

LaRouche conducts campaign dialogue with legislators

On Sept. 3, Lyndon LaRouche's Committee for a New Bretton Woods hosted a dialogue between Democratic Presidential pre-candidate Lyndon LaRouche, and eight state legislators and union leaders from around the United States. Mr. LaRouche spoke by telephone from Germany, where he is completing his convalescence from surgery. The following is a nearly complete transcript of the discussion, which will also be produced as a campaign video.

Participating in the panel were: Sen. Joseph Neal of Nevada, chairman of the Legislative Black Caucus there, and chairman of the panel; Rep. Thomas Jackson of Alabama, who chairs the Agriculture Committee in the House; Rep. Harold James of Pennsylvania, Special Assistant to the President of the National Black Caucus of State Legislators; Bill McCann of New Hampshire, a former state legislator and state executive of the Service Employees International Union (SEIU); Melvin Muhammad of Nebraska, president of the Nebraska Association of Public Employees/AFSCME; Assemblyman Felix Ortiz of New York, vice-president of the National Hispanic Caucus of State Legislators; Rep. Joe Towns of Tennessee; and Rep. Ed Vaughn of Michigan, chairman of the Michigan Black Caucus.

The moderator was LaRouche's campaign spokeswoman, Debra Hanania-Freeman.

Introduction: Debra Hanania-Freeman

First let me begin by greeting all of you here. Distinguished members of the panel, Mrs. LaRouche, Senator Mitchell, members of the audience.

I'd like to say at the outset, because frequently one forgets to say this later on, but I really do want to extend my gratitude, from the very beginning of today's proceedings, to the members of the panel, because I know that every member of this panel has an extremely demanding schedule. And the fact that they took time



Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr., on the phone line in Germany, speaking with a panel of distinguished legislators and union officials in Washington, D.C. on Sept. 3, 1999. The group interviewed him on a wide range of topics vital to the 2000 elections.

today to travel to Washington, to engage in this dialogue with Presidential candidate LaRouche and to engage in future dialogues with the other Democratic Presidential candidates, I think is a great service to your country, to your constituents, and in fact to the world.

Because we are right now at a time of great crisis. And, from the standpoint of making a decision as to who will be the Democratic nominee, and who ultimately will lead our nation, it's extremely important, I think, that all of the candidates be put to the test to answer questions—not prepared questions, not questions that are decided upon in advance, but the questions that arise as the candidate, as a man or as a woman, addresses you and addresses his would-be constituents.

I understand, from the contact that we have had with the other campaigns, that at some point in the future, Senator Bradley would like to be interviewed by this panel, and we will do everything we can to expedite that process. Vice President Gore has not responded, and up to now, has not engaged in this kind of discussion. But we're hopeful that he will decide to do so. . . .

What I would like to do now, is actually introduce a gentleman who will then introduce the candidate whom I represent, Lyndon LaRouche. Let me say at the outset, that it is really with great regret on my part, and I know on the part of the members of the panel, that the man that I'm about to introduce, will make his introduction, and then will go back to his seat.

There is absolutely no question, that given the role that he

has played, both nationally and internationally as a leader in the Democratic Party, and most importantly, as someone who takes global responsibility, there is no question that he should serve as a member of this panel. And it is my understanding that he is prepared and will serve as a member of the panel when the panel moves on to interview the other Presidential candidates.

He will not be able to join in the questioning of Lyndon LaRouche, not by the choice of anyone here, but as a result of what has been an insidious and evil operation that has been run for years by the United States Department of Justice and the permanent bureaucracy that controls it, Mr. LaRouche and Sen. Theo Mitchell are not allowed to speak to each other, despite the fact that they had a long friendship and association before both of them were victims of illegal railroad and persecution by the Department of Justice.

The one point that I can say, which is a happy point, is that the events of the last few days in Washington, which have included the unusual spectacle of the Department of Justice raiding the FBI, might in fact finally do some service in bringing this hideous permanent bureaucracy to an end.

But, as it stands now, I'm pleased that Senator Mitchell can be here, and I'm very pleased that he has agreed to make some introductory remarks, and finally to present to you Mr. LaRouche.

And at that, and with that, I ask Senator Mitchell to come up here, and I turn the proceedings over to Chairman Neal. Thank you very much.

Senator Mitchell presents Lyndon LaRouche

Sen. Theo Mitchell: Thank you very much, Debbie, for those warm remarks. I certainly appreciate them. As has been said, it looks as though the fox has gotten into the henhouse over at Justice and the FBI. And I hope the fox eats up a whole lot of chickens, and keeps this scrap goin' for quite a while.

As has been stated before, and many of us know about it, and many of you have read it in the *Executive Intelligence Review*, you've read it in the *New Federalist*, you've read it in other publications from the movement and the Schiller Institute, truth across the Earth shall rise again. Because Lyndon LaRouche and company have told the world about this insidious conspiracy by these two bodies, that have actually destroyed faith in the United States government.

And that's why a lot of the militias are in place, because they don't trust 'em. They don't trust 'em.

To Mrs. LaRouche and to the members of this distinguished panel, and to you, ladies and gentlemen, I want to say that I am indeed proud, privileged, and honored to be able to introduce, I would say, the foremost statesperson offering for the office of President of the United States.

I regret being unable to even speak to the gentleman I am about to introduce, because of certain strictures that have befallen us.

Lyndon H. LaRouche, Jr. is a candidate for the Democratic nomination for the Presidency of the United States of America. This is not his first run. This is, we feel, *the one*, wherein this great statesperson's talents and opportunity will be recognized by the peoples of these United States.

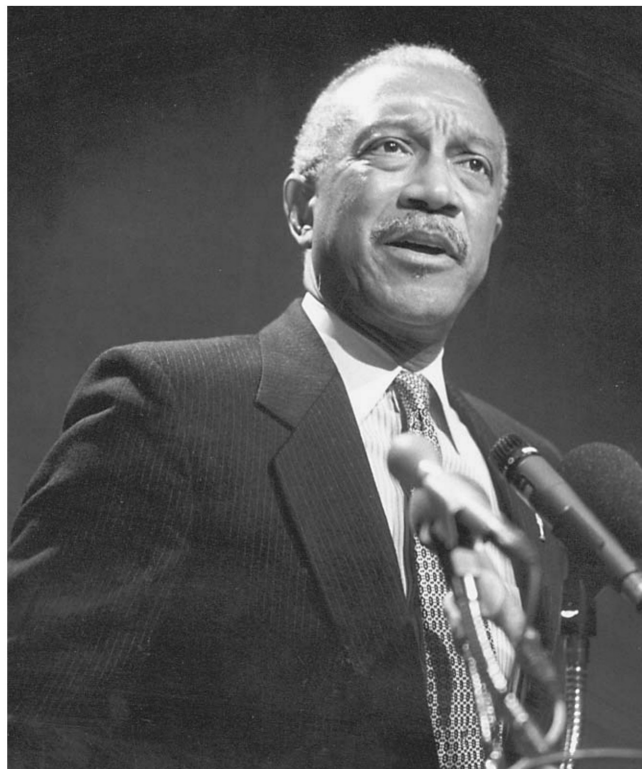
Mr. LaRouche was born in Rochester, New Hampshire. And people have asked "How old is Mr. LaRouche?" Lyn has never shirked from telling his age. He's 77 years old in years, and 37 years old in spirit and body. A very vibrant gentleman.

He is the founding and contributing editor of *Executive Intelligence Review*. He is a very prolific writer on domestic and foreign policy matters, as an expert; certainly in the economic arena, among others.

The gentleman has authored numerous reports, articles, and books. Among some are the ones on your desk: *To Save the Nation*, *The Road to the Recovery*, *So, You Wish To Learn About Economics?*, and many others.

The gentleman has an entree to most heads of state in South America, Asia, Africa, Central America, and Europe, notwithstanding the British Empire, of course. They haven't seen fit to tap his talents.

He is a man who believes that man was created in the image of God, and therefore, are brothers and sisters, one unto the other. He is a fair-minded man with many strong beliefs, which have never wavered, even costing him his freedom for some five years, in being firm for a fair, just, equitable, and



Theo Mitchell forecasts that LaRouche's current campaign will be "the one, wherein this great statesperson's talents and opportunity will be recognized by the peoples of these United States."

beneficial system of justice and economic New World Order. Fair.

He is married to the beautiful Helga Zepp-LaRouche, who is the founding president of the Schiller Institute, and serves as his right arm.

Most, if not all of us, are familiar with the story of "The Man Who Would Be King." Lyndon H. LaRouche, Jr. is such a man, but not wanting a kingdom. He is a man of courage, character, integrity, knowledge, and perseverance, among other attributes. He is a humanitarian. He believes in a sense of fairness.

He is a man who should be President of the United States. Ladies and gentlemen, I am honored to introduce to you the honorable statesman, Lyndon H. LaRouche, Jr., a man who is a prognosticator and put it in writing, and has never been found wrong.

Thank you.

Senator Neal: Who is Lyndon LaRouche?

Senator Neal: Those were some very inspiring words. And I would now take on the task which has been bestowed upon

Panel of dignitaries

Sen. Joseph M. Neal, chairman: North Las Vegas, Nevada; member Nevada Senate, District Clark County 4 (since 1972); chairman, Nevada Legislative Black Caucus; first African-American elected to the Nevada State Senate; President Pro-Tem of the Senate 1991-93 (served as acting governor on two occasions during that time); Democratic gubernatorial candidate, 1998.

Rep. Thomas E. Jackson: Thomasville, Alabama; member, Alabama House of Representatives, District 68 (since 1994); secretary, Alabama Legislative Black Caucus; chairman of the Agriculture Committee, Alabama Legislature, and vice-chairman of the Agriculture Committee of the National Conference of State Legislatures.

Rep. Harold James: Philadelphia, Pennsylvania; member, Pennsylvania Legislature, District 186 (since 1988); former chairman, Pennsylvania Legislative Black Caucus; Special Assistant to the President, National Black Caucus of State Legislators; Democratic chairman, Judiciary Subcommittee on Crime and Corrections, Pennsylvania Legislature; Council of State Governments, Criminal Justice Board of Directors; former president, Guardian Civil League; former president, National Black Police Association.

William H. McCann, Jr.: Dover, New Hampshire; former member, New Hampshire Legislature, District 11 (1986-98); Assistant Democratic Whip, 1993-98; State Executive Board, New Hampshire Service Employees International Union (SEIU), Local 1984; president, Chapter 41, SEIU; vice-chairman, Dover School Board.

Theo Mitchell: Greenville, South Carolina; served two

decades in South Carolina Legislature, first in the House, and later in the Senate; Democratic nominee for governor, 1990, when an FBI sting operation, "Operation Lost Trust," brought down virtually the entire S.C. Legislative Black Caucus; although he was not indicted in that operation, the negative publicity contributed to his electoral defeat (all convictions were subsequently overturned); candidate for lieutenant governor of South Carolina (1994), during which time he was subjected to heavy attack from the Justice Department on money-laundering charges; sentenced to 88 days in prison; ejected from the State Senate in 1995; today, he maintains a law practice and serves on the national board of the Schiller Institute.

Melvin Muhammad: Omaha, Nebraska; president, Nebraska Association of Public Employees/American Federation of State, County and Municipal Employees (NAPE/AFSCME) (since 1998).

Assemblyman Felix W. Ortiz: Brooklyn, New York; member, New York State Assembly, District 51 (since 1994); national vice-president, National Hispanic Caucus of State Legislators; second vice-chair, New York State Association of Black and Puerto Rican Legislators; chairman, Subcommittee on Sweatshops, New York State Assembly; Puerto-Rican/Hispanic Task Force; Black and Puerto Rican Legislative Caucus.

Rep. Joe Towns, Jr.: Memphis, Tennessee; member, Tennessee Legislature, District 84 (since 1994); member, Tennessee Legislative Black Caucus; Special Adviser to the President, National Black Caucus of State Legislators.

Rep. Edward Vaughn: Detroit, Michigan; member, Michigan Legislature, District 4 (since 1994); chairman, Michigan Legislative Black Caucus; member of the House (1979-80); executive assistant to Mayor Coleman Young of Detroit (1981-90).

me by the silence of the panel [laughter]. And if Mr. LaRouche is present, I hope that you can hear me. We have no indication here other than speaking. I would like to begin by asking the first question.

