

EIRFeature

The coming Pearl Harbor effect

by Lyndon H. LaRouche, Jr.

The following keynote speech was delivered to a conference sponsored by the International Caucus of Labor Committees and the Schiller Institute in Reston, Virginia, on Aug. 30.

I would hope, and I think there are grounds for hope, that in the years to come, you may look upon this day as one of the most important in your life. We are, at this moment, already in the middle of the worst crisis which European civilization has faced in 600 years, since the great banking collapse which is associated with the term New Dark Ages during the Fourteenth Century. That was a time in which the entire banking system collapsed; it was then called the Lombard banking system.

It was a time in which there had been, over a century before, since the death of Frederick II Hohenstaufen, who had been the leader of Europe, a process of degeneration of European civilization from the level it had achieved earlier. So, that, by the middle of the Fourteenth Century, with a long process of decay, and, then, the collapse of the banking system, the number of parishes and the population of Europe had fallen by one-half, through famine, epidemics, and insanity, including religious insanity.

Today we're in a comparable situation, but much worse. Today, the crisis is not limited to European civilization. Today, it is worldwide. Today, already, Africa is being destroyed by a mass murder, run by the largest power on this planet, the British Empire.

The British Empire exists. The same British Empire, as you'll hear tomorrow, is organizing the same threats throughout Central and South America. In Mexico. Colombia is already nearly destroyed. The force behind the druglords in Colombia, is the British Queen; and, you'll hear about that tomorrow. The same threat is directed against Peru, through its borders with Ecuador, and other threats. Brazil is in immediate danger, and, the forces inside and outside Brazil, which are trying to destroy the country in the very near future, are British. The same forces of the



The Japanese attack on U.S. naval forces at Pearl Harbor, Hawaii, Dec. 7, 1941. "Within two hours of the announcement of the Pearl Harbor bombing," says LaRouche, "the American population, or at least most of it, underwent a fundamental transformation in their beliefs, the way they thought about the world, the way they thought about themselves."

British Empire, which we see behind the genocide spreading throughout Central Africa.

We see mass death, the acceleration of the death rate, in what was formerly the Soviet Union. We see chaos in Central Asia. We see in Southeast Asia what was praised up until a few months ago as the Asian Tiger model: the Asian Tigers are dead pussycats that won't bounce. They're doomed, at least under the present system.

Before the end of this century, every major part of the present international financial and monetary system will be gone, including the entire International Monetary Fund system, and the present form of the Federal Reserve System here in the United States. They are doomed. They are gone.

There are other things of which I'll speak.

Under these conditions, unless we can replace the present IMF system, which is bankrupt and doomed, in the way you would leave the *Titanic* when it begins to sink; unless we get the passengers, the nations, and the people, off this system before it sinks, this civilization globally is doomed to what we see developing in Africa, what is going on in the disintegration of Colombia, under the patronage of the British drug queen, Queen Elizabeth II, and her local drug-pusher, Samper Pizano.

The United States, too: This nation can be torn apart and destroyed, in a very short period of time. I'm talking about months. Imagine the day in which every bank is bankrupt, in which the U.S. dollar's convertibility is in question. A day in which the savings have been wiped out, because the banks

that contain them don't exist. A day in which all the mutual funds are long dead, and nobody can recover any money out of mutual funds. A day in which the New York Stock Exchange has dropped well below 1,000 from its present 8,000 vicinity, maybe to nearly zero. And the local bank, with the savings in it, is gone—closed. Not put through bankruptcy, just *closed*. In which there's no credit, there's no movement of food—or very little. There's no movement of services.

What happens, then, to the United States, as it is now happening in Africa, and as it's spreading throughout Central and South America, and in parts of Asia? When people don't eat, when sanitary conditions break down, when violence and desperation break out, what happens? The Four Horsemen of the Apocalypse.

Bertrand Russell: mass murderer

The most efficient mass-murderer of the Twentieth Century was a mass murderer called Bertrand Russell, who in 1923, '22-'23, after returning from educating the leadership of the Communist Party in Shanghai, proposed that unless the black, brown, and yellow races begin to sharply reduce their population, that the British and their friends *must* reduce these populations "by methods which are disgusting but necessary." That's Bertrand Russell. That is the leadership of the British Labour Party, which is now administering the British end of the British Empire. And they have the same policies today, as they had then. Different disguises; same content, different package. The paper bag wore out, and they got a

new one. But the contents are the same; and, they haven't improved with age.

These are the conditions we face. These are the conditions that the typical American and others in European civilization will deny: but less and less. More and more people, during the recent weeks, with the fluctuations in international financial markets, have begun to suspect that this system is not going on forever: that the great gambling orgy in mutual funds and stocks, and other things, and credit cards that are practically blown out, that this orgy is over, coming to an end. People are thinking about a crisis any moment. And it could happen any moment. *The entire system could blow out in a matter as short as three days from the onset of a crisis which collapses the derivatives bubble.*

Just to indicate the order of magnitude: The amount of current debt, that is, debts which are due to be paid within this year on derivatives alone, are in the order of \$100 trillion or more. That amount of debt, current debt, which is collectible this year, exceeds by several times the total product of all the world's nations combined. The United States itself, and its banking system, is carrying *one-third* of that debt. *Every bank in the world is bankrupt. Every stock market is bankrupt. Every mutual fund is bankrupt. Every insurance company is bankrupt.*

It's just waiting for the day when all that gasoline that's getting hot down in your cellar, it's waiting for the day that somebody throws a match down there. And, then what will happen?

Those are the conditions which people are beginning to smell. They are conditions which I know. Even the press, in the past month or so, around the world, first in Europe, and then a few leaks here, has begun to talk about the Great Crash. They talk about a 25 percent, or even a 50 percent collapse in the stock market, by October, or sometime like that. Nobody knows what day it's going to come, but it's coming. And it is *unstoppable. There is no government on this planet, or no combination of governments, or the International Monetary Fund; there is no combination which has any plan, or any hope, or any possibility of devising a plan which could deal with such an emergency, which could strike any week, any month in this period.*

And, that is the breakdown of the whole system. That's the day the *Titanic* of the world economy goes under the water—*unless we do something about it.*

Now, I know what to do about it. What we need to do, is very simple. Anyone who's a good lawyer knows what you have to do. When the bank goes bankrupt, what do you do? You have the government put it in bankruptcy. You reorganize it.

What do you do when an entire banking system, like the U.S. banking system and credit system, goes bankrupt? You have the government, the federal government, together with the states, put the whole system into bankruptcy reorganization. That is, since the Federal Reserve headquarters in Wash-

ington is a few streets down from the relevant government agencies, the fellows, with their certain order, Executive Order from the President of the United States, walk over there, under the emergency powers of the President, and say, "Gentlemen, we're taking over. You're bankrupt. We are the people who are now appointed to administer this institution."

And a whole series of things are done by government, which, one would hope, that this government is prepared to do. Because these actions will have to be taken on a day's notice, a moment's notice. The actions have to be prepared. They're all feasible. We've done things like this before, under wartime or similar emergency conditions. And we're going to have to do it again. *Because if you don't rescue the country and the people, what have you got?*

We care about the people first

We're coming to the time that *we don't give a damn about the banks. We don't care* about the stock market. *We don't care* about the major creditors. Because, we have to care about the people first.

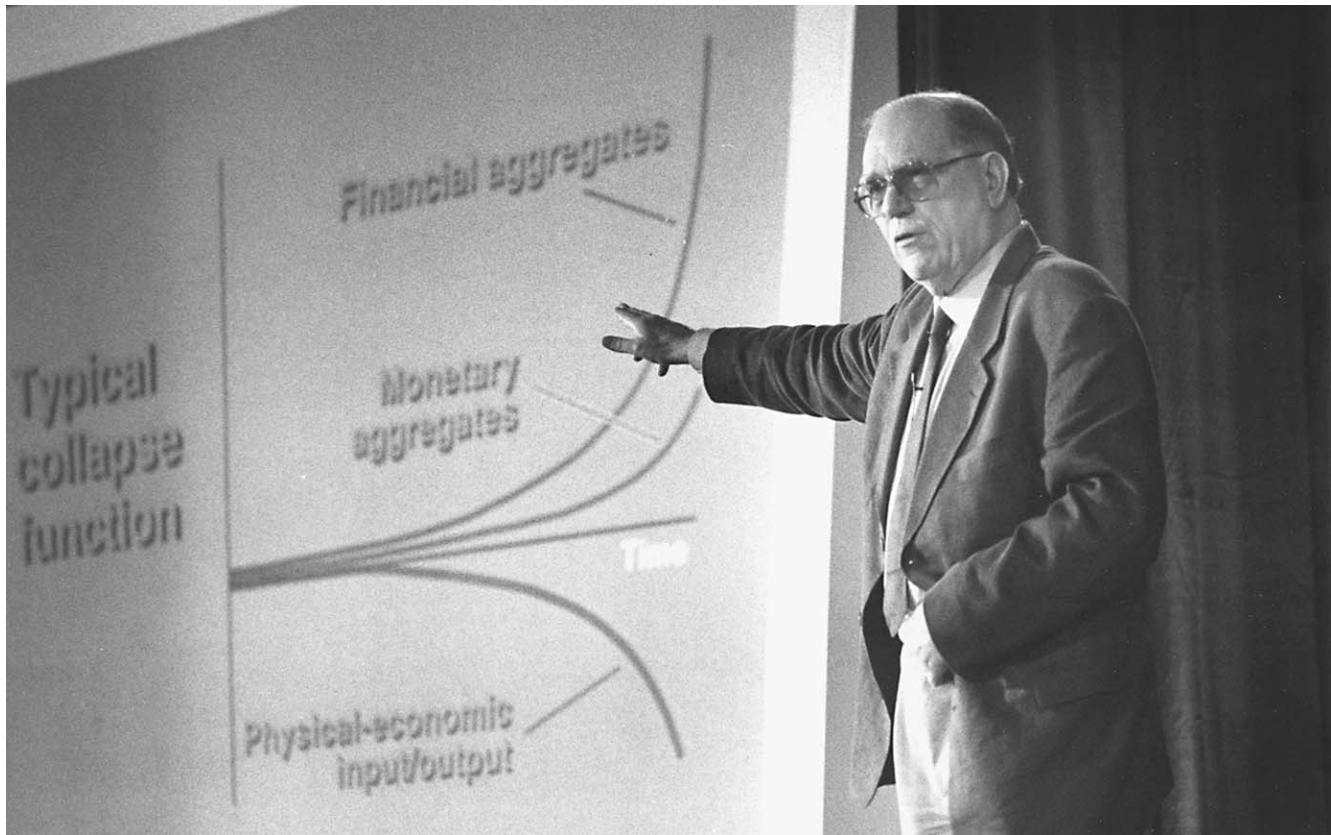
Now, of course, that is presently visible as the fight between the President of the United States, Bill Clinton, and the leader of the fascist death squads, whose name is Greenspan, who is the head of the Federal Reserve System, and a spokesman for the New York bankers, who are the local cannibals of our country.

Greenspan says: "You must save the monetary system. You must save the financial system." The President says, "But I've got to save the people first, as President. I've got to save the essential institutions. I've got to save the Treasury of the United States. I've got to defend the U.S. currency. I've got to keep the economy moving. Your financial people would have to wait, in case of a crash." "No!" says Greenspan, who is a descendant, spiritually of Ayn Rand. You know what that means? "I don't care about people, it's all me—me, me, me." Only one note. Johnny One-Note. Alan Greenspan: "Me, me, me, me." He thinks the President is the king of the United States, but he's emperor.

Now, the question is: *Can we make the changes that we have to make, to save the people, and the nation, its essential institutions, and keep the economy moving? Can we also do that on a global scale?*

We can. The question is, where is the *will* to do it? The President of the United States, as far as I can tell, is intellectually prepared to do what is necessary—intellectually. But, as you may have noticed, Bill Clinton has a couple of weaknesses. Now, Bill is not exactly a Manichean. Not like that Alan Greenspan. See, a Manichean is a person who believes that the devil runs the world of the flesh, and that you're only holy when you get into church, or into spiritual exercise. We know a lot of people like that. They don't declare themselves Manichean, but they behave like that. Get out of church, and they'll steal. They'll even steal chicken in church.

