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The vital issues of statecraft facing America in 1997

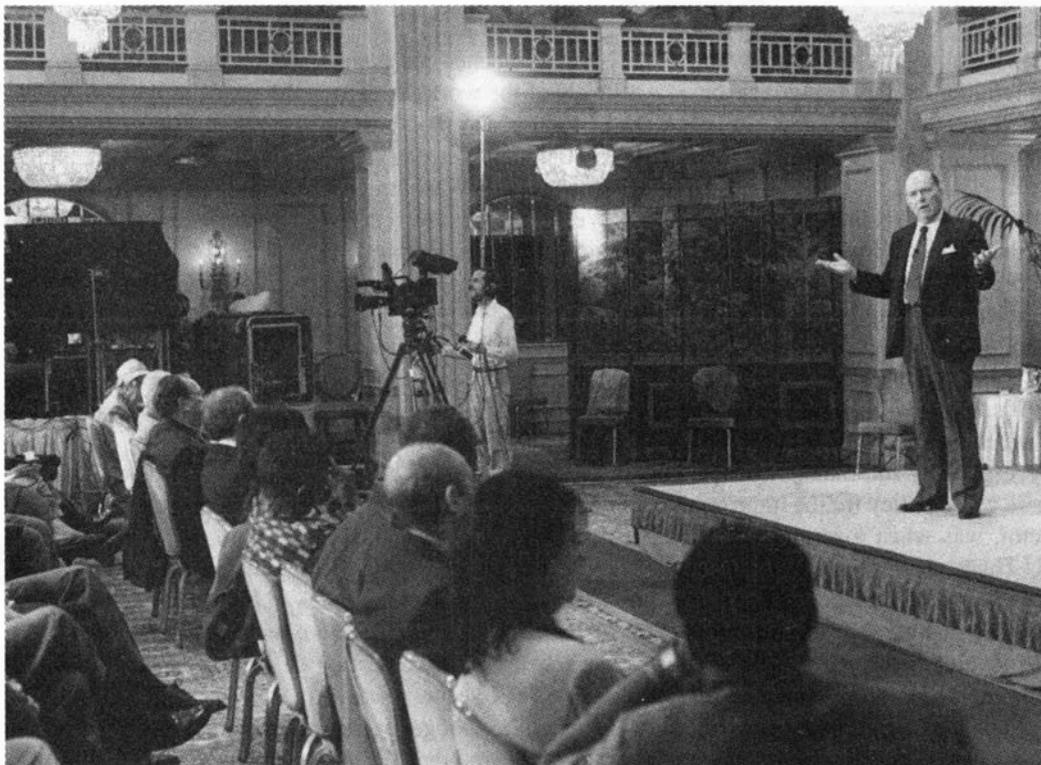
by Lyndon H. LaRouche, Jr.

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What I shall give you, is something of a strategic briefing. And, I'm not using the word "strategic" in the way you might read it in the press, or hear it, or see it, or whatever on the television set. But, I'm talking in strictly military analogies. Because we have a situation in which the majority of the institutions, and the majority of members of institutions are not capable of getting this world out of the present mess. We are in a biblical situation, where what is required is a Gideon's Army. If you wait for a majority, you're going to lose. If you wait for consensus, you will lose the world. And, I'll indicate what that means.

Therefore, the question is, you have to go to that tradition which begins in historical-military science with the great victory of Alexander the Great, with about 75,000 Macedonians and Greek *hoplites*, who destroyed the million-man host of the Persian Army outside the city of Arbela on the Plains of Gargamela; which was an exercise which was known to a fellow called Hannibal, who repeated the trick, in much less impressive ratios of numbers, at Cannae, where a superior Roman force was destroyed by a numerically inferior force commanded by Hannibal, by the method of flanking the enemy.

And, thus, we are in a period where small forces' flanking situations will have to rout the opposition in the way that that great general, the so-called "hammer" of Grant's "anvil," William Tecumseh Sherman, cut through Alabama and Georgia, and into the Carolinas: by hitting them on the flanks so far, they didn't know which way they were going, and they could never mobilize forces to stop him. So, a certain kind of pre-emptive political tactic, which is directly comparable to military flanking operations, conducted by minority forces, whose victories can impel majority forces into motion, is the only way the world is going to get out of the mess which I shall now describe to you.



Lyndon LaRouche addresses EIR's forum in Washington, D.C. on Nov. 19, 1996. "What is required is a Gideon's Army. If you wait for a majority, you're going to lose. If you wait for consensus, you will lose the world."

