

LAROUCHE WEBCAST

LaRouche Presents Program For World Economic Recovery

Lyndon LaRouche delivered this address to an audience in Washington, D.C., Oct. 1, 2008; it was simultaneously carried on the Internet at www.larouchepac.com, the website of the LaRouche Political Action Committee (LPAC). LaRouche's opening remarks were followed by two hours of discussion, moderated by LPAC national spokeswoman, Debra Freeman.

Debra Freeman: Good afternoon, ladies and gentlemen. My name is Debra Freeman, and on behalf of LaRouche PAC, I'd like to welcome all of you to today's event.

Certainly there no moment more dramatic for our nation, and in fact for the world, than this one. And it is indeed fitting, that after the stunning defeat of the bailout package, if you will, by the House of Representatives, just a couple of days ago, that we would be hosting this event today. It is my understanding that we have the largest audience gathered around the world that we have ever had. That doesn't surprise me. But I don't want to keep them waiting. So, without further ado, please join me in welcoming the statesman and economist, Lyndon LaRouche.

Lyndon LaRouche: Thank you. We have come into times like those you have never, in your lifetimes, experienced before. As a matter of fact, there's nothing in all modern European history, globally extended, to compare with what is happening, globally, and in the United States as well, right now. There's been

nothing like the crisis that faces us today, since a comparable crisis in Europe during the medieval period, called the New Dark Ages: We are on the verge of a complete collapse of the entire planet into a New Dark Age.

On the 25th of July last year, I announced that we were on the edge of the beginning of a breakdown crisis in the U.S. economy. At that point, I indicated the measures that would have to be taken, to deal with this crisis which is going to hit us, measures which if they had been taken, between the 25th of August and recently, we would not be in the crisis we're in today. We're in a crisis today, because people like Senator Dodd and "Bailout Barney," in the House of Representatives, prevented the actions which I had specified, which would have *prevented the kind of crisis which the nation and its people are suffering today!* So, if you don't like what's happening, blame "Bailout Barney" and Chris Dodd. Chris Dodd's a stooge for Felix Rohatyn, one of the worst right-wingers in our country today.

Now, I also indicated a proposal for certain other actions, in addition to the warning, which should be taken by the United States, to avert and begin the correction of this problem. The first was known as the Homeowners and Bank Protection Act of 2007, which I specified at that time. It was actually set into motion as a formal proposition in early September of that same year. This had much support at the state level, and counties, throughout the United States. It was voted up by county

On the Verge of Global Hyperinflation

The other side of this proposition, apart from other measures which I've indicated earlier, but will repeat again here today, the essential irony of this situation, is that this is no longer the kind of crisis which the lying government which we have, and the stupid President we have, have been talking about. This is not a mortgage crisis! This is a collapse, a disintegration of the entire international monetary-financial system! Something that has never happened in European experience before! And for which there's no one competent in the White House, right now. We are on the verge of a *global hyperinflation* like that which



EIRNS/Stuart Lewis

Lyndon H. LaRouche, Jr. commented on his own indispensable role: "I put my life on the line here," he said. "They're out to kill people like me. And I say, 'Kill me. I defy you!' And if I defy you, if someone like me has the guts to stand up to these guys, maybe others will. If I don't have the guts to stand up, no one will."

organizations and state organizations. But it was never formally adopted, because of the blocking from interests controlling people like Dodd and "Bailout Barney."

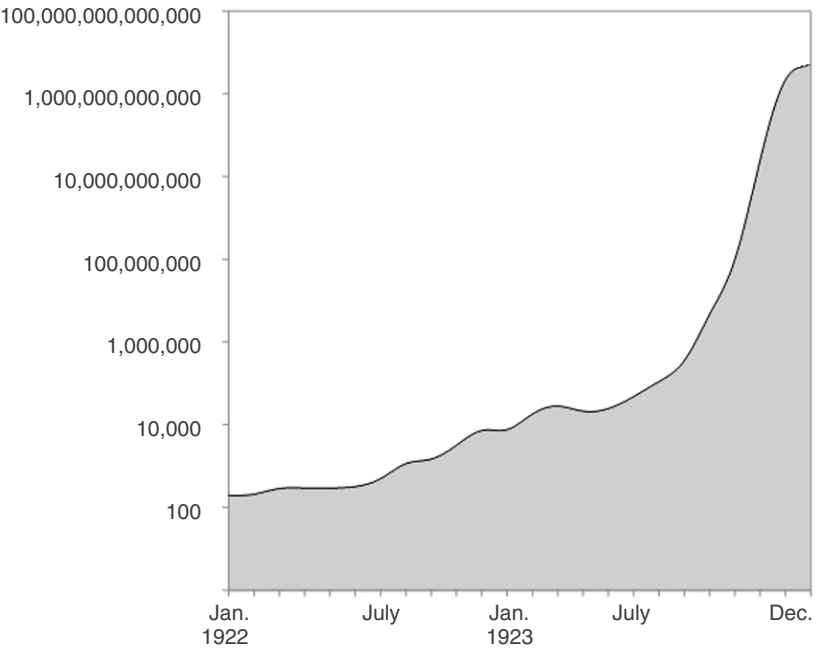
So we're in a crisis, because Bailout Barney and Dodd, and people like them, acted to *prevent* this action from occurring, which would have *saved our banks* which are now in trouble, and which would have saved the homeowners, who are threatened with continuing and accelerating evictions today.

This is one of the reasons, why the House of Representatives displayed such *hatred* against the Congress as a whole, in the recent vote on Monday, against the bailout.

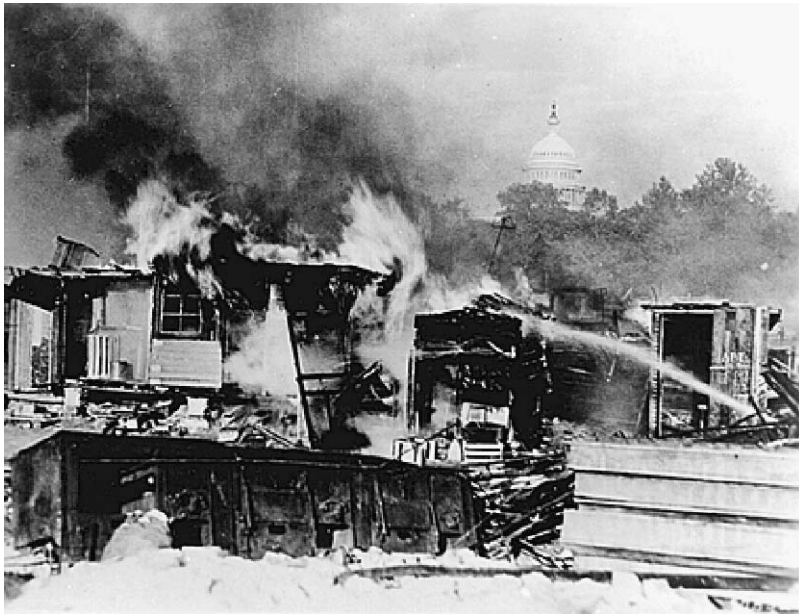
Now, the bailout bill might be voted up. The danger is, that a desperate Bush Administration, and what it's tied to internationally, might try to make a military suppression of resistance to their policy now. They might try to use military force, to force through the kind of legislation, the bailout, which is being attempted now.

hit in October 1923 in Weimar Germany [Figure 1]. When you start talking about \$700 billion, then a trillion, then \$2 trillion, then \$3 trillion, then \$7 trillion for

FIGURE 1
Dollar Exchange Rate of the Paper Reichsmark in Berlin



EIRNS



National Archives

On July 28, 1932, President Herbert Hoover sent troops into the streets of Washington to evict the “Bonus Army” of impoverished veterans. Here, a veterans’ encampment which was set afire by the soldiers, with the U.S. Capitol in the background. LaRouche reported that in the White House today, “there are people who would actually use U.S. troops to shoot down people who want to oppose this bill!”

this bailout, which is the direction we’re going in, you’re talking about a Weimar-style blowout of the *entire international financial-monetary system!*

And the problem now, is that the bailout method itself, is the *driving force of hyperinflation, global hyperinflation.*

And what you have, is, you have a sense like the French Revolution, in which the Marquis de Lafayette had the correct position, politically, with the Tennis Court Oath and similar kinds of things. But he lacked one thing: He lacked the guts to take on his own king. The king had been totally corrupted by a number of measures—and he was not too bright; you’ve got to let him off a little bit—he was kind of stupid. He was good at fixing clocks and making clocks, but he was not very good at politics. And his wife, Marie Antoinette, who was the sister of the Emperor of Austria, was framed up by a British operation called the Queen’s Necklace Affair. She was humiliated publicly, and the Emperor of Austria, who had been a friendly fellow, a progressive fellow, relative to the rest of his relatives prior to that point, went berserk.

So, what happened, is, that the French king, who was a bit of a jerk, brought in foreign—not French—

troops, to occupy the area around Paris, to *suppress* the French people. And this led to what became, inevitably, the French Revolution, the bloody French Revolution. Because of this kind of mistake.

We are on the verge of things like that, today. You have a situation, in which—as you saw with the House of Representatives’ vote against this bill, despite all the pressure on the Representatives—and the pressure was not just from the Representatives, it was from *people who are represented!* It’s the people out there, who hate this. And there’s an instinct in this Administration, to use military force against the people of the United States, to suppress the opposition to this bill.

That is reality, right now! Not something “coming down”: That is already the reality.

If this bill were to be pushed through, with or without the aid of military force against the American people by American troops—which are now being stationed for this kind of operation—the United States

will disappear, in very short order. And civilization would crash, globally.

The world would go into a Dark Age, like that of a similar situation in Europe’s 14th Century, during which, within a period of a generation, the number of parishes in Europe collapsed by one-half. The level of population of all Europe collapsed by one-third. And mass insanity dominated the population of Europe at that time. That was the end of the authority of the feudal imperial system which had ruled Europe from about 1000 A.D., up until that point.

We are on the verge of a situation, in which, if the bill is pushed through, the chain-reaction effects of the bill, will ensure that the population of this planet drops from about 6.5 billion people to less than 2—and that in a fairly short period of time. Entire languages will disappear, entire countries will disappear as entities, and we will go through a Dark Age *worse* than Europe experienced in the 14th Century.

Now, there are some people in the Congress and elsewhere who say, “Ohhh, ohh! We’re frightened! We’re frightened! You can’t do this! Don’t you know what you’re doing? You can’t do this, we can’t vote against this bill!” Why? “They’ll kill us!”

If American troops, ordered by the President, turn on the American people to suppress the opposition to this bill, the United States will cease to exist! This is worse than treason! Any such action, from any part of government, is worse than treason! And anyone who accepts such an order, is a traitor to the United States.

So that's the situation we face.

There Are Remedies

Now, what're the remedies? What're the alternatives? There are some excellent alternatives, but *there are no alternatives for Wall Street*. Wall Street has earned its death. It is a dead, stinking fish, lying in the streets of Lower Manhattan. The investment banking system *is dead!* And it should have been *killed*, before it rotted into death! [laughter]

So this is our particular problem.

Now, if we want to save the country, and save civilization, and avoid a Dark Age, there are some very elementary remedies, some of which I've already stated earlier, a year ago. One, as I said, we must keep the homeowners in their houses. No evictions. We can make other arrangements to manage the downsizing of the debt. Because most of the mortgage debt is fraudulent. That is, the agencies which generated this level of indebtedness, this level of a housing crisis, committed fraud—*fraud against the nation*. Therefore, they are not entitled to the full price of the mortgage in any case. But what the full price should be, we don't know. But, we'll find out. We will put this housing situation under bankruptcy protection, by the Federal government, with the cooperation of state government and local government. People will stay in their homes, if they wish to, if they are actually the mortgage holder. Because we must also keep the banks functioning.

Now, we have a problem here: In 1999, Clinton was in deep trouble, because of the frame-up against him, by Republicans and others who were trying to stop his attempt to make a change in the financial architecture. Remember, at the time, back in 1998, there was a great collapse of a speculative bubble, which was created about the Yeltsin candidacy for reelection in Russia: the GKO cases. So, at that point, the system was collapsing. I warned the government at that time, that the col-



National Archives

A foreclosed farm is put on the auction block in Iowa, ca. 1933. LaRouche's Homeowners and Bank Protection Act (HBPA) would prevent such actions. "No evictions!"

lapse was on; it was inevitable. And the President at that time—this was in August—agreed with me, that this was the problem. He moved, with the Secretary of the Treasury of that time, to initiate what became the intent to launch a change in the architecture of our financial-monetary system, to eliminate this factor of corruption, and to create remedies for it.

However, at that time, there was a frame-up, organized by forces which were opposed to this reform, which moved toward the impeachment of President Clinton. So, President Clinton, during the following year, was living most of his time, under the dictatorship of Al Gore! Who was acting as a man in occupation of the White House. And the ability of the President, Clinton, to deal with these kinds of problems, which were building up in the year 1999, was limited.

Under these conditions, and a confused and corrupted Congress—and it was confused and corrupted—the repeal of Glass-Steagall occurred. If Glass-Steagall had not been repealed, we would not be in the kind of crisis we're in today. We should restore Glass-Steagall immediately. That's one of the things the Congress should do. But that's not enough. There are new problems, in addition to those addressed by Glass-Steagall, which have been created by this process; so therefore,



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Italian parliament



UN/Rick Bajomas

If the United States joins Russia, China, and India to convene a New Bretton Woods (NBW) conference, other nations will join. Shown here are Italian Finance Minister Giulio Tremonti, long a supporter of the NBW; Italian Senator Oskar Peterlin, who has just introduced a resolution into the Senate endorsing LaRouche's NBW; and French President Nicolas Sarkozy, who wants to convene the G-8 to discuss a new financial system.

we have to have a larger piece of legislation, and I'll get to that.

I also proposed a protection for our banking system, in terms of currency: I proposed that we have a basic, minimum 4% interest rate, as the lending rate for our banking system. Except in cases of government projects which are in the national interest, government projects certified by the Congress, which would have a lower rate of borrowing. That would have protected us against some of the worst things that went on in this period.

The Big Four Powers

Now, the third thing, which is the big one, which is of crucial importance right now, is, I proposed that the United States approach Russia, China, and India, as the big four powers on this planet; not to establish a dictatorship by these four powers, but to take a group of four nations, which aggregately are so powerful, the world has to listen to them, and obey some of the suggestions they make. They would immediately be supported in these kinds of measures, by Japan, by Korea, by some nations in Europe—some forces in Italy, some forces in France, like President Sarkozy in France, right now. There's a movement in Italy, also, organized by the Finance Minister of Italy, which is moving in the same direction. The Italian motion is directly done in *my name*: That is, the idea of a New Bretton Woods, my policy, is specified by a motion, a bill presented in the Italian Senate, now, for a New Bretton Woods system.

Now, that is the solution, the key to the solution to

this situation, internationally. We have a world system: The entire system is bankrupt! The entire world monetary-financial system is already in a Weimar-style hyperinflationary takeoff! We are weeks or so away from a crisis beyond belief! And all the troops that Bush might wish to deploy to the streets to try to get that bill through, will not save the United States from destruction by the effects of his doing that!

Therefore, we need the cooperation of Russia, China, and India, as a "Big Four," around which other nations can gather, and simply get rid of the opposition to doing this! It's in the interest of the people of the world, so why not mobilize the major part of the world's population, in these and other nations combined, and let's say, the people of the world, through their respective national governments agree: This is going to be stopped!