And the first question is simply this. Mr. LaRouche, how would you answer the question, "Who is Lyndon LaRouche?"

Lyndon LaRouche: Well, I can say that I came out of the World War II period. I was stationed in India and Burma, during the concluding period in the war and shortly thereafter.

In that period of time, I thought very much—as the war was coming to an end—about what lay beyond the end of the war.

My concern at that time, from that experience and other experiences in life, was to say: What kind of a world do we require to avoid some great conflict to erupt, like World War II, or something worse, later down the line?

It was my persuasion then, though I didn't know what Franklin Roosevelt's exact policies were; it was my persuasion that the following three points were crucial to the future of humanity.

First, that the British Empire, along with the Portuguese, the Dutch, and the French, must be disbanded at the end of the war, to bring to an end those colonial systems, empires, and their legacies, and to free the entirety of the human popu-



Panel Chairman Joseph Neal, State Senator from Nevada, asks the question that many voters—and should-be voters—are asking: “Who is Lyndon LaRouche, really?”

lation from that legacy. And to establish a community of perfectly sovereign nation-states in place of dominant and subjugated nations.

Secondly—this was Roosevelt’s policy; I didn’t know it at the time, but it was my persuasion, this is what had to happen: that the power of the United States, which was emerging from World War II as the dominant power of the planet, must be put to the wheel to bring about that kind of reorganization of the world. To bring about, for all of the world, the opportunity for the kind of justice for which we had fought for our freedom in the United States, in establishing our constitutional form, the Federal government, and a form of government which all of us in my generation associated also with the legacy of Abraham Lincoln, who, in my sense and the sense of many others, had, in a sense, perfected the intent of the Constitution, through what he did under the bloody conditions of that time.

And, that the world must be freed from the legacy of what Roosevelt, in his remarks to Churchill, called and condemned as the British Eighteenth-Century methods we associate with free trade, with Adam Smith, and so forth.

That the world must instead have access to a system of cooperation, based on the right to protection; for each country to protect itself from the ravages of currency speculation; a gold standard, and so forth and so on.

That we must use the perfected and proven model of what was once called “the American System of political-economy,” as Hamilton, Alexander Hamilton, our first Treasury Secretary, described it.

That we must use that kind of cooperation—use the very methods which Franklin Roosevelt had used, with whatever imperfection otherwise in his effort, to bring the United States out of the deep Depression of the 1930s, and to create the methods of mobilization which enabled the United States to determine the outcome of World War II.

That these same proven methods which Roosevelt had freshly proven in the fight against both the Depression and during the war, these methods must be used to mobilize the United States and the world in cooperation for bringing the same kind of economic benefits, freedom, and development, to all nations in all parts of the world.

Thirdly, that the United States, as Roosevelt had proposed, as in Morocco, where he challenged Prime Minister Churchill on this thing, and laid it out with maps, showed how the map of Africa would be revolutionized by great infrastructural projects. I didn’t know of that at the time, at the end of the war. But that was his policy. And I shared the intent.

I was in India, in particular, and I looked at the situation in India. I desired India’s freedom. I was an American, but I was an impassioned patriot for the freedom of India from British rule.

I saw and met the poorest Indians, coolies earning four to eight annas [one anna = 1/10 rupee] a day, as virtually slave-labor for the British during that period; and I saw these very poor, illiterate people, asking me as an American soldier, that when I returned to the United States, would I, among other Americans, campaign to get machinery for the textile and other industries of India, so India could rebuild itself?

I shared that. I was happy to hear that kind of plea of me and others from these Indians. It seemed that that’s what we had to do as Americans. We had to create—with our great power and influence, we had to mobilize nations to rebuild this planet, to build a system of true economic justice and freedom for all people.

Those are my convictions. These are the convictions I’ve had through the rest of my life.

As I became an economist, almost by accident, through a chain of circumstances in the late 1940s and early 1950s, this was the purpose to which I assigned economics.

I lived through many things. I saw the accomplishments, however limited, of the Roosevelt legacy. After Roosevelt died, of course, we did not continue Roosevelt’s legacy fully. But some parts of the measures he proposed were used, up through 1959, for example. At least for some of the countries of the Americas and Western Europe, we had a system, a Bretton Woods system of the time, which worked. It was based on capital controls, exchange controls, protection for our industries and the industries of other nations, but on an equitable basis.

We had, in place of the British gold standard, a gold reserve standard, which ensured that the prices of currencies would be stably fixed so that interest rates on long-term loans could be within the range of 1% per annum, which is required for the 20- to 30-year kinds of loans which are needed to transfer technology, advanced technology, to developing countries.

We moved in that direction. We rebuilt western Europe. We rebuilt the United States. And we built some parts of the Americas and some other countries.

These methods more or less worked up till 1958, when they began to be terminated under Eisenhower. President Kennedy tried to restore these kind of outlooks. Unfortunately, he was murdered. And after his death, the policies went in the worst possible direction.

By 1971, the world monetary system was destroyed by a decision introduced by Nixon in August of that year. A new kind of monetary system was created, the so-called floating exchange rate system. *This system, over a period of almost 30 years, has destroyed nearly everything and more that was accomplished from the time of the Depression up through the assassination of Kennedy.*

We are now at the verge of disintegration of the world financial system, a system which is hopelessly bankrupt, which may not even live out the present year. At present, most of the governments of the world are moving to assemble cash in anticipation of a total collapse of the present world financial system.

And if this happens without some remedies, then the whole world, trying to cling to the remains of a bankrupt, decayed, collapsed financial and monetary system, will go into the worst kind of chaos that it's seen since the Fourteenth-Century Dark Age in Europe.

Senator Neal: I appreciate your answer to that particular question. But if your answer's going to be as long as that one to the question I just asked, we have about seven members here who wants to ask you some questions, so—

Mr. LaRouche: All right, good.

Senator Neal: —we want to get to them, and let them ask you some questions, as they have constructed them. And I would like to start with Representative Tom Jackson from Alabama. If you have a question?

Representative Jackson: How can we restore our agriculture?

Representative Jackson: Yes, I do. I would like to say how grateful I am to be here on this panel today. Mr. LaRouche, I am state chair of the House Ag Committee in Alabama. And



State Rep. Thomas Jackson from Alabama reports that farmers in his state are experiencing a serious economic crisis, in part because of the collapse of demand from Asia and other regions.

Alabama farmers are experiencing a serious economic crisis, brought on by several factors beyond their control.

Among these, are the Asian and other foreign economics downfall in purchasing power, and resulting in less demand for U.S. foreign commodities. And also, we've had a serious drought in the state this year.

My question is to you: How do we go about restoring the farmers and making them profitable again, so they can continue to feed, not only the U.S., but people around the world? And what are your policies in restoring these farmers back to their economic conditions?

Mr. LaRouche: The policy that has to be approached in this—and it's a policy which has been tested, perhaps not perfectly, but very well, in our history as a nation at many points. The point is, as from the beginning, the policy of the United States under its Constitution, was the policy of General Welfare, which means that the Federal government is responsible to ensure that the general welfare of the entire population and its posterity, is secure.

Now, this means that since we depend on food production, and since food is essential to the United States, not only for our own domestic needs, but because of our ability to export to other nations which need this food, our policy has been to protect our agriculture, by giving the farmer, in all our sane periods, what's called a *parity price*. That is, to ensure that



An abandoned farm in North Dakota. LaRouche tells the panel: “We have to take virtually every policy, monetary, financial, and tariff and trade policy, and parity policy, reverse every decision that was made since 1971, as a start. And no other measure than that, can save the American agricultural system.”

the farmer gets a price, which, on the average, allows the number of farmers and farms we require and their acreage to produce the amount of food this nation requires as a whole, without losing money on it. That is, to break even, and do a bit better.

And also, at the same time, to have a national infrastructure project, which provides water management, which is a governmental responsibility, not the responsibility of the individual farmer; which requires power, like the Rural Electrification Program of the 1930s and 1940s, which brought agriculture up to its — what it became.

Also, the encouragement of cheap loans to enable farmers to make the capital investments of periods from 3 to 7 to 15 or longer years, which are necessary to take farmland, and turn it into increasingly highly productive area.

What we’ve done, is, in the recent period, we have destroyed all that. We destroyed the parity system. Farmers in this country are now producing way below the true cost of producing the food they produce. Drastic measures are being used, including the use of economic warfare, organized from the United States, to force foreign countries to dump the food *which they themselves need*, on our shores at cheap prices, to drive down the prices paid to farmers in the United States.

We are now in danger of losing national food security. We have to take virtually every policy, monetary, financial, and tariff and trade policy, and parity policy, reverse every decision that was made since 1971, as a start. *And no other*

measure than that, can save the American agricultural system.

Representative Jackson: Okay, thank you.

Representative Vaughn: How can we reduce crime?

Senator Neal: The next question is coming from Ed Vaughn, the representative from Michigan.

Representative Vaughn: Mr. LaRouche, what is your stand on the issue of crime? Many of the Presidential candidates are posturing on this issue, and of course we know that the drug trade drives much of the criminal activity in America.

What would you do, as President of the United States, to deal with the issue of crime, and deal with the issue of the drug trade, the illegal drug trade?

Mr. LaRouche: The way to deal with crime, is not savagery. For example, the state of Texas, of George W. Bush in Texas, is an example of *inhuman savagery beyond toleration*. That is not the way you deal with crime.

You also need a justice system, on the Federal level as well as the state level, which operates on the basis of the tradition of natural law.



State Rep. Edward Vaughn of Michigan (left), with William McCann, Jr. of New Hampshire. Vaughn notes that many of the Presidential candidates are just posturing on the question of crime and the drug trade. What would an effective policy be?

What we have now in law, is an out-of-control Justice Department, and out-of-control justice departments of many states, a corrupt system of Federal courts.

Yes, there are some honest judges out there. But there's some horrible corruption. As they say in certain quarters, "Fish stinks from the head." And the Supreme Court is one of the place where the stink comes from.

That the idea of law and justice which used to exist, is being systematically destroyed. At the same time, we've destroyed the educational system, we've destroyed the economic system on which our stable society was based, we are demoralizing people, in the sense of introducing massive cultural pessimism. *We're doing all kinds of things to increase the disposition for criminality, because people no longer believe in and trust this society, and this government.*

Therefore, when you drive people crazy, when you demoralize them, when you don't educate them, when you confuse them, you stupefy them, you bestialize them, and you turn around and you find they're behaving like criminals, when you give them no alternative, in a sense, except to be demoralized people—and criminality comes from that.

You've got to stop trying to get revenge on the criminal. Yes, we have to control crime, which requires a fair and efficient law enforcement and criminal justice system. It does not

require putting people in prison for life for some small thing, like this Jean Valjean, put into Devil's Island—for stealing a loaf of bread.¹

We don't require that kind of justice. We require firm, clear justice. But we also have to address the sources of the sickness which have caused the increase of crime. And the biggest cause of the increase of crime, is the changes in the policy of government over the past years, over the past 30 or 35 years. And we have to reverse that.

When people believe that we have gone to that kind of policy, then you can go out and start redeeming people. But what are you going to say to the poor, demoralized fellow on the street, who has no prospect, no life, no education, nothing? What are you going to say to him, to promise to him, to give him the confidence to put his life back together again?

Without that idea of rehabilitation based on promises which people can believe in, you're not going to control the crime process. You're going to produce a New Dark Age.

Senator Neal: You want to just follow up on that?

Representative Vaughn: Yes, yes. On the illegal drug trade, what is your opinion on that, and how could we deal with it?

Mr. LaRouche: This was calculated. People don't like to talk about so-called conspiracies. *But I know how the drug trade in its present form was organized.* I also know that a former President of the United States, whose son is now running for President, at least on the Republican nomination side, was a guy who, to my personal knowledge, was involved in promoting the trade in drugs, and used the promotion of drug trades for financing off-the-shelf operations, such as Iran-Contra.

