

A NEW BRETTON WOODS

## Time To Reverse Shultz's Destruction Of Exchange Controls

by Lyndon H. LaRouche, Jr.

*Here is the transcript of Lyndon LaRouche's opening statement to an April 7 webcast, sponsored by the LaRouche Political Action Committee, in Washington, D.C. The webcast was broadcast live into the annex building of the Argentine Congress, among other international locations. Moderator Debra Hanania-Freeman announced the vote in the Italian Chamber of Deputies for a motion to convoke a New Bretton Woods conference to reform the international financial-monetary system, a proposal which LaRouche had crafted.*

We're in a situation, to situate what I'm to say today, in which there are an increasing number of influential circles around the world, including inside the United States, which are now echoing something that President Clinton said in September of 1998, in the aftermath of the collapse of the Russian bond speculation: That the world needs a new financial architecture to replace that of the present IMF system.

And around the world today, as typified by the events yesterday in the Italian Parliament, where what had been worked out with me was voted up by the Parliament, in a very heated but spirited debate, is now on the minds of people around the world: We need a new financial architecture for the systems of the world. We can not continue under the present one. What is undecided in the minds of many, is what that architecture should be. Many have opinions, more or less superficial in many cases. But there is no consensus, at present, on what has to be done.

Now, my function here, today, is to set forth in a summary fashion, because this is an enormous subject, but to summarize the issue, in such a form that the discussion might be structured, rather than chaotic, as it tends to be, in the United States today. And so, I say the following:

Now we're at the moment, in which the United States is gripped by the greatest financial-monetary crisis in modern history; at least since the beginning of the creation of our republic.

Now, although the United States has been in a process of decline from its former



*Lyndon LaRouche: "We have to recognize that we made mistakes in the way we think—as a people, as government, over a period of, now, about 40 years. . . . Stop trying to pretend, that everything we did until January 2001 was good. It was what we did prior to Bush, that gave us Bush."*

greatness as an economy, over more than three decades, the majority of our citizens, including leading figures in government, other leading circles, have been, for recent times, in a state of denial about the reality of the way this present crisis came into being. There are many today who are willing to concede, that the present disaster, that is, a general collapse, a disintegration, of the present world monetary system, began with 2001, with the inauguration of the incumbent President, George W. Bush, Jr. But, they're not willing to admit, yet, that what George Bush, Jr. has done, in admittedly making things worse than they were before, under any previous President, what he has done, is to merely continue a process of destruction of the United States' economy, by its government, and by the consent—willing, or silent consent—of the majority of its people.

And this destruction has been going on for at least three decades. It was made conspicuous, beginning the process of the U.S. entry into the war in Vietnam. And it became acute with the entry of an extreme right-wing government—actually a government with fascist intentions—that of President Richard M. Nixon. And since that time, especially since the events of August 1971, the United States has been destroying itself, not inch by inch, but yard by yard.

There has been no recovery, from the ongoing, deep collapse of the U.S. economy, at any time, during the recent three decades. There has been no successful Presidency, no successful Congress, in power in the United States on the record in the past three decades. We have been destroying

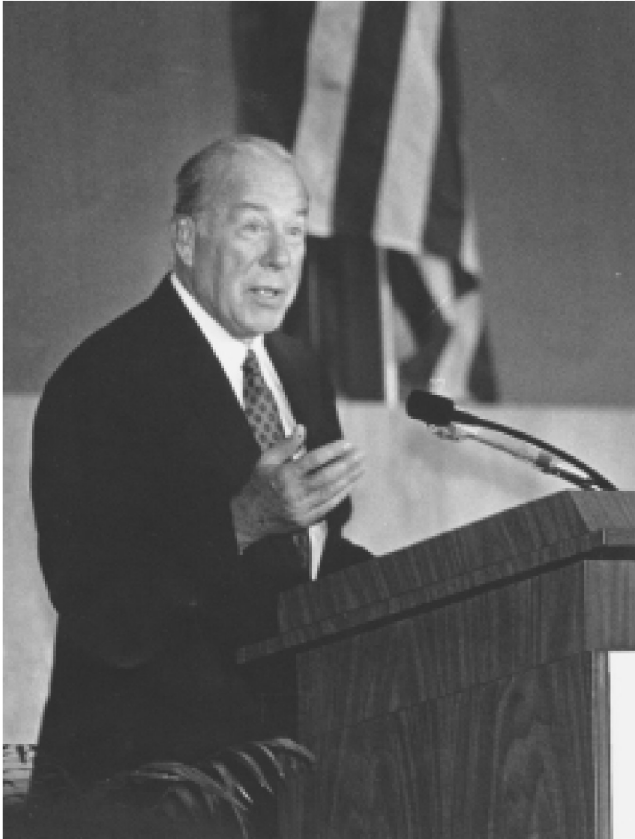
ourselves inch by inch: That destruction is caused by the consent of a majority of the people, to cultural and other changes in policy which destroyed, bit by bit, everything that had been built up in our history, including during the immediate periods following the war.

### **Don't Blame Bush**

So therefore, the blame for the problem, does not lie with George W. Bush. George W. Bush is the thing that prevents the cure; but it is not the disease. The disease is the disease which was carried by previous governments of the United States, and by the behavior of a majority of the citizens who did vote, or could have voted, in the past three decades.

And therefore, the problem we have to cure today, is to correct the mistakes not only of this President, and his mistakes are grand in scale—"monstrous" I think is a better term than "grand," isn't it? But, to *induce the people*, at least a majority of the people, and a majority of leading influences among Democratic and Republican Party leaders in the United States, to recognize that *they* have been complicit in the crime of the destruction of the United States, its economy, and the destruction of the security of global civilization: Because we are truly, at this point, on the verge of a new Dark Age.

We've come to the point that people must, in general, instead of pointing the finger of blame at poor George Bush, who's too stupid to know what he's doing anyway—hmm? We have a President who's a psychopath and a Vice President



*George Shultz, the man who got Nixon to destroy the Bretton Woods System, also put G.W. Bush in office, and organized the effort to steal Social Security.*

who's a sociopath; *but we elected them!* Or, maybe we didn't elect them—but they got into the office by the consent of somebody! And therefore, we are to blame.

Now, the other point is, that because of this situation, we have many leading figures in this country, including some good Democrats, who are prepared to make proposals, which are intended to improve the situation—in the United States in particular. Some of these proposals have very sensible features. But the problem is, that none of them address the deeper problem. They want to “fix” things. They want to repair this, or repair that. As for example, promising universal health care—without considering that we don't have the means to deliver universal health care. They want to “fix” the distribution of health care, without providing enough to meet that demand.

And that, in similar ways, they're willing to make little proposals, adjustments. But they're not willing to take on the big thing.

So, we've destroyed this country of ours, beginning at a period which dates from the time that former President Dwight Eisenhower was about to die, and the time that Richard M. Nixon was inaugurated as President. And most of the people of the United States have been complicit in the

destruction of their own economy. And most of the nations of the world have also been complicit in the destruction of the world economy.

Now, we recovered from a Great Depression, under Franklin Roosevelt, back in the 1930s and early 1940s. Those are precedents, which many people in the Democratic Party, in particular, are prepared to accept today. Those ideas, that general mood. There are many people in the Republican Party who are holding their gut, trying not to throw up, when they think about the policies of the Bush Administration. But no one is really prepared, in general, to understand what went wrong with the economy, and what we have to do to put it back into a process of recovery.

### **The Roosevelt Model**

Now, the difference today, is that Franklin Roosevelt did solve the problem, the problem bequeathed to him particularly by the Coolidge and Hoover Administrations—which were disasters. Today, we have an attempt to replicate, in the form of a farce, the same kind of disasters that were executed under Coolidge and under Herbert Hoover. Remember that under Herbert Hoover, *after* the Depression began, *after* the great stock market collapse of 1929, that Hoover, *after that time*, lowered the income of the United States *by half*, in creating the disaster, which Roosevelt tackled in March of 1933, when he actually entered office.

That was a success. *But:* We have a much more serious problem this time.

Roosevelt's philosophy, or the philosophy which we can adduce from his practice, was successful. Those precedents will work today, in general. But they are not adequate. In the past three decades, we have destroyed the U.S. economy, in a way far in excess of the lowering of the U.S. economy by 50% during the past three decades. We have done damage, permanent damage to this economy which didn't exist then.

The way Roosevelt organized the recovery, was to reach out to resources we still had, to farms that still existed; to industries which had more or less shut down, but which could be revived; to labor forces that had skills, productive skills, that they'd had in the 1920s. And he mobilized these resources, and created new resources, and built the recovery.

### **A Post-War Paradigm-Shift**

Today, through the cultural paradigm-shift, as it's called, which was introduced, actually in the post-war period with the Congress for Culture Freedom, which was actually a fascist organization in terms of its ideology, we produced—you may recall this, those of you who lived to recall it—we produced a degeneracy in the U.S. population under the influence of the Congress for Cultural Freedom during the 1950s in particular. We produced what was called, “the white-collar syndrome”; or it was called “the Organization Man syndrome.” We moved people into suburbia, out of the cities, to new industries developing in suburbia around the cities.

Children went to school, under the influence of a right-wing philosophy, in which they learned not to tell the truth: “Don’t say it.” “Be careful what you say. Be careful what you’re overheard saying—your father might lose his job.” “Learn to say things that are approved.” “Follow Dr. Spock, in raising your children.”

And we produced a generation, called the Baby-Boomer generation, which by and large, had lost the fiber of morality on which we had depended, under Roosevelt, to recover from the Depression, to conduct the greatest struggle against fascism the world could imagine: Without us, and without Roosevelt, there had been a Nazi empire over this world by the 1940s. Without the resistance to fascism in this country by Franklin Roosevelt, we, too, would have been a fascist state, as many intended to make us that at that time.

Without the United States’ build-up of its economy, we would not have had the industrial machine, by means of which the Nazi empire was defeated. Without the United States, without the United States’ leadership under Roosevelt, without the U.S. economy developed under Roosevelt’s leadership, *we would have had a Nazi empire ruling the world!* And the way this was done, was because Franklin Roosevelt was able to recall, from within the intestines of our people, a memory of that which had made the United States possible, and which had caused its achievements.

What happened during the post-war period, to the pretty children in suburbia, working in the nice jobs, the nice factory, where they kept their nose clean and told lies all the time in order to get by, was that they were hit, by the Missile Crisis of 1962; they were hit by the assassination of Kennedy; they were hit by the entry into a war in Indo-China: *They collapsed!* Morally. And we had the great cultural paradigm-shift, which we call the “’68er shift.”