What would we do? We would take a leaf out of the book of President Franklin Roosevelt, who's much smarter than these jerks that we now have in government, today. He had some better supporters then, too.

We would then say, we're going to set up—as what the language is, in Russia, in Italy, from the President of France, and from others—a *new Bretton Woods system!* And they mean, *a new Franklin Roosevelt Bretton Woods system.* Nothing different. The difference between that, and what Truman did, is notable. What Roosevelt did, is, Roosevelt followed the Constitution.

FDR's Post-War Intention

Now let me explain what the problem was then, because it's relevant to understand the problem today. Roosevelt's intention, during the war, was to engage in a reluctant alliance with the British, in order to crush the Nazis, and some other pestilences running loose. But Roosevelt's intention was also, at the end of the war, to eliminate colonialism and everything like it from the planet. Now we had had, as some of you are old enough to remember (or very few of you I guess; you'd have to be my generation to remember that), we



FDR Library

President Roosevelt, assisted by his close advisor Harry Hopkins (above), took unemployed people from the streets of America and created the greatest economic machine the world had ever known. Right: Workers for the Tennessee Valley Authority construct the Douglas Dam in North Carolina, 1942.



FDR Library

had launched, as a recovery measure, from the Depression created by Coolidge and Hoover and people like that, which we used as our mobilization, with the role of Harry Hopkins and others, to mobilize the United States economically, to prepare for our obligation to deal with this menace of Hitler and so forth in Europe, and in the world in general. We created, from the poor people of our streets, through Harry Hopkins and other Roosevelt programs, we created the greatest economic machine, physical-economic productive economic machine, the world had ever known, in our United States. Yes, we had allies that we depended upon. *But!* It was the margin of the United States' mobilization by Roosevelt, which enabled us to defeat Hitler, and similar problems! Roosevelt's intention was to get at the root of these global problems, by eliminating the power of *British imperialism!* And that was the big fight between Roosevelt and Churchill all during the war.

So Roosevelt's intention, as he said, clearly, was, at the end of the war, as he said to "Wi-i-n-ston!"—"At the end of the war, Winston, no more British crap! People are going to be *free*. There are going to be no more colonies." We're going to use the mighty military war machine, the productive machine of the United States, to free people, to enable them to develop, to gain

their freedom, to eliminate colonies from this planet, and to allow nations to develop to the full dignity of mankind.

Now, we didn't do that at the end of the war, because Truman was a Churchill-lover. He was a bum, too. He was only stuck in, because he was a right-winger, and Roosevelt was under pressure in 1944, from the right wing, which was resurgent at point. And they put this character, Truman, in place. And Truman kissed the butt of Winston Churchill—there's no bones about it. He may have kissed some other things, too, but the butt was noted.

So what Truman did—under the Truman Administration, we didn't follow Roosevelt's post-war policy. Roosevelt's post-war policy was to convert the military productive machine, which we had generated to win the war, to convert it into a production machine for the benefit of the world, for capital goods and other things for the world. What the Truman Administration did, was say, "No, we like the British." The Truman Administration endorsed the recolonization of Indo-China! The

Japanese soldiers were imprisoned in Indo-China; they had been freed by a revolution which was supported by the United States, by OSS people and so forth, from the United States. Under British orders, the Japanese troops were taken out of the camps, given their weapons again, and told to occupy Indo-China. Out of that, came the Indo-China war, which we spent some time on during the 1960s-1970s. We did the same thing with the Dutch in Indonesia. We did a modified version of the same thing in India. We did the same thing in Africa.

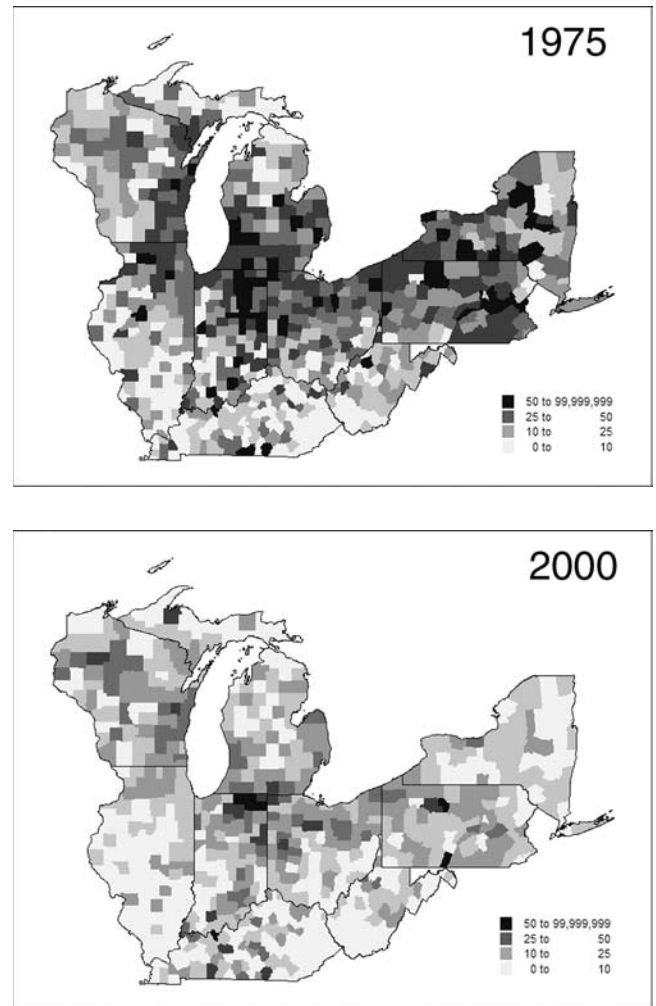
We worked with the British and Dutch to recolonize the planet, to restore the British Empire, which is what the Anglo-Dutch system is. And what we did in the United States, instead of converting our war machine into production for the world, and its development, we shut large parts of it down! We took the war *debt* we had inherited from the war, but we shut down the means of getting rid of that debt, by converting military potential into industrial and related potential.

And thus, we, the United States, were on the way down: We've gone down in successive stages. We went down, in the first stage, under Truman. We went down after the killing of Kennedy. Johnson was terrified; he thought these three guys were going to shoot him next, in the back of the neck, or something like that, and he said so. Johnson was not a bad President; he was a terrified President.

We Will Rebuild the World Economy

Then you had the Baby-Boomer factor, in 1968. And that destroyed the United States and let Nixon be elected. And we had that right-wing turn, and we've never recovered from it since. Since 1967-68, as measured in *physical* productive output, not money, but *physical productive output*, the United States has been declining in economic power, physically, per capita, per square kilometer, *over every year, under every Presidency*; from 1968 to the present time, there has never been prosperity in the United States [Figures 2 and 3]: There has been prosperity for *some*, in terms of money, like the thieves who are backing this thing about the bailout. But there was not improvement in our infrastructure; we have lost industries; we lost *our* automobile industry—we have a Japanese industry, which is functioning quite nicely inside the United States. We don't have a *U.S.* auto industry—and we will never have one, never in the normal sense of an auto industry. The Japanese are doing a good job, and similar people are making all the autos we need.

FIGURE 2
Decline In Manufacturing Workers As a Percentage of Workforce, by County, Upper Midwest, 1975-2000



Source: Bureau of Labor Statistics

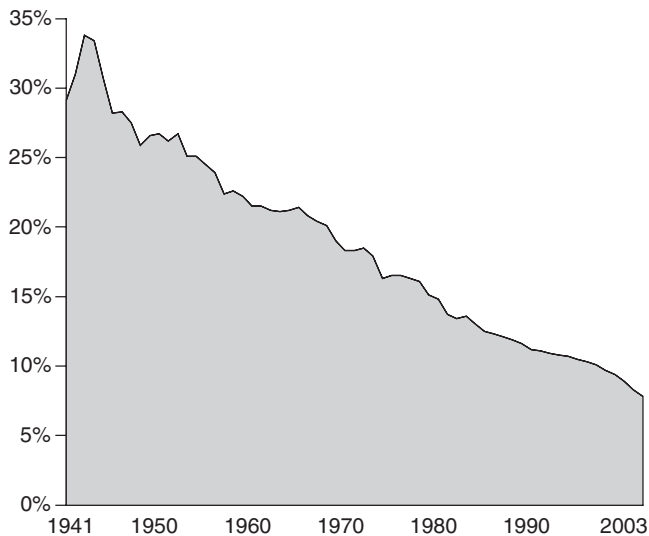


But we *do* need something else: We need a mobilization of the productive power of the United States, which is largely machine-tool design and related things, to build our infrastructure, to build systems, to build a railroad system to replace this crazy highway system; to fix our river systems which are about to collapse; to restore our agriculture; to rebuild manufacturing and similar activities in the United States, instead of make-work. To rebuild our nation, *in the American tradition*, not the

FIGURE 3

U.S. Manufacturing Production Workers As a Percentage of Total Labor Force

(Percent)



Sources: U.S. Department of Labor, Bureau of Labor Statistics; U.S. National Center for Health Statistics; U.S. National Center for Education Statistics; U.S. Department of Commerce; *EIR*.

British slavery tradition which we're operating under now.

Now, we're faced with a period, in which under the present system, the U.S. dollar is right now *essentially worthless*. It has not become worthless, but it's becoming worthless, and there's nothing underneath there to stop it from falling. As a matter of fact, the Secretary of the Treasury is causing the dollar to fall at an ever-accelerating rate! We are in hyperinflation—now! Like Weimar in the Autumn of 1923: The world is in a hyperinflationary spiral, and it's going to blow out.

Now, what do we do? What do we do with the Four Power agreement? Russia is ready to agree to this—now! Forces in Italy and France have declared themselves *for* it. What they mean by that is still up for some discussion, but it's there. China will support that, but not unless the United States comes in on it, because China is concerned about the price of the dollar; because China depends largely upon its trade with United States. India would join it. If Russia joins it, these countries would join it.

If this Big Four, joined quickly by other nations, comes to an agreement, we will put the entire world into bankruptcy reorganization. We will create an inten-

tion to form what we would call a "New Bretton Woods system." We will use the power of international government—that is, not an international agency, but the power of government pulled together as an international force—we will use that force *to regulate a fixed-currency system* throughout the planet. We will put the lid on hyperinflation. We will keep the banks of countries open—the real banks, not the fake ones. We will build the economy, by measures of economy-building: large-scale, needed infrastructure projects, using high technology, using engineering design. This will be a rebuilding of the world economy.

We will create new credit, not the fake credit you've been getting lately, but new credit, at low interest rates, long term, just as we did under Roosevelt: to launch the employment, in each of the countries, under a fixed-exchange-rate system which allows us to rapidly build back the productive power of nations. Yes, we're going to take time to clean this mess up that we have today. It'll probably take two generations, before we fully eliminate the results of the corruption which has been dumped upon us in the past 40 years.

A New Mission for Mankind

But you have to understand something else: In real terms, in physical economic terms, every policy directive of the United States over the past 40 years has been a *miserable failure*, a mistake. The U.S. economy, as measured in *physical* productive powers and output, per capita and per square kilometer, including essential basic infrastructure, has been collapsing consistently *over 40 years*. Since the budgetary year of 1967-68, there has been *no net growth per capita, of real growth* in the U.S. economy.

What this tells you is, that every government of the United States, every session of Congress, in the main, the opinion of newspapers, the leading newspapers and other publications, the opinion of most mass media, has been stupid! Because we have consistently made the decisions, one after the other, which have made the conditions of life worse with each generation. The per-capita physical output of the United States today, is less than it was in any preceding period going back to 1967-68. The influence of the Baby-Boomers, the influence of especially the environmentalists, so-called, has been a key factor in this. We have been destroying ourselves. A similar process has gone on in Western Europe; a similar process has gone on elsewhere.

Now, we have a global situation, in which there has



Russian Presidential Press and Information Office

If the United States can push through the changes that are necessary, LaRouche said, "I can guarantee you . . . Russia will fully cooperate; China will cooperate; India will cooperate." Shown here, a July 17, 2006 meeting in St. Petersburg of Chinese President Hu Jintao, Russian President Vladimir Putin, and Indian Prime Minister Manmohan Singh.

been an implicit shift of power, a shift of power from Europe and the Americas, toward Asia. The future of the planet lies in the development of Russia, China, India, and other Asian countries. These are areas of large populations in which 60-70%, or more, are extremely poor, poorly developed. This represents a social crisis, a planetary social crisis, with all kinds of side-effects possible. *But!* If we're going to have a successful planet, we have to concentrate on large-scale infrastructure projects and similar things, which will, over two generations, raise the productive powers of labor of populations from all around the world. This means that the major investment, in the planet, in the period now, will come, first, in Asia; second, the second-largest component will be black Africa, especially black Africa; the third component will be development in Central and South America.

The United States and Western Europe must be mobilized as a driver, an economic driver, as well as a political driver, to bring about the success of development of the whole planet, by what we do in support of the development in South and Central America, in Africa, and in Asia. We need a new mission for mankind.

We don't have any enemies in the world, who are any worse, any more our enemies than President George Bush is. It is the people who are controlling us—and the

British, the Anglo-Dutch Liberals, these characters are inducing us to destroy ourselves. We don't *have* real enemies in Asia, as nations! We don't *have* real enemies in South America. We don't *have* real enemies in Africa—not if we think like Franklin Roosevelt! If we think like Roosevelt, we don't have enemies there. These are our friends—and *our government is our enemy!*

So, essentially, if the American people are able to stand up to this, as many of the people of the lower income brackets, as represented in the Congress, in the House of Representatives—are able to push through the changes that are necessary, I can guarantee you, absolutely, if that change is made, Russia will fully cooperate; China will cooperate; India will cooperate. Then Japan will cooperate, Korea will cooperate, other nations will cooperate! The nations of Africa will greet this as—they're being *mass-murdered* now under British policy!—they will rejoice, at our coming back into the picture in this way.

The world will be on the side of the United States.

What the United States Is

Now, the other thing we have to appreciate, is what our United States is.

In modern history, there was an evolution, coming out of a long period of religious warfare, from 1492 to 1648, from the same time as Columbus's first exploration across the Atlantic, until the Peace of Westphalia in 1648.

Now, during this period, the forces that were trying to crush the nation-state institution, were not able to crush the nation-state, because the improvements in productive powers of labor, and the increase in intellect and freedom, among the rising citizenry in the cities which were emerging in this period, were such that, as Machiavelli describes this process, the city could defeat the forces of the opposition. And so, you had an adaptation, by the enemies of humanity, called the movement of Paolo Sarpi. Paolo Sarpi was a slick character, a Venetian, who, among other things, moved the operations of his part of Venice, away from the Mediterranean base, into Northern Europe, centered in parts of Germany, in the Netherlands, and in England.

This is a process which began with the Venetian restructuring of the marriage policies of Henry VIII,



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The British surrender to Gen. George Washington's Continental Army at Yorktown, painting by John Trumbull. The United States broke with England, LaRouche said, "because England had become an empire, and was trying to loot us, here, in what became the United States."

which was done from Venice: They sent him a marriage counselor, and he got rid of the wives; he sort of cut off their careers, at the head. He said, "You don't need a head any more, if you don't please me." So, in any case, there was a process in which the power of development or the power of civilization shifted from the Mediterranean to Northern Europe. And the two areas were the Netherlands and England.