The problem is, the President believes—not like the Man-



Lyndon LaRouche addresses the conference of the Schiller Institute and International Caucus of Labor Committees on Aug. 30. Behind him is a graph of the “typical collapse function,” showing the hyperbolic growth of financial and monetary aggregates, while the physical economy undergoes a corresponding downward plunge.

ichean, that you have to do evil, as some people do, like the liberal economists. That you have to do evil, because the devil rules the world, and if you don't do evil, you're not doing the king's bidding. You're not doing the king's bidding. The devil is king. Satan is king. That was the doctrine of these Bogomils in France, who were otherwise known as Buggers. It was the doctrine of the Manicheans, and the doctrine of a lot of other people. They said, “People are evil. People are naturally dirty, because they're the flesh. They've got to do evil. They can do nothing about that. They just naturally have to be evil.” That's British human nature. And the British try to live up to that.

But the President believes, not that he has to be evil; he believes that he has to be sneaky about getting a little good into the world of evil. And, he decided a long time ago, that politics is the chief headquarters of evil. Then, he discovered there was a worse headquarters of evil. It was called the New York Federal Reserve System. And, the British; but he always knew they were no good, but, that's a different story.

So, therefore, how do we find the will for the nation to induce its President to do, under his executive powers, and under his leading position among nations, as the chief executive of this country, how to do the thing, as a nation, that we must do, to save our people, and to save this civilization?

Where do we find the will?

Well, I'm going to refer you to several things this afternoon. First of all, I'm going to indicate what the problem is. Because, before you can understand the solution I'm giving to you — which is why today is going to be important to you; it's important to know that you can survive, that your children can survive, that your grandchildren can survive, that this nation can survive. That's the important news.

The question is, how do you get there? How do you do it? What's the problem? What's the solution? And where can we find in ourselves the wisdom and the will to do what we must do, to cause our President, and other forces, to do what they must do, to save humanity from the worst scourge known in all modern or medieval history? That's the good news, and that's the issue.

Some people will go crazy

Well, let's look at the problem in a different way. This crisis, which is destroying us now, did not start recently. It started, in the United States, about 30 years ago. Let me tell you how it happened.

But, let's go back a couple of steps earlier. We've had crises which, in some respects, are politically similar to what we face now, in the past. And it's important to reflect upon those crises of our past, because they tell us something about

what we're going to go through, in terms of shock effects, as this financial crisis and its by-products, hit us harder and harder now, over the coming weeks.

Some people are going to go crazy, absolutely insane, out of their skulls. They can't take it. *Because: the world as they have believed it should be, and will be forever, is suddenly coming to an end.* The day in which you can make money on the stock market, is coming to an end. The day in which you're not considered a lunatic if you have money in mutual funds, is coming to an end. The day in which you trust in banks, is coming to an end. The day in which you trust that you have a right to a job, is coming to an end. The day in which you believe your grandchildren and children will survive, is coming to an end.

This way of life, as you believed you had it, the way you believe "they" would make things happen, that "they" would see that this couldn't happen; all those things are coming to an end. *All evil things are becoming possible.* And that is going to become apparent to you rapidly, over the coming weeks ahead.

Therefore, it's important to understand what goes on in your own head, as the shock effects of this crisis begin to hit you. And the first lesson you have to learn, so that you can share it with your neighbors and friends, and as many others as possible, is to anticipate the shock you're about to experience, or already beginning to experience, so that this shock does not take you over. You know how to cope with it.

It's like the day you're told you've got cancer, eh? You have to *know*: Get over that shock, and get down to business, and deal with the problem you've got. You've got to look at it that way.

We've had shocks before. Let's take some shocks we've had. I was born in the 1920s. A few of you know what the 1920s were. We were pure sinful people then. We came out of World War I, and Woodrow Wilson, the guy who re-founded the Ku Klux Klan and built up its membership to about 4.2 million members, with the aid of Hollywood. Goldwyn and Mayer of Hollywood, for example, produced and distributed a film. It was called "The Clansman," otherwise known as "The Birth of a Nation."

And this film, which was praised from the White House by Woodrow Wilson, who himself was a great admirer of the Ku Klux Klan, the first Klan; he had the second incarnation of the Klan launched from the White House, with this film. And this great, benign, beneficent President, this "*great Democrat*," as soon as World War I came to an end, shut down the U.S. economy, with the help of his owners. And from there into 1922, we went into one terrible Depression.

From 1925 on, the U.S. farm sector, agricultural sector, was already in a depression. Don't talk about 1929 or '39. *We were already in a depression for most people in the United States, before 1929.* We'd been in a depression in the 1920s, early 1920s. We went into an economic depression, for most people in this country, starting with the farm sector, in about

1925. The development and expansion of railroads halted at that time, as a signal of a general degeneration of the whole U.S. economy.

The people that you knew, the adults of that time, were called, generally, "Flappers." And they flapped more than their mouth. They were a sinful, disgusting people. And suddenly these sinful and disgusting people, when the stock market crash hit, even though the Depression was already on, woke up. Because they'd lost their faith in an illusion. There was not real prosperity, there was great poverty in the United States during the 1920s. As a child, *I saw it. I remember it.* But there were a few people, lording it around, "I'm doing just all fine." And suddenly, the hammer fell. And they no longer believed in themselves. They no longer believed in the fairy tale.

Then, 1930, '34: the depths of the Depression. People were dying on railroad sidings during that winter. That was the winter of death, of economic death. Then Roosevelt got the economy moving, slightly. He wasn't able to fight Wall Street the way he wanted to. Didn't have the power. Didn't have the popular support.

But, then he prepared for war, because he knew it was coming. He made plans for war. From 1936 on, he made extensive plans for war. Didn't recruit many soldiers. The U.S. Army in those days used to be called "Useless Sons Accommodated." If his father thought his son was no good, he sent him off to the army, to get rid of him. And they acted that way in the army.

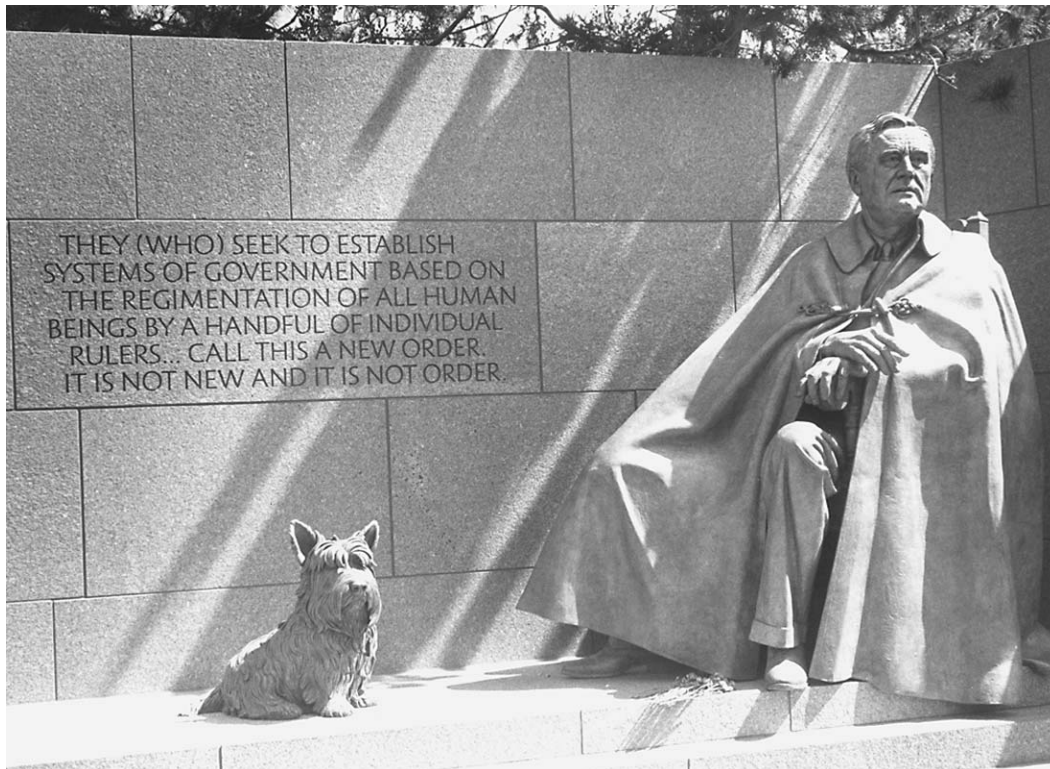
But then . . . Pearl Harbor

But then, Pearl Harbor happened. Now, some of you remember that day, and some of you have anecdotal experiences which are typical of what happened in this country on that day. I happened to be in New York City at that time. I'd been up that night before, Saturday night. Got up a little late in the morning, because I had an appointment that day. Some friends of mine had a business appointment, and I was going to tag along with them. I went over to the hotel where they were staying, to pick them up. And everybody was looking very strange around that hotel lobby. And it was after that, after that glance, that I heard what was coming over the radio.

Within two hours of that announcement of the Pearl Harbor bombing, the American population, or at least most of it, underwent a fundamental transformation in their beliefs, the way they thought about the world, the way they thought about themselves. It happened like that.

So, when somebody talks to you about political trends, and the way things are going, the way popular opinion is going, don't believe it. You can have something like the Flapper Age: While most people were poor, the Flappers pretended that everybody was rich and having a good time, and flinging out their legs in "the Charleston," or something like that.

But then came '29, and on, and, with that shock, it col-



The memorial to President Franklin D. Roosevelt in Washington, D.C.

lapsed. The day the stock market collapsed, that illusion was over. That was only a minor event, much overblown, in terms of its economic significance. The significance was psychological. The image of the Great American Boom, of the Great Wall Street prosperity, snapped like that, in one day.

Pearl Harbor, same thing. A whole way of thinking, of succession from the 1920s and the Depression of the 1930s: all the trends, what everybody believed, what everybody took for granted—gone! as if in a single day. In that case, in hours.

Then, Roosevelt died. And as each of us came back from overseas to the United States, under Truman, not Roosevelt, that was another shock. Because like the great Ku Klux Klanner, Woodrow Wilson, before him, Truman, who was a completely controlled asset of Winston Churchill, threw the United States into an unnecessary depression, which lasted from 1946 through 1948. We didn't begin to get out of the depression until somebody decided to have a war.

It was decided to go to war over Korea, and prepare for a war with the Soviet Union—a nuclear war. There had been much talk about “preventive nuclear war” against the Soviet Union since Bertrand Russell had first proposed it, that great peacenik, in 1946, the September issue of the *Bulletin of the Atomic Scientists*, which was edited, by the way, by a stooge of his, called Leo Szilard. And these stooges still run a good deal of the U.S. science community today.

It was a shock. Americans went into great pessimism. 95 percent of the people whom I served with overseas, and otherwise knew, turned into pigs by about the middle of 1946.

They were pessimists. They had been up to five years away in service. They were coming back in their late 20s or early 30s, after having been raised in the deep Depression of the 1930s, coming back to make up for lost time. Getting married, planning to have children.

And the wives were worse than the men: “Don't do anything to put our economic security into jeopardy. We have five years to catch up with. Hard times are here. Be careful what you say. Be careful where you look! Be careful what you associate with! Be careful where you go! Be careful to say what is expected of you.”

McCarthyism: a symptom

1946. That wasn't McCarthyism. McCarthy was a product of that. He wasn't the cause of it, he was a symptom of it.

Then we went into another period, the 1950s, the post-Truman 1950s: the era of Eisenhower. “I am a patriot, but . . .,” “I love my family, but . . .,” “I love my wife, but . . .,” and so forth. All these good things. “I'm neither this, nor that.”

And these people of my generation, 95 percent of them, who turned politically and morally into pigs—and that's a fair statement, not an exaggeration. I was there, remember, I saw it. And these were my friends, who I saw turn into swine, little curly tails and all. They raised children with these attitudes, children who were born either during the war, or right after the war. And these children were subjected to these immoral so-called “values” in their homes. The parents cau-

tioned them, and raised them to—“Look! Look! Be careful where you look! Be careful what direction you look in! Be careful what you say! Be careful what you’re overheard saying! Don’t forget to say this, too, if the question comes up.”

You want to talk about a bunch of brainwashed zombies out of Orwell’s *1984*? We had it right then. And, it got softer, after we got rid of that fascist Truman, under Eisenhower; but, it didn’t get morally any better; it just got calmer.

And then we had Kennedy. Kennedy was a brief period of optimism, of gradually cautious optimism, gradually ascending. By 1962, before the Missile Crisis, Kennedy was on the rise. Because he’d taken on the steel bosses. He’d taken on other things. He was threatening this, threatening that, acting like an American President, in the image of Franklin Roosevelt, which was the image which he adopted for his Presidency. Then he was shot.