We had a generation which left reality, which said they hated industry; they hated agriculture; they hated blue-collar people; they hated our culture. They were going to have a new culture. And *this change*, from ’64 to ’68, among a generation which was victimized by the influence of the Congress for Cultural Freedom on the children in suburbia, these children *cracked* under these crises. They cracked morally, in large degree. And that made possible the anti-industrial development, the other kinds of cultural change, which became the threat of fascism, with the inauguration of President Nixon.

### **George Shultz, the Fascist**

Now, the fascists in this thing were not so much Nixon. Nixon was a broken man. He was not a good man; but he was not the architect of fascism. The architect of fascism was people who are still around, when Nixon is dead: George Pratt Shultz is still around. The U.S. government today is under George Pratt Shultz. He was the one that organized the Bush Administration. He was the one that picked Condoleezza Rice out of the mud in California and elsewhere, and caused her to

organize something called the “Vulcans.” He was the one who appointed Dick Cheney, to organize a new Bush Administration under George W. Bush, Jr. He’s the one who’s organized the stealing of Social Security, based on a model which he knew from his association in support of a Nazi—Augusto Pinochet—in not only creating the Pinochet government in Chile, but in launching with the help of Nazis who had been brought into the U.S. and American system by Allen Dulles to organize a mass murder, a fascist-type of mass murder in the Southern Cone: the so-called “Operation Condor.”

*This man:* This man, who’s a third-generation oligarch in American history. His granddaddy was bad; his father was bad; and he’s worse. There’s a certain sense of progress in his development. He is, in a sense, currently one of the mothers of Henry A. Kissinger.

It was Shultz and company, who organized the inside of the Nixon Administration. It was Shultz who was behind Kissinger, in launching the crisis we now see in Lebanon, back in 1975. This is a product of Shultz; who brought Kissinger into power, to create the mess, which you’re now looking at in Southwest Asia. So, the crimes of Kissinger, actually come from people like Shultz.

Shultz is the man who took Conan the Barbarian and made him the Governor of California. (The pot-bellied Governor of California, I might add. Recent photographs have disclosed this great national secret.)

### **Collapse of the Physical Economy**

So, what has happened is that, if you look at our country, you see the following: People—I think former President Bill Clinton will sort of concede to this: None of the Presidencies, none of the governments, none of the party leadership, majority leaderships of the United States of the past three decades, has done anything good for the economy. Let’s review the statistical evidence, county by county, of the United States, which we’ve done a sampling of this. To show, in example, how the United States’ economy has been *consistently destroyed under every Presidency, since beginning with Nixon.*

This [Figure 1] is just an indication of the shrinking of the economy of the state of North Dakota.

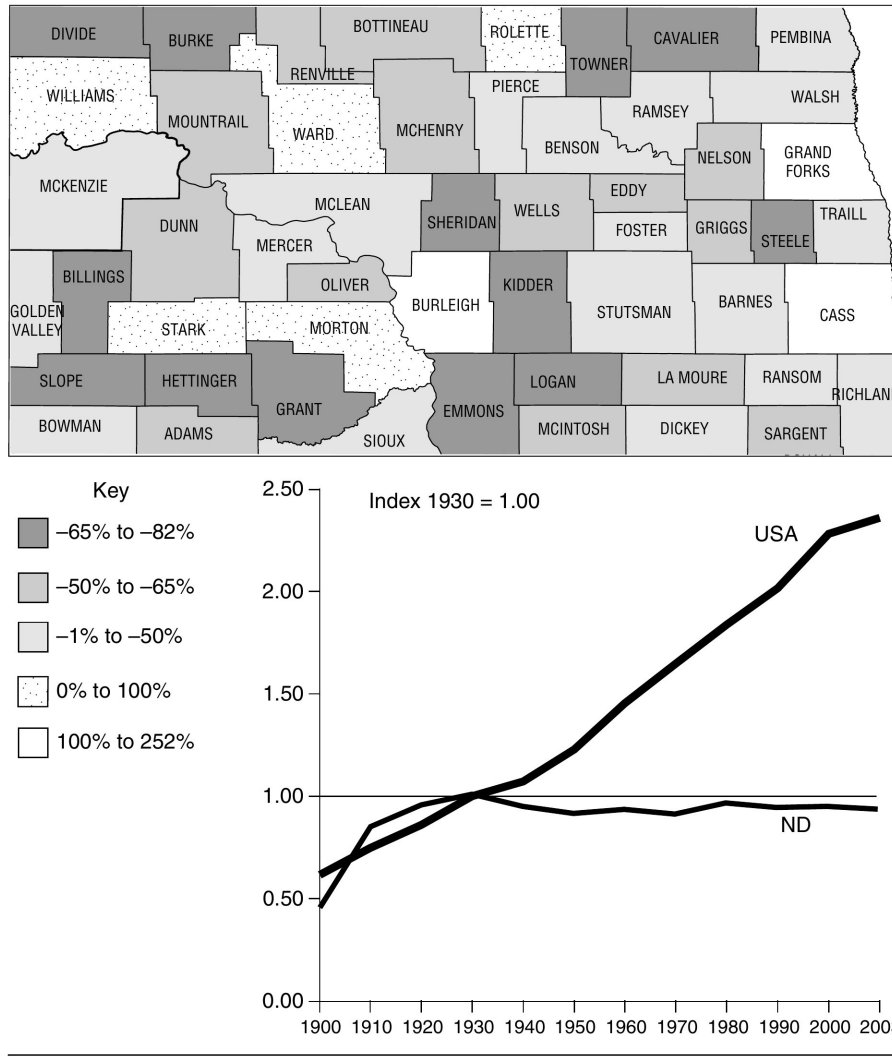
Now, what happened, essentially, is that we have destroyed, under every particular Presidency, we have destroyed our agriculture! So that, where you saw rich farms in the past, where you saw industries, you’ve seen decay. You’ve seen a new kind of Dust Bowl, an economic Dust Bowl, in the areas of industrial development, and agricultural development in the past.

Under every Presidency, since Nixon, we have been destroying the U.S. economy. No Presidency, no session of Congress, has done anything to halt this. But every Presidency, every session of Congress, has increased the ruin of the United States.

All right. What we’ve done, is we’ve taken the census, the economic census, of the United States county by county,

FIGURE 1

**Shrinking Population of North Dakota, Changes by County, 1930-2000**



Sources: USDA National Agricultural Statistics Service; EIR.

*From 1930-2000, of North Dakota's 53 counties, 45 declined in population. The state's population peaked at 681,000 in the 1930 Census, and declined to 642,000 by 2000. In 2003, the Census Department estimated its population at 634,000. Had North Dakota's population growth matched that of the nation since 1930, its population would be over 1.5 million today.*

and we have examined the physical condition of agriculture and industrial production, employment and so forth, county by county, for the United States. And the kaleidoscopic picture you get, is one of a systemic destruction of the U.S. economy: Under every Presidency! Under every session of Congress, up to the present time.

Okay. We've got more of this, we can get back to in the question period, if people want more of this, on these questions. [See **Figures 2-8**, pages 10-15.]

All right, so, no one can say that it was Bush, that started this process, this Bush. It is *we*, the United States, our political parties, our leaders, and *our popular opinion*, especially that of the Baby-Boomer generation, which has engineered the self-destruction of the U.S. economy. And similar processes have occurred in Europe.

**Destruction of the Monetary System**

The destruction took two phases. You had the first preliminary destruction, was under Nixon. Under Nixon, under the influence of especially George Pratt Shultz, the man controlling Bush, and controlling the Governor of California today—under Conan the Destroyer of California.

We went through two phases: First phase was to destroy the structural policy. The destruction of the international monetary system was the first step: 1971, Aug. 15-16, 1971. In this, we destroyed the United States' commitment to the Bretton Woods system. In the following year, George Shultz, at the Azores Conference, had a war against the resister France, under President Pompidou of France; had a war, in which the United States prevailed, and thus imposed an international agreement on the IMF itself, which destroyed the system. In other words, the United States *betrayed* the system, in August of 1971. The United States acted to *destroy* the world system, the IMF system, with the Azores Conference, at which George Pratt Shultz presided.

Now since that time, we have had a general collapse of the international financial-monetary system, as well as the U.S. national system.

**'Controlled Disintegration' by Deregulation**

The second phase came with the succession under which National Security Advisor Henry Kissinger was replaced by his twin: National Security Advisor Zbigniew Brzezinski. Hmm? A man who's close to Satan, I think.

Now, what Brzezinski did, in particular, is, Brzezinski engineered, under Carter—Carter didn't do it; Brzezinski told him to do it—engineered what was called “controlled disintegration of the U.S. economy.” This was a doctrine adopted by Brzezinski's group called the Trilateral Commission, created by Brzezinski, which became the new government under Carter. It was not a Carter Administration: It was Trilateral Commission administration. And the Trilateral Commission administration carried over into the Reagan Administration, where the Reagan Administration had more members of the Trilateral Commission in it, than even the Brzezinski Administration.

What Brzezinski did with *deregulation*, was to destroy the *structure* of the U.S. economy. Kissinger, Shultz, and company under Nixon, destroyed the system, the international system. What Brzezinski did, was to destroy the *internal* structure, by deregulation, of everything: Agriculture was first; trucking, air transport, industry—everything.

Now, what happened was, for example, we used to have—we refer to the county organization—we used to have in the United States a fairly developed distribution of industries. That every part of the country which had any pride, every state, and many counties in these states, would have agriculture, or a mixture of agriculture and industry and infrastructure; large water systems of which they could be proud; water-management systems, for agriculture and other purposes, built by the Corps of Engineers and others. They would have industries. All over the country, you would find the local industry, here and there.

In every state, you would have industry; we had regulated transportation. You could produce in any county, and get delivery of service, for shipping and receiving from centers, through a national transportation system, which was regulated. Under Brzezinski, they destroyed that, and now the production was concentrated in a few large areas, with super-corporations, and local industries, local counties, local regions of the country, went into bankruptcy.

We introduced conditions of slave labor in truck driving, for example, through deregulation, under Brzezinski. We destroyed our railroads, more than ever before, under Brzezinski.