Global depression has already hit

We are already in a worldwide economic depression. All talk from Washington or elsewhere about successful economic growth in the recent period, is a damned lie, or a piece of insanity. The fact of the matter is, if you measure economic performance, as many of you know (being somewhat older, and having been adults back in the '60s); that if you measure performance in the following terms, you come up with a figure. The terms are: Take, first of all, *physical commodities*; not just those which are essential to households, but those which are essential to agriculture, to keep agricultural production going, to keep industries going, to maintain public infrastructure. And, also, three categories of services: health care, education, and science and technology services such as research; these three things.

Forget all the other nonsenses about the "services": prostitution and other similar kinds of services. Forget those, those don't count. They're not economically beneficial.

If you measure the incomes of households in terms of *per-capita income of wage earners*, or people who *should* be employed; if you measure this in terms of infrastructure, maintenance of infrastructure; for example, how old is the sewer system? How old is the water system? How old is the power system? What are the ratio of brown-outs, because of lost generating capacity, and things of that sort? What's happened to the school? What's the size of the class, pupil size, population of the class in the school today, as compared to 25 years ago? What can a single wage earner—say in Bir-

mingham, working in the steel mills—what kind of income can that wage earner provide for a family of four or five people, as compared with 25 to 30 years ago; the same skill, the same quality of job?

The answer in general is, that per member of the labor force, that is, per working person or person who *should* be working, the income and output of the U.S. economy is *half* of what it was 25 years ago. The U.S. economy has been contracting at a rate in excess of 2% per year since 1971. *There has been no growth in the U.S. economy since 1970*, when we turned the corner on infrastructure, and we began to use up more infrastructure than we were maintaining. We lost railroads, we lost highways.

I went down to Louisiana; and, parts of the roads hadn't been built up or repaired, it seems, since Huey Long, out in rural Louisiana. That's typical, eh? And, in states like the southern states, you see a lot of that, areas which are just about as dirt-poor as they were, in a sense, for ordinary people out there in the boondocks, as they say, as they were 25 or 30 years ago.

So, we're a poor country.

Now, this is the situation around the world, the situation in the developing sector. Take below our borders, Central and South America; this part of the world has been collapsing catastrophically since 1971, *especially* since 1982, which was a turning point. There has been a plummeting collapse of Mexico since that time, for example. Central America: Forget it. Colombia is being disintegrated. Argentina has *already*

disintegrated; and, the undertaker, George Bush, is going down there as a Moonie. Yes, he's taking the Rev. Sun Myung Moon down there, to "bring religion" to the Argentines, because they've now gone to Hell and they need a new kind of religion. And, George Bush is filling in for Mephistopheles on this one.

In Brazil: Brazil is on the verge of disintegration. Peru also. Venezuela is totally on the edge of a coup, which could lead to a process of disintegration. Chile is a corpse which, unlike the other states, is embalmed and quiet, whereas the others are a little more tumultuous, because of the Milton Friedman policy and similar policies. That's the truth there.

Africa: Africa, in the 1970s, was *red-lined*, as we say in the United States. *An area which has had no net aid of any kind*. It has been looted only, especially sub-Saharan Africa, since 1971. The last time there was a policy for the improvement of the developing sector, was when a former United Nations secretary-general, U Thant, presented in 1967 a program called the "Second Development Decade." And, that was a plane that pulled out of the hangar, but it never took off. It never flew. There is *no* development.

Now, look at the world in general. Europe is collapsing at a catastrophic rate. If you just take industries, key industries, whole sectors of industry in western continental Europe are collapsing.

In 1989, the former Soviet sector joined the Third World, and has overtaken the Third World in looting and degeneration ever since.

In the meantime, in the United States, we went through a series of worsening changes. We went, in 1982, through the Garn-St Germain bill and the Kemp-Roth bill and some other arrangements which George Bush led as Vice President; we made a number of changes in policy which opened up the so-called junk bond era.

First of all, they ate up the savings and loan banks. They *stole* them. And, George's kid, his son there, Neil Bush, the one who was going to meet with the brother of the [would-be] assassin of Reagan the day after the assassination attack—Hinckley's brother. *That* Bush, among the other Bush babies coming down out of the swamp trees, eh? He was involved in stealing savings and loan banks, and savings banks.

The junk bond era, with the aid of deregulation, looted what was left of our railroads; transformed once-prosperous airlines into flying, dangerous junkheaps; and so forth and so on. Industry after industry has been stolen in hostile takeovers. Communities that used to look for industry are now talking about legalized gambling, which we used to consider the kind of thing that a self-respecting adult member of a household would never do with a family income.

In 1987, after the great collapse on the stock market, it went into a new phase; again, organized by George Bush's friends, at that point. It became known as the derivatives phase. Now, every day, we have about \$3 trillion that's turned over in gambling, in the form of derivatives on international

financial markets.