Those things are raging around the world. You have organizations, important, influential organizations, tied to Wall Street, including the New York Stock Exchange's [Richard] Grasso, who are actually promoting the legalization of the very drug trade which is helping to destroy our population, while looting the process at the same time, financially.

The Colombia case, the policy of working with a criminal terrorist drug organization, the FARC, in Colombia, supporting it through the State Department, through Madeleine Al-

1. The reference is to the novel *Les Misérables*, by Victor Hugo.



New York Stock Exchange President Richard Grasso (left) meets with FARC narco-terrorist leader Raúl Reyes in Colombia, June 1999. States LaRouche: "The policy of working with a criminal terrorist drug organization, the FARC, in Colombia, . . . this kind of thing is destroying the moral fabric, the economy, and other things in our society. It has to be stopped."

bright in particular, among others, through the head of the New York Stock Exchange, among others; this kind of thing is destroying the moral fabric, the economy, and other things in our society. It has to be stopped.

I've been fighting it for years. . . . Just don't get a Bush family in there; you're not going to control that.

Representative James: racism in the government

Senator Neal: Our next question, Mr. LaRouche, is coming from Rep. Harold James of Pennsylvania.

Representative James: Thank you, Mr. Chairman. And also, I'd like to thank the conveners of this forum, because I think it's very important that we as policymakers, coming from different parts of the country, can get an opportunity to address a Presidential candidate and express our concerns on the issues that impact our communities and our districts. So, I want to thank you for this opportunity.

And to you, Mr. LaRouche, my question—though I do have a question about the Justice Department—but my prevailing question is more important than that, at this point. And I'll come back to that.

If you were President, what would you do to help alleviate

the racism within our government bureaucracies, particularly the Justice Department?

Mr. LaRouche: Well, first of all, you have to clean out the Justice Department, and part of the FBI. I know, as some others know, that the present Justice Department, especially certain parts of the permanent bureaucracy, that is, the permanent people, such as Jack Keeney or Mark Richard in the Justice Department, these guys who run the Criminal Division, are reeking with actual racism. They condone it, they use it. It's elsewhere.

So, also we have in this country, the revival on the side of something we call a "New Confederacy Movement." You have this "New South" Southern Party. You have great numbers of people who are espousing, on the radical Republican side, actually the very policies, the racist policies, of the Confederacy.

We find many of the revisions in our laws and policies are of that form. I know this personally. I think other people know it personally: This country is being riddled with the worst racism, since Jim Crow. And it's being promoted by elements of our government, by sections of the Republican Party, a very important section, the most radical section; by those who are going for a New South, the splitting of the United States to sort of re-establish the Confederacy, that sort of thing.

And until we name names, and identify this problem, we're not going to stop it.

But the other side of the thing, the other side of the racism, is that the complement is—look at our prison system. We

have a selective process . . . People of the so-called minority groups, are the targetted groups of this kind of racism; are being victimized, they're being dehumanized, they're being de-citizenized, and they're being used for slave labor in the prison system, and similar kinds of things.

So, the economic policy of the United States, the lack of development opportunities, combined with explicit racism within the political party system, explicit racism, especially within the Justice Department, where it's most damaging, these kinds of problems; unless we reverse those policies, and clean up those institutions, we're not going to solve the problem. It's going to get worse.

Senator Neal: Mr. James has a follow-up question, Mr. LaRouche.

Representative James: Thank you. I just want to continue along that vein, Mr. LaRouche. Also, to his credit, President Clinton, as the leader of our country, has started a discussion on racial relations. And though you just outlined what you would do in terms of racism as it relates to the justice system and some bureaucracies in the government, what would you do if you were President to continue or improve what President Clinton has started, as relates to race relations? And what would you do?

Mr. LaRouche: Well, first of all, the first place to put the emphasis, I think, is on jobs and education. What is usually done, is they play one group of people—so-called minority groups or ethnic groups—against the other. And that's how this competition for life, this sense of being victimized, is the thing that feeds racism. In other words, when you reduce the society to the form of a Hobbesian society.

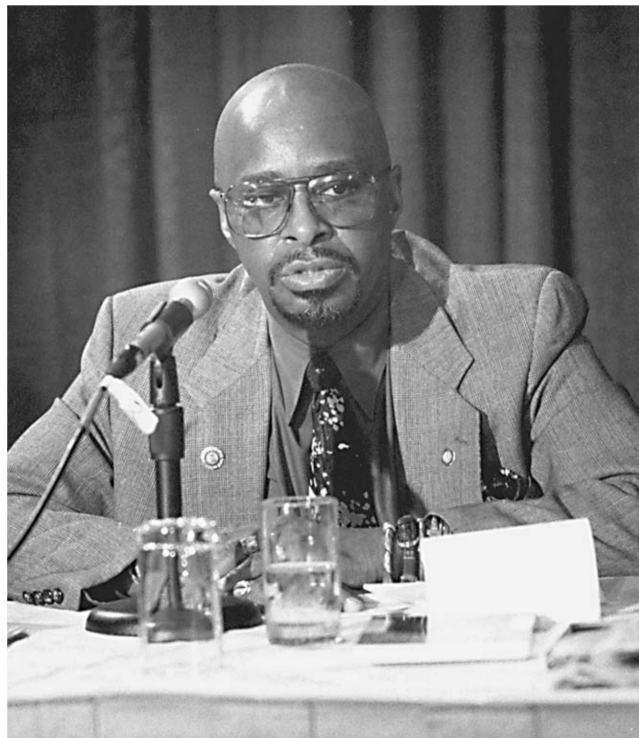
The other side is, the measures which are needed to eliminate it. Martin Luther King had the right idea on the whole thing.

And Martin Luther King's policy on dealing with the question of civil rights, was to say that the nation must be repaired. It's not simply a matter of getting equal rights for African-Americans. What is needed, is to make the nation whole.

And as long as you have this disease of oppression of African-Americans in the population, *you're not going to have a whole nation.*

This was the same policy, for example, in Germany, of the famous Moses Mendelssohn, who revolutionized the struggle of Jews for liberation in Europe, by making the advancement of political citizenship of all persons, the basis on which Jews would struggle, rather than just for Jewish liberation. And it worked. As the result of the work of Mendelssohn and so forth, this sort of thing succeeded.

So, what the President of the United States must do, is express this kind of policy. Other institutions must express this policy. But they must back up the commitment to good will, with practical measures of policy, such as economic and



Pennsylvania State Rep. Harold James asks what can be done to eliminate racism in America—including most especially the racism that exists in the U.S. Department of Justice.

other measures, which *prove* to people that we're going to build the kind of society that works, where it's not a question of fighting—one ethnic group fighting against another over diminishing shares, but that we're going to work together to build a society.

For example, one of the big problems is, of course, in recent years, a savage attack to eliminate African-American representation from the state and Federal legislatures, to drive those influences out. In a sense, a reversal since the middle of the 1970s, a reversal of the trend towards civil rights.

The result is, that the African-Americans today, and others, in the Federal government and the state government, *have less representation and less influence than they had earlier.* This reflects itself into the population generally, where people who are African-American, for example, see that their political representatives have less influence, less power, less dignity, than ever before. And this means that they themselves are being stripped of their humanity.

And so, these kinds of things have to be said openly. They have to be said, above all, by the President of the United States. They have to be said by parties and institutions, and factions of parties and institutions. And practical measures to address these grievances, must be met.

When people who feel they're victimized know that their rights are being addressed, that their expectations are going to be realized, maybe not as fast as we would like, but they're

going to be realized, then you will have a spirit of optimism, and this man-eat-man, dog-eat-dog atmosphere of the present time will begin to vanish.

Melvin Muhammad: the conditions of labor—and slave labor

Senator Neal: Mr. LaRouche, the next question is coming from Mr. Melvin Muhammad, who is head of the Nebraska public employees association.

Melvin Muhammad: Thank you, Mr. Chair and good—I think it's evening, early evening there, Mr. LaRouche?

Mr. LaRouche: Yes it is. It's a nice early evening.

Mr. Muhammad: Okay. My question, since we're talking about some of the atrocities of the Department of Justice and that apparatus, my question really goes into the slave labor that's being utilized in Asia, parts of South America, Central America, as well as the growing population of slave labor in our prisons.

I would like to know, as President of the United States, what you would do to address those issues of this new form of slavery.

Mr. LaRouche: Well, the first thing you have to do—of course, the obvious thing I've referred to in answer to earlier questions apply here. So, without repeating that, let me concentrate on what I think is more narrowly specific to the general problem.

Look, look at the families in the United States. Now, go back to, say, a steelworker in Pittsburgh in 1968. Say he's about 35 to 40 years of age. He's risen in his position within the industry as a trade unionist, to the point that he's on one wage; his wage will support his family, with several children, and will contribute, in the course of time, to putting those children into a university and through it. That's done on one wage, or maybe somebody else in the family helps part-time.

But the family is together, they meet together at meal time. They have a cultural life. They have a neighborhood which is reasonably safe. They have a school that works, where they receive a quality of education. Maybe not the best, but they're getting something, the kind of thing we knew before.

And what's happened today? That family household now requires three to four places of employment per week—sometimes for two members or more. The children are reduced to latchkey children. The education is worse than a joke, compared to what it used to be. Ritalin and other drugs, Prozac and so forth, are used in the school system indiscriminately, so that now teachers and school institutions, have become drug-pushers.



Melvin Muhammad, labor leader from Nebraska, addresses the appalling issue of the slave labor conditions that exist in the Third World, as well as in prisons in the United States.

Many of the children who are victimized by these Ritalin and other programs, will become violent under certain conditions of stress. They're incapable of cognitive activity, or have a reduced capability. They will tend to become useless and violent.

At the same time, by this reduction in the standard of living, we have—in a sense, we've destroyed the possibility of a decent form of life. So, therefore, we're going to have to look at the question of minimum wage standards; we're going to have to look at emphasis on re-creating industrial, agricultural, and high-technology jobs, in place of low-paid service employment. That must be our national policy.

But what we're doing now, is we're degrading the population. What do we do? We turn around and we take people, we throw them out of the system, whether through prisons or otherwise; we force them to compete with foreign slave labor, as is being done with the *maquiladoras* in northern Mexico, and other parts of the world; or as is being done in Samoa and elsewhere around the world.

And we are grinding people up. We are turning the United States, by and large, increasingly into a semblance of a Nazi concentration camp, where people just slave, below subsistence, their children are uncared-for, unnurtured.

The pessimism and hatred and despair throughout the society, is increasing. And unless we reverse these policies,

these so-called free-trade oligarchism policies, the globalization policies; unless we reverse this and go back to a system of sovereign national states and cooperation among sovereign national states with these kinds of policies, we're not going to correct it. That's what the issue is.

Assemblyman Ortiz: Where do you stand on NAFTA?

Senator Neal: The next question comes from Assemblyman Felix Ortiz of New York.

Assemblyman Ortiz: Thank you, Mr. Chairman. Mr. LaRouche, I have just a follow-up on the previous question. And it is regarding to the issue of NAFTA [the North American Free Trade Agreement] and sweatshops in America.

I represent a district in the city of New York, that if someone will look very, very close at my district, I probably have one of the biggest districts whose factories send garments to the people of United States of America.

We have a serious problem in my district, and I would like to just point out that we have the problem also in the

entire U.S.A. And due to the fact that you had experience living in, or being in, India, where most of these garments get produced, in that particular country and outside America.

Since NAFTA was established, we have lost a lot of these biggest factories and contractors and sub-contractors that used to make these garments in the U.S.A. And I just would like to be very clear about, what is your reaction, and what will be your policy if you ever get elected as the President of the United States of America, and what will be the result of NAFTA, and how would you work with this particular implementation that was done previously under this administration?

Mr. LaRouche: I would cancel NAFTA entirely, and everything that goes with that kind of philosophy. You know, for years I've had a special relationship to the Republic of Mexico, and was very close to the President, López Portillo of Mexico, at the time he was President. As a matter of fact, we got into trouble together trying to do the right thing.