So now, there was a split, and the split occurred in 1763, in February of 1763, with the Treaty of Paris, the Peace of Paris, in which *we*, in the United States, or what became the United States, broke with England, because England had become an empire, and was trying to loot us. Because of this cultural factor, the dominant characteristic of global civilization has been *English-language domination and control of global civilization, from that time to the present day*. Especially from 1763 to the present. *Thus*, the division between two English-speaking peoples, those of *us*, in the United States, today, and those who represented the British oligarchy or the Anglo-Dutch oligarchy—the bankers, the thieves—became the leading force on the planet—not

necessarily the entirely controlling force, but the leading force. And thus, the role of the United States is built into the history of Europe! It's built into the history of civilization, like an organic quality: That *we* in the United States have adopted, and been given the destiny, of creating the leadership, to assist the rest of the world *in becoming free*, of the British, Anglo-Dutch Liberal Empire, and its practices.

That was Roosevelt's intention, his explicit intention. That was the intention of every great President we had, every great patriot this country had. We were considered a threat to Britain, to the British Empire, for this reason. Thus, it's built into the cultural relationships within the planet, that when the United States takes the moral role, as it did under Roosevelt, and says, "We are concerned with finding ways of cooperation with other nation-states on this planet, *to form a society of perfectly sovereign nation-states*, which enter into forms of cooperation in their common interest. We'll not try to dictate the internal characteristics of the government of these other nations, we simply cooperate with them *as national personalities*. And we as a national personality

cooperate with these other nations, as their national personalities. And come to common goals and common ends, the common aims of mankind.”

Now, if we take that policy—not, “Who’s the enemy? Who’re we gonna beat?” We’ve got one enemy to beat: the Anglo-Dutch Liberals. The other enemies are simply fools who don’t know any better, but we’re supposed to know better. We must become again, we must re-create in this country, a new political movement, based on the legacy of Franklin Roosevelt, based on the legacies which many Republicans bear, a new political movement, which adopts the idea of the United States as a unique, universal personality, which has a role to play, on this planet, for the benefit of humanity as a whole, and therefore, for itself: It’s the principle of Westphalia, the Peace of Westphalia, “the benefit of the other”! It’s the principle of the modern nation-state, the benefit of the other people, because if you care for the benefit of the other people, you’re going to be cared for yourself. You’re going to create the kind of society in which you’ll be cared for. You create justice for others, you create a climate of justice for yourself; you create a climate of progress, you create a climate of progress for yourself.

An Agreement To Come to an Agreement

You know, the experience that I had since I was overseas during World War II, in Asia, is to see the evil of the conditions of life and culture under which people live, largely because of the factor of imperialism—of British imperialism in particular, also Dutch imperialism, and so forth. And these people, then, when I was in India, for example, in the Spring of 1945-46, that was the aspiration: The Indians looked to us, and coolies on the street would come up to me, in American uniform, and say, “Is the United States going to send us agricultural machinery? Is it going to send us textile machinery, so we can be no longer be coolies at eight annas a day, but we can have our own life?” That was the image of the United States in the eyes of the world, as long as Roosevelt was President, and that continued for some time. Roosevelt represented the *best* tradition of the United States: Not trying to find out “who’s the enemy to beat?” An enemy is somebody who’s coming out to kill you; well, you fight them off. But you’re not looking for a system of relations among states, based on adversarial considerations! Your system, while it may deal with adversarial problems, must, in the long run, rely upon *non-adversarial* issues, like that of the Peace of Westphalia.

Under those conditions, given how *terrible* the situation is, right now, with our monetary-financial system, if we—the United States—if we can force, in this United States, to take this piece of crap, this President, and force this Presidency to move, to make an agreement—that is, to make an agreement to make an agreement: It doesn’t require a full-fledged worked-out agreement. It requires a process of getting to an agreement; an agreement to *come to an agreement*, among Russia, the United States, China, India, and other countries, which now, probably include Italy and France, and some others. Under those conditions, *we*, as a combination of powers, *can dictate* what the fixed-exchange rate of the monetary system will be! We can dictate and regulate against inflation. We can create credit, large-scale creation of new technologies, and new kinds of infrastructure. We can do these things!

But we have to agree to agree.

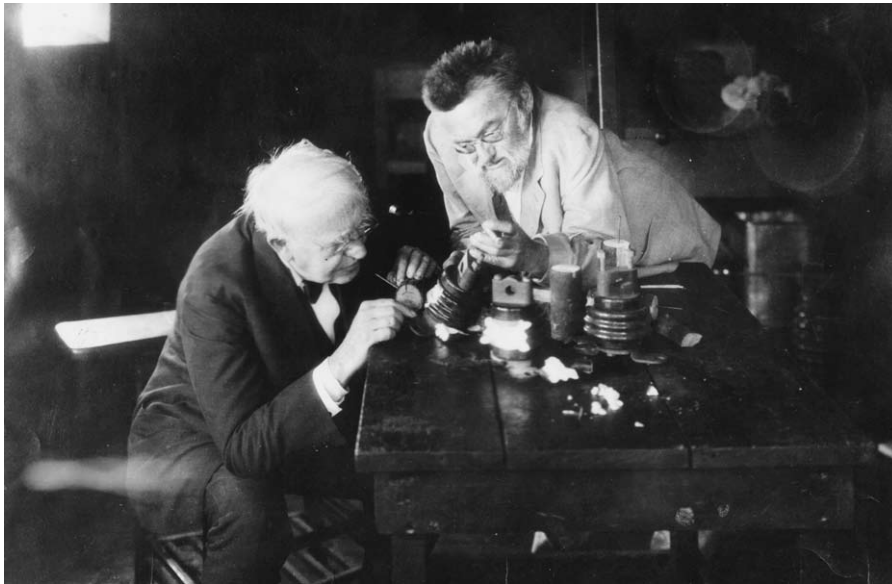
Then, *apply the power, represented by that agreement*, among these powers and others who join them, *to crush that force which is imposing this hyperinflation upon the entire world*, and is now threatening to use even U.S. troops to try to suppress anybody who opposes a bailout—which would, in itself, destroy the United States. These guys behind the Secretary of the Treasury don’t care about the United States! They care about their class, their Wall Street class, their investment banking class: *They care more about Goldman Sachs than they do about the United States!* And they want revenge against the United States for allowing Goldman Sachs to go bankrupt; or, it is bankrupt, aptly.

So that’s the issue.

Real Economics

Now, the positive side has another aspect: There is a certain idiocy about economics, not only among our economists. Generally, if you want to become an idiot in economics, you have to study economics and become professional at it! You can not be a successful idiot without becoming professional!

And, there are good economists, in the sense that they do things which are useful, they know things which are important. But when it comes to the basic questions of international systems, we don’t have economists—who are called “economists”—who know what the hell the score is. They just don’t know it. They may be well-meaning people, they’re often intelligent people. They know something. They are useful, at something. But they don’t understand the basics of economics. Because



How do leaps in labor productivity occur? Not at the point of production, but through creative discoveries that change the environment in which the work takes place. Here, Thomas Edison (left) with engineer Charles Steinmetz, in 1922.

they believe what they're taught in universities, and that's the first step down to absolute destruction of your intellect, these days.

The point is very simple: The idiot says, particularly the free-trader—I don't know who he's trading in, but he's a free-trader—says, "well, everything starts from the point of production." Well, that's nonsense. Economy does not start—not successful economy—from the point of production.

For example, let's take a case in about 1910-1912, in the area of New York City, in general, because Thomas Edison was in that area: And there was a development in improvement in electrical motors, the small electrical motors which could be attached to individual machines. And there was a *leap* in productivity in the greater New York area, through the Edison method of introducing these individual machines, of these new types, to attach them to machines, rather than belt-driven systems, or similar kinds of systems. It was a leap in productivity. There was no significant increase, as such, to account for this increase in productivity, at the point of production otherwise. But it was the effect of changing the *environment* of production.

This is only an expression of something else which happens in economics: It is fundamental discoveries of physical principle, which are the source of the increase of productive powers of labor. And the adoption of a discovered principle, and the perfection of the imple-

mentation of the application of that principle, is something which is not localized to "some thing"—yes, the individual mind may have made this discovery; or groups of individual minds may have made the discovery. But it's the application of these discoveries to whole areas of the society's production, or its living.

Like a good mass transit system, instead of driving on the highway, and losing, what?, \$7 in tolls, in going from West Virginia to here in the Washington area? And then spending three and a half hours, or so forth, commuting each way? On a high traffic area? Which means, what? A loss of *personal family life!* Take six hours out of each person's life, or five hours a day—for

this! What have you done to family life? What have you done, in a system, where it takes two adult members of a household to supply the income to raise *any* kind of family in a halfway decent way? You are destroying the family! You are creating all the kinds of problems you wish to have in the family! You're probably creating the problems in the community: Because, you are saying, the time that people have to spend, wasting, going through this kind of nonsense, is not important—that's only personal life. It doesn't affect the economy. We're only concerned with how much work they do.

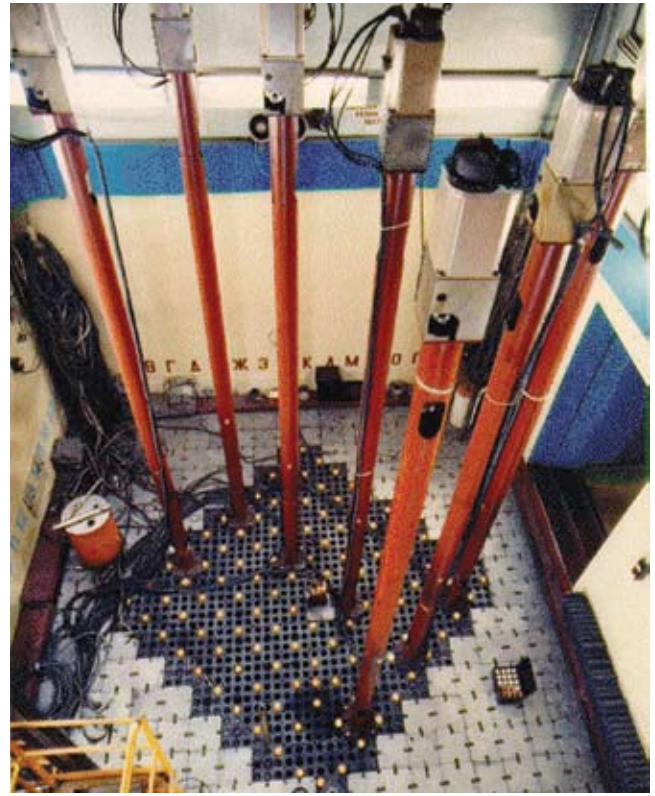
So, they travel, they work eight hours a day, and three or four hours of those days, or five, are spent in commuting! With fares and so forth. And when both members of the family are stuck in a situation like that, what kind of family life do you have? What kind of intellectual and emotional life do you have with your children? What's the school education like?

So that the biggest factors in productivity are not necessarily point-of-production measures, like this sort of thing. The biggest thing, are discoveries of universal principles, and changes in the organization of society which can take a person with the same level of productivity, and make them more productive, by changing the circumstances under which they work, including the technology which is supplied to them.

So, the way in which we must operate, is directly opposite to what's done under greenie influence.



Sandia National Lab



Kurchatov Institute

Low-energy-flux-density energy sources, LaRouche said, are not a substitute for high-temperature resources. Left, a wind farm off the coast of Denmark; right, the study of the physics of a pebble-bed type core for a high-temperature gas-cooled nuclear reactor, at Moscow's Kurchatov Institute.

The Question of Power

Take another case, the question of power: What is the nature of progress in power? Well, power is not measured in calories. You can measure heat, and you can measure it in calories all you want to, but that does not measure power. Power is measured in *energy-flux density*. This is a basic principle of nuclear physics: To get to a certain state, you must have a corresponding level of energy-flux density, or you can not enter that state. Therefore, to make certain kinds of production, you have to go to a higher energy-flux density. So, having low-temperature energy sources is *not* a substitute for high-temperature resources. Education which orients people to physical science, and to Classical culture, produces a more productive mind, from the same person, or the same population, as one who doesn't have that kind of education. A person who goes to rock concerts, is less intelligent than a person who doesn't. It's true: They got rocks in their head, it's hard to hear anything!

So therefore, what we fail to realize, is, it's not infra-

structure in the broad sense of the term, it's a certain kind of infrastructure: It's efficient mass transit systems, it's the way we organize cities, as opposed to these super-cities, or super-areas, in which people have to go, five hours of commuting a day, to and from work, which destroys them. It's the better organization of society, a better transportation system, more available high-temperature facilities: Take the case of fuel. What *idiocy* it is, to haul petroleum from Saudi Arabia, to the United States to run our cars! They're nuts! With a high-temperature gas-cooled reactor, of the Jülich type, the pebble-bed type of reactor, we can rather easily generate synthetic fuels from water! The synthetic fuels are essentially, hydrogen-based fuels. Now, if we have large-scale reactors of that type, in various areas of the country, one of the byproducts of this system of reactors in that part of the country, is to produce hydrogen-based fuels! Now, you've changed the whole structure of your fuel economy from an oil, or petroleum economy, and now you've shifted around so you now have hydrogen-based fuel applications, you have domestic systems of

heating, all these kinds of things. Suddenly, everything is cheaper and better!

And so, what is *not* understood, what is not respected, is the fact that productivity is *not* how hard you work at the point of production, or how much skill you have at the point of production; those things can be significant, especially skill. But the important thing is the total environment: Transportation systems, power systems, all these things that define the environment.

This is a simple issue, which, on the one side, separated Leibniz from Descartes. Economics is taught, in most parts of the world today, based on a Cartesian conception. Whereas science, real science, is taught on the basis of a Leibnizian conception which is called “dynamics.” And the important thing, is how you control the dynamics.

Maglev: A Gift to Africa

Now, what we can do, therefore, internationally, is, by applying the highest technology, the highest degree of technology we have or can develop, and applying that on the broadest possible scale, through infrastructure, as well as education—through that, we create the environment, in which we can take people, for example, the Chinese—over 70% are very poor, very poor productivity; or India, the 70% very poor productivity; we can take, and by creating a different kind of environment of technology and systems, we can increase the productive powers of that labor, even before they’re able to develop higher degrees of skill and knowledge otherwise.

And that’s our job. *We*, in nations which have this kind of science-driven culture among us, and related culture, *must* mobilize ourselves, away from this whole green environmentalist nonsense—it’s all a lie! It’s all a fraud!—and get back to real science, and have science-driver programs, which *we* in countries which have a higher degree of development can do, and use our brains and our ability, to supply this kind of technology, technological improvement, to the poorest parts of the world.

For example, Africa: Africa, black Africa, has the largest agricultural region of the world. But they don’t get much to eat! Why? Because the bugs and everything else kills off their food. They don’t have all the protection system they need; they don’t have a distribution system that protects them, so what do we do? We move in, we say, “Well, we’re going to put an international railway, magnetic levitation system, so we’re going to drive an international rail system, or maglev

system, into Africa!” As a gift! From the other nations of the world, we’re going to give them—as a gift!—a railway or maglev system, which is the basic system which means, that in these countries, they have the basic means to transport goods from one place to the other [Figures 4 and 5].

That, and also power systems, and so forth, delivered to them, *will enable them to do the rest*. And that’s the point.

The way you develop a people, is not by coming in and telling them how to do everything. You give them the things which will enable them to do something for themselves. And you help them do it.

The Remedy: Love of Mankind

In short, to conclude this presentation, before we get to the questioning and discussion: Any good solution, for a problem of the magnitude we face today—we’re facing a New Dark Age, for all humanity, not somewhere down the line: We’re facing it before Christmastime. Your neighbor may be hanging from your Christmas tree. You find that kind of situation.