We've reached the point at which the leading financial officials of the world, except in the pages of the U.S. press, except out of the mouth of our President, except out of the television news; in every other part of the world, including dispatches from Washington, D.C., last September, the word is: We are facing now a *collapse, a chain-reaction collapse* of the world's banking systems.

There was just a report published in Germany, that in 1995, as a part of the U.S. government's attempt to postpone the great collapse, a *half-trillion dollar line of credit was committed to be available to Japan*, for the purpose of trying to save the U.S. dollar from the possibility of a Japan chain-reaction collapse.

The French banking system is bankrupt. The largest bank of France, Crédit Lyonnais, is on a life-support system which is breaking down, because there's not enough to keep it going. The German banking system is in a similar condition. Italy is no longer a nation. It was destroyed by a plot hatched on the royal British yacht, the *Britannia*, some years ago, when there was a scheme made to destroy the government of Italy and carve it up into several parts.

Africa is a pit of genocide. If three nations go, all of Africa goes. Those are: Nigeria, Sudan, and the Republic of South Africa. Those three states are destabilized, and they're targeted; I'll get to that in a moment here. There's a dispatch this morning from Europe. If those three states go, or even *one* of them, all of Africa goes into deep genocide. And, *it is the intent of the British government and their friends and admirers in the United States government, that that should happen*. That Africa should be depopulated; that the existing nations of Africa should be chopped into small pieces, and depopulation should go on.

So, we're now in a situation where not only banking systems are collapsing, including the U.S. banking system, which is threatened. But, we're coming to a new point. And, some people say, in Europe, that it could come under the Christmas tree. And, that is the "Big Bang."

Now, one would hope, first, there would be a small bang. That is, one would hope that the Wall Street exchange would suddenly collapse to about 1,000 on the Dow, from about 6,000. That would be the *best* thing that could happen to the United States right now. Why?

Because, at present, *no one in government in the United States is even considering considering*—that is, not just considering, but *considering considering*—the measures which will be necessary to save the lives of the American people should the Big Bang come. So, it would be very good to have a collapse of the stock market *right now*, from 6,000 to 1,000. The sooner those things are wiped out, the better. Why?

Because, only a tremendous shock administered to the political process will arouse the President, and the people around him, to come out of Cloud Nine and face reality, that *this system is doomed*. And, all this talk about prosperity, and

progress, and growth, and management, and dealing with the Republicans: All that is nonsense.

The danger is that the big one, which can come very soon, that the big one would come with a U.S. government totally unprepared to react appropriately to it. Let me indicate what that big one is.

You now have 98% of the turnover of financial foreign exchange transactions, throughout the world financial system; more than 98% are devoted to pure speculation. There's nothing behind them.

I'll give you an example, as I've quoted the figures before. Back between 1956 and 1970, a period in which the United States kept some rather consistent figures on the relationship between foreign trade, that is, imports and exports, and foreign-exchange turnover; during that period, 70% of the foreign-exchange turnover of the United States involved imports and exports: merchandise. *Real stuff*, shall we say.

Today, *one-half of one percent* of that turnover involves imports and exports.

Why? Because the great flood of money is going into pure gambling in derivatives.

Now, we have a bubble, which is the biggest financial bubble in history. Every financial institution in the world is hypothecated up to the wazoo, with obligations based in this financial system. The turnover is about \$3 trillion a day, on international markets. *Three trillion dollars a day!* One-half the annual calculated GNP of the United States equivalent, is turned over every day, 365 days a year, on the international financial markets. We're talking of *hundreds of trillions of dollars of obligations outstanding*; many invisible, but they make themselves visible when somebody tries to collect. It's like a gambling debt, you know. When the guy comes around to collect, it's kind of visible. The family is aware of what's going on.

Now, a chain reaction, in which people are rushing to try to collect; because, not the Wall Street stock market, but the derivatives market is collapsing, and banks are trying to save themselves, speculators are trying to save themselves in a great rush. Within a period of as short as three working days, you will not have a collapse of banks: The entire financial system, or virtually the entire world [financial system], *will vaporize*. An implosion; because of the ratio of the unpayable debts coming due, at once, hitting the virtually non-existent margin of assets to cover it.

For example, I tell people: Look at your pocketbook. How many of your exchanges are in electronic form? How much of your money is actually *cash*? How many dollars do you withdraw from the bank, and deposit—money—as opposed to *electronic* deposits and electronic withdrawals? How much credit that you rely upon, comes in the form of *electronic credit*, as opposed to cash?

What does that electronic credit mean? It means you have a banking institution which guarantees the conversion of that electronic credit into money, in somebody else's opinion.

Now, what happens if that institution, your credit card, your bank, electronic transfer—suddenly, the institution that processes this electronic exchange, no longer functions? You're there with a card; it's no good.

