capital goods, most emphatically capital goods of the machine-tool or analogous classifications. Therefore, the only means by which a national economy can sustain significant rates of technological progress, is by placing emphasis upon the capital-goods sector of production, and maintaining sufficiently high rates of turnover in that sector to foster high rates of technological innovation in the goods produced.

Under **Article 3: Economic Policies**, he writes:

By supplying increased amounts of high-technology capital goods to developing nations, the exporting economies foster increased rates of turnover in their own most advanced capital-

goods sectors of production. As a by-product of such increased rates of turnover in that sub-sector of the exporting nation's production, the rate of improvement of technology in such categories of goods is increased, with great benefits to the internal economy of the exporting nation. Thus, even were the exporting nation to take no profit on such exports, the promotion of higher rates of capital turnover in the capital-goods sector of that exporting nation would increase the productive powers of labor in the exporting nation's economy as a whole, thus supplying great benefit to the exporting nation's economy in that way.

The importer of such advanced capital goods increases the productive powers of labor in the economy of the importing nation. This enables the importing nation to produce its goods at a lower average social cost, and enables it to provide better-quality and cheaper goods as goods of payment to the nations exporting capital goods.

Not only are the causes of simple humanity and general peace served by such policies of practice; the arrangement is equally beneficial to exporting and importing nations.

Finally, **Article 4: International Monetary Policy:**

The only equitable and workable policy for financing of world trade among sovereign states with different economic and social systems is a system of credit based on fixed parities of national currencies, parities fixed by aid of a gold-reserve monetary order among states.

To prevent a gold-reserve system of fixed parities from becoming subject to disabling inflationary spirals, it is necessary to limit the extension of credit within the monetary system to "hard-commodity" categories of lending for import and export of physical goods.

Now, there are a number of articles in which LaRouche puts forward the importance of the Strategic Defense Initiative, which operates on the basis of new physical principles, and the necessity of the scientific discoveries achieved in that effort—the necessity that those scientific discoveries be applied to the civilian

economy. In Article 6, he writes, "It must be policy that new such technologies developed in the military area be rapidly introduced into the civilian area." At the end of Article 6, he stresses the following:

The powers jointly agree upon the adoption of two tasks as the common interest of mankind, as well as the specific interest of each of the two powers: (1) The establishment of full economic equity respecting the conditions of individual life in all nations of this planet during a period of not more than 50 years; (2) Man's exploration and colonization of nearby space as the continuing common objective and interest of mankind during and beyond the completion of the first task.

This gives you an outline of what Lyndon LaRouche was advocating as the basis for U.S.-Russian relations back in 1984. The principles involved are precisely the principles that must come into force today with respect to U.S.-Russia relations, with respect to U.S.-China relations, U.S.-India relations, and U.S. relations with any other sovereign nation-state. Those principles define a community of interest among sovereign nation-states as the fundamental principle of the relationship.

The focus, as I think should be clear from what I just read, is capital goods exports from the developed nations to the developing sector of the world, to the mutual benefit of both. The reason is that by exporting capital goods, we re-industrialize the United States. If the United States is going to be exporting capital goods, it has got to gear up its entire economy. By doing that, U.S. jobs are not out-sourced to take advantage of cheap labor abroad. The United States is, in this capital goods focused mode, increasing the productive powers in its own country, and the productive powers of the population in developing sector countries.

You're also laying the basis, through an improvement in their economy, for them to make payment on the capital goods which have been exported to them. Although, as LaRouche points out, even if we didn't get a profit on such capital goods exports, we would benefit by the fact that we were gearing up our economy and we'd have a turnover of capital goods production in our economy which would increase the productive powers

of our own labor force.

This principle is something that was essential to the Marshall Plan and to the Bretton Woods system following World War II. During the Marshall Plan, we had such a policy towards Europe and Japan. We improved our economy, but at the same time, it developed the economies of Germany and Japan, and other nations, such that they were then able to pay for the exports which we provided. It really was what the Chinese call a win-win situation. This is the relationship that Roosevelt had in mind in terms of the United States, Russia, China, and India after World War II.

Instead, after Roosevelt's death, the Marshall Plan was primarily oriented towards Western Europe and Japan for Cold War purposes, as set up by Winston Churchill. And, contrary to Roosevelt's intention, we didn't really apply this approach to the rest of the world. Franklin Roosevelt's son, Elliott Roosevelt, wrote a book in 1946 called *As He Saw It*, in which Elliott describes an Aug. 9-12 series of meetings aboard ship off Newfoundland between FDR and Churchill before the United States entered World War II. Roosevelt told Churchill, the U.S. would not be fighting fascist slavery in order to preserve the British Empire. Our intention after the war is to eliminate colonialism, using American methods of economics. FDR was here referring to projects such as the Tennessee Valley Authority and similar undertakings in the United States that were built in 1930s under his Presidency—major infrastructure programs. FDR's vision was not fully carried out after World War II. The colonial powers still insisted upon their entitlement to loot the rest of the world, and Truman was not opposed to that. Roosevelt would have been.

A Community of Principle, a Principle of Community

What we're talking about now is really the potential to re-establish a relationship, not with the Soviet Union, but with Russia as a sovereign nation, and with China as a sovereign nation. India and other nations will join that effort.

One of the problems in Europe today is the European Union. Germany is a nation that formerly excelled in science and technology, and yet Germany today is committed to a Green ideology. Germany has committed itself to the abandonment of coal as a fuel, is aban-

doning nuclear power for electricity production, and is basically digging itself into a hole. This is something that will take a major effort to reverse. Perhaps, if we put together the Four Power alliance, as envisioned by LaRouche, we can bring Germany and the rest of Europe into a different way of looking at things than they currently do.

A Return to the Bretton Woods System

The last point I will make is this: Article 4 in LaRouche's Memorandum has to do with international monetary policy. Lyndon LaRouche has called for a New Bretton Woods system, which Helga LaRouche highlighted earlier this week in her weekly webcast. We had what was known as the Bretton Woods system after World War II. It was established at an international conference in Bretton Woods, New Hampshire in 1944. Unfortunately, in 1971, it was abandoned by Richard Nixon.

We experienced tremendous rates of industrial progress under the Bretton Woods system. It was a fixed exchange rate system in which the dollar was pegged to a fixed price for gold, which was \$35 an ounce. Other currencies were pegged to the dollar, and they could fluctuate within a range of about 1 percent. That stability, in terms of the currencies, allowed for long-term trade agreements. Long-term trade agreements require long-term currency stability; otherwise you can't have 25- or 50-year agreements, because currency speculators will siphon off the benefits of trade by profiting from fluctuations in the value of currencies, and because the actual cost of what was agreed to at the beginning of a trade agreement may have changed down the line.

The Bretton Woods system guarantees the long-term stability. It was a very successful system for that reason, and LaRouche has called for returning to it, although he has indicated that, under new agreements, instead of necessarily using the dollar as the international reserve currency, we may have to define a market basket of hard commodities as the standard—to which the currencies are then pegged.

LaRouche discusses the subject of a market basket of hard commodities in a paper, written on July 18, 2000, "[On a Basket of Hard Commodities: Trade Without Currencies](#)," published in *EIR* on August 4 of that year.