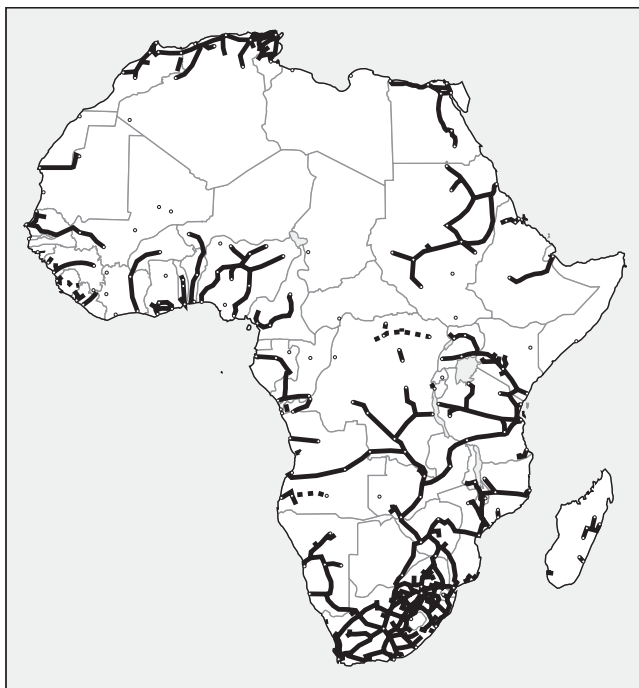
In this kind of situation, there’s only one remedy, and that remedy is love of mankind. And you’re saying, “How can we fix this problem?” Not how to make somebody rich, how to give them what they want. But: How we can help them to achieve the betterment of their selves, and create a betterment of relations among states. And then, invoke the fact that we’re doing that, to induce nations to come to agreements, firm agreements, which change the character of relations on this planet, in the way that we should see that we need, when we look at the PLHINO option in Mexico; when we look at other projects in South America that are there; when we look at the great needs of Africa, which are mass-starvation areas of the world; we look at the vast parts of populations of Asia, 70% are living a *miserable* existence, with no future: brutalized.

We have the power to change that, if we mobilize. We can make the commitment to *that change*, as a policy to bring nations together on that basis.

Russia is ready to do that if the United States will accept it. That we’ve determined; that’s clear. Italy is determined to move in that direction with the New Bretton Woods. Sarkozy of France is determined to lead, from France, in the same objective. China will cooperate, if they’re sure the United States will cooperate. India will cooperate. Other nations will cooperate.

We all need this! The alternative of not getting it is

FIGURE 4
Rail Lines in Africa



Africa's current meager railroad grid was built mostly by the colonial powers, to transport raw materials to the ports. You can't cross the continent, either north-south or east-west! The projects in Figure 5 were proposed by the Fusion Energy Foundation in 1990, but never implemented. LaRouche called in his webcast for the rest of the world to give Africa, as a gift, a railway or maglev system.

Hell! So you can't complain about the prices. We need it.

And we have to have a shift from this *hate* attitude: Who to hate, who to kill, who to make a war against! They shouldn't have fired Musharraf—the United States did it as a favor to the Saudis, to fire him, and look at the chaos we're getting in Pakistan, now, as a result of that. We have to have a policy, not of conflict, but of love: It has to be concrete. And on that basis, you can bring nations together—they will trust each other on that basis! If you don't do that, they won't trust you, and you can't do a damned thing. And that's your problem.

So, it's on the table. What I've proposed, last year, last July, on the 25th, is the only damned good idea on this planet for dealing with this problem, to date. Now either you've got the guts to accept that, or you're going to go to Hell. I'm not going to send you there, you're going to send yourself.

And therefore, we need to end this bill, destroy it!

FIGURE 5
Projected African Railway Network (Main Lines)



— Existing and modernized lines
— New lines

Put the whole thing into bankruptcy reorganization, under which what we need to have functioning, will function. The essential part of banks, as defined by earlier legislation—we'll protect those parts of the bank, whether they're bankrupt or not, *because the communities need them!* They need their savings protected! They need them! We'll protect them! The government will protect them. We'll deal with the other people's claims later on, when we get around to it.

What? Why should we have to pay off a gambler who lost?! What is this, a gamblers' dictatorship? Why should we have a fool, like this Secretary of the Treasury? With his background? With his record? It's almost as bad as Alan Greenspan. Why should we listen to these fools? Why should we put these thieves and fools in power? Can't we trust ourselves, if we have good intentions?

I trust the American people, I trust those people out there who are enraged. I don't trust them to do the right thing, but I trust their rage: They are justly enraged! This government, this country has betrayed them! The Congress has betrayed them.

Now, specifically this: The problem lies largely in the

Senate, as you may see today on the vote. Because this thing's going to go back and forth. And the danger is, that somebody in the White House is going to think about calling the troops out to suppress the population, if they don't like the vote they think they're going to get from the second vote in the House of Representatives. And people have to understand that. You've got *fascism* in this country, right now. And the center of fascism is right in the White House. And don't kid yourself about it.

Now, the White House occupant is an idiot—an immoral, vicious idiot. But, nonetheless, the power has been in his hands, and fools will let him have it and let him use it. Or, Paulson and his crowd will enforce it. You can have dictatorship here.

Remember: The grandfather of the present President of the United States was the guy who wrote the order to bail Adolf Hitler out, when his party was bankrupt, near the end of 1932. This crowd were Nazis! The grandfather of the present President of the United States was a Nazi. His father, of the present President, was in the direction; he's kind of silly—a silly kind of Nazi, but vicious. That power's there. And only if the American people make it clear, that they will not tolerate that—and I tell you, there are many people in the Senate who are gutless on this question. They want to survive. They're too much concerned with their survival to be concerned with the survival of the nation or humanity in general. And they have to learn, that sometimes, when you try to preserve your life, you lose it, exactly that way.

Dialogue with LaRouche

The Bailout Will Destroy the U.S.A.

Freeman: Before I get to the questions, I'd like to welcome some of the audiences that are gathered around the world today: We have audiences in Africa; we have a significant gathering in Barcelona; there is a very large audience gathered in the Mexican Congress, and they are joined by Quincy O'Neal, who is the vice-chairman of the Afro-American Caucus of the California State Democratic Party. He is currently visiting Mexico, along with other members of the LaRouche Youth Movement. We also know that the webcast is being broadcast live in at least five universities in Colombia's capital, Bogotá, and there are an unknown number in other cities. I can only judge, really, by the

volume of questions that are coming in. And certainly, I want to welcome all those who are listening.

Lyn, the first question comes from someone whom I think you will recognize. And he says, "Mr. LaRouche, as I'm sure you know, people like former Treasury Secretary Robert Rubin, Larry Summers, and others among us, have been engaged in international discussions for a new financial architecture, precisely along the lines of what you have proposed. And while there is obviously far more of an appetite for this now, than ever before, at the same time, they all insist that this bailout must come first, in order to give leaders time to act. Clearly you disagree with this, but I still would appreciate your comments."

LaRouche: If you go with a bailout, you're going to destroy the United States in short order, through hyperinflation. The bailout is intrinsically hyperinflationary! The only reason that anybody, in their right mind, would even think of supporting this bill, is because *they're scared*. And we need a Gideon's Army, to pull through the reform. And, some of you Biblical scholars, you know what I'm talking about.

You have to take all the people who are cowards, who will not step up to the plate, as they say, on this issue, and say, "Okay: Dear Coward, we're taking over. We're leading."

Now, the danger here, of course, is that, you're going to have a French Revolution problem, as I said, inside the United States. You now have—and some of these idiots, and even my friendly friends out there, who say, "Please! Please, be cautious! Let this bill go through, so they won't shoot us!" That's what they're saying! They're saying, that behind the Bush Administration, there are people who would actually use U.S. troops to shoot down people who want to oppose this bill! That's there, right now! *That is reality!* And that's what some of these questions are reflecting.

There are people in high places, including some very high-ranking people in terms of their background, who *agree totally* with what I say about this stuff! But they won't fight! Because they say, "We'll be shot! We don't want to go into a death camp." Well, if we go into a death camp because we do this, *the world will never forgive those who do it! And the world will never forgive those who capitulate to this!*

Anybody who's smart, is not going to take on the American people in that fashion. You're not going to shove a dictatorship down the throat of the American people! They'll kill you. They'll kill you. And they can.



LaRouche Youth Movement organizers host the showing of LaRouche's webcast at the Mexican Congress. Left to right: Ingrid Torres, Quincy O'Neal, and Carlos Cota Moreno. Hundreds attended similar gatherings, especially of youth, in several other Ibero-American countries.

EIRNS/Fabiola E. Ramírez Germán

Learn the lesson of Vietnam, and a few other locations: They will kill you, and they can, if you make them angry enough. And you are about to make them very angry.

The reason you're getting such a peculiar behavior in the House of Representatives' background, is because the people out there, who are *behind* the people who voted against this bill, those people out there are ready to kill! Not because they're killers, but because they see the destruction of everything that life means to them, is threatened! They've seen a lot of it: Step by step, they've put up with it, they've accepted it, they've crawled for it! They say, "We have to get along! We have to get along!" The time has come when they know that *everything* is being taken away from them, and that was too much!

You're going to find the *rage* against the White House, and against the Senate, in particular, is going to escalate in ways, during the coming days, of this week and next week—in ways beyond anything most of you believe! I can see it right there: It's there. It's coming.

The mood in the American people, having gone through fake wars: They've had their children sent out into fake wars, like Iraq—*it was a fake war!* There was no need to go there. No need to get into that war. Then they got into it, and they made a mess of it, even what they started. No need.

Look at the suffering of people who went in service;

they come back from that war, not only with death, but injuries, but they can't get help! They're condemned to horrible conditions! And in every neighborhood in the United States, there's someone in that category: It radiates.

Don't you see, the hatred you're building up against Washington, in the people of the United States? *And this bill, is one bill too many!*

You're headed for something like a French Revolution, and you're going to bring it on your own heads! If you're dumb enough, *not* to fight this bill, and not to oppose it! There is *no excuse* for supporting this bill! *None!* There is *no moral excuse* for supporting this bill. [ovation]

Real Politics: The 'Burned-Tail Principle'

Freeman: The next question, again, from someone whom Lyn will recognize: "Mr. LaRouche, I know firsthand that you're quite right, that the Russians do favor talks that would include the United States, among others, to begin to craft a new financial architecture. But the fact is, that this current administration is in *no way* inclined to do so, and has rejected the proposal when it was put to them, both by the Russians, and also by people inside the United States.

"My question to you is this: Even with some institutional support here in America, I'm not sure I understand

how this could work without the agreement of the U.S. Presidency. I think that you have some idea how, in fact, it could, and I'd like you to go through that for us."

LaRouche: Well, because, my dear questioner—whom I like very much, admire very much for what he does, and so forth—doesn't think quite as I do. Because, you know, there are many people in this country, who communicate with me—but the same people don't talk to me. They communicate through intermediaries. And someone who's afraid to talk to me, has got a weakness, a political weakness, for dealing with a crisis of this sort.

I can assure you, I know about the opposition in France, the resistance. But I also know about the other side. And I know that the principle in politics, as my questioner knows—real politics is based on the "burned-tail principle."

So what you have to look at—don't look at what somebody says they'll "go for." Who's going to burn their tail, and how hot is it going to get? That's the way politics works. It happened in a sense in Italy, because what's proposed in the Italian Parliament, and within a growing circle in Italy, is precisely—by name—my Bretton Woods proposal. Russia will go for it.

Now! The other side of the thing, is the tail-burning problem, which is not just popular opinion: If anybody goes with this bill, there's not going to be a United States! If Europe goes, there's not going to be Europe!

If you vote for this bill, you're not going to have a United States much longer! The hyperinflation that's going to hit you is going to destroy it! So, if you believe in the United States, you're against the bill! Because the worst option is to lose the United States, and lose civilization. Therefore, there is no threat, there is no problem so great, if you're a commander in war, or a commander in a situation like war—as I'm speaking now—you *do what you must do!* For the present and future of humanity, you don't make excuses for not doing it! You may try to do it better; you try to do it smarter; you try not to be stupid, and make stupid mistakes, *but you do it!*

We must not let this line be crossed. If this line is crossed, if the bill is put into effect, the United States will cease to exist as a result of that decision. I am not prepared to make that decision. Nor am I prepared to make excuses for anybody who will make that decision.

If you believe in the United States, you're going to get rid of the bill. If you're not going to get rid of the bill, you're not a real patriot; you're a sunshine patriot.



Former World Bank economist Joseph Stiglitz told a Democratic Senator that although the Paulson plan would not work, the Senate should support it anyway.

Passing the Moral Point of No Return

Freeman: The next question is from a member of the United States Senate, a Democratic member of the Senate, who has to decide how he's going to vote this evening. And he says, "Mr. LaRouche, in trying to decide how I would vote tonight, I asked my friend [the prominent economist] Joe Stiglitz what he recommended. His response was odd. He said to me that there were a variety of reasons, why the Paulson plan would not, and could not work, including the fact that over the last 48 hours, the \$700 billion price tag attached to it, is probably closer to \$1.3 trillion, and is growing. Nevertheless, Dr. Stiglitz recommended that I should vote yes. He said that it was essentially a very expensive way to buy the time needed for us to reorganize and re-regulate.

"Clearly, you disagree, but I'm really at a loss as to how to proceed. If, in fact, this measure passes, is it true that we pass a point of no return?"

LaRouche: Well, first of all, you've passed, *morally*, the point of no return. When you could defeat the enemy and you say not to defeat them, because you'd rather do it more comfortably, then you have given in to the enemy—and the enemy takes charge. And you've lost the power to resist. You're at a point of no return. You win the battle now, or you lose it. You have no choice.

Again, Summer patriot, sunshine patriot, trying to say, "Isn't there some way . . . ?" Well! That's why I'm a leader, and that's why some of these guys aren't leaders! They may be elected to high office, but they're not leaders. Because when the nation is in danger, a leader is someone who leads the nation to safety, and is willing to do what is necessary to defend the nation from the

consequences of not doing it.

I'm a leader! Other people are quasi-leaders. They're useful people, but they need a tougher leader than they are, to handle the situation. And they need to listen to someone who's tougher than they are, to deal with this kind of situation.

This is a situation of command! It's like command in warfare, in general warfare. Have you got the *guts* to do it? Or are you going to make excuses? This is what Lincoln's problem was, Lincoln's generals' problem was. That's why he was shipping whiskey to Grant, to find a general that could fight!

So that's the brave answer. This is a question of leadership! *I am showing leadership!* Are you willing to do so? I need more people who will show leadership. I need commanders—not apologists, not wimps. “Uh-uh! Isn't there a safer way to do this?”

No! There's not a safer way to do it! You're taking on the enemies of humanity! What do you think it is? A pussy-cat fight?

This is a time you get serious: This is a time you put your *life on the line for the sake of your nation, and civilization.*

A Culture of Sophists

Freeman: This is another question from a Democratic member of the Senate: “Mr. LaRouche, when FDR moved to address the banking crisis in the 1930s, he made no bones about the fact, that building our way out of the Great Depression would carry with it hardship, and that it would be hard on the population. Right now, I am inclined to vote against the bailout. But I also don't want to lie to my constituents, and tell them that I have a painless solution, especially if we do not.

“My question to you, is what, in your assessment, is the pain threshold of your proposal?”