But before then, we had the Missile Crisis, when everybody suddenly discovered God, but didn’t know who He was. That lasted for about several weeks. And then, those in charge, because the Soviets and the United States had come to an agreement with the British on what was called the process of détente, the Liberal Establishment in this country, as in England, and also in the Soviet Union, believed that the danger of a general nuclear war no longer existed, except, possibly, by accident, which they would try to manage.

And therefore, they said, “we no longer need an economy which is run by industrial giants, by men of industry, by men of science. We need the kind of economy in which people aren’t so well-educated, where people don’t talk back to their betters. Where people don’t demand so much education, don’t demand so much health care, don’t demand the high wages any more. Not needed! We don’t need a skilled labor force any more. We can use cheap labor, because we don’t have anyone to compete with militarily. We don’t need all that new technology; we’re not going to general war. We’re going to have a new kind of warfare.”

Which is what Vietnam signalled. Not honest war, but just killing, “adjusting diplomacy.” Wiping out some people, and letting others survive. Adjusting governments. Taking away the sovereignty of nation-states, as we see in Africa, as we see being done all over the world, with IMF conditionalities, which is nothing but the Emperor IMF, going around from one place to the other, telling the governments what they can vote for, what they can do for their own people, what health conditions can exist in their own country, what laws they can enact, what people they can appoint to office, who they can elect, who they’ll put in jail. The IMF dictating that to one government after the other, all around the world. Giving up sovereignty? Part of the process.

But 1962 was a shock. And then we had all these young people who were coming into or out of adolescence—some of them haven’t come out of it yet. And, these people were suddenly hit. They came from families where there were no moral values. Oh, there were shibboleths. There were even

so-called Christians, who were—these were hypocrites with chrome plate, chrome trim. But they had no moral values. Because they came from a family, in which truth was no longer a standard of behavior. You didn’t study to learn science; you studied to get a job. You didn’t want to learn the principles of science; you wanted to learn the right answers, the right formulas, to get that sheepskin, to get that job. Things like that. Get ahead. Live in the right neighborhood to promote your economic career, your image. Say the right things. Read the right publications, which do your thinking for you.

Concern for truth

The concern for truth did not exist in 95 percent of the families of my generation during that period. They became genuine liberals. Truth and evil were put on an equal footing, depending on which was more socially acceptable for that occasion.

And, the children of these people, who were the adolescents going into the universities during the 1960s: the adolescents who, by the laws of Nature these days, were going to become, within 20 to 30 years, the people who occupied the top positions of government, of business, of banking and education throughout the United States. And, they turned these people, who were *terrified* by the Missile Crisis, who had no morality whatsoever, no truth-seeking training. I know; I was on campus teaching these people, 1966 to 1973. I saw them. I know the types. I am not quoting from the back of some book. It’s what I saw, close up, clinically.

These were sad cases. I saw people in 1966—one guy called “J.J.” Now, in 1966, J.J., who came from a Jewish suburb in New York city, seemed like a fine, intelligent young person. By 1968, he was a zombie, swilling LSD, cheap wine, marijuana—the lot, and conducting sex with fireplugs, and I know whatnot else besides.

They took the majority of the Baby Boomers on the university campuses, who were the people who were entering that track which, under normal conditions, leads to top positions in government, industry, banking, education, whatnot; these people were being destroyed, morally and intellectually. And they’d had a bad start to begin with. It was not a good running start.

And under those conditions, we’ve had, over the past 30 years, what is called the “Third Wave”; what is called post-industrial utopia. Over the past 25, 26 years, we’ve had what’s called ecologism, which used to be known as something you do to monkeys, and now they do it to people.

See, ecology is the study of the equilibrium levels of population among lower species. And the human race was just dropped into it. Now, Prince Philip, with his Nazi bedfellow, Prince Bernhard of the Netherlands (who resigned from the Nazi SS with a letter to Hitler signed “Heil Hitler,” on the day he married the Dutch princess). And, Prince Philip himself, through his family connections, was trained by people who had trained Nazis, and was trained to behave and think like a

Nazi. So you had these two Nazis, who started the World Wildlife Fund in 1961, and they set this stuff into motion.

So, over a period of 30 years, you had a takedown of scientific and technological progress. Look at your sewer system. Look at your water system. Look at your hospital systems. Look at all the things we had in 1966 to 1970. Get the photographs. Think back. Remember: If somebody fell down in the street, and somebody said, "Get a cop!" what happened in New York City, then and now? What happens in Washington, D.C., then and now? What happens in most communities in the country, then and now?

What about the water systems? What about the sewage systems? What about the education system? What about the safety of neighborhoods? All of these things, which were important. Access to health care.

When did we have a mass of homeless on the streets? Including people who are homeless, who have incomes, but just don't have enough to afford the price of housing in that part of the world? When did we have these conditions? We've been going to Hell, inch by inch, over all these years. Then ecologism shut down our power plants. We now have a brownout, we're going to a blackout condition.

We're in danger, with the invasions around the Ebola districts in Africa, we're in danger of an Ebola breakout internationally, as well as other diseases, which turn up from obscure places, and can tend to become pandemic—epidemic and pandemic—for which humanity has no present immune potential; can kill off whole masses of people in very short periods of time, under these kinds of Four Horsemen of the Apocalypse conditions.

This is where we are. We're here because, over a period of 30 years, as the people of my generation and the generation before me, left the top positions of government, the top positions in all kinds of institutions, and were gradually replaced by this Red Tide of Baby Boomers flowing through the institutions, like an overflowing cesspool, that gradually all of our policies, our thinking, our education system, *everything has decayed.*

We're no longer productive. There's been no growth in this economy in the United States in the past 25 years. *None.* If you measure it in physical terms, how many jobs does it take, to match the standard average income of the median per-family household, in the United States, between 1966 and 1970, and today? How many jobs?

What are the public services you get, out of the taxes you pay out of that jobs income? You're down to *half*, approximately, today, of what we were. Or, if you even approach it, it's because you're working three jobs, instead of one. Probably one regular job, and two part-time jobs. Maybe a weekend job, and a part-time day job, after you finish your regular job. Maybe both adults in the family work—if you are not typical of the families which are only one-parent families, because of the breakdown of the family under these conditions.

'Mainstream thinking'

These are the conditions of life. Latch-key children, with no education, filled with rage, with very little focus on life, and on emotions, running rampant, with nothing to moor themselves to. We are destroying our economy, we are destroying our people, step by step, inch by inch. And this is what is called today, this flight down the sewer pipe to the cesspool of history, is called "mainstream thinking."

Therefore, you propose something today, and say we have to change the system. The President must act with the support of the majority of people, to do the things which will save this nation, and its people, and the world, from the New Dark Age, which will otherwise destroy civilization around the planet, unless we do something. And, the answer will come back, and many of you have run into it, many of you have even thought it at times: "But you can't do it. You can't do it. People won't go for it. Public opinion won't allow it." Say: "You forgot something. You forgot the 'Pearl Harbor Effect,' " as I call it.

When it becomes apparent to the majority of the people of this country, that this system, which they think they worship; these things that they believe in, because they read them in the newspapers, saw them on the television talk shows, their friends and neighbors all talk about it. They say, "Well, I agree with you, but my friends and neighbors would *kill* me if they knew I was talking to you about this."

That's bunk! And all of us who have lived long enough, and know history, know that's bunk. Because when a crisis occurs, you have two ways to go. *You can either abandon the policies which you have supported, such as liberal economics, such as a lunacy called ecologism, post-industrial thinking, Third Wave thinking; all of this nonsense, which has destroyed us, because you've consented to it. And therefore, the political process did it, because you consented to it. You accepted it as "mainstream thinking."* You said, "It has to be done that way, because; it has to be done that way, because; don't you read the newspaper?!" That kind of argument.

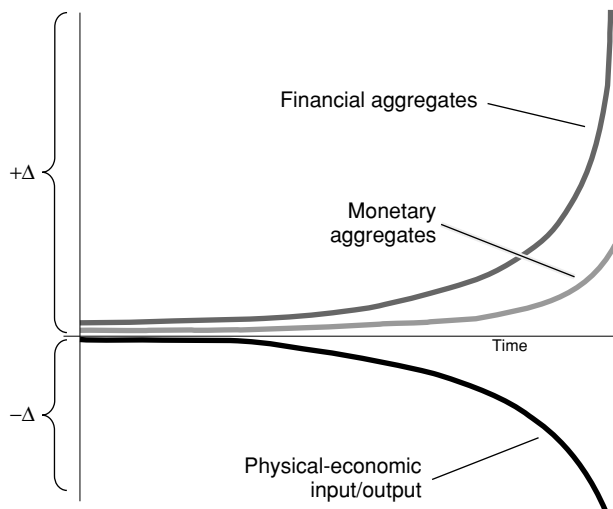
History, again and again, when a crisis like anything approaching this, like Pearl Harbor, like the '29 Crash; like similar things in history: When one of these crises hits with this kind of profundity, there's a shock to the psyche of the population, in which the population will go one of two ways: They will go to Hell, or they will get out of it. And they will suddenly, very rapidly, change their way of thinking, which is happening in the United States already today. We see it on the telephone, in the streets, in organizing and dealing with people in various parts of the world today.

There is a mood shift in progress now, which is like the sand on the beach leading to the ocean. You can see the Ocean of Change is right there, and it's coming up fast, with the incoming tide.

Our problem is that we must be intellectually prepared, on two grounds. First of all, we must know, not as a matter of learning it, but as a matter of truthful awareness, that it will

FIGURE 1

A typical collapse function



work: *what has to be done*. And, we must mobilize people, to get their politicians, and others in positions of influence, to agree to do it. We've got to get enough support for this President, for his doing *this, that he has to do*, to make it happen. And we can, if we can act like a virus, and become infectious. Infect the population with optimism, with a sense that there must be alternatives. If you're on the *Titanic*, and there's a lifeboat, shouldn't you get into the lifeboat if the ship is sinking? What do you think of the guy who says, "No, I'm going to stay with mainstream thinking"? That stream goes all the way down.

Now, let's look at, first of all, look at the nature of the crisis. Some of you have seen this, or heard this from me before, but it's necessary to identify it, at least summarily, so we know exactly what we're talking about.

Then I want to deal with the crisis itself, the emotional crisis, to indicate to you, I hope in terms that you can understand, even though many of you have never heard of this before. It is science. That's part of science. How the engineering of a change, a so-called *cultural paradigm*, occurs under shock conditions such as Pearl Harbor, or the far-greater shock now. And I can assure you: The shock that is coming to the American people and others around the world now, is far greater than Pearl Harbor, or the period of the Missile Crisis in 1962. This shock is far more profound. It's going to have a greater psychological effect on everyone, than anything in that period.

The 'Triple Curve'

Just to review this (see **Figure 1**). Three curves. These are drawn smoothly, because we're not talking about statistics in the ordinary sense. We're talking about *rates of change*.

And there's generally an exponential rate of change in these values in the U.S. economy, since 1966. So we're talking about, essentially, 1966 to 1996: 30 years. Thirty years of change. Thirty years of sliding down the paved road to Hell.

Now, there are three things to consider. First of all, *forget money*, in the first instance. Don't try to use financial statistics; you can't understand anything, because financial statistics are *faked*. *Do you believe that things are better in the United States, per capita, than they were 30 years ago?* Well, you've got the financial figures to show it. Do you believe those figures?

How many jobs does it take the person in the comparable standard of household income, from the 1966-1970 period: How much work do they have to do today, to get the same actual income, that is, physical income, standard of living, education, and so forth? Three jobs. Two members of the family working. The children, latch-key children left out in the street, or something similar. Or, at least, not given parental nurture.

It's not the fact that they're running around the street; *they are given no parental nurture. They're not given a sense of identity*. What are parents important for? They're important to help children develop a sense of *personal identity, of moral identity*, which is a precursor and foundation for education. And, it's very difficult to replace that, as the history of educating orphans shows that.

So, measure in terms of market basket. That is, to raise your family, such that your child, or your children, will be potentially as productive, as skilled, as useful, as you are, under future conditions. What kind of a standard of living do you have to have in your home? What do you have to have, in terms of nourishment, housing, and so forth? What do you require in terms of education, in terms of health care?

What are the things you require, to maintain the members of your family, and the family as a whole, in a way in which your children, going out of your family, can become members of society, as productive, at least, as you are today, and better? What do you require, in terms of investment in infrastructure? In terms of—like Washington, D.C.—what kind of a sewer system do you require? What kind of power availability do you require? What kind of potable water system do you require? What do you require in terms of security to your neighborhood? All of these kinds of things—schools, and so forth.

You require that. Provided by society, provided by government, chiefly; but, you require it, as part of your income. What's happened to our water systems? What's happened to our health systems?