So, I saw from inside Mexico the horrible things that U.S. policy was doing to the people of Mexico. I saw how the development of slave labor in Mexico, under U.S. pressure, particularly after 1982, was used not only as the Caribbean—non-Puerto Rican, for example—Caribbean populations are often used in, for example, in New York, as virtual slave labor

in that area; or the similar kind of thing done to Mexican immigrants in southern California, Texas, and so forth.

What we had was a process of using the enslavement of people in the *maquiladoras* in northern Mexico, which are virtually concentration camps, by economic standards—we're spilling that disease by cheap labor, virtual slave labor in Mexico, spilling it over into the United States.

It spills up to places like New York City or Los Angeles, in particular, as typical of this kind of problem. And then it turns around so that the cheap labor is now—in the United States—is now forced, in order to try to hold their job, to compete with still cheaper labor from various parts of Asia, and so forth.

Well, this is crazy! We actually have to have a protectionist policy to guarantee fair wages and fair forms of employment, of *modern* employment, not slave-labor, not physical stoop labor employment, but dignified forms of employment, and protected wages.

We've got to have that kind of policy, which was formerly the typical American policy. NAFTA, which was proposed by the British Commonwealth



Assemblyman Felix Ortiz from Brooklyn, New York (left), with Harold James. Ortiz, whose district includes a heavy concentration of garment workers, decries the effects of the North American Free Trade Agreement on U.S. labor, as factories ship their operations south in search of cheaper labor.



The New York City garment center — an industry where sweatshop conditions have long prevailed. Says LaRouche: “Our desire should be, to eliminate low-grade jobs by upgrading people into higher-grade employment. That means that we must have a systematic program of both generating credit systems to expand the U.S. economy and develop it, to expand infrastructure development, and at the same time, to keep raising the minimum wage in ways which ensure that we discontinue kinds of employment which are inherently unacceptable to the kind of standard of living we must have for all of our people.”

via Canada, was then, with a bunch of people who were too close to Wall Street, dumped as a policy on the United States.

The United States worsened the conditions greatly in Mexico, in the name of providing more jobs. But what kind of jobs? Slave-labor jobs, with increased mortality rates, destruction of agriculture, industry.

Look what’s happening to Mexico now: The place is about to blow up, as a result of NAFTA. In the meantime, we’re using the disease that we’re imposing on Mexico and other countries, we’re importing the disease into the United States, we’re killing off our population, criminalizing, brutalizing them.

It’s not right. And NAFTA must be repealed. We must go back to a traditional American protectionist policy. And we need a strong labor movement, also, to help government, through the private sector, to enforce fair standards of employment, conditions of employment, in the United States itself, and to enforce the kind of protection which our job, wage-earners and households require.

Assemblyman Ortiz: Just on this same issue: When you talk about national minimum wages, it just came to my top of my head: If you’re elected, would you put a commission to try to come out with some kind of resolution at the international level, where the American companies are making contracts with the international [companies] or the Third World, to make sure that those people who are making garments, will be able to make, I would say, a fair living?

Mr. LaRouche: Yes. I’d do two things. The minimum wage by itself will not work. You have to create the conditions under which the minimum wage will work, that is, the fair minimum wage, not some wild compromise.

The way you do that, is this: First of all, the first thing we have to do in the United States, we have to rebuild our infrastructure. Look, we’re short of power. We’re going to black-out and brown-out, but now black-out.

We see the effects of the lack of water management, in terms of the recent drought pattern across the United States, and its effect. Nothing is done about it.

The destruction of infrastructure in the United States since 1971-72, is a great cause of loss. We have people who have very few skills. They can’t qualify to compete on the world market, in terms of skills. We have to create jobs, infrastructure jobs, we have to remedy these problems of shortage of infrastructure. We have to use this job creation as a way of building up a baseline for increase of levels of employment, for increase of standards of employment.

We also have to have a sense of national purpose.

Now, let me just divert for one thing, because this is a complicated question, if you want a workable answer. It’s not a simple question of just setting a minimum wage.

What we have today, is that the greatest part of humanity is concentrated in East and South Asia, and with a few other areas adjoining to it. There’s about two-thirds of humanity, really, which is located in these areas.

These areas can not possibly grow, as both China and

India, for example, would like to grow, without the infusion of large-scale machine tool-grade imports from countries such as the United States, Japan, and western Europe. Therefore, we have to have a policy that the United States, in partnership with western Europe and other parts of the world that produce machine-tool technology, will create a system of long-term—I'm talking about 30-year term, low-cost—we're talking about 1% interest credit systems; not loans, but credit systems, which will enable these countries to buy high-technology U.S. exports from the United States, western Europe, Japan, and so forth, in order to build up their countries. This will then foster the upgrading of skill levels in the United States.

Our desire should be, to eliminate low-grade jobs by upgrading people into higher-grade employment. That means that we must have a systematic program of both generating credit systems to expand the U.S. economy and develop it, to expand infrastructure development, and at the same time, to keep raising the minimum wage in ways which ensure that we discontinue kinds of employment which are inherently unacceptable to the kind of standard of living we must have for all of our people.

And I'd have such a commission, which would work on those kinds of problems and those relations, which I would do in the Roosevelt tradition, through the Department of Labor. I would have a Department of Labor commission under direction of the President, which would work on specifically this kind of interrelationship of exports, credit, minimum wage, and employment patterns in the United States.

Bill McCann: the role of the Federal government in education

Senator Neal: The next question will come from Bill McCann of New Hampshire, who is affiliated with the SEIU union.

Bill McCann: Thank you, Mr. Chairman. Thank you, Mr. LaRouche, for taking the time to listen to our questions. I've heard you mention, more than once so far, education. And I guess my question to you is: How do you view the role of the Federal government in education? Should the government help local school districts with infrastructure, like buildings, or should the Federal government provide local school districts with resources to train and hire competent teachers? I just would like to understand what your view of the role of the Federal government would be in education.

Mr. LaRouche: Well, Bill, you probably know that in the immediate postwar period, the Congress enacted a very important piece of legislation concerning health. It's called the Hill-Burton Act. And this was a bill which set certain target

goals, broadly defined, but they would work them out. The Federal government, the state government, the local government, and private institutions, which were in the health industry area—that is, hospitals and similar kinds of things—would work together, to ensure that every community in the United States, would have, in its locality, what it required to meet these health standards.

Now, this was called Hill-Burton. And up until about 1975, when the downturn in hospital care occurred in the United States, with the New York City crisis, the Big MAC crisis of that period; up until that time, this Hill-Burton Act had been successful. Not as successful in every part country as it should have been, but it worked.

What I would do, is take the similar approach to education. Say, the Federal government, the state governments, the localities and private institutions, have a joint responsibility for ensuring that the kind of education we require, as a nation, will be delivered to every child in every community. And therefore, you have to have a combined program.

You can not have a very simple program, a so-called giveaway program. You've got to actually get in there, and say where the credit must be given, or where grants must be given. From areas which can afford to give it to the government as a whole, these grants must be given, in order to ensure that every child in the United States has two things. It's not merely the *amount* of education they get, it's the



Former New Hampshire legislator William McCann, who currently serves on the Dover School Board, raises the issue of what the U.S. government's role should properly be in education.

quality of education. The quality of education in the United States today, stinks, even by the terrible standards which I experienced back in the 1930s and 1940s. It stinks. It's not fit for human consumption.

We have to have a teacher re-education program. We don't have qualified teachers. We have — think of the number of children who are on Ritalin, Prozac, and similar kinds of programs, who are being zombified in the name of education.

Think of overcrowded classrooms. I was up there in New Hampshire; I recall, back in — what was it? — 1980, '88. And I saw the conditions in some of the local school districts up there. They're hideous, absolutely hideous, as a result of conditions which you understand just as well as I do. Or the Manchester school system, the same kind of problem.

So, we don't have the teachers. We don't have the classroom facilities. We don't have the quality of education. We don't have the textbooks, the educational aids required. So, the Federal government must take all of these things into consideration, and take the leadership in ensuring that these kinds of measures which are required, are taken.

So, I would put this again in the Education Department, as its mission, together with the Labor Department.

Representative Towns: economic growth and minorities

Senator Neal: The next question is from Rep. Joe Towns of Tennessee.

Representative Towns: Thank you, Mr. Chairman. Mr. LaRouche, it's also good to be here to participate in this panel's interview, relative to your Presidency of the United States. I look forward to the questions that I have here to be answered, and I have a few questions myself. And hopefully, I'll get a chance to get a second round, and ask some of the other ones.

But one of my main questions would be the economic growth of this country: When the economic times are good in this country, you will find that minorities and women don't participate in the growth, not in the growth in terms of the upper mobility in the jobs, not in the growth in terms of the ownership of the companies.

There has been a move across the country to reform welfare, and I agree welfare should have been reformed. But in the process of reforming welfare, if minority people are going to take a stronger stake in the country, how do we encourage and spur ownership of business, and become major partners and players with the government and corporate America in the minority communities?

To me, that would be one of the surefire ways of reforming

welfare: Those people that have traditionally been on welfare, are players in owning a part of this country. What would be your economic policy toward the growth and development of minority people in this community, or the United States?

That's one question.

Mr. LaRouche: If you want the seeds to grow, you've got to plow the field. You just can't throw the seeds into the field. Well, the problem is, that the employment and education and related environment, and the social environment in the United States generally, militates against any such effort.

Look, we're going to have the biggest wipeout of private financial institutions in the history of the United States. It's going to hit as an immediate threat, probably as early as this fall. This blasted financial system is doomed. Nothing can save it in its present form.

That's what will hit this country, unless the proper leadership comes from President Clinton and he gets the support he needs to do it; unless that leadership comes in a timely fashion, this country is going to experience suddenly a financial collapse which will wipe out probably 40% of the American families, financially, almost overnight; which will wipe out most of the existing businesses and jobs, unless the President takes the kind of emergency action which reminds us of the Franklin Roosevelt tradition, but a little bit more so. That's the general situation.

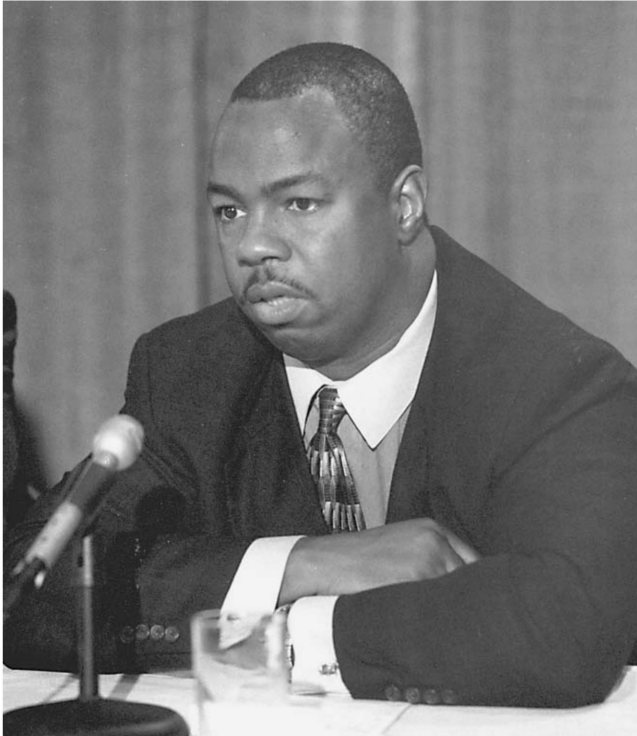
Now, what we have to do, is we have to have a general economic growth program, in which the Federal government functions not merely by providing money, because we're not going to have much tax revenue in this period ahead. It's going to have to rely upon methods which were used, say, in reconstruction in Germany, under the Marshall Plan period, during the post-World War II period, from '47 on through '58.

We are going to have to supply credit, which keeps rolling over, we're going to have to supply borrowing power to local channels, including, we'll keep banks in business which are bankrupt, because we need the bank functioning, to pour funds into infrastructure and other things.

The infrastructure investments and other investments will then become a stimulant for private contractors in the areas which benefit from the flow of credit and funds, through these infrastructure projects. It's an improved version of what Roosevelt tried to do with his experiments during the 1930s.

