

knew that. There is no near-time potential of the alleged type in Iran, and the U.S. administration knows it.

The issue is nuclear power, not nuclear weapons.

Without nuclear power, no nation could be sovereign today.

**Sen. Nene Pimentel**, *leader of the opposition in the Philippines Senate*:

How can a return to the gold standard be achieved internationally, and what would be the effect of that on the world economy, and on developing sector countries in particular?

**LaRouche**: We must be precise and accurate in our use of terms such as “gold standard.” The fact that President Franklin Roosevelt proposed the use of reserve gold as a standard for the Bretton Woods system, does not mean that the Bretton Woods System employed a “gold standard.”

The “gold standard” was a standard of imperial policy of the British Empire. The U.S. Constitutional system, which was created and defended against the British system, is a constitutional state-credit system. Under the British system, and present systems of western and central Europe today, governments are not sovereign, but are subjects of control by the private financier interests represented as “independent central banking systems.” No government which submits to the existence of an “independent central banking system” is actually a sovereign.

The British gold standard used its control, since the Napoleonic wars, of the price of gold currency as an instrument of imperial hegemony over the nations of continental Eurasia and beyond. However, in 1931, the British gold standard collapsed, and a period of international monetary chaos persisted until U.S. President Franklin Roosevelt seized control over the gold of the U.S.A. itself. Had he not, Adolf Hitler would have conquered the world.

For example, the collapse of the British gold standard was a part of the process of Britain’s intent, at that time, to bring Adolf Hitler into power in Germany. The crucial event in that attempt was the establishment of the Basel Bank for International Settlements (BIS), which was to serve as the instrument through which its member, London’s protégé Hjalmar Schacht, prepared the arming of Nazi Germany in preparation for the war which Schacht’s patron, the Bank of England’s Montagu Norman, organized through credit made available by operations associated with both the BIS and France’s fascist Synarchist financier houses.

It was Franklin Roosevelt’s intervention which brought Britain into the anti-Hitler camp, despite the massive pro-Nazi factor within the British (and London-linked New York City bankers’) establishment of the 1930s.

The Bretton Woods system was a fixed-exchange-rate system within which gold bullion, not gold currency, was used to settle accounts for the purpose of maintaining that fixed standard of exchange. The British “gold standard” was based on a floating-exchange-rate form of free-trade system.

What is needed is a return to a fixed-exchange-rate credit system, a virtual return to the Bretton Woods system, in which gold bullion at a fixed rate would be a convenient means for managing threatened imbalances in accounts.

The purpose of a fixed-exchange-rate system, such as the Bretton Woods system, is to maintain a supply of international long-term credit at low fixed charges of between 1-2% over a span of a quarter to half century, with credit so extended chiefly for long-term investments in basic economic infrastructure and technologically progressive private enterprises. The British gold standard was designed to loot the world for the imperial purposes set forth under the direction of the British East India Company’s chief thug, Lord Shelburne.

With the events of 1971-1972, the U.S. became a part of what had been established under Shelburne as the British world empire.

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## Correction

*In last week’s issue, page 40, the dialogue between Lyndon LaRouche and Chinese scholars Prof. Dai Lunzhang, Dr. Zhang Yan, and Dai Jun should have read as follows:*

**Prof. Dai et al., Question 5:** Mr. LaRouche mentioned the necessity for the United States to change its present destructive policies, and to support such a development perspective. We know the forthcoming mid-term election of the U.S.A. in November is an important one.

So, my question is, how much will it affect the prospect of a political change in the U.S.A.? And furthermore, what impact will the 2008 Presidential election have on the political landscape of the U.S.A.?

**LaRouche:** As I have warned my friends and others in leading circles of the U.S. Democratic Party, and also others, the immediate future of politics belongs to the cause of the lower eighty percentile of the income-brackets of the U.S. citizens. In the pattern of results from Democratic primary elections so far, the trend is toward voter preference for the anti-Bush candidates, and for the candidates who are sensitive to the concerns of the voters from the lower eighty-percentile of family-income brackets. The economic and other political shocks to the population are arriving at an accelerating rate. Given the inherent uncertainties which I see clearly as an insider of the political process, unless what I am supporting wins, the situation for humanity as a whole would not be encouraging. However, like a commander, I must fight the battle which is set before me, on which I must act. That is the best that anyone can do at this moment. I estimate our chances of success are good, but no one can be certain at this moment.