So, these two steps, from approximately 1969, when Nixon came in, into about 1972, when certain other changes were made, destroyed the United States, as an economy. And the free trade idea, pushed forward, meant that where we had protected high-technology industries, we now said, “We're going to break the back of the countries of South America and elsewhere; we're going to collapse their economies! They're going to produce things for us cheaply! We are going to export out industry and agriculture, to slave labor in countries whose backs we have broken. We are going to utilize and loot the cheap labor resources, mineral resources of the world. And we're going to feed people through Wal-Mart, instead of hav-

ing real stores, where you can buy real things.

And that's how we destroyed the economy, step by step, over these years.

### **The Greenspan Years: Crazier and Crazier**

The next stage came, where I was very fortunate in a sense, to make one of my famous successful forecasts: In the Spring and Summer of 1987, I warned that what was happening now, meant that we were on the verge of an early general collapse of the stock market, which occurred in a timely fashion—just as I had forecast. Now, the reaction to this was, you had Volcker, who had presided over the destruction of the U.S. economy through the Federal Reserve System up to that point, was replaced by Alan Greenspan, who was much crazier. So, Greenspan told everybody to halt, because he was coming in as the new Federal Reserve chief, and he would take care of it.

Now, what he did, is he invented a new kind of economy, to replace the old economy. He invented what we would call “gambling side-bets” to replace real economy. These are called “financial derivatives” or hedge funds. And therefore, we have now created, in the international system, which we have destroyed—we've destroyed the physical base, of Europe, the physical base of economy in the United States and elsewhere—relying upon looting the cheapest labor in the world, for what we get . . . and we can't even pay for it any more! As our current account deficit shows.

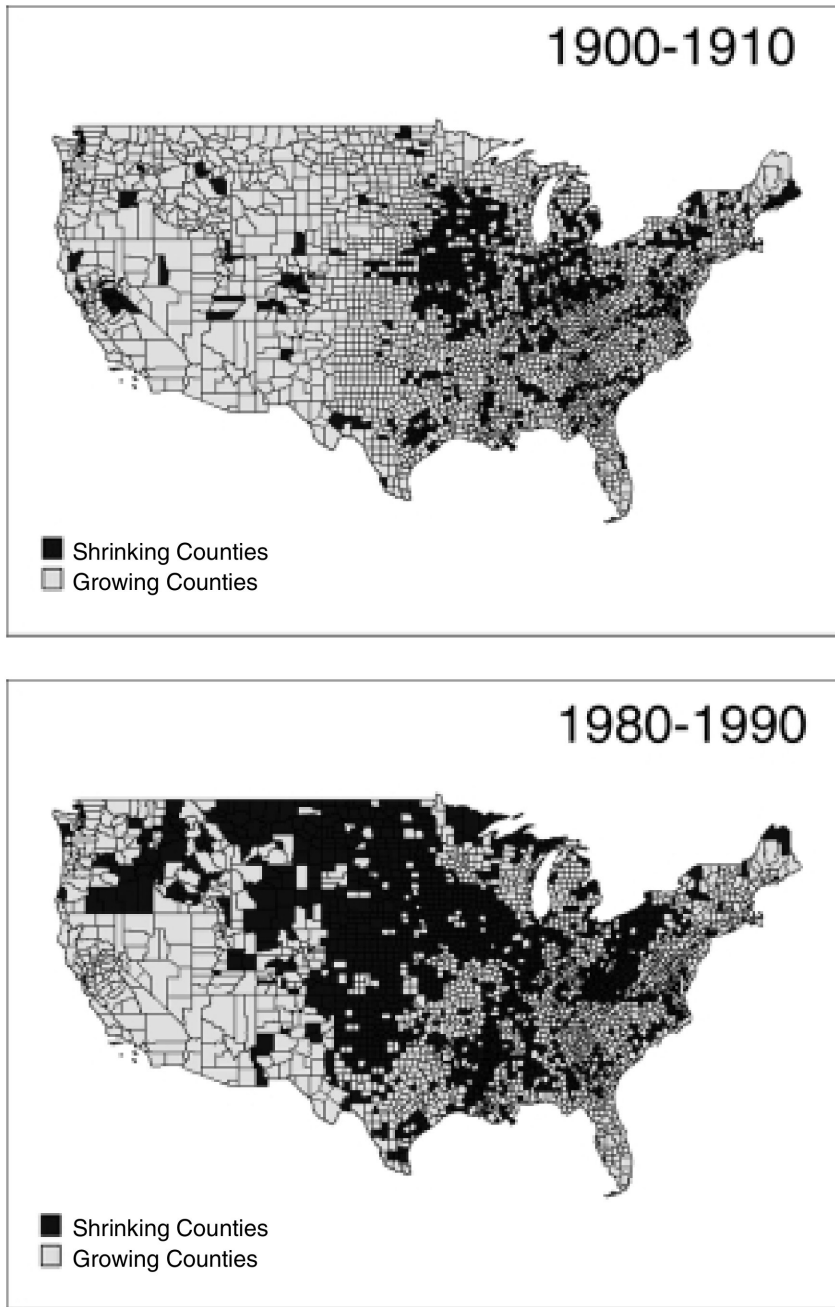
So now, we've created a debt based on what are called “financial derivatives.” No one knows how big this debt is, because most of it is unregulated and unaccounted for. But it's there. These are promissory notes, against gambling side-bets on the on the world economy. This gambling is now being used, for what is now in the process of absolutely destroying the world system, which is why we're on the edge of a general collapse, a general breakdown of the present world monetary-financial, *and* physical, economic system.

A chain reaction collapse can happen at any time. You can not predict exactly when such a thing will happen under these conditions. But you know it's soon . . . and it's coming down: Because, what has happened is, the active part of the world economy, as it's called today, is not what we used to think of before 1987 as an economy. What is happening is, the speculative money associated with hedge funds and other things, financial derivatives, is now concentrated on what? On buying up control over the future raw materials supply of the planet.

There is no shortage of petroleum, for example. There's more than adequate petroleum being produced today, to meet the world's needs. Then why is the price zooming towards \$60 a barrel and higher? Some forecasting is as high as \$140 a barrel—from a stable level of \$25. Why? Because of a shortage of petroleum? No. This is not a “market” problem. This is not a “supply/demand” problem, the way some fools

FIGURE 2

**U.S. Population Expansion and Shrinkage, by County**



Source: Bureau of the Census. Map produced by MapInfo.

The first map, 1900-1910, shows population increasing in most of the nation, to a 1910 population level of 92,228,500. The loss across counties in the central farmbelt (Iowa), and in the Missouri and Mississippi River Basins, reflects migration from relatively recent communities to farther reaches of new settlement, and to growing Midwest industrial centers. The 1980-90 map shows extensive loss of population (dark) from farm and factory counties, with outright de-population in the High Plains and other parts of the Farmbelt, as well as loss in the former industrial centers, e.g. Western Pennsylvania, the Great Lakes Cleveland-Detroit-Chicago region, West Virginia's Kanawha Valley, and so on. As of 2002, North Dakota's population went negative; and West Virginia would have, but for the Washington, D.C. commuter belt.

will say.

What is happening: You have bidding with the weapon of financial derivatives and hedge funds, on control of the future supplies of all categories of major raw materials on this planet! That's the market! That's where the business is! Therefore, imagine the effect, now of \$60/barrel oil. We're about that level right now. Outstanding, of course, are many contracts at lower levels. So, the cost of petroleum at the pump, has not yet reached the level that corresponds to approximately \$60 a barrel on current new contracts. But it will! If this continues.

What then happens?

We have this in steel. We have this in every category of primary materials and their immediate derivatives, globally. What you have, is a big international power grab, by these circles, *to take over and destroy the world*. To make a new kind of world, where most people starve to death; and a few people control the world, by controlling the raw materials, upon which their existence depends.

That's the game.

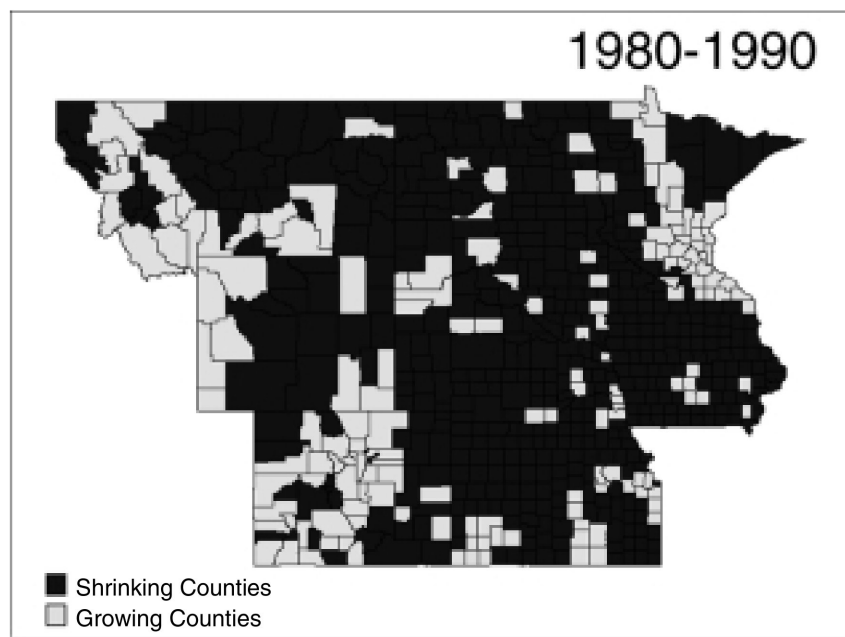
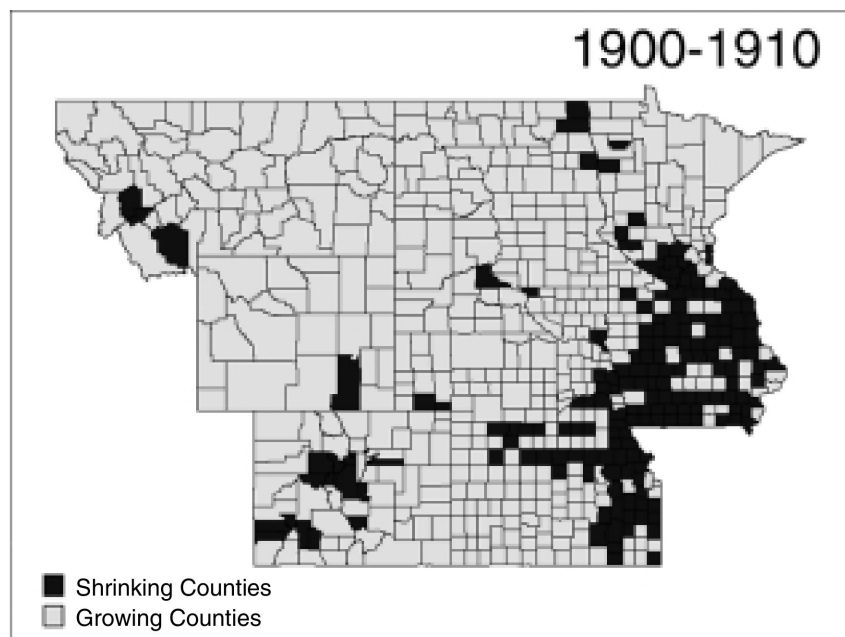
There's no way, that you can organize this kind of system, or tolerate this kind of system, of raw materials speculation of this type with hedge funds—and have an economy. Therefore, you're now at a steep curve. The steep part of the curve, where we're now in the area, where *an immediate, general collapse of the world economy is now about to occur*. Because of this condition!