In that process, if we couple that with programs and real reform, serious education, if we demoralize our people, who are demoralized — it's very difficult to get demoralized people who are totally illiterate or semi-illiterate to work and work effectively on this kind of thing.

Take the kind of environment which you see, for example, in the case of Malaysia, the Prime Minister there, Dr. Mahathir bin Mohamad. This is a good example of how to do things: to take a population which seems not to be able to take care of itself adequately, with limited skills, and over a period of



State Rep. Joe Towns, Jr. of Tennessee points out that minorities are often left behind, when economic growth occurs. How can we ensure that all people share the fruits of national progress?

time, by concentrating in this direction, you move the population upward.

We have to have a targeting program, which combines what the government does with credit programs and other stimulus programs, through infrastructure and through the public sector, into creating the financial basis for the growth and sustenance of private industry.

In that process, people who make their way through this process, economically, will often emerge—those who have a little more talent, a little more energy, a little more commitment—will generally provide the new private businesses, which in that environment, and with a sympathetic banker, will be able to get through that three-year to five-year initial period of establishing a small business.

That's the only approach, I think, that will work.

Representative Towns: Okay, Mr. LaRouche, what my concern is, even on a scenario like that, it seems that even in the best of times and the best-laid plans, there are still minorities who are not even—they're not successful in getting the loans at the banks, they're not successful in getting the contracts with your state and local, and your Federal governments.

I mean, in my state alone, you're looking at minorities doing one-tenth of one percent of business with the state of

Tennessee, and that's pitiful. And I'm pretty sure the numbers will be the same with the U.S. Federal government. And now, we're in a climate where everyone is attacking Affirmative Action. You can see the decline of the enrollment in schools, your professional schools in California with Proposition 209. So, it's seemingly that with all the best-laid laws on the book, minority people still manage not to benefit from it, like I would like to see it done.

As a leader of the country, how do we stabilize and turn that tide to ensure that minority people are benefitting from the economic prosperity of this country? And if you're not doing business with the Federal government, if you're not doing business with corporate America, if you're not doing business with retail America, who are you doing business with? I guess the black market—the dope man.

But, at some point in time, we've got to have a leader who will ensure that the games are stopped, that there are no games being played with the money. There's too much poverty in the minority communities. Poverty runs too deep. And you've got one man in this country who can own and control \$90 billion or \$100 billion. And you've got one who can't make \$90 a month, hardly.

And there's something wrong with that. And when you understand the history of this country, a lot of it was gotten illegally: slave labor, the whole nine yards. And we've got to bring people into the economic windfall that exists in this country. And I don't see the leadership on the horizon that deals with it. They deal with jobs. I don't want a job. I want a business. I want minority people to be in business, and controlling some of their own existence, by hiring their own people, by hiring people in the communities. And the government has to play a major role in that, because it's played a major role in it for everybody else.

And I would also like to hear your opinion on how would you repair the damage that I think has been done to Affirmative Action, as it stands today? What is your opinion on how we deal with that, going into the new millennium?

Mr. LaRouche: Well, what happened, is in 1967—'66, '67—there was a subtle change in policy within the Johnson administration. Johnson himself, with some qualification, took a good position on the question of civil rights—under considerable pressure from some friends of ours—but he took the position. But at the same time, there was a change in economic policy, in the economic foreign policy, in terms of the State Department, and other policies, including the fiscal year 1967—'66-67. There was a downturn and shutdown of the space program, which had been the biggest stimulant and was the greatest prospect for improvement in the condition of the groups of people who presumably were going to get the benefits of the new civil rights atmosphere, under the Civil Rights Act and so forth.

We went into a program which was called "Affirmative Action," which really didn't amount to much, though some

people did benefit from it. There was an increase in representation by African-Americans, for example, in the state legislatures and elsewhere, and more influence.

Then, about the time that Rehnquist became a member of the Supreme Court, everything began to go in a different direction. Then, under the Carter administration, which—people have to face the fact—was a Trilateral Commission administration, went through the process of systematically destroying every bit of the regulatory and infrastructural basis and banking and economic basis on which the realization of the Civil Rights Act's benefits presumably would deliver some goods.

You know, so therefore, if you don't have a bank, if you don't have first of all an opportunity, in terms of economic opportunity; if you don't have a bank that's willing to help someone work their way through the first stages of a small business; if you don't have a Federal agency, together with state agencies, which is going to go in and give the assistance and guidance to help this person become successful—because after all, if these people become successful, it's going to help everybody.

And without those kinds of agencies, it just ain't gonna work. And that's the problem. And as you know, the time that Rehnquist came into the Supreme Court was the signal. And he was never too good on civil rights, as you may recall, when he was down there in the southwest of the United States.

But at about that time, there was a *reversal* in civil rights, very conspicuous, even though the Democratic Party and the Carter administration were pro-civil rights in one respect. But in terms of the *economic foundations* for realizing the benefits of what civil rights was aimed at, this was the worst disaster. And when Volcker came along in 1979, October of '79, with his crazy Volcker measures, the chances for minorities went down.

And as the racism increased in the Justice Department and elsewhere, the chances went down, as the facilities of Federal government which used to assist people, or were supposed to, went down. Yes, you had this.

And now, what these guys want, is they want *slave labor*. They want to take sections of the population, and use them up, just the way they recycle paper in reprocessing. They have no intention whatsoever of building up this section of the population; they don't care. This has been their policy since 1972, when I first fought against this thing.

In 1972, workfare was first being introduced by some of the economic opportunity sectors. And I fought against that. But this has been the policy.

Yes, it's failed. It's failed because government was not really committed. It's failed, because leading political parties—and most shamefully, the Democratic Party—were not really committed to doing anything about it. They would give lip service. They would go around and say, "We'll give you a little handout here, give you a handout there." But they

wouldn't get down to the nitty-gritty and do the job. And that's what it takes.

Representative Towns: What military threats do we face?

Representative Towns: I appreciate that, but the problem is, with the subsiding of the Cold War, what do you see as a threat, a military threat to this country? What kind of military threats do you see on the horizon?

Mr. LaRouche: Well, it comes from two places. It comes from Great Britain and some of the right-wingers on Wall Street in our own country. *There is no other major military threat to the United States.*

Our biggest threat. We have the power, if we wanted to use it. We have the power to eliminate all military threats, by eliminating that gang on Wall Street around Bush, who want us to get into some kind of World War III in Transcaucasia or in the Caspian Sea region, or against China.

These are the guys who are doing it. For example, you've got this mess in Afghanistan and Central Asia. Right now, we have two pivotal points of a threat of an actual nuclear war involving thermonuclear weapons.

Both involve the territory of the former Soviet Union. One is in Transcaucasia, that is, the Caucasus region of Central Asia. And on the other side of the Caspian Sea, in Central Asia, countries that used to be part of the Soviet Union, or contiguous to it. And what Bush, together with the British, set up as Iran-Contra in Pakistan, to run this operation in Afghanistan, is now being spread throughout the region, to create a situation where we're on the verge of where actual nuclear weapons may begin to fly.

Not because we have any enemies out there. We have no enemy in India. We have no enemy in China, as such. We have no real enemies there. We have no threat from Africa, where there's a lot of killing is being done by aid of our State Department, which has taken the wrong side on some of these things.

We have no threat from South America or Central America.

Where's the threat come from?

The threat comes from the British monarchy, as typified by the Blair government, which ran this recent war in the Balkans again. The threat of war comes from those in Wall Street, like people like Brzezinski, or people like Armitage of the Bush campaign, who are trying to whomp up a war.

We have no enemy as dangerous as the enemy within, people who want to get the world into these kinds of wars, and want to get us involved in it.

We do not have a credible enemy abroad, unless we want to make one.

Representative Jackson: school safety, and the voucher system

Senator Neal: Thank you. The next question is from Rep. Tom Jackson of Alabama.

Representative Jackson: Thank you, Mr. Chairman. Mr. LaRouche, I have a series of questions I would like to ask.

Question one relates to education, concerning our schools. There was a time when schools were a safe haven for our children. But now, they have become killing fields. And what are your policies to return our schools back to safe havens, where kids could feel safe again, and education could be learned?

Two, where are you on the voucher system? We know the Sons-of-Bushes in Florida and in Texas have implemented voucher systems in those states. And I want to know your opinion, and how you feel that a voucher system across the nation would work in taking public monies and putting them in private institutions.

And the third question, which I should have asked first: Why do you want to be President of the United States?

Mr. LaRouche: First of all, there is no way you can really make the schools safe by school measures alone. The reason the schools are unsafe, is because the neighborhoods and communities are unsafe. And naturally, when you get a bunch of small children who are desperate and angry and physically capable, especially as they get toward teenage years, and if they're demoralized, and if they're on drugs, and so forth and so on, and their families are broken families, and so forth, you're going to get a problem.

And wherever you have them congregating, as in schools, you're going to have that problem.

So, this one part, the school problem, is a security problem. And you've got to provide the security.

But you've got to address the sources of the problem as well, and there are two sources. One is the conditions in the community. These are the social policies of the U.S. government and the states. That's what the problem is. And we've got to look at the cause, and the cause lies there.

That is, there may be other causes, and contributing causes, but that's the area where we have the hands-on—the handle, which is the things that affect the social policy, social conditions in these areas.

Secondly, *we don't have education in our school systems.* Look at the result: *We don't have education.*

What you're doing, is you're taking a bunch of bored kids, agitated, confused, uncertain, demoralized, see no future, drugged, and no education. *There is no education in the school, because you don't have teachers. You don't have teacher programs.*

What's going down as educational programs now? For example, how many secondary schools in the United States actually teach a course in *history*, of the type that used to be taught back in the 1930s, 1940s, and 1950s? How many? How many schools give a decent science course, a course in geometry? What's the music program in these schools?

So, what are you doing to the students? You're not educating them. You're talking at them, you're putting them through programs, funny programs, and you've got a combustible material, in terms of an increasingly demoralized youth population, and demoralized communities.

And you're sending them to concentration areas called schools, where they're receiving no real education. What they're getting is a fake. And that's our situation. So, don't be surprised by it.

So, we have to attack it. We have to realize the fundamental policies of the government are wrong, at all levels. The fundamental policies of the teachers' unions are *wrong*, as opposed to what they used to be, say before the end of the 1960s. They're wrong.

We are *de-educating* our population.

Look, in Germany, for example, they had a reform called the Brandt Reform, which destroyed the system of education, the secondary education in Germany, which produced essentially the elite from the general population. It's called the Humboldt program.

And today, as a result of that change in educational system, we have almost two different species in Germany, of those who had the kind of education they got before the Brandt Reform took effect, and a much poorer quality of population—almost a different species, a different nation—of people who had an education after the Brandt Reform took effect.

The same thing happened in the United States. . . .

Now, on the second part of the thing. My particular area in economics, the most important, is my work on the question of what's called *cognition*. And the cognition is the quality of thinking which distinguishes a man from an ape.

That is, for example, if you go to a zoo, you'll see a chimpanzee or a gorilla, and you find they can learn. If you have a dog which you treat properly and train properly, the dog will learn. If you have a cat, the cat, to a lesser degree, will learn. The cat will try to teach you, the dog might learn something.

But no animal, only a human being, only the individual human mind, can make a validatable discovery of the universal physical principle, or other principles. The difference between man and the animal, is this power of cognition.

Therefore, you have two qualities of education. And to understand how we're going to have to deal with the education problem, you've got to address this problem.

What we have—we've had a degeneration of education.

We had an improvement in the quality of education, including more university students, in the post-war period,



When it comes to education, says LaRouche, “We have to have, in a sense, a popular revolution. Not supported by government, but essentially organized by private citizens, who begin to understand what we have to do to get education back, education for knowledge, not for animal training.” Shown here: Virginia students participate in Space Day, via Internet from the National Air and Space Museum in Washington, D.C., May 21, 1998.

as a result of the so-called G.I. Bill of Rights. So, more people went to college, but they learned less on the average than those who had gone to college before. Because the emphasis was away from experimental laboratories, pedagogical laboratories as they’re called, as well as research laboratories, into classroom teaching. And more emphasis on textbooks.

So, you had students who understood no principle, but they had learned the tricks to pass the examinations, and to go out in the field and do a certain kind of work, according to the way they had learned.