And you require industry. You require technology, to improve the society, to conquer the new problems we run into, as we run society. You have to have an *investment* in industry. You have to have competent management, that makes the thing work. You have to have improvement in product design. You have to have processes by which technology is advanced.

These form market baskets, which we can measure in terms of labor force, average member of labor force, average household, per person and per square kilometer.

If you want equal conditions, in terms of things in the future that are no worse than they are today, and probably better; what's the standard you have to have, to have that?

So, that's this curve. So you measure that, by comparing market baskets, which have physical things, plus services, which are science services, health-care services, education in its general form. That's what you need, both for yourself, for the society, for the infrastructure development, for administration, and for agriculture and industry. You've got to have the same standard, always getting a little bit better. Minimum—that's your minimum target. This is sometimes called the *energy of the system, of the economic system*. What's the input you must supply to the population, to maintain the system in good functioning order, into the future, the next generation?

All right, that's been going down. Many of you remember 1966, under pressure of the environmentalists then, the population controllers, Johnson cut the Federal budget, so as to take most of the cutting edge off the investment in aerospace at that time. You had mass unemployment in the aerospace R&D sectors, such as around Route 128 in Massachusetts, around New England, and then, of course, on the West Coast, and places like that.

Then you had a general austerity which set in, from 1968 on. You had, in 1970-71, the 1970 recession, as it was called, the blowout of the Penn Central and Chrysler, and a few other things, which warned us of what was coming the next year. And Nixon, at that point, put in austerity, in the fall of 1970, and things began to become *worse* economically for most people in the country.

1971: the entire monetary system blew out. We went into a floating-exchange-rate monetary system; and you had Phase I, and Phase II, and Phase III, planned as step-by-step austerity, and Phase I and Phase II were carried out.

Then you had a fake oil price crisis in 1973-74, organized personally by Henry Kissinger, a British agent, who does all these good things. So we had a sudden surge in the price of petroleum. And we had plenty of petroleum. The Shah of Iran had the sea *covered* with ships, with Iranian oil, trying to sell it in the United States, and none of the Americans would buy it. So, *there was no oil shortage*. The London-controlled petroleum-marketing center, had orchestrated a worldwide price hoax. And that was the beginning of the destruction of the economy, because certain sections of the economy are much more sensitive to the price of fuel, than they are even to interest rates. That's 1974, '75, '77.

Then came Carter, and Carter was a disaster. He was a moron, and a disaster. He didn't even run the Presidency. Only when he had an ulcer, or something. He was a creature, not just of David Rockefeller. *He was a creature, entirely,*

from top to bottom, of the New York Council on Foreign Relations. Look at the roster of who ran his government for him. He was the fool of the administration, who'd go out and babble this, and babble that, and Carter this, and Carter that. But actually, these boys, the mice in the backroom, were running the administration. He didn't run anything at all. We went down fast.

'Controlled disintegration'

Then Carter put in—in 1979, he put in Volcker, Paul Volcker. And Paul Volcker instituted a policy, which he named by its right name. It was a policy which had been developed *for the Carter administration*, by Cyrus Vance, Zbigniew Brzezinski, and people of that ilk. It was called "controlled disintegration of the economy." And, when Paul Volcker was in England, campaigning up and down *England*, to be nominated as Federal Reserve chairman of the United States—why would he go to England, to get nominated for a position in the U.S.?—anyway, he said he is in favor of controlled disintegration of the economy, as an acceptable policy.

When he got into office in October of 1979, he immediately put it into effect, and the economy *collapsed*. We never came back since.

The first thing we were operating on: We went through petrodollars, late 1970s. We then went into junk bonds, through the help of George Bush, and some legislation he got through. He looted the banks, the savings and loan banks. Then, from junk bonds, which sort of went out of business with the 1987 crash, and died the following year with the Nabisco operation. Then we went with derivatives, which are pure gambling.

So, what happened is this: You had a spiral like this, of financial assets, pure gambling (see Figure 1). And the total amount of financial paper out there is going up and up, while per-capita real output is collapsing. The connection between the two, is simple. The financial speculation works on the basis of what is called financial leverage. That is, it's like a slumlord. In the old days, the 1960s and 1970s, you would find a slum, which was about to fall into the street, it was so rotten. *But it would sometimes command a higher market value, than a rental property in decent condition*. You say, "How is this possible?" Well, in the slum, they get more rent, per square foot. And therefore, in the slum building, the value of the building is not the value of what it would take to replace the building, but simply how much rent you get out of it.

So, if you've got a Harlem property in New York, with a high rate of turnover, and the landlord's dividing one apartment into two every time there's a turnover in the tenants, and raising the rents every time, 15 percent every time they get a turnover, you'll get, in a slum property, where the people can barely move between the cockroaches; that building will be worth more, per square foot, than a building in decent condi-

tion down the street. Because it's all financial leverage, where the yield, or the income—how much cash can I get out of this building? How much cash can I get out of this? What's the rate of profit on this? So you say, on the basis of the profitability of something, the amount of cash I can get out of it, is the basis for my financial capital evaluation. It's called financial leverage.

So, what's happened, is the financial leverage ratio, goes up. What drives it up? Well, speculation is based largely on borrowed money. So if you have cheap, borrowed money, pumped out of the economy by Alan Greenspan, and Volcker before him, to feed speculative spirals, this gives greater leverage. Therefore, the rate of turnover of money is faster, the growth of the bubble is bigger, and bigger, and bigger.

Now, where does the money come from? The money comes from the printing press. The Federal Reserve System owns the printing press. So therefore, the Federal Reserve System *prints money* to keep the financial bubble going. Well, how does the Federal Reserve do this? Very simple. It operates on the basis of government debt, and discounted other assets, which means, essentially, that every time they want to increase the paper flow, they take more out of your pocket, through government debt, and they take more out by lowering your wages, chiseling on this, chiseling on that, in order to increase the profit yield of business.

For example, take the UPS strike. United Parcel Service. They got a billion dollars profit, according to the reports, and they're operating on the basis of paying people half of what the job would be worth on a full-time basis. What's the point? *They chisel out of the people, drive people into slavery and the poorhouse, in order to increase the profitability, to enable the Federal Reserve System to keep pumping the money into the system, to keep the bubble, the financial bubble, going.*

Therefore, you have a leverage ratio between financial aggregates and monetary turnover. This is going up hyperbolically. This is about 1966. *The rate of growth.* For example, the zooming of the stock market to 8,000, the Dow Jones, or Down Jones, as we're going to call it next week, to 8,000 range, is a *hyperbolic rate of growth*. And in derivatives, it's even bigger.

Can you imagine: \$100 trillion of derivatives obligations currently outstanding, the United States stuck with about one-third of that. More than all the annual gross product of the entire world. That's been zooming. It's maintained by putting money into the system, to keep the turnover going, through financial leverage. This comes at the expense of looting the economy, turning past investments—like unrepaired sewer systems in municipalities, unrepaired buildings. Looting of firms, looting of their assets, invested sometimes over 50 years. Looting them, converting them into cash at a discount, in order to pump this system up.

Now, you get the ratio of the monetary growth to the rate of physical economic output. Then you get the ratio of monetary growth to financial growth. And what you have, is a hyperbolic relationship, which, in a physical system, would

be called a boundary layer, a boundary condition. It's a terminal state of the system. You don't have to know what the figures are. All you have to do, is see that the ratios among these things have become hyperbolic. And that shows you the whole thing is *finished*. It can't go any further. There's no place to go. Because you're in a boundary layer.

It's like going from, in a plane, when you go from a sonic speed, to a supersonic speed, you pass through a region, which is called a *transsonic speed*. And the transsonic speed, which is a boundary layer separating the speed of sound from the transsonic layer, is a period of turbulence. And this is a *boundary condition* of that sort.

And that's where we are.

Why are liberal economists incompetent?

Let's take the next one (see **Figure 2**). Now, why are all economists generally, all generally accepted economists, why are they incompetent? Why is Marx incompetent, why is Quesnay incompetent, why is Adam Smith incompetent? Why are all economists incompetent? A very simple reason: because they designed an economy which, in mathematical terms, would seem to work as well for monkeys as it would for people. And when you monkey around with an economy, you may not get a good result, which is what these guys do.

What is left out? What does Marx leave out, for example? The crucial thing in an economy, is a *human being*. Now, what is there about a human being that makes a monkey an ecologist, and makes a human being an economist? Because that's the difference. The difference between man and monkey, is the difference between ecology and economy. A monkey—the apes—have a generally, approximately, *fixed relative population potential*, that is, relative to the development of the conditions under which they're operating.

Mankind has been living on this planet, for between 1 million and 2 million years. We know that from archeological studies, which show that certain artifacts, even in sites beyond a half-million years ago—one recently in Germany, 600,000 years ago, throwing spears, very finely refined, which indicate an intellectual level of development of man at that time, which is equivalent to modern man, in terms of general mental aptitude.

So obviously, 600,000 years, that's about three good Ice Age cycles ago, and we've had Ice Ages on this northern part of the planet, for about 2 million years. And we have evidence which indicates, from the sites, of man's existence, as what we would call "modern man," intellectually, and existing on this planet, for somewhere between 1 million and 2 million years.

Now, if man were an ape, as Prince Philip claims to be—maybe that's why Queen Elizabeth's children didn't turn out so good, eh? Monkeying around with the family tree. All right.

But if man were a great ape—Now, look at man, look at him physically. Now, go down to the zoo, and look at Prince Philip—I mean, the great apes. Now, when you look at man *physically*, you say, "What are man's aptitudes, physically?"

FIGURE 2

Development of human population, from recent research estimates

	Life expectancy at birth (years)	Population density (per km ²)	Comments	World population (millions)
Primate Comparison				
Gorilla		1/km ²		.07
Chimpanzee		3–4/km ²		1+
Man				
Australopithecines B.C. 4,000,000–1,000,000	14–15	1/10 km ²	68% die by age 14	.07–1
Homo Erectus B.C. 900,000–400,000	14–15			1.7
Paleolithic (hunter-gatherers) B.C. 100,000–15,000	18–20+	1/10 km ²	55% die by age 14; average age 23	
Mesolithic (proto-agricultural) B.C. 15,000–5,000	20–27			4
Neolithic , B.C. 10,000–3,000	25	1/km ²	“Agricultural revolution”	10
Bronze Age B.C. 3,000–1,000	28	10/km ²	50% die by age 14 Village dry-farming, Baluchistan, 5,000 B.C.: 9.61/km ² Development of citites: Sumer, 2000 B.C.: 19.16/km ² Early Bronze Age: Aegean, 3,000 B.C.: 7.5–13.8/km ² Late Bronze Age: Aegean, 1,000 B.C.: 12.4–31.3/km ² Shang Dynasty China, 1000 B.C.: 5/km ²	50
Iron Age , B.C. 1,000–	28			50
Mediterranean Classical Period B.C. 500–A.D. 500	25–28	15+/km ²	Classical Greece, Peloponnese: 35/km ² Roman Empire: Greece: 11/km ² Italy: 24/km ² Asia: 30/km ² Egypt: 179/km ² * Han Dynasty China, B.C. 200–A.D. 200: 19.27/km ² Shanxi: 28/km ² Shaanxi: 24/km ² Henan: 97/km ² * Shandong: 118/km ² * * Irrigated river-valley intensive agriculture	100–190
European Medieval Period A.D. 800–1300	30+	20+/km ²	40% die by age 14 Italy, 1200: 24/km ² Italy, 1340: 34/km ² Tuscany, 1340: 85/km ² Brabant, 1374: 35/km ²	220–360
Europe, 17th Century	32–36		Italy, 1650: 37/km ² France, 1650: 38/km ² Belgium, 1650: 50/km ²	545
Europe, 18th Century	34–38	30+/km ²	“Industrial Revolution” Italy, 1750: 50/km ² France, 1750: 44/km ² Belgium, 1750: 108/km ²	720
Massachusetts, 1840 United Kingdom, 1861 Guatemala, 1893 European Russia, 1896 Czechoslovakia, 1900 Japan, 1899 United States, 1900 Sweden, 1903 France, 1946 India, 1950 Sweden, 1960	24 32 41	41 43 40 44 48 53 62 73	90+/km ² Life expectancies: “Industrialized,” right; “Pre-industrialized,” left	1,200 2,500
1970 United States West Germany Japan China India Belgium		71 70 73 59 48	1975 26/km ² 248/km ² 297/km ² 180/km² 183/km ² 333/km²	3,900

The way the environmentalists look at man. What are man's aptitudes? They are those of a great ape. And look: A man is weaker and slower than a baboon, weaker than a gorilla, not as nasty or capable as a chimpanzee, can not do acrobatics the way a gibbon can do, and things like that. And he can, like an orangutan, fall out of trees and break bones.