LaRouche: The pain threshold of my proposal is, if you don't support it, you're dead! It's that simple. That's a question of leadership. I mean, you could take a lot of people, and say, “Okay, this guy may be a good corporal, but we don't want to make a commanding general out of him! Because he's going to lose the war!” Roosevelt never lost the war.

There are two things involved here: You don't get into foolish fights if you don't have to. But you don't use the rule of not getting into foolish fights, not to fight when you *have* to. The time comes when you decide you're going to fight! You don't start fights: The enemy started the fight. We're trying to defend the United

States against the enemy, which happens to include the United States President. He's not the enemy in the sense of a foreign foe; he's the enemy in terms of his idiocy, itself an enemy of the United States. His father's foolishness, and his own idiocy. Maybe his father helped create the idiocy.

I'm concerned that there are people in this country, including many people who are poor people—the poor people who are burning the tails of the members of the House of Representatives—they're fighting. They're not rich. They're poor! They don't have much—and that's being taken away from them. Even food.

Then you have people in our institutions, some of them, former military leaders, other positions, or associations which they had in the past, which they cling to, still, as their tradition which they fight for. We have people in this country, who will fight and defend this nation. But we don't have a concentration of that kind of leadership, in our political class.

Look, I deal with politicians, and the politicians know this; they'll even admit it to me—in a private discussion: They are sophists! This culture is sophist! The more you associate with people in the so-called higher social ranks in society, the worse the sophistry is. Look at the guy on Wall Street. Is that schnook human? Does he have human values? Is his life organized around human values? Is he doing something for society? He's having a frantic fit, a sexual fit on the floor of the exchange—over whether he's going to get an orgasm that day or not! A financial orgasm, in this case. Is this guy going to fight for the country? Is he willing to give up something for the nation, for future generations? No! “I want my money! I want my money! *I need it!*”

Who needs that amount of money that these golden parachutes represent? *Who needs that kind of money?! What for?!* Are you going to give it to the poor? You're going to build something? A factory? That you're against?

The problem is, we do have people in this country who have guts, but we are a government based on the will of the people, the consent of the people. And therefore, we depend largely upon the consent of the people. And often, this becomes the consent of the poor people. Not only because they're the most numerous, but because they have the most to lose and the least to gain. And therefore, poorer people tend to be more courageous than people with more money.

This is a prime principle of Christian doctrine, by

the way: Through the narrow gate; the camel through the eye of the needle. And it's the poor, who have nothing to gain or lose, except life and the purpose of life itself. And who think, not of themselves as much, but of their children.

Baby Boomers Have Lost a Sense of Immortality

Let me just interpolate something which is very significant here, which I mentioned recently, repeatedly. One of the characteristics of the Baby-Boomer generation, is that, you think back, to my experience, for example, which is fairly relevant these days, since there's a shortage of people my age (we'd be much better off if we had more people my age, but unfortunately, they went away, and didn't stay with me, and so forth).

But: We used to have a sense of value which is based on several generations. We think of the immigrant families who came in, the poor immigrants who came in from Europe into the United States, for example. They would come in, and they would end up, you know, in the immigration process proceedings, and often their skills were limited. Even if they had skills, they had trouble getting their professional skills qualified inside the United States for use. So they would work—and I know people in this room, who are grandchildren of just exactly these types of people—and they would work, and they would almost slave, to make a life which is better for their children's generation. And they would look forward, with great joy, toward what their grandchildren might become. And you would often have people come off the boat, as, really hand labor, and their grandchildren were physicians, scientists, and so forth, in this country. That was the nature of the country.

And what has happened now, is we have lost that sense. Especially in the white-collar, Baby-Boomer-influenced generation. People think about themselves as a self-contained entity. They don't think of their life as having a purpose, which reaches beyond their demise. They don't realize that the meaning of their life, lies *not* in what they experience, as such, directly, but *what comes out of it!* What they can be confident *will* come out of it! And people who think that way—and ordinary poor people tend to think that way—will *fight* for the life of their grandchildren! Whereas the Baby-Boomer *will not!*

And I have a lot of dealing with children of Baby-Boomers, as you may know. And I know what their existential complaint is: Their parents' generation does

not have a commitment to the future generations. They say, "Oh, we had a child! Ohhh! How nice! A little toy to play with!" Then the toy—"I don't like that toy any more!" "Throw it away." "I'll get a new wife." "I'll get a new husband." "I'll get a new nothing." "I gotta change my life! I don't like that toy any more!"

There's no purpose in life! And what we've bred is generations which lack a purpose in life. And a purpose in life extends beyond your own life: It extends to respect for what came before you. You try to think back, as far back, and generally, you can think back to your grandparents' generation; but some of us, like me, we think much longer. You think back to more ancient parts of your family, and the experience of people of that generation. And you think about what was the commitment that they made, on which you prosper, or on which your society today prospers. And you understand that. And you look at your life in that way, as if you were going to die, and you look at what's coming out of your life, for your children, your grandchildren, and those generations coming ahead: Are you building for the future?

The father used to take the child by the hand, or the grandfather, and take them to a great work which was accomplished by mankind, and say, "I built that. I was part of building that: And that's for you!" That's the American.

But we have many people among the Baby-Boomer generation, who've lost that sense of identity. They've lost the sense of immortality: And their religious beliefs show it.

The Opposition to an FDR-Solution

Freeman: Lyn, I should mention that among the dozens and dozens of messages that are coming in, as we speak, virtually every one begins the same way, by declaring how proud people are that you're an American, and thanking you for what you're doing....

Okay, so the next question has been submitted by 17 freshmen members of the House of Representatives, and they say, "Mr. LaRouche, most of us were elected on the basis of ending the war in Iraq. Few of us pretended to be experts in global finance. We've been up here for a while, and clearly we've not succeeded in ending the war, which was something that we did know about, and now we're being asked to act on a far more complex problem that few of us truly understand. Taking direction from you, we've studied the period from 1932 on, and we've examined FDR's approach to ending the Depression. And while we concede that the



EIRNS/Stuart Lewis

George Soros, a British agent and moneybags for the Democratic Party, is proud to have worked with the Nazis as a teenager in Hungary, sending other Jews to the extermination camps. Shown are Hungarian Jews on their way to Auschwitz, May 1944.



system today is far more complex than it was then, it does nevertheless seem that the overall approach that he took would work. In fact, while it wouldn't necessarily be easy to do, it seems simple enough in approach, if that makes any sense. So then, with all of that said, and with your proposals on the table, with the insistence that we really have reached the end of the rope, why is there so much opposition to an FDR solution?"

LaRouche: Let's take two characters of influence who are not the story as a whole, but who typify the story, exemplify what the problem is. Now you have two pigs, one called Felix Rohatyn—and this man is a fascist pig, I mean, he *really* is! There's no exaggeration at all. That's the kindest thing you could say about him; otherwise the pigs might object.

Then you have George Soros. Look at George Soros's character. Look at what he *admits* his character to be. Look what his father described his character to be. George Soros, as a teenager, worked for the Nazis in the process which was called the Extermination. Five hundred thousand people of Jewish designation were butchered by the Nazis. They were collected either from Hungary, or collected there from Romania and other states. They were then shipped in packets.

There's a book written by a famous author Ben Hecht, called *Perfidy*, that Hitler and the Hitler admin-

istration had made a proffer to the Allies that if they would deliver so many trucks, that so many Jews would not be executed. So for this purpose, the Nazis collected Jews from Romania and so forth, as well as in Hungary itself—and often these were questionable Jews because they had not thought of themselves as being Jewish; they had Jewish ancestry, from mixed marriages and so forth. So anything that had the possible label of a Jewish ancestor would be picked up from this area, and "processed."

Now, what happened was that George Soros's father, who told the story of how this happened, got his son put under the protection of someone in the family to hide his Jewish identity, and the son ran errands in the Extermination process. So every time that Hitler didn't get these trucks, as Ben Hecht describes the story, then more Jews were put on the trains and shipped up to the extermination camps. And he [Soros] was the one who delivered the notices, among his other duties.

That's not the worst of it, because under those kinds of conditions, people do all kinds of things, particularly weak and frightened people. But the point is, to the most recent record, he's *proud of it!* Not that he's proud that he got these Jews killed—he doesn't say *that*—but he's *proud of what he did!* He's proud of his experience. He calls this experience character-building!

Now, if we look at his character, at what he does, as a *drug-pusher*, what is George Soros? George Soros is a British agent. He's an agent of the British Foreign Office, a subsidiary division, Commonwealth division. He became best known when, in the formation of what became known as the Maastricht Agreement, that pig Margaret Thatcher and her lover, in a sense, political lover, George H.W. Bush, sold out Europe by breaking up the European Rate Commission, in which they sank the British pound artificially, for a period of time, in order to break the Rate Commission, and thus they were able to introduce the Maastricht conditions and enforce them, which was the destruction of Europe.

Soros is evil. We know him from South Asia operations. He was liked by Al Gore, which tells you he's evil. Anything that Al Gore likes has to be bad. Al Gore had a fit. Disgusting, undiplomatic. Al Gore's a real degenerate. Anyway.

So, he's a big drug pusher. He operates out of the Caribbean, largely, but he still does operations—he was the controller of Gorbachov at some point. He's still an influence on Gorbachov. He ran the operation in Georgia, for example, operations all over the world. He's a drug runner. He's involved big in drug-running, operating out of the Caribbean. And this guy, with his ill-gotten filthy gains, controls the Democratic Party. He's not an American! He's a Brit. He's a British Foreign Office asset. He controls the Democratic Party. He's a pig.

Rohatyn is a similar type. Different pedigree, but similar behavior. Rohatyn is famous for what he did in Chile with Pinochet, which was a genocide operation, run partly by Nazis who were brought into South America in the Southern Cone for a genocide operation. And that's what he was tied up into, and he knew it. Of course, George Shultz was his boss, which explains some of the things which are going on now. George Shultz is a killer. And these are the kinds of people who do evil. But *that's* what the problem is.

And how is this done? Well, they control our press. If you look at the records of the Democratic and Republican Presidential campaigns, in this campaign, how much was controlled by Soros? Nancy Pelosi, the Speaker of the House, is controlled by Rohatyn. The Republican Party, Soros. The majority of the Presidential campaigns and related campaigns in this year have been controlled by British money, or institutions of British money. We're controlled by the British Empire. What was the reason that the Prime Minister of Britain

came here to visit? To get some of that bailout money! Over \$300 billion of that bailout money for the British, to bail out the British. We are suckers for the British! We have all these agents who don't represent the United States, who are actually our enemies, who are doing this to us. And we sit back, and say "Oh, very respectable!" Disgusting, isn't it? How can we degrade ourselves, to submit ourselves to *this*?

Promise Them Anything, But...

Freeman: This is a question from a Democratic member of the House of Representatives who voted no on the bailout package. "Mr. LaRouche, some of us who voted no on the bailout package, are now being told that everything we demand can and will be taken up, but that it can not be done until we pass the Paulson plan and stabilize the banks. Do this, we are being told, and all other things—Hillary Clinton's mortgage proposal, an HFC, a Pecora Commission, full re-regulation—all are possible. Now, I wasn't born yesterday, but it does seem that they're willing to deal on these matters. However, if I understand correctly, you're saying that if we do this, we will unleash unstoppable inflation.

"However, what some people are telling us is that that hyperinflation has already been unleashed. I'm not really sure what's really going to happen over the next couple of days, but really what I'm asking you—because I think that we may not be able to stop this bailout package from going through, even though I still intend to vote no. My question to you, though, is, if we can't stop it, then what do we do next?"

LaRouche: Pray!

I think our job is to stop it. I don't think God expresses sympathy for people who won't fight. That's what you're here for. You're here to do a job. If you're not going to do a job, well, then no pension. Isn't that the rule of the game?

No, we make the decision. They will not keep any of the promises. They'll promise you anything, but give you Arpège! They'll promise anything. His job is to get you to go along, for fear of a little bit of intimidation, a little bit of promise. "I love you, buddy. I'm going to kill you today, but tomorrow I'll love you." This is like the guy who comes home, after being with five of his mistresses, and telling his wife, "Oh, I love you!" That's what these guys are like.

No, it's a fraud. If this is passed, *there will be no United States to deliver anything!* And you, in the mean-

time, if you allow it to happen, will not be able to do anything about it. And you'll go to this guy and say, "But you promised. . . ." He'll say, "I'm sorry, I lied! But you have to understand, I had to. I was ordered to."

It's the same problem! You have people in the lower income brackets, who are typified by the constituency of the House of Representatives. They have indicated clearly that the heat on their tail is terrific. It's hot. Very hot! And therefore, the members of the House of Representatives have a force behind them: ordinary people. The Senate tends to think it's abstracted from this situation and can operate at a distance. "Well, we'll get around to it later." Well, you won't be in the Senate, buddy. You'll probably be in a concentration camp. And you will say to the guy who's registering you in the concentration camp, "Yeah, but I voted for the bill!" "So what, sucker?"

A Credit System, Not a Monetary System

Freeman: Lyn, this next question is a long and detailed one, but it encompasses a whole slew of other questions like it, so I'm going to read it to you, and you can figure out what you want to answer here, and I'll also get you the written text and you can take it up later. This is from a staffer to a Democratic member of the House.

"Mr. LaRouche, as a staffer to a Democratic member of the House, I've been trying to present your alternatives to my boss for months, and above all now, in the context of this awful bailout bill. He's open, but I've not been able to find enough detail to successfully counter the kinds of objections people throw back at me. Particularly, I've tried to present your alternative of a two-tiered credit system and fixed exchange rates.

"Specifically, can you help me with the following, most of which are taken from your July 22 webcast: Number one. You said on July 22 that we needed to increase the discount rate from 2% to 4% in order to 'prevent an outflow of financial capital from the U.S. banking system.' You go on to repeat several times that the problem is that, with the Fed rate at 2%, it causes capital to leave the banks as loans, but at 4%, the capital stays as lendable assets that you then make loans against. I can't make sense of what you mean, that the present 2% rates cause money to leave the banks. There's no empirical evidence I can find that bank deposits are leaving. Are you saying the 2% causes a run on the banks, and if so, why would 4% change this? Aren't bank runs caused when people fear that the

banks will go under and aren't insured?

"Two. Also, in this same discussion, you keep talking about keeping money in the U.S. Every day, we run a current account deficit, so money is always coming in. I can't find any evidence of a problem keeping money in the U.S., at least not yet, so I need you to explain to me what you mean. Number three. You also say that the banks have credit in the form of deposits, against which they can issue loans which you also refer to as assets. But, as I learned it, bank deposits are liabilities, not credits or assets. Again, I need clarification.

"And finally, while in principle, fixed exchange rates sound right, you don't address how that could work if speculators attack a currency. A fixed rate would cause central banks to pour potentially unlimited amounts of money to defend the currency, and eventually lose it all for nothing. And I'm not sure how we could prevent those kinds of speculative attacks.

"Thank you very much for all your help on this. The present crisis has certainly confirmed everything you've been saying, and I'm really anxious to try to move this through Congress."

LaRouche: Well, first of all, the key thing we have to understand is that what people believe about money is wrong, because we're in a society where miseducation is tremendous. But it's not only a question of what they believe about money, it's about what is adopted as policies about money. The Roosevelt Bretton Woods System is consistent with the intention of our Constitution, though there've been fights over this throughout the history of the United States, since the first Treasury Secretary of the United States.