Now, we could control this condition, if I were President, with support of the right people. And I have a list of about 1,500 people who would serve me well as government for this purpose. Just in the Executive branch. We could control this. We would use the force of law, and the principle of the general welfare, or the common good. On the interests of the United States and with the cooperation of other countries who share the same the same principle, we would take these speculators, and we would bankrupt them. We'd put them into receivership. We'd put this under control. We would stop this nonsense.

But no one so far, apart from me, and

FIGURE 3

**Northern Plains States' Population Expansion and Shrinkage, by County**



Source: Bureau of the Census. Map produced by MapInfo.

*The first map shows population increasing in most of the counties throughout the nine-state region. Those counties losing population over the decade are concentrated in the region nearest greater Chicago and other industrial centers, reflecting migration to more distant new communities in the West, and into cities which were growing on the Great Lakes, and towns on the Mississippi and Missouri Rivers and rail hubs. The second map, giving the decade 1980-1990, shows the extensive loss of population throughout the entire region over the past 40 years. Outmigration has streamed into metro-Washington, D.C., cities of the West and South, and other points. Crises exist in school districts and other government functions.*



maybe a few who share my sentiments, are so far willing to do that.

So, we're on the edge of a collapse.

**The Slaughter of General Motors**

Now, at the same time, as a reflection of this collapse process, we now have a collapse of General Motors; and many other industries who are in the same category, internationally. General Motors' collapse, left alone, would mean a total collapse of the economy, because of chain-reaction effects.

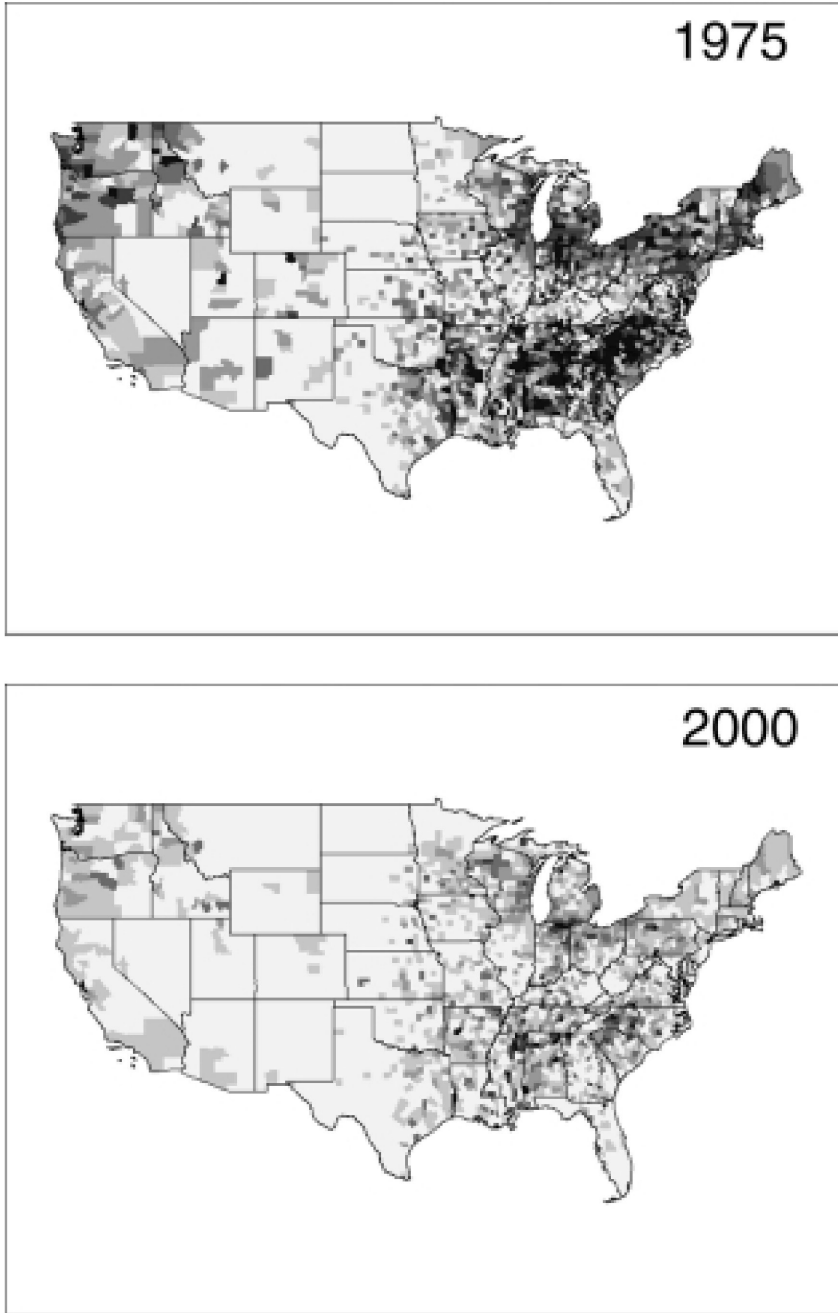
Now, there's no way that General Motors could be saved, in its present form, by a bailout or so forth. You could have a general reorganization of the economy. But what happens if General Motors is wiped out, the way that some people will treat it? What some people will do, in the financial market, they will not try to reorganize General Motors, the way that you had the famous reorganization of Chrysler. Nah, that's in the past. They wouldn't try to save General Motors; they would slaughter it. And that's what the Federal Reserve System is up to. That's its policy, right now.

Now, with slaughtering General Motors—I don't have too much sympathy for the management of General Motors, which generally is pretty incompetent. But, I think there are better ways to get rid of incompetent management, than slaughter the company! Because General Motors represents, with its industries like that, which would go down with it, represents the United States' greatest concentration of machine-tool capability, which is concentrated in the auto sector, and related sectors.



FIGURE 4

**Decline in Manufacturing Workers as Percent of Workforce, by County, 1975-2000**



Source: Bureau of Labor Statistics. Map produced by MapInfo.

*The darkest tone indicates the highest percentage. The data is from the Standard Industrial Classification series of the BLS. The decline of manufacturing from 1975-2000 is evident throughout all geographic concentrations, from textiles in the South, to aluminum in the Northwest, to steel, auto, and machine tools in the Northeast and Upper Midwest.*

Now, we are producing too many automobiles. That is, we can not market, presently, the number of automobiles that would have to be sold, in the current price-range, in order to stabilize the automobile industry. Can't work. There's nothing you can do about it. *But!* The automobile industry contains this valuable machine-tool capability, which is *irreplaceable*.

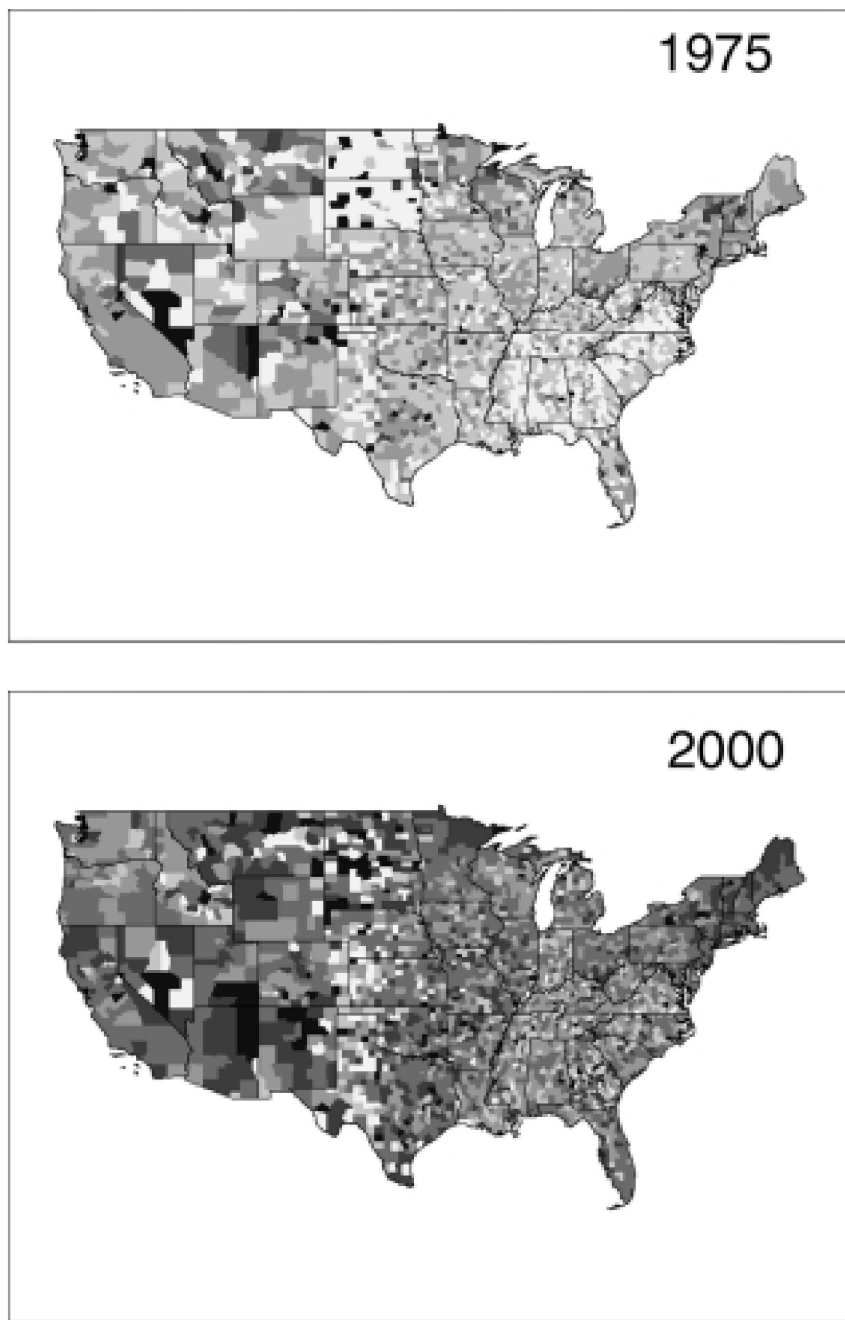
The danger is, that a bankruptcy of General Motors will mean the elimination of that last remaining hard core, largely in aerospace and auto, of the machine-tool capability, which can produce all kinds of things besides automobiles.