Now, what happens in about three or four days at the local grocery store, at the supermarket? They are functioning on electronic money. What happens when the current stock of groceries runs out—and there will be a rush for the groceries. What happens? They can't get more groceries. Institutions break down. In a country like the United States. You don't realize *how vulnerable we are!* We no longer have local farms. We no longer have, as they have in eastern Europe, little gardens, where they have dachas, where they grow some food, which is the only reason that part of the world holds up. We depend upon credit, especially electronic credit, and local stores, and we get by through the week, day by day, week by week, largely on the basis of electronic credit.

What happens if that system of electronic credit breaks down? Then you actually get conditions of mass starvation throughout most parts of the United States, as well as around the world. And, *that is what we are facing*, unless something is done to deal with that.

What President Clinton must do

The only agency that can do that, on a world basis, outside of China; or on a national basis, is the government of the United States, the federal government of the United States. The responsibility lies primarily with the President of the United States, who, under acts which were enacted back in the 1970s, as well as implicit powers of the President which are embedded in the Constitution and in tradition, and precedent; the President of the United States must act within minutes, or not more than an hour—but, it also could be *minutes*—to issue emergency Executive Orders under the powers he has to stop the hemorrhage. It can be done.

He then *must* put the entire banking and financial system into receivership, *federal government receivership*, and freeze things, so that you don't get a hemorrhage where everything runs out in the streets and institutions actually shut down.

Then he must go to the Congress, a bill initiated in the House of Representatives; and, *he must get an issue of at least \$1 trillion* in newly created federal U.S. Treasury note credit, even to manage the effect upon the U.S. system. And, by a system of guaranteed payments and financial reorganization, keep this economy functioning so the groceries move to the store, and payments continue.

And, we'll take the bankrupt banks, and we'll do what we do with a bankrupt bank, or a bankrupt financial institution: You put them through a well-known process which any attorney with any experience, particularly in government, will tell you is the normal bankruptcy procedure. So, we put the whole thing through federal government, primarily under federal law, receivership, in order to keep chaos from destroying the

system. To keep people working; to keep essential industries, private industries and others, functioning. Then we get up off the floor, and get things back in order.

But, if you do not take the action which prevents chaos, you could have, throughout this planet, including the United States, you can begin to have, within two weeks after such an event (which could come under the Christmas tree; some people in Europe are saying it's coming under the Christmas tree this year. It may not, but it could come. No question of that); you can have mass starvation, *starvation to death* in entire communities in the United States and elsewhere on this planet.

And, the only thing that can stop that, because no other agency outside of China can do this alone, is that the United States government, *the President of the United States*, must act to use the constitutional power of the Presidency of the United States, to get the United States to take certain actions, and to bring other nations together with the United States, in joint actions, on a global scale, to bring this thing under control.

To do that, you must have a President who understands this, who is prepared *to act* as necessary. We don't have it.

Therefore, nothing would be more delightful than to have a pre-shock, a pre-earthquake shock, of a drop of the Dow-Jones industrials from about 6,000 down to 1,000, or some other merry amount like that, all within a few days. Because, that would deliver the shock to tell the *fools* that this is not Paradise, this is not prosperity, and this is not End-Times, one hopes, unless you want to manufacture them; but, this is a time *for changing our thinking* about how we look at the condition of our world, and life.

Fascism in America

That's pretty much the situation around the world. We are a junkpile. The United States is a disgusting piece of junk, including the minds of most of the people.

Look, you have idiots in Washington who are talking about a "mandate," on the basis of a few scraggly Republicans getting in, constituting a marginal majority in the Senate and House.

Who's afraid of a few scraggly Republicans? They can be dealt with. Sherman would know how to deal with these guys. And, you don't even have a consistent Republican Party. It's sort of like a—well, some of you come from a part of the country where you know this thing; it's sort of a certain kind of animal eating out the inside of the carcass. The Republican Party is effectively dead, and you've got some funny animals there, who are eating out the insides of the dead creature. The old Republican Party is finished.

That was what happened to Bob Dole. Bob Dole was an institutional man. He was Bob Dole, which means he was reasonably mean-spirited. But, nonetheless, he was institutional; and, when it came to a question of wrecking the United States government and Constitution, he said, "Wait a minute.

I'm not going to do that. I'm not going to do that." So, in 1994, Bob Dole was very shocked when he saw that animal, this Ollie North, running for Senate on the Republican ticket in the primary in Virginia. And, that was really, merely the last gasp, that year, 1994-95, where Dole was still Dole.

But, the election of Gingrich, and the election of this group—which are frankly fascists. There's no other term for them. They may not be exactly like Mussolini fascists, or other kinds of things in Europe of the 1930s, but, they're fascists, pure and simple. And, anyone who's studied fascism knows this: These are fascists. Gingrich is a fascist. Armeiy is a fascist. Trent Lott is a fascist. No question about it. They're American fascists, and American fascists tend to be racists.