The total great ape population of this planet, could never have exceeded several million individuals. Now, man looks like a great ape, especially if he's Prince Philip, who *claims* to look like a great ape, and who gets that kind of expression on his face when he hears my name.

So, the difference with man is, that man is weaker than the apes. So, how is man capable of having a population *far in excess of the total population of great apes all put together*? Because man is not an ape.

Why not? What's the difference? Physically? The apes—the baboons have the advantage—did you ever get in a fight with a baboon, get threatened by one? Gorillas generally don't threaten, they make a little noise. Chimpanzees can be very nasty. They tend to be very nasty. They're carnivorous, among other things. They like meat. Can't keep them out of a butcher shop, you know?

But, what's the difference? *Man, the mind of man*. What do we do? What's our mind do? What is it about our mind, that enables us to increase man's power over nature, as no baboon can do? *We make discoveries of principle concerning the universe*. We then employ those discoveries. We share those discoveries, by showing other people how to repeat those discoveries in their own mind. Then we agree to *use* these discoveries of principle, to make new designs of tools, products, and so forth. And, we master nature. It's a very simple process, which I'll get to, in due course here.

But that's man. So, what you see is a history of man. And these figures are generally accepted figures among academic types, which means they're not too reliable, but they're useful for indicating the general trend of what these jokers think the evidence is. And, you see, there's a general progress in the human population, in life expectancy, declines in infant mortality, all these nice, good things, up until about 1966, when this policy change was made.

Let's take European population, the next chart (see **Figure 3**). Now, this is for the European population alone. And there's a very specific point to be made here, to zero in on the crucial point, as quickly as possible. That by about the time of Hellenistic culture, in the late 200 to 100 years B.C.; in that period, the population of humanity, for the first time on this planet globally, reached a level of perhaps 200 million or less. The human population on the planet as a whole, did not exceed several hundred million individuals, until the Fifteenth Century in Europe.

Before there were nation-states

Why? Because the human condition was, prior to the Fifteenth Century, in every general part of the world, there were

no nations. Not in the sense that we talk about a nation as a nation of people. There were no such nations. You had a ruler, who made law, if there was any law to be made. You had lackeys around the rulers, fellow lords and lackeys; and, that never amounted to much more than 5 percent of the total population. (Ninety-five percent of the population, in every part of humanity, lived as serfs, slaves, or in worse condition. Therefore, there wasn't much intellectual activity, among people who were being treated as slaves, and serfs, or worse.

For example, the Aztecs. Shortly before Cortez conquered Mexico—presumably, which he actually didn't; he led the defeat of the Aztecs, which is different than the conquest at that point—the great inauguration which occurred of the Great Temple, now in Mexico City, tens of thousands of captive Indians were marched up in four rows, up the stairs of the temple. As each person reached the top, within a matter of seconds, these Aztec priests, working in teams, would cut the living heart out of these individuals, and throw the body down the stairs. And these victims would march up, one by one. This took two days, and the priests worked in teams.

That is a worse condition of mankind than slavery. And those kinds of conditions existed; *because the image of man, as in the image of God, did not exist, in practice, in society*. There was always a policy: Some people should be slaves, preferably 95 percent, at least. And that is the condition of what we call oligarchism, or the imperial system.

Now, even though Christianity was the first religion to identify the universality of mankind, as in the image of God, that was not the practice in European civilization, despite efforts in that direction, as by those associated with St. Augustine, or associated as advisers to Charlemagne. It didn't happen. There were efforts. There were continual efforts to build a society, which was based on the principle of the individual person being made in the image of God. And therefore, the conditions of life, the political conditions, the physical conditions of the individual, must be those which are fit for a creature made in the image of God to exert dominion over the planet; but, they didn't exist, these conditions, despite the efforts.

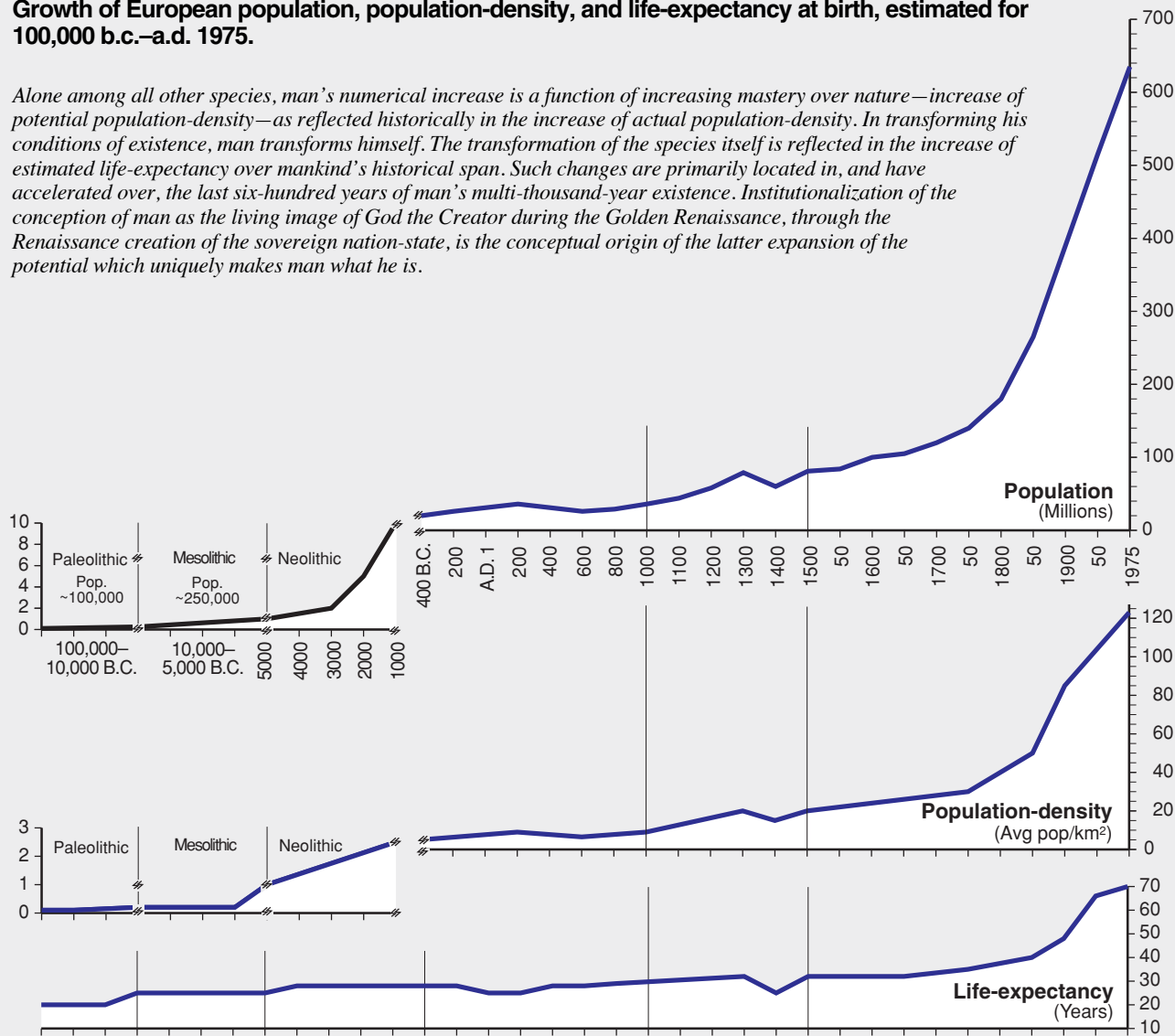
Until a great crisis of the Fourteenth Century, which sank the banking system, created a shock and a new condition, under which some of the ideas which had been developed earlier, toward developing a nation-state, were perfected, during the middle of the Fifteenth Century. And, out of this, came the first nation-state, which was formed under a guy who was part of a conspiracy. If you don't believe in conspiracy, you don't believe in history.

Louis XI of France, between 1461 and 1482, established the first steps toward a nation-state, and established a nation-state in principle. *That is, that the state was designed for the individual member of society, the benefit of the individual member of society, and that the oligarchy must give way to the rights of the individual*. That science must be fostered, that education must be fostered; that the intelligentsia, not the

FIGURE 3

Growth of European population, population-density, and life-expectancy at birth, estimated for 100,000 b.c.–a.d. 1975.

Alone among all other species, man's numerical increase is a function of increasing mastery over nature—*increase of potential population-density*—as reflected historically in the increase of actual population-density. In transforming his conditions of existence, man transforms himself. The transformation of the species itself is reflected in the increase of estimated life-expectancy over mankind's historical span. Such changes are primarily located in, and have accelerated over, the last six-hundred years of man's multi-thousand-year existence. Institutionalization of the conception of man as the living image of God the Creator during the Golden Renaissance, through the Renaissance creation of the sovereign nation-state, is the conceptual origin of the latter expansion of the potential which uniquely makes man what he is.



All charts are based on standard estimates compiled by existing schools of demography. None claim any more precision than the indicative; however, the scaling flattens out what might otherwise be locally, or even temporally, significant variation, reducing all thereby to the set of changes which is significant, independent of the quality of estimates and scaling of the graphs. Sources: For population and population-density, Colin McEvedy and Richard Jones, *Atlas of World Population History*; for life-expectancy, various studies in historical demography.

Note breaks and changes in scales.

oligarchy, must be the leaders of society. That the young must be given the opportunity to receive this kind of education, must be given this kind of opportunity in adult life. That technology must be fostered, that infrastructure must be improved, that commerce must be improved. That wars must be avoided, if at all possible, particularly feudal types of wars. And, that was the beginning.

Isabella in Spain had the same view, though others in Spain had a different attitude. There was a group in England,

which had a similar attitude, in the same period, in the early Tudor period, under Henry VII. These were the roots; these were the roots of our modern civilization.

And in the course of time, because of the *inability* of the Europeans to establish a true nation-state, the first nation-state on this planet, of a modern form, was the United States, as formed as a Federal republic, in 1789. A state which was based, contrary to the blabber which is taught in some schools, was based on the teachings of Leibniz, such as "life, liberty,

and pursuit of happiness.” Leibniz. The influence was largely Benjamin Franklin, who was the leader of the enterprise.

The Preamble of the Constitution, is, by intent, the fundamental law of the United States. It is not an introduction to the Constitution: It *is* the Constitution. The rest of the Constitution is implementation, a structure of self-government to implement the policy of law, which is embedded in the Preamble. That we are accountable, not to impress our opinion, or majority opinion on society. We are accountable to what we do to society, *as it affects our posterity*. The posterity have a vote, buddy, under our Constitution. You can’t do something to them, because you *like* it. Preference doesn’t mean anything. You are accountable to what you do to future generations, as some of you know, and all society should know.

We are not only accountable to our own nation; we are accountable to all humanity. Because what we do as a nation, in terms of improving the conditions of humanity, *is essential* for our posterity. It’s our human obligation, to help other nations. To do no harm to people, because all men are made in the image of God, and must be so treated. And our nation must be an *instrument* to realize that policy upon this planet.