For example, concretely: We need to change the way in which we live. Not the way most people talk about it, in the newspapers these days, but differently. We have produced too many automobiles. We have produced a dependency on automobiles, which you may have noticed in the traffic jam which you come through every day. In the number of miles you have to drive, and the hours you have to drive to get among the three jobs you have to work to survive! This is not a good idea.

What happened is, that certain interests, including General Motors, and General Electric, and similar kinds of people—the Wall Street crowd—moved in the post-war period, for a great real estate bubble, called “suburbia.” Eisenhower had come up with this policy which he was pushing, the National Defense Highway Act: The idea was that, in wartime, since railway systems were vulnerable to bombing, particularly in the nuclear age, that you had to have an alternative system to make sure the infrastructure of the economy could be maintained under wartime conditions. This became the National Defense Highway Act. Therefore, you built a network of superhighways, which presumably were going to be reserved for the general idea of being able to continue the flow of logistical support, in the U.S. economy, under conditions of warfare. Because of what we'd done to the railroad system of Germany during World War II—gave us a good idea of what could happen.

FIGURE 5

**Increase in Services Workers as Percent of Workforce, by County, 1975-2000**



Source: Bureau of Labor Statistics. Map produced by MapInfo.

*The darkest tone indicates the highest percentage. The data is from the Standard Industrial Classification series of the BLS. Reflecting the decline in manufacturing and farming over the 1975-2000 period, the map shows the increasing percent of workers in service jobs of all kinds, ranging from retail sales to croupiers.*

But along came some sharpies, including people associated with Sears Roebuck, who said, “Great idea! We’re going to do something else: We’re going to move industry away from the cities, the urban areas, into suburban areas. We’re going to create shopping-center-based, new sub-communities, called ‘suburbia.’ And we’re going to move the population out there. And we’re going to have a *highway-based* economy and logistics, as opposed to continue with a railway-based economy, a mass-transit-based economy.”

So therefore, and General Motors agreed: “Let’s get rid of railroads! Let’s ruin the railroads.” And in the course of the 1950s, centered around the issue of the New York Central and Pennsylvania Railroad, the decision was made: Destroy the railroads. And the issues of the merger of the New York Central and Pennsylvania was the way it was done.

So now, what we did, is we said, “We’re going to sell more automobiles.” So, we made a more costly economy! In terms of physical economy. We used to have cities. If you lived in a city, you could generally walk to work, or get a very short trip to work. There were many jobs available in that city. If you didn’t work for one firm, you worked for another. The school was in your neighborhood. The hospital, the health care was in your neighborhood, at least in most cases. It was a short distance. Your life was simple.

It became very complicated.

So, then we overbuilt automobiles. And as a result of that we have this great invention, called the “mass traffic jam.” Which is now on the verge of having the economy becoming a permanent mass traffic jam. You know, you have the whole economy, the whole nation, being frozen up, in one big traffic jam—which, at 12 o’clock at night, or 1 o’clock in the morning, you might be able to move.

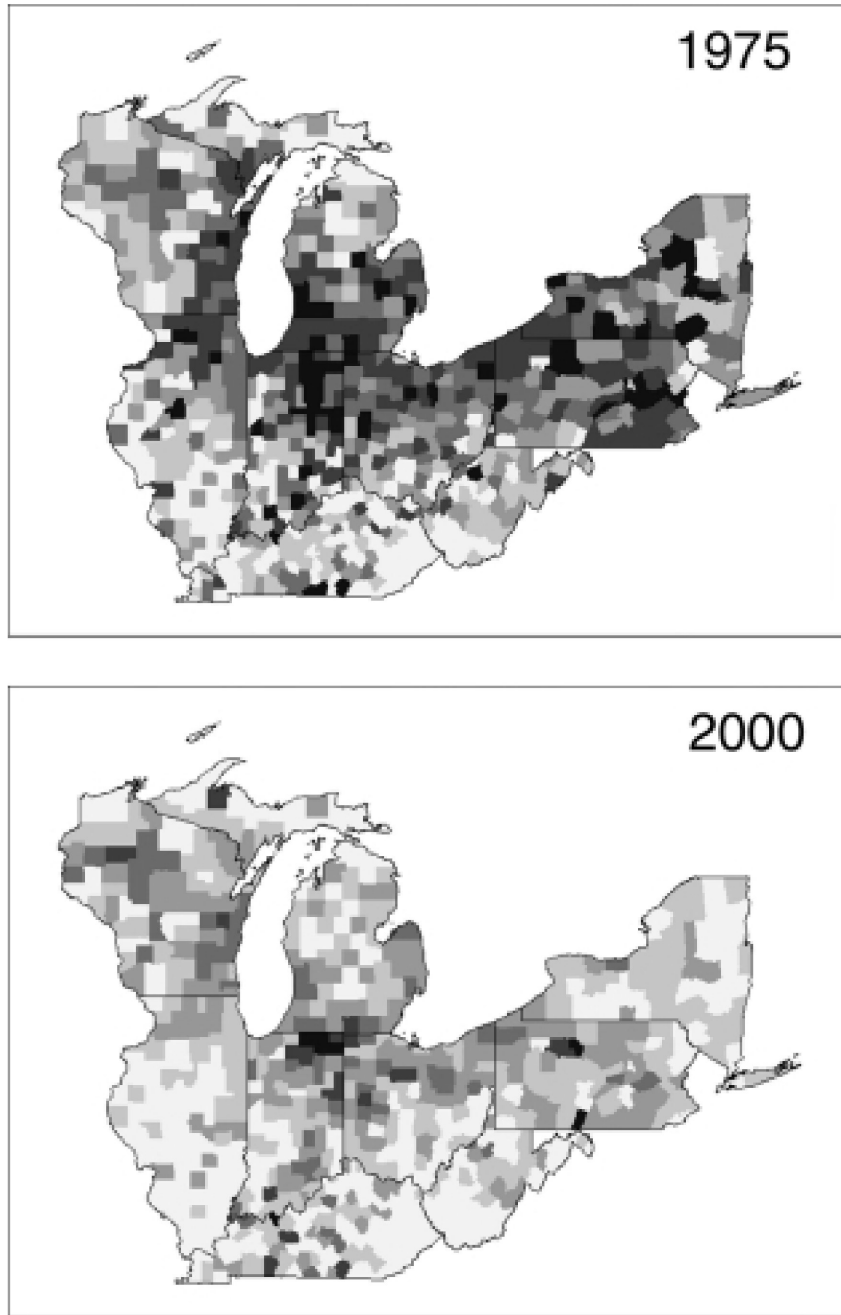
All right, so therefore, we have to make changes in our economy.

**Make Some Changes**

Now, the cost of petroleum is not the problem. The cost of petroleum is a prob-

FIGURE 6

**U.S. Industrial Belt, Decline in Manufacturing Workers as Percent of Workforce, by County, 1975-2000**



Source: Bureau of Labor Statistics. Map produced by MapInfo.

*Darker tones show greater percentages of manufacturing workers. The nine-state region from the Mid-West through New York has undergone a severe deindustrialization process over the 1975-2000 period. The process accelerated during the 2001-2005 George W. Bush years. Former leading industrial centers throughout this region—Buffalo, Pittsburgh, Cleveland, Detroit, etc.—have lost nearly half of their city population along with their economic base, and are in acute financial crisis to maintain even bare-minimum urban government functions of police, fire, water, and sanitation.*



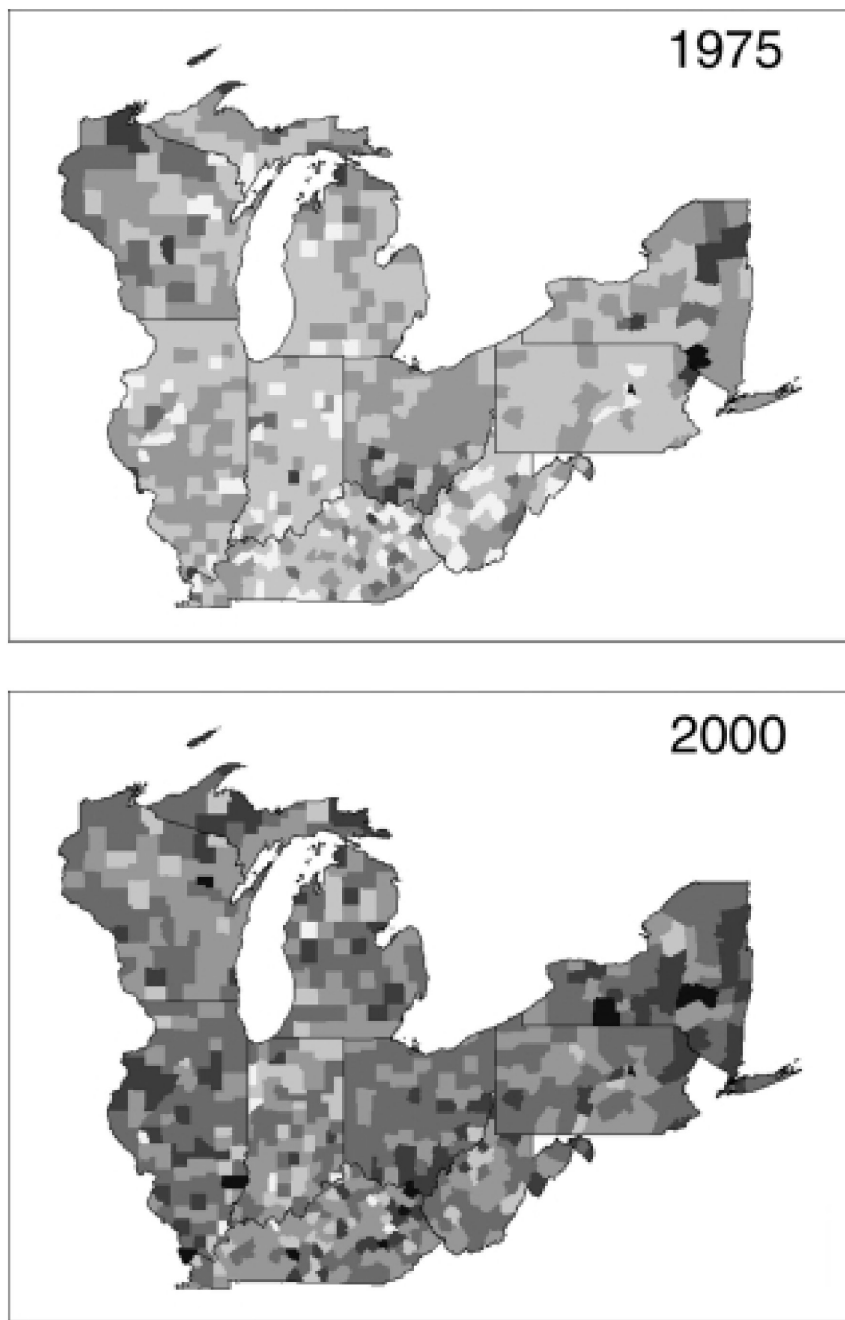
lem of dealing with these financial interests which are driving the price up. There's no shortage of petroleum in sight right now. But, it is wrong to depend upon petroleum. Petroleum, like natural gas, is better used as a feedstock for a chemical industry, than it is as burned. We have much better forms of production of power, such as nuclear: A high-temperature gas-cooled reactor, or similar types of advanced types of nuclear reactor, can easily produce, as a byproduct, in any part of the country you have it, can produce hydrogen-based fuels locally. You don't have to import oil.