The United States system is not a monetary system, so throw monetary theory out the window. We are not a monetary system, we are a credit system. Read your Constitution, and catch on to what some of the theory is. Figure out what a pig Jackson was, for example, in putting through his banking reform against the Treasury. Yes, there are a lot of swindles out there, but what is the intent of our Constitution, and what is the essence of the American system, as opposed to the damned British system? We are credit system, not a monetary system.

That is, our money is created by authorization of an act of Congress, which gives the Presidency the power to utter money as credit, in either the form of printed money, or in the form of credits transmitted through the Federal banking system down to local banks, in which authorized characteristics of expenditure—authorized



EIRNS/Doug Mitchell

LaRouche Youth Movement organizing in Harvard Square, Cambridge, Mass., August 2008. See the LaRouche PAC TV production, "Harvard Yard," at www.larouhepac.com.

by the Congress, or authorized implicitly by the Congress—are then funded through placing credit, Federal credit, which is Federal debt, in the hands of a bank or in the hands of a firm. Sometimes we convert that directly into money, but along the line, somewhere, this thing will authorize an utterance of money to correspond to the credit created.

Now, the European systems are not American systems. They are monetary systems, not credit systems. And this is laid out, for example, by Henry Carey and others, in their own terms. But the principle is already there. The principle is, we are not a monetary system. What happened is, what Roosevelt defined as the Bretton Woods System in 1944, at the Bretton Woods conference, the same conference that Keynes was at, was a credit system, not a monetary system. What happened after Roosevelt's death is, Truman and company converted the international fixed-exchange-rate system, into a monetary system, a British system.

Now, the British monetary system is based on an old Venetian type of principle, in which money is uttered in

various ways, by various kinds of institutions, but not under the control of government. Government may regulate this. Government may intervene with it, but the essence of money is not Federal, it's not credit. So therefore, in the British system, money or money systems, become an independent force dealing and negotiating with the credit systems of the nation, credit systems in the sense of constitutional or quasi-constitutional systems. So therefore, the utterance of money is out of the control, essentially, of government in one way or the other.

And this is a characteristic of the Anglo-Dutch Liberal system. The Anglo-Dutch Liberal system is the essence of the British Empire. This is the Sarpi system, Paolo Sarpi. This is the northern system. This is the real British empire. When you get to, in economics and in financial matters: the collision you get between the two systems, on the one hand, is the American System, which is a credit system. That's the system of freedom, a system of political government. The other side is the British System, or the Anglo-Dutch Liberal System, which is based on money, it's based on *central banking*. We are not a central banking system, although some tried to make the Federal Reserve System into a central banking system. We are a corrupted system, by the standard of our Constitution.

And what I propose is very simply to go back to the credit system, to a simple credit system. The United States is the sole authority, and has a monopoly, on the uttering of currency, or credit which leads to currency. The two things are interchangeable. Debt of the U.S. government can not be created except by authorization of an act of Congress, consent of Congress, and therefore, the United States government has that debt and controls that debt. That's our system. The British System is, the central bankers control the debt, to the extent that governments don't interfere with it. But essentially, in principle, they control the debt. So it's a monetary system.

So, what happened is, when Truman took over—Truman who kissed the ass of Winston Churchill every moment he could—then we had imperialism again. Roosevelt's purpose was to use the credit system, and the credit system was the productive power of our war industry converted to other purposes, to free nations from colonialism, to destroy the British Empire! Roosevelt was explicit. The American System is based on destroying the British Empire. The British Empire is

the official enemy of the United States, the primary permanent enemy of the United States. We don't shoot them—unless we have to. We like to talk to them instead. The best way to talk to them is to tease them about their monetary system. It gets them very upset. You can enjoy that, when a Brit has a fit, a hissy fit. But that's the essential thing here.

So therefore, the issue here is, we're talking about terms of monetary systems which are British in their conception. My point is, we have a Constitution, and when the Congress and the Presidency—especially the Congress—enforce the intention of our Constitution, as they should, then the British are defeated, and they can only get at us by going to war against us. And in that case, we can beat them every time.

So the point is, all the assumptions about this are based on the idea of a credit system. If we, the United States, say something is credit by law, it is credit. We are sovereign. We are a sovereign. Our sovereign acts create credit. Look, we have a lot of things to build. Someone says we have no money. Well, the question comes, what do we do about that? I want to build a new maglev system for the United States, all over the United States. Well, that'll take us about 20-25 years to get that thing in place. That's going to cost us a lot of money. What are we going to do? Well, Congress is going to authorize that money, as credit. The use will be restricted, according to law, for that purpose. So, we'll build the system. What happens?

Well, getting that credit issued means that a lot of people go to work. Institutions go to work. You start to build the system. People are going to work. People begin to produce more. *Wealth* is being created, instead of waste, and we become more productive, because we do things that are going to make us more productive, as I said earlier today in terms of the idea, the question of "from the top down." Basic economic infrastructure.

See, when you have an economy, and you say we're not going to have nuclear power, you're an idiot. You've destroyed your ability to create credit to increase the generation of wealth. You say we're not going to have large-scale water systems, we're going to let the Mississippi become a hell-hole, we're not going to repair it. Katrina forever, that sort of thing. We're destroying the wealth of our country, we're destroying the productivity of our people. When we invest in things that increase the productivity of our people, either directly, by providing jobs that are needed, and are useful in creating wealth, or by creating an infrastructural environment

which has a multiplier effect on the productive powers of labor throughout the society.

If I can get you to work in one hour a day instead of two and a half hours a day, each way, that is an increase in productivity. That's a simple thing. We are trying to increase the productive powers of labor. So therefore, the credit system operates not on the basis of fixed objects. The credit system operates on the basis of productivity. We invest in things that we are convinced will increase the productive powers of labor per capita and per square kilometer in our society, or we do it because it's a good thing to do for other countries, which somehow will be beneficial to us in that way. But when you have a greenie mentality, as we have a disease of that type today—you know, when the fungus gets in, and the brain turns all green and fuzzy from this stuff—then you say you don't like high technology. You don't like nuclear power. You don't like high-speed transportation systems. You want crazy little cars that you can take to bed with you at night. Things like that. And look at our educational system, look at Harvard University. Harvard University today is hardly a center for the promotion of productivity. It may invent a new sex, but productivity, never.

So that's the point. The point essentially is, you have to have a sense of national mission and international mission. Our mission is to be human. The difference between human beings and apes is expressed by science and Classical culture. It's the improvement of the mind, the improvement of the productive powers of labor, the increase in man's standard of living, man's productivity, man's purpose in life. And it's investment in those kinds of things that are important. When a greenie comes along, we say, "We're going to increase productivity, we're going to disinvest in you; your ideas don't work."

So we have to make that distinction. When you start talking in monetary terms—and I understand what you're saying—the monetary terms are the pressures they're going to put on you by members of the Congress and so forth, who believe in this silliness about monetary theory. That's why I'm the only competent long-range forecaster in the history of the United States, since I started forecasting in 1956. There's no other person who's made competent long-range forecasts in the United States on what was going to happen in the United States. I'm the only one! Why? There are other people who have competency in economic forecasting of a limited type, but this type, no. I've always been

right, and they've always been wrong. And they say, "But you don't predict the exact time it's going to happen." I say, this is human society. We're not a machine shop. We're human beings, and you're looking at the promotion of the productive powers of labor, which means improvement of the productive powers of labor, or the *non*-improvement of the productive powers of labor. And all you can forecast is the effects in one direction or the other.

And I've always been right. Like I've been right on the dime on this one. Last August or July, I was on the dime. I've been on the dime again and again and again. No one else in this country has been on the dime on forecasting, the way I have. Why? Because they use a different thing they call forecasting, which is not competent. It might be competent for some things, but it's not competent for the economy.

Take this simple fact: 1968 to the present. Fiscal year 67-68. Look at the net physical product and productivity of the United States since 1967-68. The United States every year, every Presidency, has been going to hell, down the tubes. Who's been making these decisions? In government? Who in government? The Congress, for example, Wall Street advisors, people from the Harvard Business School, Dirty Business School, that sort of thing. They've been making the policies. They've been voting the policies up. Every time they vote a policy up, in general, the net effect of all policy decisions, by all administrations, by all sessions of Congress has been *crap!* Worse, and worse, and worse.

Why am I a good forecaster? Because I don't believe in crap. So, that's the issue here. We're using criteria in the Congress, which for 40 years have been a standard of failure, of disaster. And somebody comes along and says, "You've got to go by these rules. You've got to interpret money; you've got to interpret debt, banking, by these rules." I say, "Crap! You're nuts!" Look at the result of your applying your methods to the U.S. economy. What has the result been? Worse and worse, year by year, every year for 40 years. Now, that may not be eternity, but 40 years is a kind of impressive figure.

'Monopoly Money' Was Created

Freeman: Okay, Lyn, this question has been submitted by a gentleman who is the editor-in-chief of a major policy journal here in Washington, and who is formerly a columnist for *Business Week*. He starts with a quote from Bloomberg from Sept. 29, saying, "The Federal Reserve will pump an additional \$630 billion

into the global financial system, flooding banks with cash, to alleviate the worst banking crisis since the Great Depression."

And then he says, "Mr. LaRouche, while the public is distracted by the bailout bill and its rejection, trillions are being pumped in to keep the financial balloon inflated. The media is falling"—the media, as if he were not part of it—"the media is falling all over itself to report on every minutia of the so-called Wall Street bailout bill, and its rejection by Congress yesterday. The media's breathless coverage of bill has produced a furious backlash by the public, and hysteria on Wall Street, in a self-justifying feedback loop that makes the media attention seem merited. The truth is, that a bailout is actually taking place as we speak, completely out of the public spotlight. This program has already pumped trillions of dollars into Wall Street, compared to the mere \$700 billion proposed in the legislation that the media is focussing on. This is all to help prop up the faltering investment banks, and promises to keep in even more, every dime of it, to the detriment of the taxpayer, or the public will have no stake in its success. But this program is not being talked about.

"Slipping under the radar last week, amidst the hullabaloo in Washington over the bailout bill, was the story noting that in the past week alone, the Federal Reserve had pumped an astonishing \$188 billion per day into the system in the form of emergency credit. This means that in just four days, the Fed injected as much money into the system as the entire bailout proposal. After the proposal was rejected, the Fed apparently responded by immediately announcing that it would pour another \$630 billion into the global financial system.

"The Federal Reserve conjures the reassuring image of a national bank lending out some of its vast reserves to help Wall Street weather the storm. But the fact is, that the Federal Reserve is not Federal, and it has doubtful reserves right now. In fact, the trillions of dollars that have been lent to the banks in the last few weeks, were created out of nothing by the privately owned Federal Reserve. When the Federal Reserve lends money to a bank through repurchase agreements, credit auction, or other methods, it's not actually lending out money from its vaults; it is simply creating the money it lends out as electronic credits created in the recipient bank accounts. It is literally money out of thin air. That the general public is on the hook for this money created out of nothing, is really no exaggeration, but nobody seems to understand this.

“My question to you is, how do they manage to pull this off, and why is that bailout different from what Mr. Paulson is proposing?”

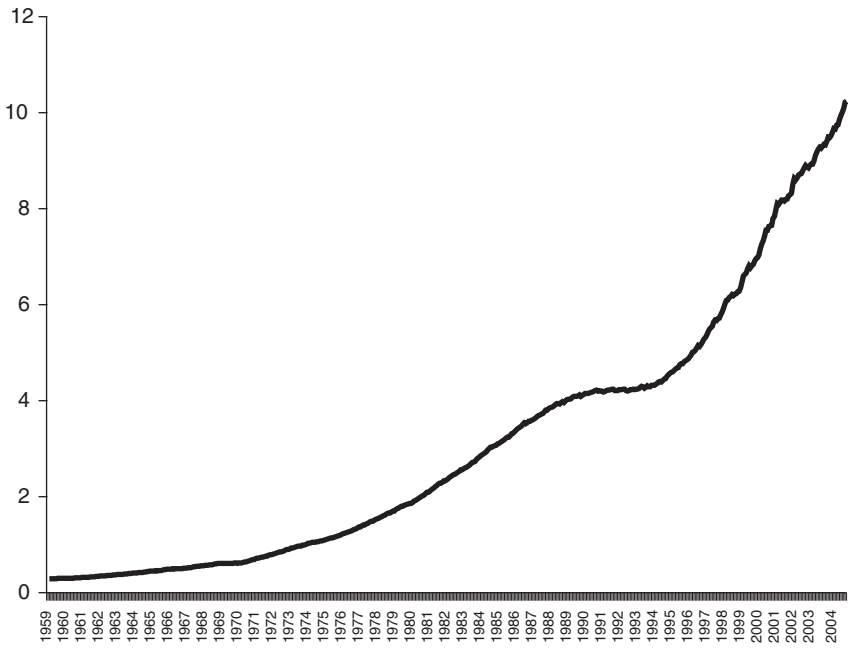
LaRouche: Again, we have to think in battlefield terms; not in accounting terms. There’s a creep called Michael Milken, who was an organized crime operative during the 1970s and 1980s, who went to jail ultimately for his practices. However, when the crash of Wall Street occurred in 1987, October ’87, after that, in came *Alan Greenspan*. Now, Alan Greenspan made the methods of Michael Milken the heart and soul of the Federal Reserve System [Figures 6, 7, and 8].

Now, what’s at stake? It’s fake money, it’s fake debt. And I have a nice solution for this fake debt thing. What they do is, they will create an agreement that I owe you. I will pay you so much a year. Now, somebody turns around and says, “What’s that, 7% rate, 8% rate, what?” Okay, so multiply the value of this agreement as that multiple of the agreement. Now, you say, I now have an asset. This agreement to pay so much a year, which I’ve capitalized at say 11 times the price of the annual payment. Great, huh? Now, you keep doing that, is what Alan Greenspan did. Therefore, he’s violated the Federal Constitution; the Federal Reserve, to the extent it uses that method, has violated the Federal Constitution on the credit system. All of that money is legally worthless when we get the government to declare it worthless.

When I’m talking about reform, I’m not talking about *working within* the system of this present system of the Michael Milken-Alan Greenspan system. I believe, and I think other people believe, that what we’re going to do with those gentlemen, at our leisure, is put them in jail, because that is a lie. There is no value in that stuff. So we are being asked to pay for garbage, called toxic waste. Toxic waste is the day that somebody discovers that this fictitious claim against the system as a capital amount, is no longer being paid on current payment, or will no longer be paid.

So, suddenly, this balloon of fictitious—this is all

FIGURE 6
U.S. Money Supply (M3), Monthly 1959-2004
(\$Trillions)



Source: Federal Reserve

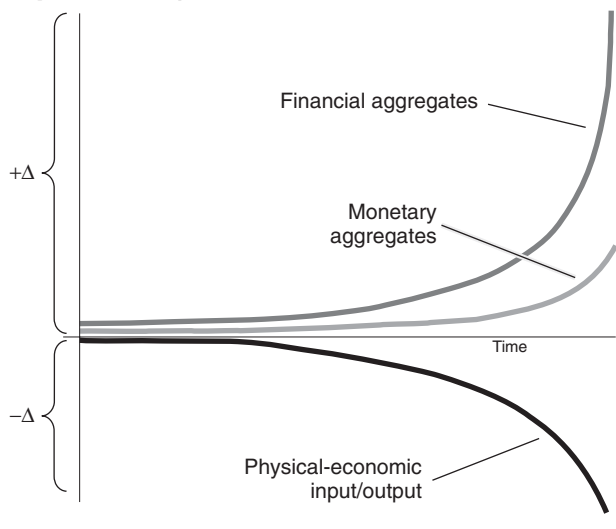
The U.S. money supply started to take off after Alan Greenspan took over as chairman of the Federal Reserve in 1987, after the crash in October of that year; the next ratchet upward involved the “wall of money” erected after the “Y2K” hysteria.