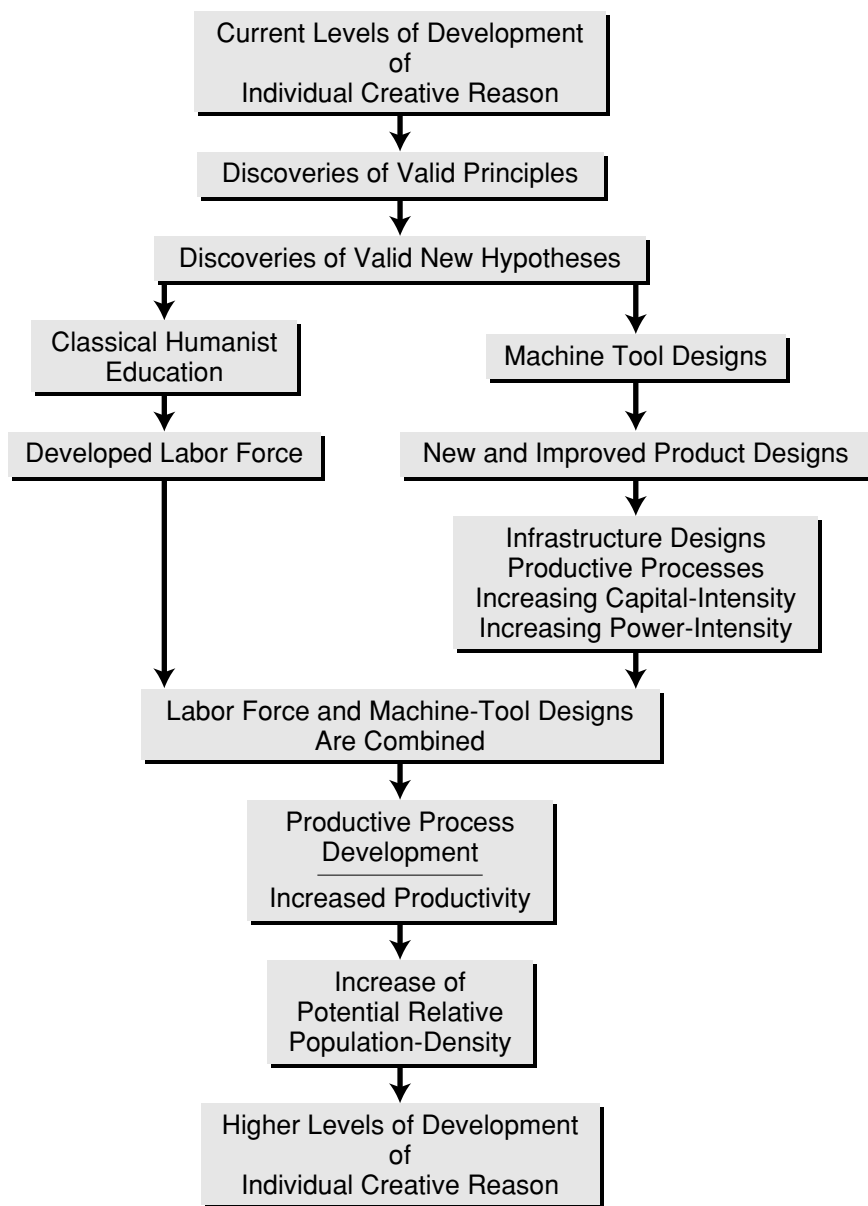
Carnot’s revolution in France

How does this work? Let’s take the next one (see **Figure 4**). Beginning, essentially, in 1793-94, a revolution was made in France. It was not the French Revolution, which was bad. It was a revolution made by a man in France, who was known as the Organizer of Victory. France was invaded by foreign armies. It was on the verge of being *crushed and dismembered as a nation*, and Lazare Carnot was appointed to head the military forces of France. And Lazare Carnot made a revolution in warfare, and in economy, within a two-year period, which culminated with Robespierre and Saint-Just losing their heads.

Now, this was not entirely successful in France, because there was a fellow called Barras, who was a very evil fellow, who took over France at that point, and brought in Napoleon

FIGURE 4

How the Machine-Tool Principle is situated



Bonaparte as his protégé. So France was not a very good nation. Napoleon was a very bad person, in point of fact.

But the accomplishments of Lazare Carnot and his friend, Gaspard Monge, who had been formerly his teacher, was a revolution in economy. Lazare Carnot invented the machine-tool industry. He invented it under wartime conditions. It was used, first, for mass production of products, through machine tool design. And he laid down the principles in some of his writings. He was also a scientist, as well as trained as a military professional; but also as a scientist.

His associate and former teacher was Gaspard Monge. Gaspard Monge was probably one of the leading scientific thinkers of all modern history, who founded, together with others, what was called the Ecole Polytechnique, which took young boys—again, the same old principle of the Oratorians and of the Brotherhood of the Common Life before it—took young boys, and educated them in what were called “brigades.” These brigades essentially started out at a secondary school level, and produced, literally, brigades of leading scientists and engineers. And, this is during this period.

This is how the French won the war of 1793-1794. Carnot revolutionized warfare, introduced modern machine-tool technology to the conduct of warfare, conducted scientific revolutions, and implemented them, within a period of two years, with his friends. How do you like that for today’s bureaucrats? That’s how you win a war. He started from nothing.

We did something similar, but it came about in a process. We were isolated at that point. We had not a friend anywhere in Europe. Every nation in Europe was an enemy of ours. This was the meaning of George Washington’s Farewell Address. It wasn’t “avoid dealing with Europe,” it’s “we have all *enemies* in Europe. The British are our enemies, the Holy Alliance is our enemies. *We have no friends in Europe.*” Russia had been our friend, but that had changed, with Alexander I.

So we were isolated, until the 1850s. We had no allies. We had no friends. We had friends, as individuals, networks of people. *But there was no nation, no government, that was not an enemy of the United States, in any part of this planet.* We were isolated.

We had Presidents who were not so good, like Jefferson and Madison. (You shouldn’t play with Dolleys, when you get to be grown.) Monroe was not so bad. John Quincy Adams was a great guy. Jackson was terrible, Van Buren was a traitor, Pierce was a traitor, Polk was a mess, Buchanan was a traitor.

But we had people who were still fighting for what the United States represented: Carey, Clay, Quincy Adams, Henry C. Carey, and then, of course, their protégé, Abraham Lincoln.

When Abraham Lincoln became President, he set out to destroy evil in the United States. It was forced upon him, by the British-organized Civil War. The Confederacy was a creation of the British. It was a creation of Palmerston, Lord Palmerston in particular. That’s another whole story.

So he organized a war machine, on the basis of the principles of Carnot and Monge. This was already built into the U.S. military, because under Sylvanus Thayer, the commandant at West Point, the French system of the Ecole Polytechnique, the Carnot-Monge system, was incorporated in West Point, and West Point became the center of U.S. industry, and so forth. Connections from West Point: Alexander Dallas Bache, a graduate of West Point, the great-grandson of Benjamin Franklin, was the liaison to our friends in Germany, to Alexander von Humboldt, and Gauss, and others. He created the Coast and Geodetic Survey, created the first high school of the United States in Philadelphia: all these kinds of good things.

Economic buildup and war

So when the time came that Lincoln moved, this machine, freed of the succubus of the Confederate traitors—the slaveowners—proceeded to build the mightiest military and economic machine this world had ever seen. By 1876, there was no economy in the world which could match the United States for power and technology. And during this period, the United States utilized the lessons of Carnot, to build a machine-tool design system. In 1876, we were the leading industrial power in the world, the only one with a machine-tool design system.

Now, since that time, we have used that system only under three general occasions: once in World War I, where it was used on a limited basis to mobilize the United States for World War I. That’s under Woodrow Wilson.

Number two: Franklin Roosevelt, on a larger scale, created out of this—some of you remember what people’s faces looked like, in the end of the 1930s. They were gray faces. They were demoralized, pessimistic, people who had not had a decent job for eight to ten years, who had almost lost their skills from disuse. We took these people, in 1939-1940, we began throwing them into work. At first, they didn’t do so well. But by 1943, we had exceeded *every specification* of Roosevelt’s mobilizing program, by far. We went back to the machine-tool system.

At the end of the war, we shut it down again! We shut everything down! We had the mightiest economic machine on the planet, we shut it down! Then we decided to have a war again, so we got it cranked up a little bit.

Then the other thing we added, was a space program. *Everything we’ve gotten in this century, in the United States, in terms of general improvement, has come from economic mobilizations, utilizing this principle, either for preparing for, or fighting a war, or for a space program. That’s the only success we’ve ever had; so, that’s the secret of economy.*

How does it work? How does this kind of program work? Well, at the top, as you would expect with Lazare Carnot and Gaspard Monge, you have an education system, like the Ecole Polytechnique under Monge. Young boys being herded in brigades, into an adolescent education system, which turns out scientists and engineers of the top quality in the world.

Now, they’re also creating science—the same people. They’re involved in doing both: scientific research, development, and education, all at the same time. So you have discoveries of new principles, discoveries of new ways of looking at the universe. Out of this, you get machine-tool designs, which give us new kinds of products, improved processes, and, if you’ve educated the labor force, when you bring the machine-tool designs together with the labor force in production, you have a labor force *which can assimilate and improve upon these designs in the process of production.*

That’s how it works. The key thing, is the mind, the individual human mind. Now, pick up a textbook, and tell me where the mind is there. Where’s the mind mentioned? People say we can’t afford to educate people. But the only way the



American infantrymen in Belgium, January 1945. The gray-faced unemployed workers of the 1930s underwent a rapid transformation, thanks to Roosevelt's war economy mobilization, which created the mightiest economic machine on the planet.

human race ever survived, was by discoveries which were made by human minds.

Now, let's get to the next one (see **Table 1**). How do you make a discovery? I'm going to explain it to you. I'll ask for your concentration. It's really quite simple, and some of you already know it, so that will help me a bit.

But, how do you make a discovery of principle? Not discovering where John Brown lives, but how do you discover a principle of science, a principle of nature? And, there are two kinds of principles we discover. One, we call principles of physical principles, the other we can call principles of cognition, that is, principles of *how the mind works*, how social relations among minds work.

First of all, you have your senses and you have your beliefs. Now, you have, if you're a scientist, you have certain things you believe. You might call it "mathematical physics," just to use a loose term. These are things you believe, which you believe are all based on experimentally grounded evidence. You say, "This is what I believe."

Then, you have some evidence, some events which have occurred. These events are something which your existing belief about mathematical physics, says never could happen. But, the authority for the new ideas, the new evidence, is as strong as the authority upon which all your scientific knowledge previously is based.

So, now you have a contradiction. You have one set of facts, which support the old system. You have another set of

facts, which the old system says never could happen. Now you have to solve this problem. You have to make a discovery, which brings the universe back together again, so to speak. You have to discover the principle, which you've overlooked in nature.

The case of Eratosthenes

For example, we often use the case of the Eratosthenes estimate for the size of the meridian of the planet, which shows that you can not—very simply, that in all the estimates you were trying to make, in measuring large distances on the surface of the planet, as long as you were assuming that the Earth was flat, more or less flat, you came up with the wrong answer on a large scale; which meant that you had to take into account something you'd been overlooking. And, the evidence showed you'd been overlooking it, that you had to consider another dimension, another principle. You had to deal with a surface which is enclosed in a solid, that is, a spherical, or quasi-spherical surface.

So, here's two sets of facts: one set of facts which supports the old way of thinking, the old geometric way of thinking, and another set of facts which shows you something that couldn't occur under the old thinking. So, you must now discover what the solution is, which puts the universe back together again. You say, "Ah! We have to consider a *third dimension*, which is the perpendicular to the surface of the Earth, which is the radius of a quasi-sphere." Then everything comes back.

TABLE 1

Ideas

1. Physical ideas			
	All: Principles	+/- m	Notion Proposition/ theorem
Physical	axioms	paradoxes	Principles
Cognitive	axioms	metaphors	Ideas

2. Passions			
	All: Principles	Sensory Subsumed	Notion Principles (not entropy)
Emotion Agapê	True		
Eros	False	Defective	Particular (entropy)

In all scientific discovery, a physical principle is of that nature. You are faced with a contradiction, where you have evidence which supports what you believe, up to now; and you have evidence which the present belief says could not occur. There's only one place that this discovery could be made: that is *inside the individual human mind*. You can not make a discovery by committee. You can not make it by opinion polls. It has to be made inside the individual mind.

Now, how does that occur? Well, if we have a good educational system, which you don't have in the United States these days, haven't had for a long time; then the student is never taught from the textbook. The student is never given a questionnaire, a multiple-choice questionnaire for a test examination. Never! *No good school would allow such a thing even within 50 miles of the premises of the schoolyard.*

The student must relive the experiment. The student must become familiar with the principles which mankind has discovered before, and must, each time, come to an experiment, which shows evidence that what he believed up to then, is incomplete. That he now has evidence which showed that something happens, which the old system said could not happen.

And you must have the children in the class—not too large, not more than 15 to 17 children, generally—in that class, *go through this experience, of figuring out what the solution is.* And a good educational program structures the program, so the students go through each successive step, in a decent order, so that they're prepared for this next discovery, on the basis of the previous.

Now, if a child is educated in that way, what happens? The child is reliving a moment from the mind of an original discoverers, because the original discoverer did exactly the same thing that child does. Restructure education, so the child

is capable of rather rapidly reliving what happened in the minds of great discoverers, from as long as thousands of years ago.

Now, when the child lives, and is educated in that way, *the child now knows how to solve this kind of problem.* Because the child has developed his creative powers, and now knows how to use them. That's the kind of education system you need, one which is based on this experimental conception.

The question of the passions

Now, let's take another part, which Helga [Zepp LaRouche] will deal with in a different way tomorrow, on the question of the passions.