A hydrogen-based fuel economy, for the chemical side of the power system, is much better. Also, high-temperature gas-cooled reactors are more efficient. They're cheaper to operate. They give you new technological capabilities.

So, what our objective should be, is to go back to a denser utilization, county by county, of the territory and distribution of population of the United States; don't compel people to move such distances to get to and from work; stop the highway congestion; produce efficient mass transit in suburban, or urban areas; produce efficient railway systems, which we can produce. And what do we do, with this kind of reform? How do we do it? Well, we go to the auto industry! We go to the tool-and-die centers of the auto industry and similar industries. The machine-tool factor in the U.S. economy. Here are people working—in danger of losing their employment. And if they aren't employed, we lose their skills. Their machine-tool skills are what we depend upon to maintain a modern economy. If we want to build a new transportation system for the United States, and what goes with

FIGURE 7

**U.S. Industrial Belt, Increase in Services Workers as Percent of Workforce, by County, 1975-2000**



Source: Bureau of Labor Statistics. Map produced by MapInfo.

*Darker tones show higher percentages of service workers. The nine-state region underwent a marked increase in services jobs, from 1975-2000, as industrial activity shrank radically. This lower-wage service-sector profile increased, as the United States became more and more dependent, under globalization, on imports of basic household and capital consumption goods—from steel, to appliances and food. The process has intensified during the George W. Bush Administration.*

it, then we have to employ these people, as tool-makers, for the machinery we require for the new industries.

You want a new railway system? We could produce an *excellent* new railway system, of various types, including magnetic levitation. We can produce that, with the aid of these people. They can do anything. They are trained to that. They are experienced to that! They can turn around production within a year, on most products, as they have for the automobile industry. They know how to do it. So, don't let them be unemployed!

Yes, accept a reduction in the number of automobiles produced. That would be good. Increase the amount of mass transit. Produce a new railway system, across the nation, which makes the territory of the United States more efficient, which opens up—instead of having congestion, where you pay \$800,000 to \$1 million for a shack, in the Northern Virginia area; it's a tarpaper shack, and it's not even disposable! And these shacks, which are now going up to \$1 million and more, minimum price is \$400,000 for a cheap one, in Northern Virginia. When this market collapses, and you have citizens sitting with a \$600,000 or million-dollar mortgage to carry, and they're out of a job, what kind of condition are you producing?

Wouldn't it be better to make a more efficient utilization of the territory of the United States, by distributing our production and our population more generally, as we used to tend to do, in developing the country from the Atlantic Coast to Pacific Coast: by developing all of the territory, and efficiently connecting all of the territory? By efficient mass transit of goods and people, which is what made this country strong! To be developed, in *every* part of the country.

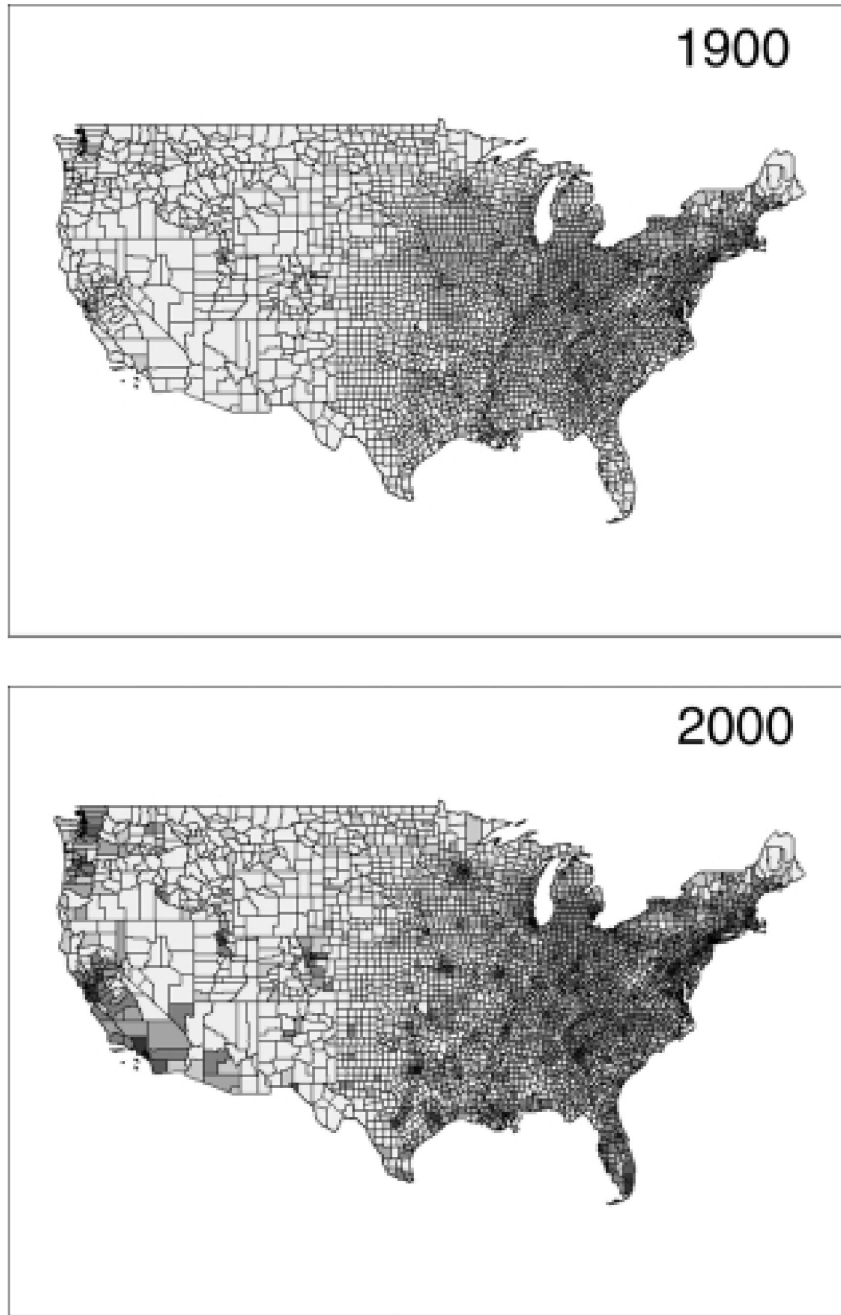
**Upgrade the Machine-Tool Sector**

And to do that, we have machine-tool specialists now.

Now, the way it would work, is this: What we would do, essentially, is to take these fellows, in place, where they are—working where they are—to produce,

FIGURE 8

**United States' Population Density, by County, 1900 and 2000**



Source: Bureau of the Census. Map produced by MapInfo.

*Darker tones show greater population density. The maps from the beginning and end of the 20th Century show how new growth areas arose in the southern states of Florida and Texas, and in the Southwest, in California, Arizona and New Mexico. However, the vast void of the Great American Desert and other regions remains significantly underpopulated, under conditions of the lack of required infrastructure, especially water and power. Needed "great projects" were not built. The extreme shift to the suburbs over the past 40 years is not shown here, because of the county-scale.*

say, things like locomotives, new types of locomotives. We would then absorb them into this construction. They would also produce other kinds of machine tools.

We have a vast mass of people who are in the unskilled, or semi-skilled layer, poorly employed, who are poorly paid. They have a poor standard of living. Many of them are going to become unemployed, rapidly, under present conditions. What do we do? Well, we take the machine-tool sector—the machine-tool sector *is a vital part* of a total production of anything. To the extent you employ the machine-tool sector, you can now bring in your unskilled and semi-skilled labor, and upgrade it into the combined production. Any large construction project has that character. Any large enterprise, like building a system, has that character.

Therefore, the driver for an economic recovery, a physical economic recovery of the U.S. economy, is to start from the top: from the high-technology cadres of the labor force, build industrial and similar kinds of projects around them, and the projects then will absorb a much larger ration of unskilled and semi-skilled people into the same projects. Like we did with the Tennessee Valley Authority under Roosevelt. That's the way these things work.

So therefore, we have to make a change, from this kind of economy, which is based on this crazy speculation. And we have to use Europe, the United States, Japan, Korea, so forth—areas of the world which have machine-tool capability, high-technology machine-tool capability. We have to think about upgrading the entire world population, the quality of life over the coming two generations, through cooperation among nations.