And, if you look at the map, you'll see the states where this phenomenon predominates. You have the western states up there. Then you have the southern states, where the Democratic Party laid down and died, to let the Republicans take these states, in the so-called "Southern Strategy." But, it wasn't the Republican Party. There may be a few old Republicans left in the wood-pile there, but they're not really Republicans. They are fascist, they are a new breed which is taking over the Republican Party.

We have some Democrats who are of a similar disposition. As a matter of fact, many of these Republicans were formerly Democrats. They were formerly *racist* Democrats. And, they decided to join the Republican Party as an aftermath of the Southern Strategy, which started back in the middle of the 1960s, for the Nixon, or the pre-Nixon run for the Presidency, when this whole game started in that form. So, you have this problem.

Forty-nine percent of the eligible voters; that's not people who *could have registered and voted*, but people who could have voted because they are registered, and didn't: 49%, *in a Presidential election!*

What does that tell you? What that tells you, is, what I've spoken about before, what you know. You have a number of groups in this country which consider not only the federal government, but the state government, and, sometimes, also, the local government, to be *personally* their mortal adversary.

Now, let's make a list of some of these groups. Who are they? Well, you have a group called the militia *tendency*, not just a militia organization. These are generally veterans of military service, or people who see themselves as prospective veterans of military service. They are convinced, as things like Ruby Ridge and Waco attest, that the federal government will come in, with state government, and, on any pretext, just because it's in the mood to do so, will kill them and their family. Are they wrong? Are they paranoid? No, they're not. But, they're *convinced* of it. That's the difference. They see federal and state government, and sometimes local government, *as their mortal adversary*. And, they don't see any significant difference between Democrat and Republican on this issue.

Why? There must be a reason for it.

Then you have people who—African-Americans, who see government at all levels as their mortal adversary; and about everything else, too. And, there's a reason for that. It may be the wrong attitude, but it's not without grounds.

And, similarly, other groups. Senior citizens: Senior citizens, which is anybody over 55, if you look at the way the insurance companies calculate these days, *are in mortal danger* from their government—state, federal, and local. Medicine is not being practiced today by physicians, but, physicians are merely clerks who practice medicine according to instruction from financial brokers and accountants. And, they can go to jail, if they prescribe according to medicine, if the accountant says differently.

They go to their computer, they punch into the computer. An accountant says, "Here's what's allowed." If the physician says, "That's going to kill my patient, by withholding that and giving this instead," (or you have these lube-job mastectomies which are being proposed now, part of the same thing), *we are increasing, accelerating* the morbidity of the population. We are increasing the death rate among people by putting them into HMOs. And, if you are a person of limited means, over 55 years of age, you are vulnerable, and there's very little, on the average, you can do about that. Unless government intervenes to save you.

But, government generally, as typified by Governor Weld of Massachusetts; Governor Wilson, who's a Bush—got a Bush deal out there in California; or Governor Ridge of Pennsylvania: *They are killing citizens*, by these kinds of explicit instructions. And, *there is no difference in what they, as persons, are doing, whether as professionals or as officials of government, and that for which we indicted, convicted, and sentenced people at Nuremberg for crimes against humanity.*

They're committing crimes against humanity. There is no difference between them and what we accused the Nazis of doing, and convicted Nazi officials of doing. No difference.

Now, it gets worse; because, you get another way of killing people: Cutting out hospitals. That is, you are actually depriving people of care, replacing nurses with technicians, a guy who knows how to jab a needle. You don't have a registered nurse. Then, they are brutalizing the nurses. Nurses are working two or three jobs sometimes, to make ends meet; because, they don't hire full-time nurses, they hire them part-time, and don't pay them fringe benefits. And, they don't allow them to do the things that nurses used to do.

So, therefore, you are *increasing the death rate, the sickness rate*, among populations. So, senior citizens, people who have chronic diseases, other vulnerable people *know* that the government which condones this, on the state level, as well as the federal level; the Gingriches, the Republican majority in the Congress, *is their mortal adversary*. And, the same thing is true of everybody else who gets dumped into this underclass target category.

Rights in a production-oriented society

Now, as I said, there's also a worse feature to this business. Americans hate each other. Why? It's very simple: too much television. No, it's not because of the violence on television, or the fact that you have to watch television to learn how to undress (that's educational television).

The reason is, as John Kenneth Galbraith—who is 80-odd years old, about 87, up in Boston, gave an interview to the *Herald Tribune*. And, this guy is still smarter than all Baby-Boomers put together. He has his shortcomings, but, nonetheless, he's not an idiot. And, he said, in this interview with the *International Herald Tribune* a month or so ago, that the United States has become an entertainment society.