Now, there are some people who invented the myth, such as Aristotle, that objective knowledge is based on objectively looking at something, dispassionately, as by an abstract observer—someone who doesn't exist, in fact. If you can become someone who doesn't exist, you can be dispassionate, and you can be objective. The only problem is, who's going to pay attention to you? Unfortunately, some people do.

But, what is the nature of nature, as I've described it? *Nature is something that man is changing, by discovering new principles.* We are acting on the universe. The universe lets us do it, whenever we're right. If you make the right discovery, the universe will go along with you. It's as if the universe were predesigned to submit to man's will, whenever man discovers truth. If man's will behaves truthfully, the universe will obey him, in that matter, and will sit back and smile and say, "Okay, now make another discovery. If you want to do better, make another one. Solve another problem."

That's what we exist for, to solve problems.

But, we *change* the universe. So, when we're looking at the universe, what are we looking at? We're not looking at the universe. *We're looking at man's intervention in the universe.* That's where our knowledge comes from. We don't observe the universe. If you study all the great discoveries, in astrophysics, for example, no one ever observed the universe. All the people who did, never made discoveries. It was people who intervened, with innovations, who made the discoveries.

So, what are we looking at, when we look at man's knowledge? We're looking at *man's intervention* into the universe. When we increase our population, we're increasing the change in the relationship of man to nature. Therefore, man in nature is changing. What we're observing, is man is observing himself. Man in the universe; man as in the image of God, in the universe.

What is this? I can think a thought which I have, because I replicated exactly what Plato, or Eratosthenes, or Archimedes thought, thousands of years ago. As I said recently, I was much closer to Gottfried Leibniz, on a personal level, than I was to my own parents, in my adolescence. Because his thoughts, which I replicated, were more important to me, than anything I exchanged with my parents.

We live in the simultaneity of eternity in these relations. Our relations among human beings, are relations among *ideas*. They're relations among cognitive processes. Everything we're able to do, is a sharing of an idea with somebody, including somebody who died a thousand years, or two thousand years, or three thousand years ago.

Our relation with the future, is our relationship, through ideas, that are transmitted, of useful ideas from us, to those who come after us. Our relations with other people, if they're good relations, are based on ideas. We're not animals. We don't rub against each other like animals. At least, I hope not. Dangerous these days, with diseases.

We are not beasts who cuddle up. We are people who have as much affection, and passion, for the minds of those who have gone before us, long before us, who were valuable, as we do for the person next to us. The person next to us, is our responsibility, not necessarily because we like them. Even if you don't like them, they're still your responsibility. That's the tough part about the program.

And the people who come after us, we hope will be much better than the people next to us. They're our bigger, happier responsibility.

So, what we're dealing with, is social relations, in terms of this relationship of ideas, of man to the universe.

Now, there is no such thing as a contemplative observer. No one ever made a discovery without great passion. In Christianity, we often use the image of Christ in Gethsemane, as the image of *passion*. Passion. "I must do it. I'm presented with an impossible contradiction. Everything I believed up to now, is proven wrong, by this set of events. I must *solve* this. I must have a *passion* to solve it."

You never made a discovery without passion. *To maintain concentration against a seemingly impossible problem, requires passion, emotion, dedication. A commitment that will not let you go!*

So therefore, what we're talking about here, is we're talking about passion. And there are two kinds of passion we have, which is what I've indicated here. We have what's called *agapē*, which is referenced by the Apostle Paul, as in *I Corinthians*: 13, which is the quality of emotion we feel, when we actually make a breakthrough in a truthful discovery of principle. *It's joy, a joy beyond any other kind of passion we have. The joy of discovery, the joy of fighting for truth, and winning the fight for truth in that matter.*

This is the truth of art, the truth that is beauty, the truth that is justice, the love of justice, the love of truth, which is a sense of beauty.

Then you have the other kind, called *eros*, which generally deals with particular objects, sometimes—not always the best choice.

So, we have, on one level, we are dealing with principles; on the other level, we're acting a little bit like animals, dealing with objects, about "me, me, me, me." That Johnny One-Note thing again, right? It's entropic.

And therefore, as Helga will address this from a different standpoint tomorrow, *it's this passion. The education of the mind, cognitive education of the mind for intellectual achievement, can not be separated from the moral education of the mind, which is the education of the passions.* These passions involve—what? They involve, essentially, social relations. Our relationship to great minds of the past, is a social relation. What we hope to give, in terms of discovery, to our descendants in the future, is a social relation. When we try to share knowledge with people around us, that's a social relation.

These ideas that man creates, of this nature, are the distinction of man from the beast. And our relations must be based on those things which set us apart from and above the beasts, which are *ideas*.

The teaching of children is one of the greatest passions, if you do it well; because you're taking a little human being, and uplifting that human being, by enabling them to participate in some of the greatest moments of thinking of the greatest thinkers, of all history before. You are developing, as von Humboldt says, the *character, the moral character* of the child, by that kind of education.

And when we educate *ourselves* in the same way, we are developing our moral character, because we are locating our passions where they belong. We attach ourselves, commit ourselves to principles, to which we *should* commit ourselves. And that's how our moral character, and our ability to solve problems, is developed.

How can a person lay down his life in war for his country? How can a person make a sacrifice for all of humanity? How is this possible? It can not be possible as a sacrifice. It can only be possible as a *realization of a purpose, a mission, a passion, a devotion.* And that's what we are dealing with here.

The greatest cultural shock ever

So, we're dealing with a Pearl Harbor effect. You come to a crisis, like this one. You're about to experience the greatest cultural and psychological shock which you've ever known of: the disintegration of the entire world system, on which all your calculations and estimates of your future and present life, and of this nation's life, and the world's life, are based. It all is going to disintegrate. It's all doomed.

That's a horror which is worse than nuclear war. Nuclear war means that not all of us will be killed, and then the war will be over. A depression, mere depression: that's another thing.

But, this is something awesome: The entire world system, as most people have come to accept it, is finished. Something much more profound than the people of the Soviet Union experienced, beginning 1989. Much more profound. They had illusions, which they could nurture, that it was going to work out all right. We can have no illusions.

The problem here, is that our people are attached to ideas, which are sometimes called "mainstream opinion," to which, if they cling, if they continue to support those ideas, like

liberal economics, this, that, and so forth; you know the routine, then this nation is hopelessly doomed. Because the will can not be found, to do the things which must be done, which oppose those opinions.

So, the question is: How quickly are people willing to give up their opinions, on these matters? So this takes us to the question: Can we convert the *fear* into the *passion of discovery*?

And, this is always a matter of leadership, because man's nature is, that we are creatures of ideas. The nature of the thing is that ideas are generated not by masses of people, they're generated by individuals within the mass. They're not circulated by communication. *Ideas are circulated by helping the person next to you relive the act of discovery, as you relived it.* Then you can look each other in the eye, and say, "Now we understand each other." That's how ideas are communicated.

What we require, is optimism. What we require, is leadership, from people, who, because they are in leading positions, as persons of ideas, as persons of authority, as persons around whom you can rally, we need people who will lead the process of saying, "Let's go up the hill. Let's climb the mountain. Let's give this up, put it behind us. Climb the mountain."

This moment in history

Think of ourselves as living at the most important moment in history. If we fail, if we can't do this, what is going to happen to mankind? Oh, man will live, in some form. But man will go through a great self-purging. Most of the cultures which have existed on this planet before this, are dead. The great empires of the past, are dead. Why did they die? *Because they had lost the moral fitness to survive.* And when a nation, or a culture, loses the moral fitness to survive, when it clings too long to ideas of the type which have taken over this nation in the past 30 years, it's *doomed*. Unless it can change its ways in time, it is as doomed as Sodom and Gomorrah. And that's where we stand.

The great moment, now, is that we have an opportunity to prevent that from happening to this civilization. We have the opportunity. We have one of the most important opportunities which could come to anybody, or any people, at any time: the possibility to rescue the continuity of modern civilization, to cause it to begin cleaning itself up, to do what it must have done a long time since, at the last moment, before it headed itself to doom. This is our opportunity.

Now, what are we going to do? The point is, to get that passion, get that sense of passion. Don't try to convince people on slogans, don't try to convince them on other things. Do as the great artist does. Learn from the greatest Classical art, which is always addressed, not to the words, not to the notes on the paper. It's always addressed to the innermost mind of the individual toward whom it's directed, to uplift, to ennoble that individual.

And only ideas which are presented with that attitude, and

that intent, can move a whole people in a time of crisis. That's what we've got to do. Let's go through some of the things.

First of all, we have to have the President of the United States put the international banking system into government-supervised bankruptcy reorganization. We must do it, before the absolute bottom is reached. We must do it—we probably can not do it, *until the perceived crisis is sufficiently intense in the minds of enough people, so the support is potentially there, for the President to do that.*

We have to be prepared

But before we do it, we must have it *planned*. You can't wait until you find a popular sentiment for action; you've got to be prepared before the sentiment arises. Then, if you *know* what you're going to do, when somebody says, "Okay, go ahead and do it," you're prepared. So, we have to be prepared.

What we have to do, is put it into bankruptcy—and you can't do it by the United States alone. The United States President, because our system of government is the best in the world, constitutionally, we have imbedded in our structure the best form of government, which means a President who can, under certain circumstances, act, as no other person on this planet *can* act, to change things internationally.

No government in Europe can do this. The governments in Europe are rotten compromises, where they imposed a quasi-nation-state status, upon a monarchical or oligarchical system. So you have a parliamentary system, or a modified parliamentary system, in all of the nations of Europe.

There are no true governments, in the sense of the U.S. Constitution providing a government, in any nation in Europe. They're compromises. Most governments are headed by prime ministers, and that's a terrible thing. It's like the man who cleans out the toilet. He doesn't know whether he's going to have a job or not tomorrow. He can be fired in a moment. So, therefore, he has no executive capability for leading the nation.

The governments are dominated, which we already have too much of, by a permanent bureaucracy, a permanent civil service bureaucracy, which runs the government, while elected governments come and go. You have these bureaucrats, like the Justice Department creeps in the Criminal Division, who are a horde of creeps, degenerates, and traitors, to the United States, or at least to its Constitution; who continue to do as they please, disregarding the elected governments of the United States, making up law as they go along, and even framing up the President of the United States and leading institutions, and destabilizing the government. *That ought to be cleaned out!*

But in Europe, that's the situation all over. Sweden? Swedish democracy is the worst joke in the world. The Swedish system has ministers. The ministers are relics of the absolutist monarchy, or quasi-absolutist monarchy before. The parliament is simply an advisory body, effectively. The parliament has no control over the ministers. And all throughout

Europe, you have this combination of relics of feudalism, in this form, combined with a parliamentary system, which is, you know, it's a concession to the dupes out there, called the people.

In our system of government, we have a President, who, when he functions properly, can do what Roosevelt did. And we've come to the time when we badly need that. What he has to do, is to find some allies. We have some allies.

The allies include China. Now, China is a great power, but it is not a world power. Why is it not a world power? It's got over a billion people. That's pretty good. But it's not a world power, *because it doesn't think like a world power*. It thinks like a China power in Asia. It thinks in terms of its Middle Kingdom outlook.

Now, there are individuals in China, who are leaders, who we know of, who *do* think in world terms. But they're dealing with a culture which has never gone through this idea of—well, because, remember: One of the key things about the government of the United States, is that our Constitution is based on Christianity, and on the Christian conception of man, which is the universality of man, and the sense of a moral obligation of any government, to the image of man internationally.

So, it's not a question of some kind of cooperation among nations. We in the United States think of ourselves as an individual in a neighborhood, that we are responsible for the whole neighborhood, implicitly. When trouble comes, we are responsible.

So, our system of government is designed in that way. We are a nation of concern. For those of you who lived during the end of World War II, Roosevelt was going to *eliminate* the British, Dutch, French, Portuguese empires, at the end of the war. Eliminate them! We had the power to do so, and he was going to do it. And that's real American thinking.

And, all of us who served overseas, who saw the imperial conditions, said, you can not expect to have peace and security for the United States, if you allow these conditions to persist in other parts of the world. How can you do it? Can't be possible. You must bring justice to the nations of the world, or we are not secure. We can't go around sticking our bayonets, or something, into every country, telling them what to do. But we have to have a commitment, to the degree that we have influence to shape things in the way which moves things in that direction.

So, China is that kind of a nation. It has some very good thinking. India is very important. Cooperation between India and Pakistan, and with Iran, as China with Iran, is extremely important at this time. You have chaos in Central Asia. Without dealing with China, and some people in Moscow, and Iran, you can't deal with the crisis in Central Asia. It's not possible to deal with it. These places can blow up. And you have Americans, and mainly Brits, monkeying around there, causing all kinds of problems. And this whole area, Uzbeki-

stan, Kyrgyzstan, Tajikistan: The whole thing could blow up! It's on the edge of doing so right now.

