

# THE CASE OF ARKADY V. DVORKOVICH

What I have to say about the subject of today's events, which pertain to our dear friend from Russia, who visited California recently, is not to assume more about him, than I actually say. I am merely sticking to the facts of what he did, the essential facts, and to the implications of those facts, as they reveal a crisis which is building up, internationally, not only from Russia, but is also in Russia.

As I have often said, quoting a famous film, which I like very much, what I shall say here, should come under the heading, "Die Hauptsache ist der Effekt, tschicke, tschicke, tschicke, tschick!" [The main thing is the effect.] And that's the way we should approach it.

Now, what we have on hand, as demonstrated by the addresses, the remarks, the visit of the gentleman in question to the United States, recently, is what I'm basing this on, and what I know of the historical implications of that. As in most cases of this type, it is the historical implications, often going back several generations, or longer, which must be taken into consideration, to understand anything. In particular, you have to take into account the history of Russia, since Peter the Great. And if you're not looking at history against the comparable background, of the position of Russia in Europe, and in the world, since the reign of Peter the Great, you really don't have the background for understanding anything about what I'm going to say now.

This gentleman came to California, to address the Stanford Group, as we call them, and to present them with a load of bullshit. Not only is it a load of bullshit, which would not require much comment — simply to say it's there, or bury it, or something like that — but it has strategic implications, because he is, officially, a key advisor, to the President of Russia. And what he says, in his writings, as in his activities



here, shows a sheer incompetence of a type I understand — which is presently a threat to civilization coming from the corruption that his remarks represent, or typify, inside Russia's policy.

In other words, what he proposes, implicitly, by his arguments at Stanford and elsewhere, and by his record, not as a chess player, but on other grounds, is a threat to civilization today. Because if Russia were to continue with the policies which he advocates, and policies which are addressed to a kind of evil centered in the Caribbean, the Antilles, where all the Russia big industries are located, in small islands — and they don't produce anything, therefore all they have is paper and electronics, and therefore they don't have any product. So, they manage a non-product, which is a surrogate for bullshit, which is what the basis of Russian foreign policy is to a large degree today.

Now, considering the significance of Rus-

sia, that together with China, and India, and the United States, it represents the only hope for the rescue of the United States, and the world, from the greatest crisis in modern history, which is now coming down. We're now at a point in history at which we can expect within either weeks, or at most months, under the present trend, we can expect a collapse of the entire global civilization, which will start in the trans-Atlantic region, and will spread rapidly to a thus-made-vulnerable Pacific region.

In other words, if Europe and the United States go down, Russia will go down, immediately. If Russia goes down, then, in due process, China and India and other countries will also go down. And the whole planet will go into a dark age, which will extend for generations, under which conditions you may expect that the British ambition of reducing the world population from 6.7 billion people to less than 2, will be realized as a result of these developments.

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Lyndon LaRouche on LPACTV Special Report, April 21, 2010

# Monetary Value Versus Physical Value

*The following are the opening remarks of Lyndon LaRouche as guest on this week's Special Report, hosted by John Hoefle and Harley Schlanger.*

Well, we're in a period of great lies.

There is talk about a so-called "recovery" in progress in the U.S. economy. It's a complete lie. There's no truth whatsoever. You might call it the kind of lie you would expect from AIG, or from similar kinds of entities.

The U.S. economy has actually been in almost a free-fall, since the summer of 2007: That's the fact of the matter, which most people out there, who live in houses, or used to live in houses, who used to have jobs, who used to have communities, who used to have functioning schools, functioning medical care, know. This economy, the U.S. economy in particular, has been in a free-fall collapse, at an accelerating rate, since the summer of 2007. And you can't blame it all on Barney Frank, but you can blame a lot of it on Barney Frank! He has, maybe, not the brains, but he has the malice, to go with the situation.

There's a deeper problem, here, however. Not only is everything being said about the economy under the present administration, and the Bush administration beforehand, a complete lie! It's not a mistake, it's not a misjudgment, it's a lie! As we see with the case of this Goldman Sachs operation, it's a complete lie: The world is headed right now, toward a total breakdown crisis, comparable to, but worse than what happened to Europe, in the 14th century. That's the situation: a breakdown crisis of the whole planet. And if this breakdown crisis occurs, it will occur first in the trans-Atlantic area, because the trans-Atlantic area is the most rotten part of the world system right now. The Asian side, the Pacific Coast side of Asia, and of Africa, is actually in better condition, than the Atlantic side.