Let me just go through that with you, because some of you are older people, and know what this problem is.

Before 1966, those of us who were adults before 1966, before the Baby-Boomers dropped from the tree, we lived in a society which was production-oriented. And, there was nothing more typical of that, than the orientation of civil rights under the leadership of Martin Luther King. Particularly, as you saw, once we got the Voting Rights Bill out of Johnson, the next stage was to move to the question of fulfillment of economic opportunity, and economic conditions of life, for everyone.

What did that mean? That meant, generally, for most people, that you could go to the local factory and get a job, and climb up the economic tree, and have the opportunity to move up there. But, they shut down the factory. That meant that you had a chance to get into a learned profession, and could practice that profession with pride. It meant those kinds of things. It meant you could become an engineer, you could become an astronaut; these kinds of things. Normal life for all Americans, and Martin put it properly: This is not a racial question. This is a question of making the Constitution real. By taking and *removing the right of people to deny* to some of our people, that which the Constitution is committed to do, we ensure, therefore, the rights provided in the Constitution to all our people; by not allowing anybody to deny anybody those rights.

And, that we extend that same view to people outside the United States internationally. They, too, should have the same rights to which we aspire for ourselves. And, therefore, by cleaning up our own house, and reaching out to people in other parts of the world, we're making a safe world, a world which should be safe for our children, grandchildren, and those who come after them.

That was our standard. What was the basis of it? *Production!* Everything was based on the assumption that, if we *need* something, we will produce it; that we will employ people to enable us to produce; that we will educate them so they can produce it. We will increase our productive power by educating and developing our population, investing in scientific and technological progress, improving health as a way of improving productivity, among other things. Lower the school class

size of pupils, to between 15 and 17 pupils per class, which is what you would do if you are serious about education. And, don't let an idiot get in there instead of a teacher. You get a well-trained professional teacher, like the old style, who is there, working, not with a computer, but with 15 to 17 pupils in a class, which is about as much span as a good teacher can handle, in giving direction to the educational process through the interaction of the members of the class.

We thought about the skills that we'd bring to industry. We thought about production. You'd plan something, you would plan how you were going to produce it. If you needed something, how are we going to produce it?

What happened after 1966-1972, that period? We went to becoming, instead of a *producing* society, we went to becoming a *consuming* society. Even in the middle of the 1960s, you had around the "lefties," the victims of college in those days, who were being brainwashed to become New Age people, would talk about consumerism: The producers have to fight the consumers. In the United States, before 1966, we were *all* producers *and* consumers. There was no difference. We may have produced different things, and consumed something of everything; but, we were producers. There was no "class" of producers against a "class" of consumers. People who produce, were supposed to eat, too. Or, live in houses, too, support families. But, no, we went to this consumer society.

The 'Triple Revolution' fraud

Then we went to the so-called "Information Society." That began in 1964, with a fellow called Robert C. Theobald, who was the principal author of a Ford Foundation piece of trash called "The Triple Revolution," which said that African-Americans should not be asked to exercise cognitive powers, they should receive information. Because African-Americans don't like to think, they like to be associative, and they like to receive information.

That was part of the program. Because, they said, Theobald prescribed that we're going to produce a vast underclass in the United States, which would no longer have access to the factory gate for employment, and would sit out there in a ghetto, underpaid, looking at burgeoning warehouses where the factories were producing the goods, and they wouldn't have the jobs. And we were going to have a welfare society, in which we would supply chits, like foundation grants, OEO [Office of Economic Opportunity] handouts, by which some of the poor people sitting outside, with no jobs, could apply to the warehouse, and get something out of there.

So, it meant you came into the "hustle society," the underclass of hustle. That people who would formerly go forward to productive jobs, would not; they would go be employed in services. Engineering, science, all serious study at universities began to drop. You had deconstruction in education. You may have had a course in English, but you couldn't learn to speak or write out of that course. You only learned to deconstruct English.

So, we had a vast undereducated people. You no longer had a purpose in life. You were in the "No-Future Society": "Oh, look, there are too many people already, too much technology. Society has come to an end, there is no future, we've got to conserve and go backward now."

"So, what do you do?"

"Well, you have to find ways of multicultural entertainment, amusement."

We became an entertainment society. Drugs: a form of entertainment. Free love, sex, became a form of entertainment. Bored? Distracted? Have sex with a fireplug! That's what was done, you know? If you can't stand the world around you, go to an all-night rock concert, and that'll beat your brains to death. You won't be able to think about anything then. No worries.

We became an entertainment society. And, the boob-tube, which is rightly described as the boob-tube, became the paradigm of this. The rock concert, Woodstock, the boob-tube, LSD, pot, etc. We became a drugged society, drugged by entertainment as well as drugs.