**A Global Division of Labor**

How do we do that? We create large projects, which utilize high technology, as expressed by science and by the machine-tool sector, to drive projects. We then absorb the less-skilled layers of the population, into supporting roles, but being upgraded through their association

with technological progress. We then take the United States and Western Europe, which still have advanced technology and have the technology-driver capabilities, which is just as important as the technology, and we commit the United States and Western Europe, for example, in the case of Eurasia, to drive the development of Eurasia, which is the largest part of the world, the most critical part in terms of population and territory; and we take a two-generation perspective, of developing this part of the world, by insisting that those areas which are culturally and otherwise capable of maintaining a high-technology-driver program, commit themselves to specializing in things that are needed by the rest of the world which need access to that technology.

We do that with the United States. We do that with Eurasia. We do that in terms of North/South in the Americas. We have areas of the Americas we've ruined, with the policies since 1971. These areas have large resources, large populations, growing populations, and a great potentiality: They need a driver program, a science-driver program, which enables them to do what this group of Uribe of Colombia, Chávez of Venezuela, Lula of Brazil, and so forth, recently came to. They need a large infrastructure-development program, of cooperation among them, to be able to develop their countries, in concert. They need our cooperation, to make it possible for them to succeed in this venture.

So, we have a division of labor around the world: We have an Americas division of labor; you have a Eurasian division of labor in this kind of development; and you have the cooperation among these regions.

So, we have a perspective of reorganizing the world economically, by reacting to the threat to the destruction of our economy, to take measures *to save the economy* in its present form, and to correct our mistakes, and to move on and take care of these kinds of problems.

### **How Do We Pay for It?**

Now, this brings us to another question: How do we finance this stuff? We've got people unemployed. We have needs, needs of consumption. We have a health-care system which is breaking down. We've gotten into a situation where some people say, "Let's try to fix the problem," as they do in the Congress. But, you can not "fix"—you can not heal the man you killed, and you can not fix the equipment which no longer exists! And we're in an economy in which we have destroyed what some people want to fix. The example is the health-care system: Take the case of the Canadian and British health-care system, which provide universal, guaranteed health care. Can they deliver it? No! They can't deliver it, not serious health care. You wait for it. "You're going to die tomorrow? Well, we'll treat you in six months."

So, you have a system, in which you have people in the Congress will go along talking about "universal health-care systems," and they have no idea, and no intention to provide

the means by which to deliver health care, required by the population! So, why are you promising them something—you know, "Promise them anything, but give them Arpège!" And now, you have the conservatives, say, "Stop giving them that Arpège!" You know, the pair of free glasses you get, instead of an appendectomy.

So, that's the characteristic of the mentality of the Congress so far, is the tendency to take the cheap shot; it's to promise to fix things, which no longer exist to be fixed. Like the health-care system of the United States, which has been destroyed, since 1973, with the adoption of the HMO legislation and cancellation of Hill-Burton. People talk about health care in the Congress, but no one is prepared to deliver on the development of a health-care system to replace what we have, that's been destroyed. A woman in maternity jeopardy: Can she get to a hospital within a hundred miles, in time to save her life? She can be promised anything. But, if you can't get her there in time, she's going to die.

And so therefore, we have to replace, or supply, something we can no longer fix because it doesn't exist. And that's true throughout every part of the economy.

We have an education system that's called "leave no one behind." "Behind what?" Make everybody equal, by being equally dumb? Be as dumb as George Bush reading *My Pet Goat*?

So, the problem we have, is that we require a system to be the standard, not of keeping things going, not of fixing things that really don't work now, already—and fixing them won't make them work, because they don't exist! What we need, is to finance a vast expansion of the physical economy of the world, and of the United States in particular. Not services, as such. Physical economy. Not paper shufflers, not entertainers, not exotic dancers; but people who actually produce the wealth which other people need, to live on.

### **The Problem Is Anglo-Dutch Liberalism**

So therefore, we've come into the fact of a very interesting, little problem, which has its amusing side; but, it also has another aspect. What is the problem? The problem is the international monetary-financial system, the international banking system—that's the problem. The United States is unique, in some respects, relative to Europe. Europe is backward, relative to the United States in thinking about economy. See, we were created, as a nation, after 1763, when the British Empire—then called the British East India Company—through organizing what was called the Seven Years' War, had put the nations of Continental Europe against each other's throats. And by this war, had put the British in a dominant position where they grabbed India, Canada, and so forth, and so, the British East India Company became an empire, the dominant force in the world.

Once that had happened in 1763, at the Treaty of Paris, the people of North America, who had previously had a

certain degree of freedom of regional development; who saw themselves as not part of England, not part of the British monarchy, but under the British monarch, where the British monarch had a parallel authority, as the King of the United States, or the King of what became the United States, and also the King of the United Kingdom of England. And these were separate—that is, the British Parliament, was not supposed to have any control, essentially, over the North American development.

In 1763, as the British East India Company took power, total power, under a new imperial arrangement, they moved in to crush the independent economic development in North America. This led to the split, the revolt of North America against the British monarchy, on the charge that the British monarchy had betrayed them, by selling them out to the British Parliament, or to the interests which controlled the British Parliament, which was the British East India Company.

So, we were formed at that time. We were formed with the support of many people in Europe, including in England and elsewhere. We were formed on the idea of seeing the opportunity—as envisaged, say, with Sir Thomas More, and his famous *Utopia* commentary, and other things—of taking the area across the Atlantic, in North America, where you had Europeans living; and building here, a new nation which would then become a model to play back into Europe, to free Europe from the oligarchical relics, which were crushing it at that time.

So we developed in this country, through our Declaration of Independence and Constitution, we developed a new form of government, which is truly sovereign. However, because of things that happened in Europe, we were never able, until Lincoln's victory over the Confederacy, to begin to exert our sovereignty, in terms of the international domain. So therefore, we were, in a sense, crushed.

At the same time, what crushed us, was what happened in France: Is that the British East India Company, which ran the French Revolution, created through the French Revolution which it orchestrated, destroyed France's potential of becoming a constitutional monarchy of a type, which would make it of a type similar to our United States. And the accession of Napoleon as a predator, and similar things, resulted in the fact that *Europe never really achieved a true nation-state*. So, where we have a Presidential system, a constitutional system, at least by our Constitution, in which the government is the highest authority in law, in Europe, they don't. To this day, they don't have that kind of system.

In the European system, and in the international system today, the world is not run by governments; the world is run by a slime-mold—what the biologists would call a slime-mold: by an international monetary-financial oligarchy. This oligarchy is composed of, essentially, so-called independent central banking systems. And with the adoption of the Federal Reserve Act, in particular, we adopted an imitation of a Euro-

pean central banking system.

Now, European central banking systems represent a higher authority than government. That is, the government must accept the *independent authority* in financial and related matters of policy, as dictated by a central banking system. And Europe as a whole, is controlled by a consortium of central banking systems, and the present reference point for that consortium today, is the 1931 establishment of the Bank for International Settlements, which is the pivotal feature of the system, today. Since 1971-72, our Federal Reserve System, which is kind of a hybrid, brought in by a combination of Teddy Roosevelt and Woodrow Wilson; this hybrid has essentially become an accessory of the general international financial cartel.

So the problem today, is that.

### **An International Slime-Mold**

And what happened in 1971-72, beginning with the first Harold Wilson government in England, which started the process, the Bretton Woods system established by the United States, at Bretton Woods, as a Roosevelt design, was broken up in stages. The first stage was, the Harold Wilson government destroyed the English economy on the inside. Then in 1967, Harold Wilson sank the pound, and used the sinking of the pound to bring about the collapse of the U.S. dollar system by a concession in March 1968 by President Johnson. This cleared the way, later, for the 1971 *total* destruction of the system, the replacing of the fixed-exchange-rate system, under which we had the recovery of the post-war system had been organized, to a floating-exchange-rate system through the 1971-72 decisions.

So therefore, the world today has been run, ever since then, not by governments, by an international slime-mold, an international financier-oligarchical system which is more powerful than governments. We in the United States are the last place, where by Constitution, we could break this up. If I were President of the United States, we could break it up. And if any combination of people in the United States wants to do it, they could do the same thing, and they'd have my full backing and assistance in doing the job.

If we say, that we are not going to submit to a violation of the supreme principle of our Federal Constitution, the supreme principle—which is, of course, the combination of our principle of sovereignty, and of commitment to promote the general welfare, or what was called the “common good,” in the England of Henry VII. If we assert that and we say, “We can accept no law, either by affirmation or by negligence; no condition, by affirmation or by negligence, which constitutes a foreseeable violation of the principle of the common good, we have the obligation, as well as the authority by law, to suppress that condition.”

Now, let's look at this slime-mold question: The present international monetary system, the central banking system,



*The slime-mold, like the current international financial oligarchy, seems at a certain stage of its existence to be composed of individuals; but suddenly, you discover that it's everywhere!*

and the present Federal Reserve System, the way it's functioning now, is a slime-mold in itself. That is, it's composed of an agency which is a central banking system. This central banking system acts as if it were more powerful than government, and as long as government accepts that, it *is* more powerful than government. What has happened to the world is, this system has been imposed freely since 1971-72.

Now, what is this? This is not something that was created by modern society. It's rather ancient. This form of system, was known as the system of the Middle Ages, the feudal system, which was created by the sinking of the power of Byzantium, which led to the rise of the power of Venice as a maritime power, and also as an international financier power. The Venetian financial oligarchy reached out and adopted something which had been created under the Byzantine Empire, which became known as the Normans. And the evolution of Norman chivalry, as an ally of the Venetian financier monarchy, actually from the time of things such as the Albigensian Crusade or the Norman Conquest of England, and throughout the Crusades into the 14th Century, was the feudal system.

The feudal system formally did not allow actual governments, sovereign governments. It would allow kingdoms, but it operated under what was called the "ultramontane principle," using the pope as an excuse; saying that the Roman Empire of the West had been created by the Donation of Constantine, who had given the whole territory as a Western Empire to the pope, as a new monarch. Now, the pope didn't actually run it. Popes tend to be run by the bankers, not the bankers by the pope. So, the Venetian crowd ran

this system, using the Crusader force of Norman chivalry, as the enforcing agent. The doctrine of law under the Roman Empire, was only the Emperor could make law. Others could make rules, by consent of the Emperor. But the law, in place of constitutional law, was determined by the Emperor. That was the feudal system.

So, under this system, you had this rule of the world by this combination of financier oligarchs—at that time, chiefly Venetians—and also the military arm of the Venetians, the Crusaders, the Norman Crusaders, typified by the House of Anjou, and, at a later stage, the creation of the House of Habsburg as an imperial power. That's how we were run.