Now, the people who merely *learned*, do not actually understand what a principle of nature is. They don’t discover it. They don’t make those discoveries.

When I was a younger man—and some of you, when you were younger, you had the good fortune to be in a school where one or two teachers, or a few teachers out of all of them, really cared about the student, and concentrated on helping the student relive original acts of discovery of universal principle. And these students would tend to be happier. They would actually *know* what they were talking about; whereas in the 1950s, 1960s, we had students who graduated from universities, not knowing what they’re talking about, but having learned to talk a great deal, or how to go do a certain procedure. After the 1970s, we went to another stage, in which people no longer even do much learning. But they are merely entertained and processed downward.

We no longer have the skills, the orientation toward physi-

cal reality, that we used to have. *So, we’re going to have to do more than simply come up with a packaged program for education.* We’re going to have to get into this process, and reform our schools, universities, and education—teacher education programs, in such a way that our pupils, our young kids, actually begin once again to *know* what they’re talking about, rather than learning what to say. And that’s our big problem.

There’s a fundamental difference in emotional outlook, attitude about life, moral qualities, between the student who has merely learned, who may have gotten a Ph.D., but he merely *learned* his way to get there, and didn’t do much original discovery—not really discovery of principle—and the student who actually, like the experimentalist, who relived the acts of original discoveries, and has an accumulation of that kind of knowledge. When you get a student who *knows*, rather than has merely learned, you have a student with higher morale and higher morality. A greater ability to solve problems; a student who is more confident, whose children are likely to be happier.

We have to have, in a sense, a popular revolution. Not supported by government, but essentially organized by private citizens, who begin to understand what we have to do to get education back, education for knowledge, not for animal training.

And we have to go into these school systems, and begin to make sure that more and more of the pupils in these school systems get knowledge, not mere learning.

Representative Jackson: Why should you be President?

Mr. LaRouche: On the third question, why should I be President? I think — to make a simple blanket statement:

There are some people running for President at this time. On the Republican side, none are qualified. Gore will soon be eliminated, and partly self-eliminated. Bradley is exploring the field, trying to come up with ideas and floundering around. You might get Warren Beatty in, as you may know. I think that once Gore drops out, or has dropped out of the race, that you will get more Democratic figures, including people who I respect personally, may come into the race. I think that would be good, because it would make a richer dialogue. And the richer the dialogue, the better.

But none of them are qualified for what we are facing now.

None of them are qualified. *They don't even begin to understand the present world economic crisis and the political as well as economic reforms which must be instituted, as if on a dime, to do that.*

Now, I will concede that I know that within the Clinton administration, and around it, people are working. They're meeting every day now. More and more of them are gathering together, and they're meeting, and they're talking about this problem which I'm addressing, and which I mentioned at the opening here.

But *none of them has the answer*. Many people understand some aspects of it, they're intelligent people, they're useful people. They can implement the job. But Clinton does not understand the problem the way I do. And I see in Europe, *no leading figure in Europe is competent to deal with this problem in a government.*

There are people in the private sector, there are people in institutions who are very competent, who are useful in implementing solutions. But they can not *craft* the solution.

In the United States, I'm the only candidate running or visible who is capable of crafting the solution to the kind of problem this nation and the world faces now.

Let me add one thing to that. The only way we're going to get out of this, is to do what was *not* done, that Roosevelt intended to do, if he had lived at the end of the war: to establish a community of principle, a just economic order among sovereign nation-states, instead of colonial powers that existed before.

If we want to pull the world out of this mess, the United States is going to have to pull China, India, Russia, parts of central Europe, western Europe, including Germany, and other countries, smaller countries of the world, together, in a bloc which says, "This existing system is bankrupt. We're going to have to shut it down, as we do in bankruptcy reorganization, as when a local bank goes belly-up, reorganize the bankrupt bank under government supervision. We're going

to have to launch a *new* international monetary system, immediately. Otherwise, we get chaos."

And I'm the only one who really understands what that is.

However, the President of the United States, by virtue of the position and the importance of the Presidency in the world, is the only place from which a group of nations such as China, India, Russia, and so forth, other nations, could be pulled together in an emergency such as we might face this fall or somewhat beyond, to create a new international financial system, like turning on a dime.

I know how to do it, I understand the problem. As far as I can see, there's no one running for high office in Europe, in the United States or other countries, who even begins to understand the problem and its solution.

Senator Neal: Is your policy isolationist?

Senator Neal: Do I understand you to be saying that if you shut down the monetary system, and whereby each country would then control its own money, are you not talking about an isolationist policy for the United States?

Mr. LaRouche: No. What I'm proposing is that the United States, together with other states, which each declare themselves to be *perfectly sovereign nation-states*, meet together and say, "We're going to do pretty much something modelled upon what Roosevelt intended to do at the end of the war, including measures such as the original Bretton Woods system, that is, using the gold reserve standard for a fixed price of currencies, no floating currencies."

Capital controls, exchange controls, financial controls, cooperation in setting up protective tariffs among nations, and trade agreements, so that instead of trying to set up a globalized system, which they're trying to run now, which is going to blow up, or trying to run an isolationist, "go-it-alone" system, what we have to do is enter into a partnership, as an equal partnership politically, with a number of nations and say, "This is what we are going to agree to among us."

Melvin Muhammad: What is labor's role?

Senator Neal: Thank you. The next question is from Mr. Melvin Muhammad, Nebraska Public Employees.

Mr. Muhammad: I want to follow up on a question. When we were talking earlier, you mentioned the role of a strong labor movement. In representing the Nebraska Association of Public Employees, which is an affiliate of AFSCME, what

role do you think unions should play, to a greater extent than they played in the 1998 election, with the “Forgotten Man” issue? What do you think we should be doing or looking for in this election from the candidates?

Mr. LaRouche: Well, I think that what happened when Sweeney moved into the leadership of the AFL-CIO, we saw that first strike which he played, together with the Teamsters, which I thought was a very good strike.

Now, in this period, where essentially the majority of the Congress is not only anti-labor, but is almost—it’s almost in the white sheets, you know, when it comes to labor—that you’re not going to have a purely economic role by the labor movement. There are some trade unionists who would like to pretend they can do that, but it doesn’t really work.

Because any attempt to even get anything approximating justice for people who work for a living, is almost a revolutionary political issue. The trend, you know, from Jesse Helms and so forth, and DeLay and so forth on down, is in the opposite direction. “Let’s dehumanize labor as quickly as possible, by reducing their wages and so forth as quickly as possible, and eliminating their jobs as quickly as possible.”

So, therefore, the labor movement has always been really a political movement. You go back to the time of Lincoln and the national union movement during the time of Lincoln. That was a purely *political* movement. It was an integral part of the Lincoln Revolution in the United States. Now, things got turned around and confused and so forth along the line.

But the idea that the person who works for a living should have some means, which is really political, for exerting influence over the conditions of wages and work, and so forth, and family life, is a very important political part.

It may not be in the Constitution, except it’s in, of course, the Bill of Rights, the amendments. But it’s a very important political institution, even though, with respect to government, it’s an informal one. It is also a way of binding people together, who as individuals tend to be fragmented, and have no political power, who, by sharing a common interest which the labor movement represents and the families associated with the labor movement represent, they now have some power, political power. They can organize votes. Influence can be felt in communities, and things of that sort.

So, the labor movement, in this crisis period, has a role which reminds us of what John L. Lewis and Franklin Roosevelt struck an agreement upon back about 1935: that in a period of general chaos among the employed and unemployed in the United States, the buildup of a labor movement was a very important political part of recreating the United States out of the mess of the 1920s and the Depression.

Today, we’re faced with a world depression. We’re faced with crisis conditions beyond belief. As you know from looking at your situations, the conditions in labor, on the street level and the family level and the community level, are beyond belief. This is not a matter of bargaining for improvements. This is a matter of struggling in a losing

cause to survive!

And unless you have a very strong labor movement, which is able to understand its proper political role within this system, in terms of the lessons of the 1930s, and rising out of the Great Depression; unless that exists, I see very little chance of successful political organizing in this country.

Now, let me put it in two ways. We have two perspectives. Probably this fall, and certainly not much beyond that, the world financial system in its present form will collapse. It will disintegrate. Nothing can save it. The only thing that can save it, is a general bankruptcy reorganization.

We have over \$300 trillion in dollar equivalent in denomination, in short-term financial derivatives and related obligations, sitting on a volume of world trade which is in the order of magnitude of \$20-plus trillion.

This entire system is hopelessly bankrupt in its present form. One of the things that will have to happen soon, or will happen but automatically, is that about \$300 trillion worth of the current financial assets and obligations of this planet are going to vaporize. That could happen as early as this fall, it could happen some time in the next year.

The only alternative is the reorganization of the financial system in bankruptcy, something more radical than Franklin Roosevelt did, but the principles are not that much different.

Now, the guy who’s going to have to do this job, otherwise it won’t occur, is the present incumbent President of the United States, Bill Clinton.

Now, he’s got a Congress that’s no good, generally. There are a lot of good people in there, and as you saw with McDade-Murtha,² you could get a bipartisan coalition around certain issues from time to time, which is really very good.

But with what’s going on in the Congress now, particularly since the November acceleration of the impeachment drive against President Clinton, the Congress has not functioned since that time.

If we’re going to do the things we have to do, we’re going to need a new Congress. *Now, under conditions of an absolute panic-stricken emergency, the President of the United States is the one guy on this planet who could pull together a number of countries to reach an emergency agreement, to have an orderly bankruptcy of the world financial system, rather than a disorderly, chaotic one. That can get us through to the next election.*

The problem is, we need a new President to continue the job, and finish the job. That means we need a change in the Congress. And I’m not just talking about Democrats or a Democratic majority. There are also some decent Republicans out there somewhere in the woods. We may not notice

2. The McDade-Murtha bill, officially known as the Citizens’ Protection Act of 1998, H.R. 3396, was intended to clean up prosecutorial abuse by the U.S. Department of Justice. In July 1998, its major provisions were inserted into a House appropriations bill, which was approved in August of that year—over strenuous objections of the DOJ.

them too frequently these days. But they're there.

We need a Congress which is committed to the principle of the General Welfare, to the Preamble of our Constitution, the fundamental law of the United States; a Congress which is committed to the conception of law of the general welfare, as President Franklin Roosevelt understood it, however imperfectly he understood it.

And we're going to need the kind of Congress, which, together with the next President, can continue the job which President Clinton must do in his term of office, sometime either at the end of this year, or the beginning of next year. He's got to do it.

But he can only take certain emergency measures, which keep the chaos away from the door, to keep things moving. Now we're going to have to rebuild the United States, and rebuild the world economy. That means a new President. In order for a new President to function, we need a new Congress.

When it comes to getting a new Congress, the labor movement is a very important political part of getting that new Congress. The labor movement is also the only thing which can give some spark and spunk to the farmers' movement, to get back where they're almost shattered.

It's a key rallying point for the so-called ethnic minorities in the United States: Hispanic, African-American, to get enough clout together among the popular constituencies of people who have no interest except the interests of the general welfare.

To get a Congress together with a President, who is committed, as Franklin Roosevelt was, to the nation-state whose only authority, as a sovereign nation-state, is its commitment to serve the general welfare. And no agency but sovereign government can ensure that's done. And that's the only way we're going to get through this. And the labor movement is a key political part of the political process which can give us some support for a new President, give us the support for a new Congress, a new composition of the Congress, which will be a Congress and a Presidency committed to the promotion of the general welfare.

Mr. Muhammad: Thanks, Lyn.

Representative James: the problem of voter participation

Senator Neal: The next question will come from Rep. Harold James of Pennsylvania.

Representative James: Thank you, Mr. Chairman. Mr. LaRouche, my question is a two-part question. And maybe you may see the answer, or one of the answers, in the second

part of the question.

At present in my district, which I represent in Philadelphia, Pennsylvania, voting participation has gone down. Voters feel as though it doesn't mean anything to vote, because their expectations are either that they're not getting what they expect in their elected officials, or they don't see that it really impacts on them.