So, what happens? You're sitting around, in front of your television set, your neighbor next door is suffering. Someone down the street is suffering. Where are you? In the old days, this would be a problem for you, in the days of production. You'd be concerned about what's happening on that side of town—at least, if you were a decent, average person. No longer. "Well, look there's nothing you can do about it."

An American form of Nazism

For example, take one crucial test, which you can make very easily. You say, "Those who propose to cut entitlements to such effect that they should know they're going to increase the death rate among those who suffer from these cuts, are committing a crime for which we hung people at Nuremberg as Nazis." And, someone will say, "You can't call them Nazis! You can't compare them to Nazis! Don't you realize it's important to balance the budget?"

Well, that's what Hitler said. We can't afford the useless eaters. We have to balance the budget. He started that in the 1930s. *We* started that in the 1960s.

It's Nazism, in an American form. And, being American Nazism, it tends to be racist, because that's the history of slavery, the history of John Locke, who said slavery was all right, who is taught as a respectable person in law school and elsewhere these days.

So, what happens? You believe that your life depends upon balancing the budget, so you can enjoy more of that television. Your neighbor down the street is screaming, because someone in their family is dying because of cuts which have been made in entitlements, in order to, presumably, balance the budget. Of course, none of this balances the budget; and, none of it ever will.

So, they're only *pretending* to balance the budget. No one has actually put forth a plan which would actually balance the

budget; no one in Washington in recent years, not in the past 15 years. No one has proposed in the Congress a bill which would actually, effectively, balance the budget. They don't even think of it. They wish to propose a bill which will make it *appear* that they're about to balance the budget.

Look at Gramm-Rudman: Gramm-Rudman and Kemp-Roth, which are supposed to balance the budget, Kemp-Roth in one way, and Gramm-Rudman in a more lunatic way, *increased* the deficit. But, it was supposed to balance the budget. *Every bill that's been proposed, would not balance the budget, it would increase the budget deficit.* But, the issue is to appear to balance the budget, not to actually do so.

This is virtual reality. What is virtual reality? Virtual reality is looking at a television set, watching some blood and gore and sex, and thinking that's reality: the entertainment society, the flight into fantasy.

Now, your neighbor over there, who's saying, "But, I'm being murdered by these Nazis who are cutting entitlements"—he's an embarrassment to you. And, you look at that neighbor—how? You don't go kick him in the head, generally; some people might do that. But, what you do, is you turn toward that neighbor the face of what I characterize as merciless indifference: You don't care. "I don't want to be bothered with that, we've got to balance the budget."

What does this do, as each section of the population becomes a victim, in turn, of somebody else's agenda? And, nobody responds and says, "Well, this is bad, because it's hurting somebody! We've got to rethink this. Do we want to do this?" No! "We want to do what we want to do. This is our thing," right? "We have a right to do 'our thing,' and, they have a right to do *their* thing. Today it's their turn to suffer, tomorrow it's ours." The Victims' Society.

We like victims. We like to watch television. What do you see on television news? Victims, victims, victims, victims! The news media glories, they drool over victims. "Mrs. Jones, how did you feel when you saw your family chopped to pieces?" That's the news! They *drool* over victims! And, we've become a society based on that immorality of merciless indifference.

What's the result? No one trusts anybody else. Because when you're in trouble, you get merciless indifference.

What's the best paradigm of this? What about people 50, 55, who now begin to look at that little chunk of money their parents have. Their parents become ill, and they say, "Gee, where's Dr. Kevorkian?" That's characteristic of our society. *That is a creeping evil inside the Baby-Boomer culture.*

What do the parents then think about their children? They're *terrified*, first of all. "I don't want to estrange them, they'll have me killed. They'll throw me in a nursing home, and I'll be killed."

This is the kind of culture we've come to. Americans no longer trust each other. They no longer believe that the other American is potentially a Good Samaritan. So, they *hate and fear* government, increasingly; they *hate and fear* everybody

else, who might make *them* a victim of "their thing"; and, they're obsessed with their right, to impose their "thing" on society, no matter how many victims it creates.

So, we have, in this society, in this culture, not merely an economic crisis: We have a moral crisis beyond belief, compared with what things were 30 years ago, or 25 years ago. We have gradually gone down the slippery slope toward evil.

How the British are creating worldwide chaos

And, thus, look at our foreign policy. I want to get back to this question of [the dispatch] I got this morning. There is an evil man who is a representative of British Intelligence, of Irish extraction. His name is Conor Cruise O'Brien. He first came to notoriety in 1960, when an area today called Zaire was then called Congo, the Belgian Congo. It was a period of the overthrow of Patrice Lumumba, who was elected President of Zaire. And, in this period, Conor Cruise O'Brien was the UN official in charge of a part of Zaire, today's Zaire, which is one of the most mineral-rich areas of Zaire. It was then called Katanga Province. It is the northern reach of the South African shield; it is today called Shaba Province. And, next to it, you have Kivu Province, in a sense, which is also fairly mineral-rich.