### **Religious Wars Against the Nation-State**

Now, when the system collapsed, in the 14th Century, that is, this financier system, the Lombard system, as it was called at the time, as a result of that, the aspirations for the creation of a true nation-state, which had existed in Europe since

the time of Solon of Athens and that period, this aspiration came to the fore. Dante Alighieri is typical of that. Dante Alighieri's *De Monarchia*, and his other works on language and so forth, were the foundation of much of the work done to establish the modern nation-state in the 15th Century.

So, in the 15th Century, there was a revolt, which centered around the great ecumenical Council of Florence, which established the principal basis, in law, for the establishment of the nation-state. This was realized, for the first time, in France under Louis XI. And then, as a result of that, Richmond, who was a popular figure in Louis XI's court, went back to England and became Henry VII, and they established the first two modern nation-states, under which the principle of law was the common good. The preservation of the common good, the general welfare—these were called "commonwealths"—the general welfare.

The Venetians came back by running an operation which was called the Siege of Constantinople, in which they had a deal with the Ottomans. The idea was to break up this effort to create nation-states, for their resurgence. The Venetians started the process by religious war. The first religious war of significance, was the Expulsion of the Jews from Spain in 1492, which is the precedent for what Hitler did later. It is the *explicit* precedent, the *conscious* precedent, for what Hitler did later to the Jews.

So, we had religious warfare in Europe, from 1492 until the Treaty of Westphalia in 1648. This was the character of Europe: religious warfare. So, as a result of this process, we never resolved this resurgence of Venetian power, which took place in this period.



So, we have a dual system in European civilization: On the one hand, we have the tradition which we trace largely from Classical Greece, the struggle for the true republic of Classical Greece, to modern times. On the other hand, we have this terrible infection, this *disease*, this slime-mold, which is called the Venetian system. Which is now called the Anglo-Dutch Liberal system—which is sometimes called the fascist system, when it shows its true teeth. So that's the problem.

### Shultz and the Nazi Bankers

Now, we are now faced with, and you see this in the case of George Shultz, George Pratt Shultz—who's going to have himself a Pratt-fall, if I have anything to say about it. What's the temper of this guy? These are the guys! He represents the temper of those *who gave us Hitler*, in the wake of Versailles. A whole group of these bankers, this slime-mold—as I'll explain, the biological concept of slime-mold.

These bankers decided they were going to create a new system, after Versailles, using the tremendous war debt of France and Britain, and the imposed reparations war-debt on Germany, as a fulcrum. And the idea was to create a new system, which we call "the fascist system." It's called the fascist system, because the British monarchy, through its asset Volpi di Misurata, took a bum called Mussolini, and made him the dictator of Italy. And so, that was used as a precedent for spreading so-called fascist movements—it's sort of like a vogue in ladies' hats, fascist movements—all over Europe. And this culminated, of course, in the emergence of Adolf Hitler as a dictator under these influences.

These guys never went away. At the end of the war, under Truman, we covered up for most of them. We took some Nazis, and we put them on trial, and executed them. We killed a lot of Germans just to show how mean we could get. But, what we did, is Allen Dulles and company, personally, typify those who *brought the Nazi system back into the Anglo-American system*, in the NATO system of today. We're now living under a third generation of Nazis, such as what we see in South America and so forth today. A third generation, which are the third generation of the descendants of these original Nazis, from the end of the war. That's what Pinochet represented in Chile. That's what Operation Condor was: It was done by the second and third generation of Nazis, who continued what Nazis do, in the Southern Cone region of South America.

We have them in our country: We have them in Northern Virginia, in churches. We have, actually, in this country, an illegal, unconstitutional arrangement: The present government is running a religion. It is not the right-wing religion that is running the Bush Administration. The Bush Administration created, and is running, the right-wing religions, which include the nasty Catholic varieties and the crazy Protestant varieties. These are being run as an instrument, contrary to our Constitution.

All right. This is a fascist system. What does George Shultz intend to do, and his company? They intend to loot and destroy the world, including the United States. What do they intend to do with General Motors? Break it up! Destroy it! Get rid of it! And similar other things. That's what we face.

Now: slime-mold. How does this thing function? Let's see the slime-mold thing [shows images of slime molds]. I want you to know what you're up against, with an international monetary system. This is an actual projection of what happens with a slime-mold. This is actual; the slime-mold seems to be composed at a certain stage of individuals, but see what happens. It becomes that.

So, what we're ruled by today, is: You have a group of individuals—this little dirty banker here; that dirty banker here; this financial guy here; this financial guy—all apparently individuals. But where do they come from? They were individuals produced by a slime-mold! The Venetian system. And what happens when the weight comes down? They revert to a unity, just as this thing does. So, the only image you have from the field of biology of a central banking system, of the international financial-oligarchy today, is a slime-mold! Now, take that off, because that's really—. Children don't want to be seeing that.

### It Is We Who Are Accountable

So therefore, what do we have to do: We are government. Or, we're supposed to be. We are supposed to be accountable for the conditions which we create or allow to be imposed upon our people. We are responsible under modern civilization, to uphold the common good, the general welfare of not only our own nations, but to work in concert with other nations for the common good of humanity.

We face a condition of ruin, which is avoidable. We could create, immediately, the instruments of credit, which I'll get to next, the instruments of credit by which to pull the world economy out of the present mess. No magic tricks: Just good solid, hard, progressive work. We could do that. This stands in our way. Therefore, our obligations is to do what?

The financial system that controls us, is now bankrupt, terminally bankrupt. Only the fact that it is able to use the power of government, *imposed* upon government, to keep itself from being foreclosed upon, is the only reason it still exists.

Therefore, if government, including the United States government in particular, says, "The financial system is bankrupt," what do we do? Well, what is the financial system? It is not a government; it has no constitutional authority, as government; it is a *private enterprise*. Now, what do you do with a *private enterprise* that is bankrupt? It's the responsibility of government to arrange to have the private enterprise which is bankrupt, put through bankruptcy reorganization. Therefore, once we recognize the fact, that the international financial system, the financial oligarchy, is a *private interest* not a proper government interest, then *it comes under bank-*

*ruptcy law of government.* Or concert of governments, which share this problem in common.

Under those conditions, we put the thing into bankruptcy reorganization. We use the terms of bankruptcy reorganization, as we do in reorganizing any bankruptcy, to take the bankrupt entity—i.e., the economy, which is suffering from this financial bankruptcy—to put it into shape, so it begins to grow.

Now, how do we do that? To do that, we have to shift our attention from financial capital as such, for a moment, to physical capital. Now, there's a difference of course, a fundamental difference. Financial capital and physical capital do not correspond in a one-for-one way. For example: Say you build a power station. The power station may have a physical life of 30 years before major repairs and other things—you have to recapitalize either its replacement or continued existence. So, we say: Okay. Now, what we'll do is, we will issue credit based on a 25-year cycle of something we expect to exist physically, efficiently for 30 years; in other words, you go on the safe side of the expected physical life of what we're creating. We will now issue 2% simple-interest loans, by government, to create a number of these power stations, as we need them, putting out, say, 25-year credit, against an installation we expect to last for 30 years, physically.

On that basis we now create a number of jobs to create this thing, on a current basis, which is probably a five-year basis—it may take us five years to build this power station which will last for 30 years; so now, in a five-year period, we will employ enough people and enough work to produce an installation which will last for 30 years, and continue to produce a physical income for the population for 30 years. We'll finance this on 25 years, as a financial loan.

Now, that's how we have a recovery. We need the work done. The work is going to be done by us, as a total population. Now, if we're all working, and securing an income and a living, from this total work, we don't have a problem. We just have to keep doing this investing in improvements, and accounting for the benefit, in terms of increased productivity and so forth—and larger productivity—of this investment, to pay for the process of our expanded employment and improved income.

Therefore, if we as government, decide to put this thing into bankruptcy, we can immediately take anything we can do, in terms of investment, in employing people—to build hospitals, when we need them; to train more doctors when we need them, and so forth. We can do this. As government, we have to organize the credit, by the authority, responsibility of the state, the government, to guarantee this credit. By guaranteeing this credit in this way, and organizing it in this way, we can expand the economy to the extent that we have the ingenuity and skills available to do the things that will do this job.

That's what we have to do.

We have to recognize that we have made a terrible mistake, in changing the character of our economy from a productive economy, which we used to be—even under the bad years of the post-war period. We made a lot of mistakes then—but we still had a productive economy! From 1971-72, we've destroyed that.

All we have to do, essentially, is understand what worked, learn the lessons of what worked; apply those lessons of what worked, again, to the situation. The only way we can do that, is to get out of the way, the demands of the predatory financier slime-mold. We put the slime-mold into bankruptcy reorganization, and we administer it properly. We simply cancel all the hedge funds, all financial derivatives, all these things that really have no right to exist; they're only playthings of fantasy. And we make sure that the economy functions. We make sure that we have a banking system that functions; that we have a credit system that functions.

What this means in American terms: It means, we're going to *national banking*, in effect, which is what Roosevelt tried to do: Hamiltonian national banking. We simply create national banking, using existing banks—private, public banks; and use them as an organization, through which Federally organized credit can be mobilized and deployed and managed—and we'll work our way out of sorting out the bankruptcy. But, we'll sort it out according to the general interest.

So, that's what we have to do. We have to recognize that we made mistakes. We have to recognize the nature of those mistakes. We have to recognize that we made mistakes *in the way we think*—as a people, as government, over a period of, now, about 40 years.

We have to recognize that the Congress for Cultural Freedom was actually a fascist organization. That's another subject which we can discuss at another time. But I'm prepared to put it on the table now and defend it any time necessary, at the appropriate time.

Therefore, we have to understand that mistake. We have to understand from our history, and from the history of the planet, the things that we did in the past that were right. And if we want to get masses of people quickly to agree to what has to be done now, concentrate on those things that we can prove from past experience were right; as distinct from those things which we've done more recently which were wrong. And appeal to people's reason on that basis. There are some things we can't convince them of, fine. Let's take the things we can convince them of: the things we can prove were *right*, as against the things we can prove are wrong. And let's go back to what we knew was right, in retrospect, like these trade unionists who are machine-tool builders. They know that what they were doing before was right. They would like to continue it. People around them would accept that. Let's do it. And let's have government understand this difference.

And stop trying to pretend, that everything we did until January 2001, rather, was good. It was what we did *prior* to Bush, that gave us Bush.