So, what would you do as President, to help impact voters in the districts that we serve? And also, what would be your view, as everyone needs access to quality health care?

Mr. LaRouche: All right. Now, let's go back to 1861, 1861-1865. At that time, the United States was divided by two forces, principally two forces, with two conceptions of the Constitution. One was the Confederacy. And if you compare the constitution of the Confederacy—the Confederate States of America—with the Constitution of the United States, as President Abraham Lincoln understood it, *that was the essential conflict.*

You had, of course, these Wall Street bankers and some people involved there, and so forth, who were no good. And they were nominally pro-Union, but they were also terrible people. And they ruined things afterward.

But nonetheless, Lincoln's conception of what the Presidency of the United States, what the Constitution represented, is the original conception.

What Lincoln did with his revolution, was to perfect the Constitution, in terms of eliminating that "peculiar institution" of slavery.

Now, on the other side, you had a different conception of the Constitution, which is that of the so-called John Locke idea. The John Locke idea of law, is an idea which is pretty much the same as that of Hobbes: every man against every other man. It's a man the beast, beast against beast. That was the Confederacy.

If you read some of the Richmond newspapers, in the times immediately after the defeat of the Confederacy, and read that famous, or that infamous editorial, about the "peculiar institution," how the South with slavery produced gentlemen, where in the North they didn't have gentlemen—slave-owners, parasites.

What is happening today, and the Rehnquist revolution in a sense, and the Supreme Court typifies this. *When Rehnquist came in, law went out.* It didn't happen all at once, but when he came in, the law went out of the enforcement of the Constitution by the top of the Supreme Court. And it's when the few people who fought for the principles of law, who were eliminated by age and sickness and whatnot, then these guys have come to dominate the system.

So, you look at that from the standpoint of the man in the street, who may not understand exactly what's happening in these terms. But he feels the effect of it. *And the man in the street knows, that as far as he's concerned, there's no law that guarantees justice or hope for him or her.*

He understands the evil spirit which radiates from the

Rehnquist section of the Supreme Court and its friends in various places, like the Fourth Circuit in the Virginia area; they sense the fact that this is the enemy, and that the Congress is largely controlled.

When they see the President of the United States being impeached by a crooked Congress, see that rat race, violation of the Constitution, everything; people say, "It doesn't mean anything."

Where have we been going since 1968-1971? *We have been going nowhere but down, down, down, down.* And the politicians promise, but they can't—they don't deliver or they can't deliver. Or, the Supreme Court won't let them deliver.

We see the criminal justice system, or the justice system generally. We say, "Who can believe in this stinking system?" Even people in the street, who like certain politicians—like the 70 to 75% of the American voters who *like Bill Clinton.*

Nonetheless, when it comes to government, they have no confidence in government. Why? *Because they should have no confidence in the government, the way it's being run now. Because the notion, implicit notion of what law is, what the duty of the government is, is against the people. It's against their future.*

They look at their children, and they say, "What kind of a future is this kind of government giving our children? Where's the economy going? What's happening to education? What do the streets look like? What does the infrastructure look like? How about the fact that we're running out of power? How about the fact that the water systems are breaking down? How about the fact that everything is being cut, cut, cut, cut, with no sign of improvement, no sign of hope?"

You have a mood of cultural pessimism in the United States, like that which characterized Germany in the 1920s, to the rise of Hitler. It's called cultural pessimism. Our population is saturated with pessimism. Even if they like a politician, they don't trust him, because they think of the politician, "That fool can't do anything for us, even though he's a nice guy, and he's said some nice words to us once in a while. We'll vote for that fool, even though he's going to fail, because we'd rather vote for that fool than for the other fool, who will certainly be worse than failure."

And that's the way things go. Can you blame the people for this, in one sense? Not from their experience.

It is up to us, not to beg the people to become better, but to show the courage, to stop compromising our way into disaster; to provide the kind of leadership where people finally see that somebody has the guts to take the leadership to take on the devils, to shake the things up, get things moving.

I recall, back in 1939, 1940, I was an adolescent, late adolescent, in Lynn, Massachusetts. It was a town where—as I've described it many times—there was a cafeteria in Central Square in Lynn, Massachusetts. It was called Hunt's Cafeteria. And men who didn't have the price to buy a bowl of soup in Hunt's Cafeteria, would stand out in the square, in front of the cafeteria, with a toothpick, picking their teeth,

and they hadn't eaten all day. They were simply trying to keep up the pride of pretending to have eaten that day, to pretend that they had dignity.

I saw the same kind of people in 1939-1940, as the beginning of the mobilization for the preparation of World War II began. I saw these same people who had lost skills, who were almost hopeless derelicts, go into employment in these new industries, which were the so-called war industries, and so forth, begin to function. And the most that they produced the first time they were on the job, was scrap. It took six months to a year before these people whipped themselves back into shape, where they were actually productive operatives.

But from that point on, there was a rise in optimism in the American population, in confidence in the kind of leadership that Franklin Roosevelt gave, where I saw this population transformed over the period of 1939 to 1945, until the time that Roosevelt died, into a population returning to peace with great optimism.

Now, that was largely destroyed by what happened in '46 and '47, when things got bad again. But I've seen, in this—in my own lifetime, I've seen it in other countries; that where leadership responds to a situation, and convinces even people who are totally despairing that suddenly there's some hope, people suddenly change from pessimism to a more cautious optimistic view.

And when they find out that *they themselves have the ability to contribute to accomplishing something, their optimism comes back.* They think of building their families, building their neighborhoods, as they did during the wartime period.

Representative Vaughn: the stock market vs. reality

Senator Neal: We have another question for you, Mr. LaRouche, from Rep. Ed Vaughn of Michigan.

Representative Vaughn: Thank you. Mr. LaRouche, as a candidate for President of the United States, you will have to thread many needles. See if you can thread this one.

The stock market is on a roll. My friends are quite eager to invest. Every day the Dow Jones goes up, Standard & Poor's up, day-traders are rolling the dice daily, sometimes shooting. CNN reports glee; guaranteed pensions are being put aside for investment programs.

What do you say to the American voters, who, on the one hand, are given milk-and-honey stories about the economy, and who seem to have faith in the economic system, but on the other hand are now working three or four jobs to make ends meet, may have little or no health care coverage, they're strapped with exorbitant home mortgages, car notes, tank

notes—a tank is a sports utility vehicle—[laughter]—tank notes that are greatly overpriced?

And how are you going to thread a needle, to the extent that you can say to these people, that things are not so good, when you're trying to also get their votes?

Mr. LaRouche: Well, actually, the New York stock market is campaigning for my election, because this blasted thing is going to go down. The bets are around the world, that we're looking for up to 60% collapse of the New York Stock Exchange.

Now, I don't take those figures as meaning anything, they really don't. These are just the informed guesses of the leading people.

If you look at what's happening in the world today, you will see every government, including the U.S. government, and the banking system, are scraping together everything they can scrape together, in anticipation of the biggest financial collapse in all history occurring sometime between the 9th of September, and the end of the year.

That is going to happen, I don't know at what time. But, it's going to happen.

Now, what you have, is 40 million American families approximately, or something like that, who are up to their ears in mutual funds investments, which are all predicated upon fictitious financial gain related to the stock and other markets of that type. You have people who are going crazy, like compulsive gamblers, sitting as day-traders, all over the United States, like this guy Mark Barton, who did the shoot-up in Georgia.

Yes, there are people who—Ed, do you remember in 1949, the so-called Pyramid Club? In that period back then, you had a feature in *Life* magazine about this. People were on this chain-letter system. They were just betting on this thing. I saw all around me, people who were maniacally convinced that this was the way to riches for everyone. It was just exactly a copy of the John Law Bubble in France in the early Eighteenth Century, the same kind of thing that happened with the South Sea Island Bubble in England, in the same period. The same thing happened with the Tulip Bubble in the Seventeenth Century.

And yes, you have *madmen*. For example, an international psychiatric conference held in Hamburg recently, which said that these people are psychotic. *You have mass psychosis. Most people who are traders and dealing with the New York Stock Exchange, and people who are heavily invested in mutual funds, are victims of a mass psychosis.*

Now, what's going to happen, is, that's going to end. It's going to end very suddenly. We're on the verge of the point that it will happen very soon. Ecuador is being liquidated. Brazil is about to blow up. Japan is about to explode. Russia is in the process of exploding again. The Balkans is exploding. Africa is dead. Brazil is about to blow. Argentina is going under. A crazy Jacobin dictatorship has taken over in Venezuela. Colombia is being shot. The Mexican debt bubble is about

to blow. The New York Stock Exchange is on the verge of blowing. Alan Greenspan is rumored at the highest level to be about to retire before the bubble bursts. He doesn't want to be around when it happens.

In Britain, they have a law—this Emergency Act of the British monarchy, called "Operation Surety," which goes into effect on September 9, the day that the Russian crisis goes into a new phase. As of that date, Operation Surety, which is the military operation run by a body called the "commissionaires," is going to establish a potential military dictatorship in the British Isles, in anticipation of mass rioting as a result of a financial blowout.

Those are the conditions we face today. Where do we stand? This thing is going to blow. It's going to blow soon, it's going to blow before the next election. It's going to blow exactly the way I'm saying it's going to blow, and it's going to blow about the time I estimate it's going to blow.

What about all these fools out there—and I say that advisedly—who are saying, "LaRouche is wrong. This market is going up, this market is going up, you're going to see, you're going to see, you're going to see"?

Wishful dreams. This market is going to go up—well, you know what's growing, as I've said many times before: The U.S. economy is not growing; it's the cancer on the U.S. economy which is growing. And the stock market specula-

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tion, the financial speculation, is not the economy, it's the cancer.

So, when you talk about what's happening to the person who has to have three or four jobs in the family and not make what they could have made 30 years ago with one job, as in, say, the Michigan area, for example. You see that. The real economy is collapsing. Power is collapsing. Power shortages. The water systems are collapsing. Transportation systems are collapsing. Farms are going bankrupt, they're almost busted.

The real economy is collapsing. And the thing that is sucking the blood out of the real economy, is the financial economy, and that's the cancer. What you have to do, is save the economy, remove the cancer. When this cancer collapses, those of us who understood must act, must exert our leadership, and exert the fact that our views are vindicated, and these guys were wrong.

And we're going to say: "Okay, you were wrong. We're not going to punish you, we're going to try to save you. Come with us. We're going to try to save you. We're going to make sure you don't starve to death. We're going to make sure you keep a job. We're going to keep the communities functioning, the way Roosevelt would have attempted. That's what we're going to do."

And that's the thing that's going to get me elected, I think.

Representative James: quality health care

Senator Neal: Mr. LaRouche, Rep. Harold James has reminded me that you did not answer a portion of his question dealing with health care. Would you like to restate that again, Mr. James?

Representative James: Thank you, Mr. Chairman. Yes, Mr. LaRouche, if you can just answer. What steps would you take to ensure access to quality health care for everyone?

Mr. LaRouche: The first thing: I would put the HMOs into prison. I mean, this system of Wall Street bankers who are making millions out of the blood and bones and death rates of especially pensioners and the ill — this is mass murder. And it's all being done for Wall Street's benefit, that is, so that these financial sharks, who took over the health insurance programs, and so forth; who want to take over Social Security, too, with privatization.

Privatization should be better called "privateer-ization." Just like pirates take over the local town they've occupied. *They're killing people!*

Now, what we have to do is kill this thing off. Take this bill in the Congress now, ram it through; don't let these hardheads who are trying to prevent people from suing these companies for murder — which is what it is — succeed.

You take a person whose life depends upon certain care that's available, and you say they can't have it, because some shark who owns some financial company wants to make more profit out of the health insurance business, so that person must die to make profit for this guy who's nothing but a shark, a parasite? No, that's not allowable.

We have to get rid of these programs.

What we have to do, is go back to the philosophy of Hill-Burton health care program. We have to have a national policy, as Hill-Burton specified, where the Federal government, the state government, the local communities, and private physicians and private institutions, collaborate to ensure that every community in the United States, is capable of providing a health care standard suited to its population. That's the only way to do it.

And it has to be the principle of general welfare. Every human being has certain rights, which are related to the general welfare, not only of themselves, but their posterity. That must be the basis for law and for policy thinking in this area.