What we're looking at now, is a general collapse of the trans-Atlantic section of the world financial economy, which will be followed by a pull-down by the collapse of the Atlantic system, of the Asian system. China and India, for example, and the programs for Russia, for development, represent a commitment to nuclear power and similar kinds of things, [which will bring] progress in productive powers of labor. Unfortunately, their productivity is not sufficient to prop up a collapsing trans-Atlantic economy. The entire trans-Atlantic world is now in a state of terminal collapse, a general breakdown crisis, comparable to, and worse than what happened in Europe in the 14th century.

Now, there are reasons for this, and there are also cures for it. As some people know, during the period since the inauguration of President Obama, we have a group largely from the West Coast, but tied to other parts of the United States, who have been studying economics from a fresh standpoint, my standpoint, since about March/April of this past year. And they have shown, that academic economists, or people with academic foundations but international kinds of activity, that these economists are perfectly capable of understanding at least the essentials of what I'm teaching them, which, if implemented, would assure a general recovery of the U.S. economy.

The fact that they've done that, and made that progress, so their remarks on various things are accurate, mean that there is a possibility of educating the United States to come out of this thing alive. That's the situation.

## The Concept of a Credit System

But it goes back to a deeper thing: European civilization in general, with the exception of the United States, and the exception of what happened in Massachusetts during the 17th century, the beginning of an economy, before it was crushed by the Andros revolution, had already the seeds of the American System of political-economy fully established in it, under the leadership of the Winthrops and Mathers. This conception of economy, of a *physical economy*, of a credit system, not an international monetary system, already existed. All the achievements of the United States, in terms of economy, during the times we've had achievements, have been based on an economic conception *which is totally alien* to Europe! Totally alien to all monetary systems, which is the American credit system. And it was already established in the state of Massachusetts, the Commonwealth of Massachusetts, in the 16th century-17th century.

So, it's feasible to know the truth. The problem has been, that European civilization, since the Peloponnesian War, has been in a process of various forms of decay, over the entire period. That is, a culture has risen for a short time, by looting other peoples. Then it collapsed. Then another one came up. It proceeded to progress for a while, by looting other people — and then collapsed.

And so, Europe has a long history of collapses. With the exception of Charlemagne, the general tendency in European economy is toward collapse. There's an exception for Bismarck, in Germany, from

the 1870s till 1890, as a case of a nation that actually progressed, and there was a movement for progress in Russia, in the same period, both under the influence of the United States. The Philadelphia Centennial Exhibition was the prompting of a tendency toward revival in Europe.

The British reacted to this, by getting Bismarck fired, and getting a foolish Kaiser, satisfied, working under his uncle, who owned him. So that's what the British did to stop this recovery in Europe, which had been organized by the effect of the American revolution, as under Lincoln, the Lincoln revolution — the recovery of the U.S. economy — which set the pace for a recovery of the world. The leading nations — France, went through a recovery under this influence; Germany went through its recovery, the so-called "economic miracle of Germany" — happened then, under the influence of the United States, and under the direction of Bismarck. That was shut down somewhat, with Bismarck's ouster.

Then the British organized, the Prince of Wales, organized what became known as World War II, with the assassination of the President of France, Sadi Carnot; similar kinds of things. The British organized Japan for a war, against, later the United States, but first against China and Russia, which was organized in the 1890s, about 1894-95: That war continued until August 1945, against both China, Russia, and the United States. Pearl Harbor was a British plot: Because we were getting too strong. And so, the British, in a treaty in the 1920s, with Japan, conspired to the attack on Pearl Harbor by Japan.

So the Roosevelt era was a reversal of the trend downward in the United States, and we emerged, in 1945 we emerged as the greatest power this planet had ever seen, in terms of economic power! It was done under Roosevelt's instigation, his leadership. From the moment he entered office, even experimentally, when he was Governor of New York States, the same program.

So we've had repeated instances, as initially in Massachusetts, in the formation of Massachusetts, in developments under the leadership of people like Benjamin Franklin, Lincoln's revolution in defeating the British attack on us in the form of the Confederacy; in terms of the recovery under Roosevelt, from the tyranny of these crazy Presidents we had after the assassination of McKinley.

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