The key thing is, when you're trying to recover from a depression, the private sector is on its last legs. It can't function. You can't sit back and say we're going to let the private sector do this, the private sector do that. It's not going to work. They're not going to do it. They can't do it.

Government must act

So, that means that government must act. Now, government has to be very careful about how it acts in running an economy. Government is not good at running a lot of small firms. Government is good at doing certain things, of the character of basic infrastructure, which nobody else can do.

Who is responsible for *all* the land of a nation? Who is responsible for *all* of the people of the nation? Some private interests? No. The government has to be morally responsible, to see to it that the needs of development of the whole land area are taken care of; that the development of all the people, their education, their welfare, their health, are taken care of. And that opportunities are created for those who wish to do good in the private sector, to do good, and to get blessings of government, in the course of doing it.

So, therefore, government should concentrate itself on the things it does well; and, what the government must do, and what it does well, better than anybody else, is large-scale infrastructure development. Railroads, power systems, water systems, and so forth. That kind of thing. On the Federal and state level, that's the way we've run our system effectively, for many generations.

So, what we need, is a large-scale—We need a new monetary system. We can do that, that's easy. We need a large-scale development program, which will start the wheels of economy moving, and will also create the opportunity and stimulation for the private sector to begin functioning again. How do you do that? Large-scale infrastructure projects, with the private sector participating in the development program. Like the building of the railroads, like the building of power systems, and things of that sort.

Develop the Eurasian heartland

Now, what we have, we have Eurasia. Eurasia is the heartland of the world (see **Figure 5**). Asia alone contains about three-fifths of the world population. You have China, 1.2 billion or more. India, about the same amount. Pakistan, Bangladesh, Southeast Asia. Iran. And then to the north.

This is the majority of humanity. And their development is very poor. China has a coastal area, which is fairly well developed, the interior not. Central Asia is almost a vast wasteland, in terms of utilization of land area. India has got a problem, a sociological problem, because of the heritage of the caste system. So it has a vast underdevelopment, in a population which also has a fairly well-developed techno-

FIGURE 5

Eurasia: future main routes of the Eurasian Land-Bridge



logical capability. Pakistan can not function without India; economically, it's part of India, for historic reasons. It can not function, except in collaboration with India; Iran is a perfect excuse for that kind of function, it's the gateway to Europe.

So, what we've proposed for some years, is the development of development corridors, across Eurasia, which are not only transportation corridors, but which will be development areas, just like the Transcontinental Railroad that we developed in the 1860s. On either side of the transportation route, you have 50, 60, 70 kilometers, which is close to the transportation route, which therefore becomes an area of economic development.

So, our objective is to build zones of economic development along development corridors, across Eurasia. And there are about four major routes which we've proposed. China has agreed generally to three of these, and a fourth one, India has taken the initiative in, with China, in developing, which goes down into places like Jakarta, and then goes up to Teheran, and around into Europe, and down into the Middle East, and down into Africa.

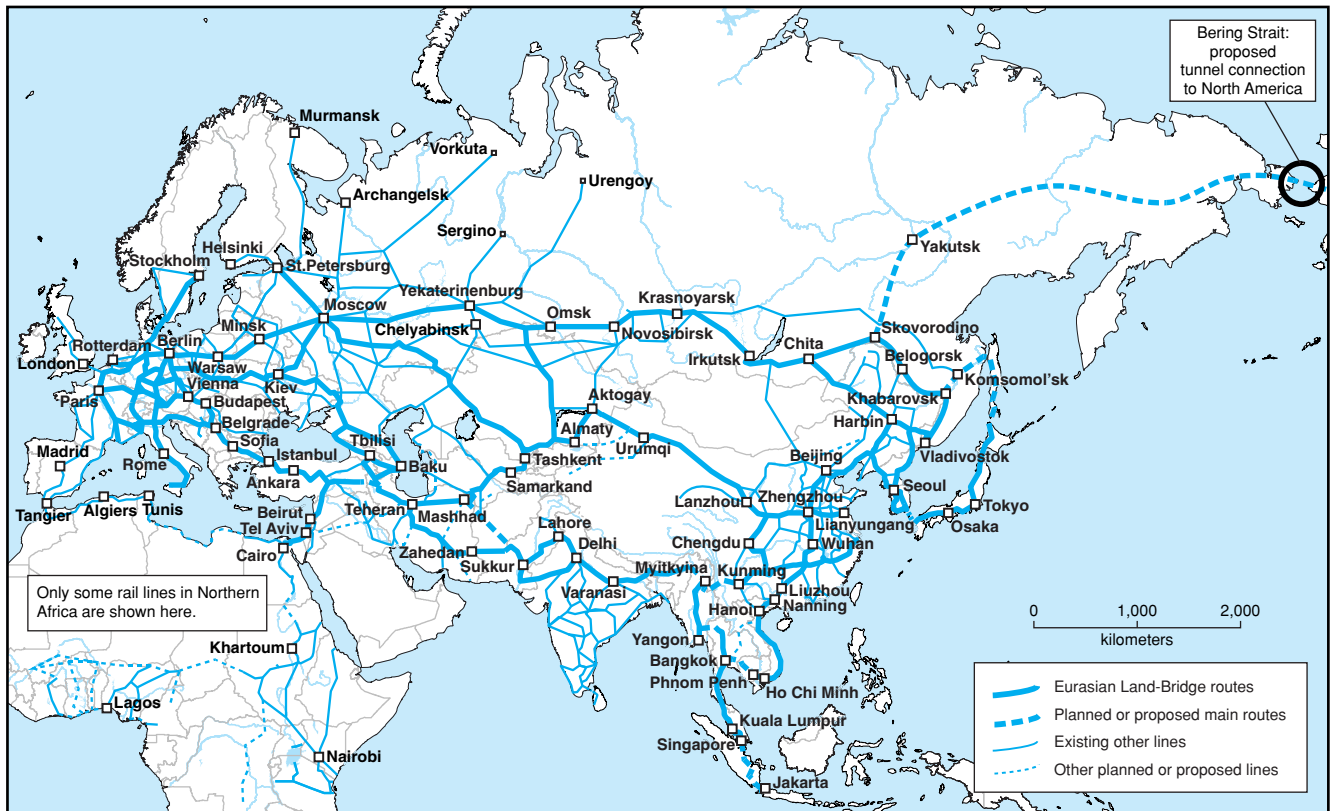
We haven't shown here the Africa business, but that's also part of the same thing.

So, the point is, let's take the nations here. If we can have peace between Pakistan and India, maintain stability in Bangladesh, keep the collaboration with Iran going, and China. And then, among these nations, you have a core of nations, which are all committed to a great project, each to their own advantage, and each to their own benefit, which need a new monetary system, to be able to turn this project into a general economic development and recovery of this region of the world.

So, why shouldn't those nations, and other nations, which are prepared to break with the British Empire — which is opposed to this, and *will be opposed to it*. It's the enemy. Why shouldn't we, around the President of the United States, gang up on the other guys, by one weekend announcing that we all agree to do this? If the other guys [the opposition] don't like it, it won't work, because once the United States, together with other nations, declares the system bankrupt and in bankruptcy, it *is* bankrupt and in bankruptcy. That's one of the powers the President has, if he has backing from some other nations.

FIGURE 6

Eurasia: main routes and selected secondary routes of the Eurasian Land-Bridge



The IMF ceases to exist

At that point, the IMF, in its present form, *ceases to exist*. Just like that. That simple. Because, once you take away the negotiability, the convertibility of power, credit, and so forth, from an institution, it no longer exists as a financial institution. It's finished! It must come begging at the door, and say, "Please let us in. We, too, are paupers, and we need management."

Under those conditions, then we can do that. The way we can do it, is because *we have a project, we have a purpose*. Infrastructure development. For example, let's take the India case, this Southeast Asia case. From Jakarta, across Singapore, through Malaysia, across Bangladesh, into India, and so on; also, with a route going into Kunming in China, and so forth. Also to this area.

So, we have a project. Now, along this particular area, there are relatively few kilometers of area, which are not already linked by rail. The major problem is a few bridges, like a giant bridge across the straits from Singapore into Sumatra, which would bring us, essentially, into Jakarta.

So, the project is *eminently feasible*, in terms of preparatory steps, which could begin now. The preparatory steps

would be immediately beneficial to these economies. The bringing of the private sector in, in the areas, in terms of contractors, and so forth, to support the process, would mean you would immediately stimulate growth in these areas. You would be converting *wasted assets* into productive assets. When you take people off the unemployment lines, and put them to useful work, you have recovered lost wealth. When you take land area, productive capacity, and put it back into production, for some useful purpose, you have recaptured lost wealth. And our greatest resource, asset, on this planet today, is the possibility of recapturing lost wealth in that way—as Roosevelt did, in his own limited way; much more limited than this, in rebuilding the U.S. economy, under the conditions of the late 1930s and the 1940s. We can do it again.

What we have to do, is, as I say, overcome—the great problem is the resistance.

The larger picture

Let's go ahead with this next one (see **Figure 6**). This is just more of this—this includes, across Siberia, a railroad bridge, across the Bering Strait, which comes down through Canada, into the United States, and essentially will run down

to most of the continent. We can extend it down into South America, which means, that you could actually have a land route, with a matching development corridor, which will connect virtually every continent on this planet, except Australia, and we'll figure out how to deal with that one in other ways.

So, that's the nature of the project, so that everybody benefits. And a good principle is, when you develop a project, try to develop a project in which everybody gets their fair share of the pie, so to speak. That's a good thing, even though it is somewhat erotic. But we agapic people will allow some people to be erotic, as long as they don't do bad things with it.

So, that is my message, essentially. A lot of things I've skipped over, or brushed over, because I wanted to give you just enough to give you a concept. Policy has to be centered on a simple fact, which none of the present economists take into account: The source of wealth is the creative powers of the individual human mind, which must be developed, and which must be given suitable expression.

The purpose of government, is not to please the people, but to give them happiness, which is much better. The happiness of knowing that their lives are meaningful. The essential thing about policy is to recognize that each of us is born—I hope. We don't know these days, with this new Third Wave stuff going on. I'm suspicious about some of these members of Congress, as to whether they were born.

And we're all going to die. Hopefully, we can postpone that. We have a dear friend of ours in Germany, whose birthday we just celebrated with her. She had some illness, so she wasn't ready for a mob scene. She's one of the world's great singers, and she's 94 years old. And we had a gay old time for about two hours with her, visiting with her, to celebrate her birthday with her. And her "kid brother" was there, who is 89. It was a grand old time.

So, we would hope, when you look at the beauty that some of these people in their 90s represent, which I think that our dear friend is going to do, if she gets that hip fixed up, you see that the preservation of individual life, and to extend it so that we may enjoy the blessings of great individuals for a longer period of time, is rather important and feasible.

But, in general, nonetheless, we're all going to die. And, that poses the question of what are we, if we're all going to die? What does life mean, if we're all going to die? Isn't that the question that government has to face, in real statecraft, in real law? Isn't that the question? Do we provide for the individual the opportunity for a meaningful life, a life which can be so lived, that it implicitly answers the question, what is the meaning of that travel, that transit from birth to death?

The bearers of great ideas

This can only be answered in the realm of ideas. It's not possible for any animal, in that way. Because if we are the bearers of great ideas, of truthful ideas, which we transmit to other generations; if we are custodians of the trust which is placed in us, the trust of humanity, while we are alive, if we

are *good* custodians; if we solve problems when we must solve them, because we're there to do it; if we contribute to the stock of ideas that make humanity better, can not government say, without being accused of bringing in religion, can not government say that the responsibility of government, is to give to each person the opportunity to realize themselves, as creatures made in the image of God, within the universality and simultaneity of eternity?

That should be the purpose of government. That, I believe, is the spirit of *agapē*. And that is what we must do. And we must find the connection between the practical, which I've just summarily indicated, which is the measures we must take, and realize that the obstacle is not the measures, because these measures are quite feasible, and they're based on many precedents which we can call upon, with respect to implementation.

The problem is, the need for the will, the commitment, the passion, to make the change. And the great challenge before us here in the room today, and many others like us, is to become like a virus, to infect humanity with optimism, and with the means to find the will to bring about the change. And if we can do that, and you have benefitted, in any degree, from either what I've said today, or the repercussions of it in the time ahead, then I hope this may have been the most important day in your life.

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