Hill-Burton, which was a highly successful program until it began to be taken down in 1975, is the model. It should have gone faster, but it was good as far as it went. We have to restore it, we have to get these HMO sharks out of the business, put the thing back on an honest basis. That, in short, is what we have to do.

Assemblyman Ortiz: bilingual education

Senator Neal: The next question we have for you, Mr. LaRouche, is from Assemblyman Felix Ortiz from New York.

Assemblyman Ortiz: Thank you, Mr. Chairman. It's a very direct question, and it's regarding bilingual education. I just would like to know, what is your position on bilingual education?

Mr. LaRouche: First of all, in the United States everyone should have a literate form of English education. That also, in the case of the Hispanic populations.

Well, the obvious thing to do, if they have a second-language skill, is to also have a quality education in that language.

Look, just take Cervantes, particularly *Don Quixote*, which has some very magical qualities to it. And if people can understand that, a student can understand that, they are going to begin to think in better terms. And therefore, what you need is not bilingual education, fine. But you have to have an education, a meaningful education, for a dialogue within a country for a common policy. But you also have a right and an obligation, to deliver second- and third-language capabilities on a literate basis to those populations.

Obviously, if you have an historically Hispanic, Spanish-

speaking family, you want to, as in the case of people from Puerto Rico, you want to elevate the quality of their Spanish, at the same time you teach the language.

It's a long story, Felix. But this goes back to the question of cognition. The actual cognitive functions of the mind, are not located within the explicit language. Rather, they come from *behind* the language. And it's those cognitive processes of the mind which do not flow from the language itself, which you have to develop.

But the language used is the medium by which people communicate from the cognitive processes of one mind to the other mind. And thus, take the case of the Hispanic-American, or the Chinese-American, a different case. Or Korean-American.

What you have to do, is take from what is their family language, bring that family language up to the highest possible cultural standard, at the same time they learn the English language.

Representative Towns: the Federal Reserve

Senator Neal: The next question we have for you, Mr. LaRouche, comes from Representative Joe Towns of Tennessee.

Representative Towns: Thank you, sir. Mr. LaRouche, two questions.

Do you think, first, the American money supply should continue to be controlled by a group of private citizens, or thugs, if you will, or should it be controlled by the American people through the government of this country?

Mr. LaRouche: I am for the repeal of the Federal Reserve System, which is a racket invented by the banker for King Edward VII of England. It's an imported monstrosity which should never have existed.

The policy of the United States has always been national banking. That is, the source of the currency of the United States should be *only* as provided under the original Constitution: the power of the Congress to enact a bill on request of the President and the Secretary of Treasury, a bill which authorizes the issue of U.S. currency notes, which are the non-interest-paying debt of the Federal government.

These currency notes are then loaned through the Federal and the national and private banking system, for useful purposes at low interest rates. That national banking policy, as understood by the first Treasury Secretary, Alexander Hamilton, and others, is the proper policy of the United States.

The Federal Reserve System is a method by which a syndicate of private bankers, powerful, super-powerful private bankers, intermixed with and almost inseparable from the

clearinghouse banks of the Bank of England, control the credit and currency of the United States.

That is wrong. That should be repealed. Under the present crisis, when the Federal Reserve System goes belly-up, as it will under its present circumstance, we're going to have to use the power of Congress to put the whole thing under reorganization, establish national banking by a national banking act with the Congress, introduced by the President, introduce the methods of national banking to provide the credit necessary to get this economy back into motion and growing.

Representative Towns: How can you campaign from Germany?

Representative Towns: Mr. LaRouche, second question. To those citizens in the United States that see you possibly as being a citizen of Germany, because you're there so much, what is your response to them, and how do you run for President by being in Germany for an extended period of time?

Mr. LaRouche: Well, I happen to be here at this time because I had a little health problem. And I'm in the process of cleaning up the mess which this caused. But that's about it. And I think that many people may spread gossip.

But I'm probably the most patriotic American there is. But one has to recognize that the United States was created from Europe, by Europeans. Not just by immigrants.

When things got bad in Europe, and there was no chance, in the view of people of that time, back in the Seventeenth and Eighteenth Century, of building a true republic in any part of Europe, those Europeans who sought to build a republic to replace the oligarchical system, used their influence and power to assist the patriots of North America, in creating a U.S. republic.

This U.S. republic was intended to serve as a vehicle, an example, and an influence to outflank the oligarchical systems of Europe, to make possible the spread of true republics, like the United States, into Europe itself and beyond.

This was the policy of the United States under, for example, Presidents or Secretaries of State—President Monroe, for example, whose Secretary of State was John Quincy Adams. It was the policy of President John Quincy Adams. It was the policy of every patriot, including Lincoln; of Garfield; of Blaine, the famous diplomat from Maine; the policy of McKinley. It was essentially the policy of Roosevelt, Franklin Roosevelt. Jack Kennedy was moving in that direction. He had some understanding of this, and he was moving in that direction. He was a very bright guy.

I think Clinton actually will have a similar view. Though he's a different kind of personality than I am, he's a very intelligent guy. And despite what I consider some of his shortcomings and weaknesses, he does understand this problem.

I do. *Any American who understands the truth about the history of the United States, will defend absolutely the sovereignty of the United States.* I'm certainly probably the best patriot among all candidates for the Presidency. And I could prove that. And I'm willing to debate it any place.

But you can not have this sense that we, our nation, built ourselves. We did not. We are a product of European civilization, predominantly. We are a product of those benefits. We were brought into being with the assistance of those in Europe who sacrificed and worked to make this republic's existence possible.

I am a defender of that tradition. We're not going to deal with the world all by our lonesome. We're going to have to find reliable partners in various parts of the world. Where they don't exist, we're going to have to help create them, that is, by fostering their development. And if the United States, western continental Europe, China, India, Russia, other parts of the world, some of our friends in South and Central America, are going to have to work together to create the kind of world of patriots, sovereign nation-states, which works together for common purpose, and for common defense and for common security.

Representative Jackson: What about the draft?

Senator Neal: Mr. LaRouche, we've got one final question, unless it's one of those burning questions that's going to change the world. And I think we have one. So, we have a couple of more questions, and then we're going to let you make your closing statement to us.

The next would be Tom Jackson of Alabama.

Representative Jackson: Thank you, Mr. Chairman. Mr. LaRouche, I would like to address this question. It's concerning national defense as it relates to our military, our Armed Forces. Since we cannot recruit men and women to meet our quotas, do you think that we should reinstitute the draft?

Mr. LaRouche: I'm not essentially for the draft. I do believe that a national military service program, which was the policy implicitly of the founders of our republic, is the correct policy. I do not believe in having elite armies alone, to do the national defense.

I believe that the power, the military power and other power of the nation, must lie in the hands of its people, under qualified leadership.

This was something that was fought for in the United States in our creation of our republic. It was fought for in France, by people like Lazare Carnot, one of the greatest military minds of the past couple of hundred years. It was

established in Germany by the great reformers, such as Gerhard Scharnhorst, in establishing that system, which won the Liberation Wars against Napoleon.

And that's the way to do it. The citizen-soldier is the backbone of national defense. And I think we should have a national defense system with universal military training and universal military service. And that's right. That's the democratic way of doing things, under, of course, competent professional leadership.

Melvin Muhammad: the Information Age

Senator Neal: The next question will be coming from Mr. Melvin Muhammad, the president of the Nebraska Public Employees Association.

Mr. Muhammad: Thank you, Mr. Chair, and thank you, Mr. LaRouche. My final question: In recent days, I was talking with a friend of mine, and we spoke about three things. The first wave in this country was toward agriculture; the second wave was toward the industrial; The third wave has been the informational aspect of our world. Do you see the emerging markets, such as the Internet, playing a major role in your campaign for President, and in future campaigns for the Presidency or any other national election?

Mr. LaRouche: Well, I'll just say two things. First of all, the idea of an "Information Age" is a bunch of bunk. There is no such thing.

However, the Internet is going to be a lot of fun. You know, we're very active in terms now of the website, my campaign organization.

What is happening is an interesting phenomenon which is frightening some people, particularly the bad people. And that is, with the control of public opinion by the mass media, the controlled mass media, the fact that you can have an informal mass media arising out of the electronic Internet and other kinds of things, does create a new kind of force of democracy in the election period. And that, of course, is very significant.

Mr. Muhammad: Thank you.

Representative James: officials' concern about re-election

Senator Neal: Okay. The next question we have is from Mr. Harold James of Pennsylvania.

Representative James: Yes. Mr. LaRouche, again, thank

you for your time and my final question is. . . . Well, let me first preface it by the fact that, once we are elected to office, there's a growing concern, once we become elected officials, on being re-elected. Even though we serve our communities and our constituents, we have that edge that always says, "How can we get re-elected?" Presidents have that urge. So, what is your view on the idea that the President be a one-term President, serving for a period of six years?

Mr. LaRouche: Well, I intend to be a one-term President, but I don't intend to have any such revision in the Constitution. I think the problem of elections and re-elections, is, as you know and all those who deal with politics on the state level know, the important thing is to have a constituency, and to perform for that constituency. And then trust them. If you get re-elected 20 times, that's good. They'll want you—if you earn it.

Senator Neal: Okay. Do we have anyone else? Mr. Bill McCann.

Bill McCann: I just want to follow up on what you said, Mr. LaRouche. I would take it, then, you do not support the concept of term limits for other elected officials?

Mr. LaRouche: No, it's nonsense. Let the people judge what they want. Let the people judge. And take it out of the news media. The big money problem is the problem.

If you left it up to the people, and if the standard would be to elect on his performance, well the guy who is elected the most often is probably the best one. And if he's a good one and he's not re-elected by the voters, well, he's going to say, "They're going to learn their lesson," and they may re-elect him later on. That's the democratic way, isn't it?

Bill McCann: Yes.

Representative Towns: Who will your running mate be?

Senator Neal: I guess we must be enjoying your answers here, Mr. LaRouche, because we've got another person who wants to ask you a question: Joe Towns of Tennessee.

Representative Towns: Thank you. This is the final question from me as well. Have you decided who your, or possibly some of your Vice Presidential running mates may be? Who are they?

Mr. LaRouche: I haven't thought of that at all at this time. I think it's a little early. What I want to do, is get some people into the race, get Gore out, get some serious Democrats in the race, and have some real debates, real—and thrash this

out, and let's look at some of the people who want to run. Let's see what they have to say, let's see how they respond to the issues, and let's decide. We can make up our mind in due course.

I'm not shy about answering the question, but I think it's improper to try to answer the question now. I think it's too early in the game.

Conclusion

Senator Neal: Are there any other questions from the panel? Well, Mr. LaRouche, we seem to have run out of questions here. At this time, I would permit you to have a closing statement, and you might proceed.

Mr. LaRouche: Well, I don't have much to say that I haven't said. [Laughter.] I have a lot to say that I haven't said, but I don't—

Senator Neal: Okay, well enough.

Mr. LaRouche: —for this purpose, I can only say I'm very delighted to have been with you, to visit with you. This is the kind of thing I sort of enjoy.

Senator Neal: We have enjoyed your answers, sir, and we thank you very much for permitting us to engage in this dialogue with you.

Mr. LaRouche: Maybe we'll get to go across the country with this model.

Senator Neal: Thank you.

Mr. LaRouche: Good. Thank you.

Senator Neal: We now turn it back over to Debbie.

Debra Hanania-Freeman: Well, I really want to end in the way that I started. Thank all of you. I think you guys were great. And I think your questions really showed why your constituents have put you in the position that you're in. So, I thank all of you, on behalf of all of us here, but really I think on behalf of the American people. I think you performed a real public service here today.

And then finally, what I will do, before the end of—probably before the end of today—is I will, on a blank piece of stationery, just furnish all of you with a letter, which is a formal invitation to the other two Democratic candidates, asking them if they would like to engage in the same process, and you guys can handle it as you choose. And we will try to do everything we can to make sure that it happens.

But again, I thank you all very much. And thank you again, Mr. Chairman. You were a wonderful chairman.

Senator Neal: Thank you.