Monopoly play money, which is coming in and competing with and overwhelming real money, that is legal money, which is that which is created by approval of the Federal Reserve System through the control of the Federal Reserve System by the Federal government. But the Federal Reserve System has not been *controlled* by the Federal government. It’s been controlled by Alan Greenspan, and Alan Greenspan’s international London friends. This is a swindle! This is thievery! There’s no legitimacy to it. Why should we pay it?

But you see, the point is, we are a lawful system. Therefore, we don’t just not pay something, unless we have a clear case that it’s criminal or fraudulent. What we do under our system is say, we put it under scrutiny. We put the thing in bankruptcy reorganization proceedings. We now take the part that we are *sure* is valid, and we allow that part to function. We increase the amount of that part; we decrease the other part, the fictitious function; in the meanwhile it’s not collecting any rent. So, therefore, we get rid of it.

FIGURE 7

LaRouche's Typical Collapse Function ('Triple Curve')



LaRouche's heuristic diagram shows the point at which monetary aggregates overtake financial aggregates, in a hyperinflationary explosion.

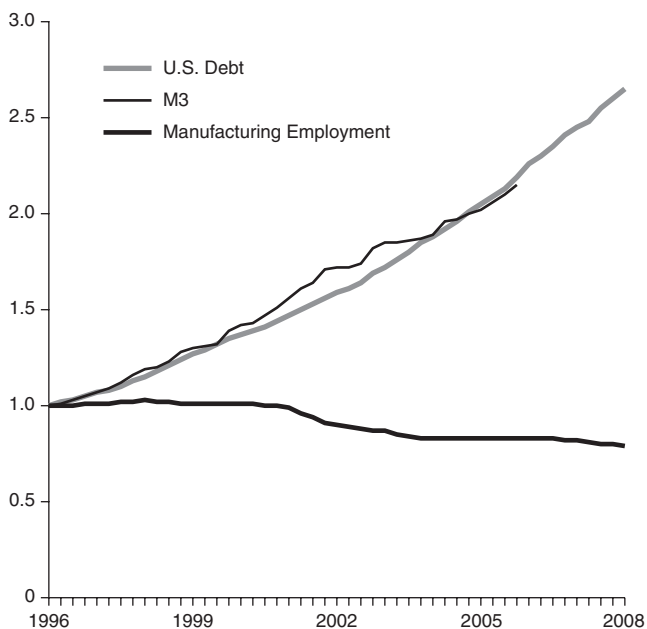
So what has been done to us, over these years, especially since 1971, especially since 1981, has been a *crime* against the nation, a crime of the quality of a crime against humanity. Look at the suffering that has been caused by this system, and the stealing from people, the ruining of their society, the corruption of their children—all these things. Isn't that a crime?

But we don't deal with this arbitrarily; we don't take these guys out and shoot them. We're not Nazis. We say, "Come please, gently into this little room, which will now be your habitation for the next few years. You're going to be fed; you're going to be cared for; you'll get medical care. You'll get everything you need; you're just not going to be able to keep all that fake money that you printed. And we may be looking at some of the assets you think you have, as a result of that money; maybe those assets may really belong to somebody else? Like the stockholders you robbed?"

So, that's the way you proceed. Once you get that thing clearly in view, that that's the way we're proceeding, then your head is clear. Money is that which is legal. Legality is determined by constitutional principle, but we're always fair. Anybody who has a legitimate beef, you hear it. We're not dilatory in this thing, but it takes time, and therefore in the meantime,

FIGURE 8

The U.S. Economy's 'Triple Curve,' 1996-2008
(Indexed to 1997, Q1=1.00)



Sources: U.S. Bureau of Labor Statistics, Federal Reserve.

The triple curve, with data from the economy today. The graph shows debt, M3 money supply, and manufacturing employment, indexed to 1996 Q1=1.00. The government stopped reporting M3 in 2006.

please be patient. We won't take more time to clean up the case than it took you to steal."

The People Are Enraged

Freeman: This is a question from a political consultant and a pollster. He says, "Lyn, as I know you know, the U.S. Congress was more than happy to rubber-stamp the bailout until their constituents got wind of what was up. A good number of House members voted 'no' on Monday because they feared what their constituents would do to them if they didn't. Amazingly, even though the House seemed to do what the people wanted, and voted no, our polls show that Congress's approval rating *still* declined to below 9% in the wake of that vote. Like the financial system, it would seem that these guys are screwed if they do, and screwed if they don't. Now, some of us might take a moment to revel in the sadistic pleasure of this, but then, upon reflection, it occurs that this lynch mob environment could also be dangerous. I'd appreciate your thoughts on this."

LaRouche: Of course it's dangerous; that's what I



Bush Family Values

said. Where's the danger come from? From the people who are angry? From the people who are not angry enough to stop this nonsense? As I've said repeatedly over the recent days, you're dealing with something which is a French Revolution-type situation. On the one hand, you have the people, and the people are enraged, because they know that everything is being taken away from them. Why aren't you stopping that? Why aren't you protecting the people? You're the government; why aren't you protecting the people? Why do you let this happen to them? Look what's happened to them! Look what's happened to their health care; look what's happened to *everything*! Their jobs, their communities, *everything is gone*. You've robbed them. They're angry, and they know especially in the performance of the Congress in the past two years, from February 2007 until today, that they've been robbed. The Congress has done nothing for them.

The people who were elected in the last Congressional election, they went into Congress, as some of these who sent this message earlier, and they've been betrayed under Pelosi. Nobody paid any attention to what they were in Congress to clean up. They just shut

them off. Look at all the things they've lost and are losing. Nothing is being done for them. And you have these guys—it's typical of governments that are about to fall in history generally. Here you've got people up there, you have the swine who are doing the stealing, the robbery, and so forth. But then you have the people who say, "You have to go along to get along, don't you understand? People have to be more patient with us. It's going to take more *t-i-m-e*. Be more *patient* with us. It's wrong to be so insulting. You insult these people, they're going to be nasty. You've got to be nice to them, while you're being patient." And they're losing everything.

'I'll Put My Life on the Line'

Question from Audience: So, when do we take to the streets?

LaRouche: We don't have to take to the streets; we're in the streets. I'm in the streets for you right now.

I'm in the streets. I put my life on the line here. They're out to kill people like me. And I say, "Kill me. I defy you." And if I defy you, if someone like me has the guts to stand up to these guys, maybe others will. If I don't have the guts to stand up, no one will.

You have to have articulate, intelligent leadership in fights against this kind ... like what happened to Herhausen, the banker in Germany. The French killed him, on orders from Margaret Thatcher, and with the approval of George H.W. Bush! And [Chancellor Helmut] Kohl collapsed, and Germany has become increasingly a slave state ever since then, as a result of these Maastricht conditions, which were imposed by George H.W. Bush, the father of this idiot, imposed by [President François] Mitterrand of France, who is an old enemy of mine in a sense (he's now dead—he's down where he belongs now). This sort of thing, that's what we have to fight. And we have to have intelligent fighting: You have to have leadership in terms of what the remedies are, and fight for the remedies, not fight for vengeance. Vengeance is a lousy cause to fight for; you fight for justice.

And if you're in a leading position as I am, and know these things when other people don't; it's my job to do

my job. To provide the leadership you need because of my knowledge, period. That's it. The rest of it's up to you.

Americans Will Fight

Freeman: The next question is from a black State Senator, and what he says is, "Lyn, I don't know if you're aware of it, but last week when the Congressional Black Caucus Foundation held its annual meeting in Washington, there was not one single workshop on the financial crisis. The closest they came to it was a counseling workshop on how to renegotiate your mortgage.

"On Sept. 28, I heard Green Party candidate Cynthia McKinney make the claim that during Hurricane Katrina, 5,000 people were executed. She says these were mainly black men, who may have been incarcerated at the time Katrina struck, and while they were not necessarily shot, that they were allowed to die. The fact of the matter is, that when I heard that from her, I rolled my eyes, and said, 'There goes Cynthia.' But the fact of the matter is that watching the way that the government is responding to this current crisis, I'm really beginning to wonder if black people in the United States shouldn't begin to worry about attempted genocide. You addressed this question obliquely by saying that the Bush Administration was prepared to use troops against the U.S. population. I'm asking you this, because I want to really get a better sense from you whether you were saying this as hyperbole, or metaphor, or whether you think it's actually true."

LaRouche: I mean, it's actually true. It may not have happened yet, but its potentiality is already organized, and it's organized in ways that you can't mistake what's going on. And I'm not the only one who has observed it. That's why some people are frightened, as you see we have referred to that today. People in high positions, sometimes very high positions, are terrified; are afraid they're going to be shot or put in a concentration camp by this government over these issues. It's real. And when you look at the record of the current President's grandfather, the guy who moved the money to get the Nazi Party out of bankruptcy in time to make Hitler dictator of Germany, you shouldn't have much trouble in understanding what there is inside certain parts of this government.

And I can tell you, if this government turns in that direction, it will not survive. You can not get by with doing that to the American people. These will fight harder than Iraqis. They'll fight harder than Vietnam-

ese. You want to start that kind of war? You won't win it. The United States will be destroyed, but you won't win it. You'll be destroyed, so you better give up this damn bailout.

Establishing a Fair-Trade System

Freeman: We have a number of questions from PRD Congressmen in Mexico; we have questions from Colombia, from Argentina, and elsewhere, so why don't we take some of those, and then we can come back to the United States. This is from Mexico; the question is: "Mr. LaRouche, how did you manage to foresee this crisis as far back as the 1970s?"

LaRouche: Well, I've been in the forecasting business for a long time. I actually implicitly started economics as such when I, after doing some studies, hit upon the work of Bernhard Riemann in physics, and I saw it as a way to solve and understand certain problems which had not been properly understood in economics earlier. I was actually a very good management consultant, and executive for a management consulting firm in the 1950s, and did that also at other times. I had a rather extraordinary talent for this sort of thing. It got me into trouble with certain right-wing institutions inside the U.S. government, which is why I sort of left management consulting. It was getting precarious; the FBI was following me around. So, in any case, I did these long-range studies on the basis of the kinds of considerations which I have reflected here, which come essentially from looking at economic processes from the standpoint of physical economy.

Remember that economy is not based on money value. Money is an instrument of credit that governments properly use because transactions among people occur individual to individual, or individual to institution, and therefore, you can not simply predetermine by any fiat system how prices should be determined. So, what you do is, you set up a fair-trade system—what we called it in the 1950s, a fair-trade system where you have caps on prices, lower and higher caps. You have certain kinds of protection.

For example, Kennedy put through a bill for investment in capital improvements. That is, if a company which makes a profit would invest in a machine tool, or something of that sort, out of its retained capital, the tax on that portion of capital would be at a lower rate than if they went out and bought stock on the open market—this kind of thing; we set up systems. The idea, always with money, was to use the Federal control over the cre-

ation and regulation of money, as a way of encouraging the flows in the right direction, so that you were getting more of the things you wanted in terms of results, and less of the things you didn't want.

It was protection in the sense of trade protection. If an American firm creates an industry which is useful to the United States, we're not going to allow dumping prices to put that firm out of business. We're going to protect that firm. Somebody in the United States, as a citizen, invested in creating something which is productive; it's useful to the United States. We're not going to let somebody from the outside come in and dump on this firm, and shut this firm down by competitive methods.

It's not fair to the foreigner, either. Because as you see in the case of China: China suffers a crisis today of Western beneficence in a sense, giving them all this opportunity. But what is the price for China? Well, China is allowed to get certain things, and not others. And China must produce at prices at which it can not maintain its own whole population. So therefore, China's in a situation where it now *depends* on larger U.S. business. What it gets in terms of money out of this business, which it takes again away from the United States—it's exported into China and industries there—is not enough to keep China alive. China has many poor; the problem in Asia is *many* poor, and what are you doing to enable them to increase their wealth?

China needs investment in its local communities, it needs investments in its industries, but it doesn't get paid enough from the United States. What is the reason for that? Well, they get paid *less* than the U.S. industry would get. By doing that, they undercut the U.S. industry in the market, they shut down U.S. industry, and they end up getting less from the production than the U.S. industry was getting when it was doing the production.

So, what you're doing is, you're *lowering* the income of the planet; not just the money income, you're lowering the physical income of the people of the planet. So, you're giving China an opportunity to have some billionaires—Communist Party billionaires, even—but you also have still created a situation in which China is under a *threat* from its dependency upon this business with the United States. And the same thing is true of the policy with India, the British policy; the same thing.

So therefore, the *protectionism* against this kind of problem is a primary consideration, and that's the problem here. We have to have a system of fair trade—what we called fair trade back in the 1950s—where we come

to an agreement with nations on fair-trade levels. The way we set fair-trade levels, is by taking any part of the planet, and saying, what does it actually require in physical skills, in development, to produce something of a certain quality? That's a fair price, then; that's a fair price. Now, every country, if they want to compete, can compete at that price.

We will also have certain other protectionism to make sure that the industries don't run away, because that collapses the economy. So, what we are out to do, is set up a fair-trade system, for international credit, for large-scale projects, as in Eurasia, vast projects, power, everything. And we're going to protect that. The United States is going to protect the Chinese interests in that just as much as it protects the U.S. interests in its industry. Russia, the same thing; India, the same thing. We're going to have a *protectionist world*, based on a fair estimate of what it actually takes in physical cost to produce something of a certain quality. And whatever that physical cost is of the *best performance*, that will be the standard, the standard of price. And we'll try to find that by feeling our way around it—which is what was called a fair-trade system. It was based on people coming in from firms that were producing things, and saying, this is fair trade for us. Sometimes it was abused, but that depends on how good government is, how efficient government is. There are a lot of questions to be raised about that, but I think that's a fair answer to it.

What's Good for Mexico Is Good for Us

Freeman: This is another question from a PRD Congressman in Mexico. "Mr. LaRouche, in Mexico, people are saying that what's happening now in the U. S. is an American FOBAPROA [Banking Fund for the Protection of Savings], which is the massive government bailout of Mexico's bankrupt banks in the 1990s. Why do you say that that's not the case, and what are the implications?"

LaRouche: Well, what we require—remember, I had a collaboration with President López Portillo of Mexico—it started especially during the Spring of that year [1982], but it also had antecedents with Mexico for a long time. And what we came up with, as a reform in Mexico, was a good one; and Henry Kissinger was sent down to shut that down, and Mexico has been raped by that ever since.

We've got an interesting situation now: that we brought a lot of semi-slave labor into the United States from Mexico, when we wanted it. Then, for ideological



EIRNS

The LaRouche Youth Movement organizes in Buenos Aires, Argentina, with a “wheelbarrow” full of worthless money, and a sign reading, “It’s not 1929, but 1358,” referring to the Dark Age of the 14th Century.

as well as other reasons, economic reasons, we’re now shipping that labor back and throwing out immigrants as illegal and so forth. So now, reality strikes, as in the PLHINO region of Mexico, as an exemplary problem, where what should have been done, what was being done earlier under the López Portillo government: This has to be done now. Because, as a matter of security of the hemisphere, and security of our borders, we have to cooperate in the United States with the government of Mexico on this thing. We have to think about what can be done, when people are being thrown back out of the United States into these parts of Mexico, largely in northern Mexico: What can be done to ensure that there’s a place of employment, a relevant kind of employment, of benefit to Mexico and to these people?

We were discussing this with López Portillo earlier, and similar things, on how do we deal with this cross-border migration process. It could be managed, but we have to cooperate with Mexico from the United States, *in our own interest!* Because what is good for Mexico is good for us, and we know that, or we should know it.

So therefore, this comes up again. In a time of crisis,

there is a resurgence in Central America—and Mexico, of course, is really Central America, it’s not South America; there are certain differences—but throughout the hemisphere, there’s a drive towards resurgence, towards rebuilding. And we in the United States, as Roosevelt would have done in his time, we have a vital interest in close cooperation with each of these countries, and with groups of countries, in defining projects where we can cooperate to the benefit of all concerned. We’re looking essentially for stability. We’re looking for stability through economic progress, infrastructure, and so forth.

And also the drug problem is big, and one of our big problems, of course, is George Soros, who is one of the biggest operatives in terms of drug-trafficking operations in that whole region. But it is in the *vital interest of the United States*. Not a goody, “We’re going to trade off and make concessions.” *This is in our interests*, whether Mexico raises the question or not. It’s in our interest that Mexicans who are thrown back across the border, in particular, have access to this kind of opportunity, as a benefit to Mexico as a whole, as a nation. And then, as a by-product, as a benefit to our relations with Mexico. The same thing applies throughout the entire hemisphere. We must get back to Franklin Roosevelt’s conception. These are our neighbors, and our neighborhood depends upon our relationship to those neighbors. And we have to work together to define objectives and projects that are going to solve that problem.

The Benefit of the Other

Freeman: The next question comes from an official in Argentina. “Hello, Mr. LaRouche. Greetings from Argentina. To date, almost the totality of the central bank reserves are in currencies, and most especially in dollars. In addition to your proposals for reforming the international financial system, what measures should individual governments adopt as regards their own central bank reserves, since currently, the old disabled horse of George Soros’s financial system continues doing its thing in Ibero-America?”

LaRouche: What we need is, we need to set up a global system, and we can not set up a global system without cooperation with Russia and a group of other countries. The United States and Russia’s cooperation is absolutely crucial to organizing these relationships among nations, generally. Now, when we start from the

assumption of Russia and the United States as being a pivotal element of bringing a group of leading nations together, and then expanding it, we then have to look at regions of the world.

For example, Africa is a region of the world. The British are killing Africans. We've got to throw the British out of Africa. So therefore, we have to have a special policy, involving Europe, involving Asian countries—China's already involved significantly, especially on the East Coast—in Africa, for this development project for Africa as such. We have to have a protectionist screen around that project.

For South America, we have the same thing. These are closely related nations in many ways, culturally and otherwise, and therefore, we have to have an understanding of what are the standards of a fixed-exchange-rate system, within the terms of the Americas, as for Africa, as for the world as a whole. So we need to build up a sense of what is a fair fixed-rate system for each of these regions. This idea of a fixed-rate system has to be correlated especially with large-scale infrastructure projects and other types of development projects.

So therefore, you have an interest, you have a foreign policy interest; again, it's an extension of the Peace of Westphalia, "the benefit of the other." The interest of the United States is being, strategically, the most beneficial organization in the world, to other nations. It's what we once were: the nation which is most beneficial to most other nations. That's the fundamental interest of the United States, which comes directly from the Peace of Westphalia, 1648. That's the law. And therefore, we have to go into these countries, saying, "We are here to discover what your best interest is, and to help you achieve it." That should be our foreign policy. With that foreign policy, we have a safe world, or we can get one.

And in the case of South America, it's the same thing. We've mapped major projects in South America, infrastructure—water projects, and so forth. We know these projects, not perfectly, but we know them in general. I know them in general. We must do these things, and we must do that also in Africa. We must do that in Asia, and elsewhere.

Where Are the Real Leaders?

Freeman: Lyn, we have a number of questions coming in from activists around the United States who were involved in Hillary Clinton's campaign for the Democratic nomination for the Presidency. And they are now involved in a fight to restore democratic prin-

ciples to the Democratic Party. What they ask is, "Lyn, as I've been watching the disgusting role played by Democratic Congressional leaders Nancy Pelosi and Harry Reid, to push through the bailout, I keep asking, where are the real leaders of our party? While it's gratifying that the House of Representatives voted 'no,' and that many of those who did vote no were Democrats, I also heard many people whom I like and respect, making speeches about how bad the bailout was, and then announcing that they were going to vote for it! My question to you, again, is, where are the real leaders of our party? Why are they not speaking out? Surely, somebody in addition to you has some idea of what to do."

LaRouche: Well, you've seen, I think, if you've been following this webcast and the exchanges that have been coming across the lines from here, you get some sense of what the problem is. The problem is, there are very few people who have the confidence and temperament to be leaders of the type needed in this situation. My job, essentially, on this account, is to define a paradigm to which other people can relate, for just exactly this reason. I have to set an example for what leadership is, because if you see—and many of the questions which have come in as querulous, in some sense, on the question of the bailout—show that the best leaders we have in top-ranking positions in the United States, are not really fully qualified to lead. That's why they ask me these questions, this way. Because they're saying, "Yes, but..." "Yes, but..." "Yes, but..."

I have to provide, at my age of all places, the standard of leadership for this nation, because I know there's no one else presently who will do what I'm doing, as I do it, and be competent to do it. And, at my age, it's difficult to add on other tasks as well as this, to do this job properly, but I must do it. I would hope that in doing it, it will bring forth—as I know they're out there—people who are not necessarily recognized as being leaders in the field, but who will become that. And generally, you will find that mostly among people between 25 and 35 years of age. You'll find some older people play a key role, but the fighting spirit on the line from leadership is generally from that generation of people who have those qualifications. They're young, they're energetic, they still want to grow. They are not satisfied they have grown thoroughly, as some people mistakenly assume. They're wrong. So, the growth in progress of a corps, a cadre corps of people in the 25-35 age group, and younger people who come up with them—that's the

answer for leadership now. I have to do my job, and especially because there's a paucity of people who will do what I do, I'm necessary, unfortunately. But therefore, if I act, maybe somebody will find the guts to act who has the qualifications to do it.

A New Generation of Leaders

Freeman: This is another question from somebody who is a Democratic strategist. "Mr. LaRouche, shortly after the convention, actually after both conventions, you once again commented that the candidates of the moment were not necessarily the candidates we'd have when we went to the polls in November. At the time, that seemed ridiculous, but now, there is significant motion, I am told, among ranking Republicans, to replace Sarah Palin as the Republican Vice Presidential nominee, and my understanding is that this is a very serious movement. I don't know whether it will succeed or not. However, I would like you to comment on it, because it does seem to me to be rather unprecedented."

LaRouche: I don't know. Maybe the opposition to her comes from the Order of the Moose? Caribou? She's terrified of caribou, they might shoot back or something. Or maybe she thinks they're too horny for her in her new incarnation.

Our basic problem, again, is one of developing leadership. Now, I've been trying to do this—I think at this point, I'll just insert, because I haven't said so before—what I've been trying to do is develop a youth leadership of people essentially from about 20-on-up, that age group. Young adults. And we have learned a lot in the process of this. We have developed a scientific orientation, such that I think that people who have been through this a little bit, in a few years, are doing better than people certainly in universities, advanced universities, generally. What's needed is to have confidence, you have to have competence. And to have competence, you have to have a method of developing competence. I think the hope for this nation, in the longer run—which is the way I think we should locate what's needed in the short run—is to develop a generation in the 25-35 age group, which has an orientation towards science and Classical culture.

Now, we've been doing certain things, in music for example, which we've made integral to our work in developing a youth movement: a Classical music program. We've run into all of the problems and difficulties in carrying this thing forward, but I watch it all the time, and we're doing some interesting things. We're

not doing badly. We often are doing something which nobody else is doing, but they should be doing. In terms of physical sciences, our universities are deadheads. Harvard is a disaster, an absolute disaster. Other universities, called leading universities, are absolute disasters in science. They have no scientific competence anymore. Maybe somebody in there does, some person buried in the attic—they let him out on some festive occasions. But in general, what's coming out of the universities is *pure ideology*.

Remember, this is a nation which no longer produces. We no longer really manufacture products. B.S. is the name: You get a B.S. degree—you know what that means. It's a big problem.

And we're having some success in that, but we have to realize that what we're doing, with all the shortcomings that come up in our efforts, is that we're filling a gap. There is no competent conception of science, generically, in these universities. Why? Because there's no orientation to production in this society. Get it cheap from abroad; it's an import. Nobody wants to produce anymore. Not really. Not to competitively develop an industry, not to make scientific breakthroughs, not to produce new kinds of products—this kind of thing. Maybe a few odd people, like me, that sort of thing. But we're not doing that. We're not organizing the society around that. And I would think that the future lies, not sometimes in having some kind of accomplished cadre of the type you'd like to have, but in a commitment to trying to develop that kind of cadre, by which you give a future orientation to society. I think it will work.

You know, we have a different kind of problem in Russia, but it's similar. Russia used to have very important scientific capability. It was poorly reflected in manufacturing normally, in product; it was well represented in military applications and scientific applications, which were often ahead of the United States in this area. But they too have a problem there. Most countries have a problem of this type. They have something in Japan left, something in Korea left, and so forth. But we are short of that kind of understanding, which enables us to understand what production is, for example. What do we mean by production? What do we mean by increasing the actual wealth of society for mankind's needs? That's lost! It's largely lost. And so I think that merely the orientation toward developing that, a Classical musical *orientation*, a Classical scientific *orientation*, embedded in people who are fighting to save society from its own self-inflicted perils, is the way to define the way to go.

You've got a lot of young people out there in the 25-35 age group and younger, and they really don't know what to do. They're bright people, generally. They would like to be something. They have problems because their parents, you know, neglected them in a certain way, or obsessed/possessed them too much. So they don't know what to do. So therefore, the first step in getting them to know what to do, is to get them oriented to what they should discover to do. And that's what we're doing. And I think that those of us who are older and who are fighting to try to save civilization now, as I am, we think—if we're wise—we think about the time after we're dead. We think about 20, 30, 40 years after we've died, and then we set into motion, in our lifetime, the impetus, the direction of self-development of a future generation, so that we never let society fall into the hands as disgusting as the Baby-Boomer generation has manifested itself to be.

The Institution of the Presidency

Freeman: I'm going to close with one question, which is kind of a composite of several questions that have come in, many of them from members of the LYM [LaRouche Youth Movement].

"Lyn, it's ironic that we're in the middle of a Presidential campaign and both the leading candidates seem to be irrelevant in this fight. Given the disaster that the two leading candidates represent, can you please speak, in closing, to the ability to make policy through the broader institution of the Presidency, beyond simply, the individual who happens to occupy the White House, since it does seem that that institution is what is going to have to function. I guess my real question is, how do we move this thing, and where do we go from today?"

LaRouche: If you think of the history of the United States and its Presidency, you don't think anymore in terms of what you think of as a President (and what a President means in Europe is completely different). Our Presidency is actually our government. And I have had a lot of dealings with our government, some very good, with various institutions over the years. I've done things with our government; I've been essentially a part of our government in my function. It may not be obvious to some people, but yes, behind the scenes, I've been involved, and have been for a long time. And I do some moving and shaking at times inside that process, sometimes successfully, sometimes less so. But I understand this government, probably better than any Presidential candidate now running loose, or likely to run loose.

This institution of the Presidency is not an individual institution of a mortal individual. It has a sacred function. It is the central pivot of our entire state and our entire society. Which means that if you have a bum President, that doesn't mean he runs the country. It means that there are processes in society which are oriented to the concept of the Presidency, not the personality of a particular President. Sometimes, in our history, but fairly rarely, in the whole history of the United States, the incumbent President has really been a significant representative of the Presidency.

You see, the President is there. He comes and he goes. But then you have all these institutions around that President and the Presidency, and they're still there. They're there for a couple, three generations. They're there. Because for a Presidency to function, it requires all of these people who impact the Presidency. Some of them are not in government anymore, but they're still part of the Presidency; they exert a very important influence. For example, when a President or a Presidency wants to make a policy, they reach out to people who may have been outside government, and reach out regularly, and these people are considered part of the spirit of the making of policy of the U.S. government, even though they're outside government now.

So there's a continuity, a multi-generational continuity of the concept of the Presidency, as a characteristic of the U.S. government. And the other institutions, like the Senate and the House of Representatives, are essential *auxiliaries* of the Presidency. We are a Presidential system! We are not a parliamentary system, and the system is bigger than the President. And therefore, we function—when we function at all—in terms not of the President but of the Presidency. And all those people in the United States who are part of the deliberative process, which is the President of the United States, including the House of Representatives, which is a check on the Presidency in some respects, but it's also a part of it. The Senate is a check on the Presidency, in part, but it's also a part of it.

So we have a conception, not a Cartesian conception of parts of government, but a Riemannian conception, a Leibnizian conception, and *our concept of government was specifically based on Leibniz*. We have a Leibnizian government, in conception. It's dynamic! All the parts function together, not as parts rubbing against each other, or bouncing off each other, or ricocheting. And that's what we have to keep a focus on.

The dead live within us in the Presidency. John

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The LaRouche Youth Movement's intensive work on Classical music, culminated on Sept. 28, 2008 in a concert in Boston, Mass. Here, a flyer for the event shows John Sigerson conducting the LYM chorus in a rehearsal of a Bach motet, December 2007.

EIRNS/Will Mederski

Quincy Adams made contributions to the Presidency which are living today, and are part of the deliberative process. Abraham Lincoln is living today. George Washington is living today. Hamilton is living today. Many key figures are living today: Roosevelt's living today, and people are still trying to kill him, like George Soros and company. Kill him! So that's what you have to understand.

We are immortal. There's a concept in theology, especially in Christian theology, which is extremely relevant here: the idea of the simultaneity of eternity. That we live as mortal human beings, in such a way that when our bodies die on us, we still live, but in a different way. We live, and our living is expressed by our influence on the processes around us, irradiating influence. You know, it can be expressed as simply as the children dedicated to the memory of the grandparents' devotion, or the memory of a hero in the family, a memory of a hero in the neighborhood. In various ways, the ideas, the concepts, the concept-formation processes of earlier generations are reflected in the living today, and the Presidency of the United States is conceived to be that kind of institution. Something which is a repository of a simultaneity of eternity, with a role in the universe, a role in this planet, for all of humanity. We don't exist for ourselves, to protect ourselves, our own property! We exist to try to make this planet a

better place to live, and this nation, an instrument to make this planet a better place to live, and a better future for humanity. Our institutions should be living in the simultaneity of eternity, such that we are contributing something for the future. We are responding to a responsibility we've had from the past. And thus, the dead now live in us, through this aspect, and we live, in turn, in those yet to be born.

And that's what the Presidency is, when someone really understands it. When you understand Lincoln, when you understand John Quincy Adams, when you understand Benjamin Franklin, above all, you understand that.

So, we need to look at not the individual President, like this piece of crap we have now. You look at the institution of the Presidency as an immortal institution, in a simultaneity of eternity, with a mission on this planet for humanity as a whole, not merely our own affairs, and to make our citizens worthwhile people. Just to make our citizens good, to develop, is a good for all of humanity. That kind of conception is what is essential. And I think very few people in this age of the Baby-Boomer still have that understanding. I know that when I was younger, that understanding did exist. People would resonate to that. Today, very few. But we must capture a sense of the simultaneity of eternity, and see the Presidency of the United States in those terms of reference.