Now, this Conor Cruise O'Brien, who was a key figure in orchestrating things which led to the assassination, or the *butchery*, of Patrice Lumumba, is British Intelligence. He came prominently to attention in 1989, when he spoke on behalf of a new British policy. He, together with one of Thatcher's ministers, Ridley, Nicholas Ridley—they made very loud addresses in the last quarter of 1989, on the subject of the danger of the Fourth Reich.

What they said was the following: Eastern Europe is crumbling. The great danger is that the Federal Republic of Germany will unite, reunite, with the eastern part of Germany, as the eastern part of the communist regime tumbles. That must not happen.

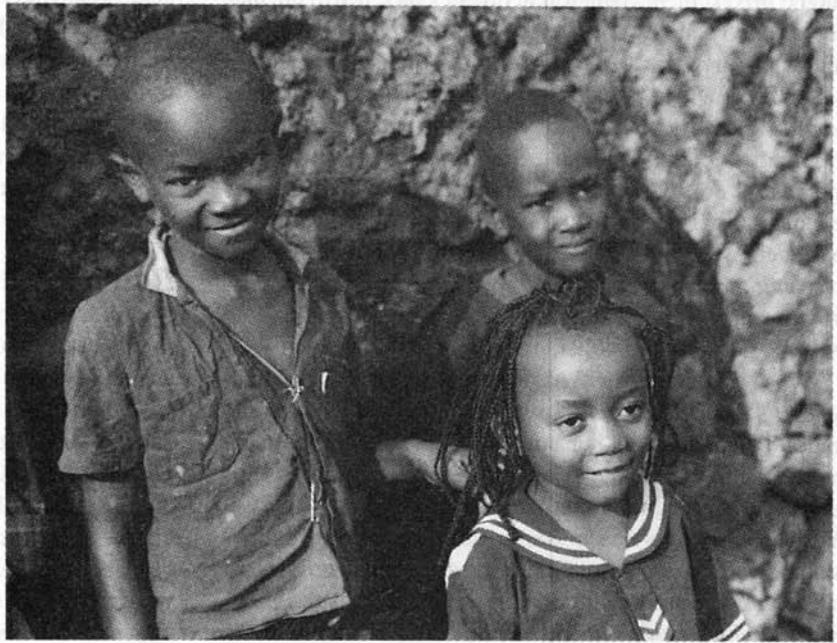
Why? Because, then, Germany would orient, with its economic potential, toward eastern Europe, to try to develop eastern Europe, and to develop a new economic revival on the continent of Europe. *That must not happen.* This is called the Fourth Reich policy; it is also called the Maastricht policy. And, only a number of pressures coming on Bush, prevented Bush from actually intervening to *stop* the reunification of Germany. Bush, of course, is nothing but a puppy-dog, a decorticated, Pavlovian puppy-dog for Margaret Thatcher, as she describes the arrangement in her memoirs. He didn't come down from the trees, he fell out of them.

But, this fellow, and the policy he represented, was a tip-off to this policy, which was actually imposed, which is called the reform policy, which has brought Russia today to the point of an explosion. Not that this will cause a general thermonuclear war; but, an explosion in Russia will cause radiation of destabilization, spreading out of the area of the former Soviet

The British scenario for destroying Zaire

“This Time, Let Zaire Fall Apart,” was the headline of an article by Conor Cruise O’Brien, published in the London *Times* on Nov. 19. Zaire, according to him, has been in a condition of “semi-anarchy” for years; President Mobutu Sese Seko is “dying and comprehensively discredited,” and it is only the French who are “seeking a restoration of Mobutu’s authority over the whole Congo.” While some tribes in western Zaire are committed to the unity of the nation, “there are also a great many who simply put up with Zaire, without identifying with it as their nation.”

Noting the increase of centrifugal tendencies, he concludes: “Zaire’s condition now appears to be terminal, and international efforts to preserve its



Rwandan refugees in Goma, Zaire, Aug. 4, 1994.

integrity will only increase the agonies of its peoples. It should be allowed to assume such shapes as the energies and aspirations of its various peoples may eventually assign to it. The energies of international diplomacy should

be confined to holding the ring, and discouraging the internationalization of the tremendous internal conflict. The French seem to need discouraging more than any other power. John Major should watch out.”

Union and Warsaw Pact, into other parts of the world. So, instead of having a nuclear war, you can have an engulfing chaos spreading throughout the world, which will come to us.

Now, this same creature said, in a statement reported today, in the European press, that there should be no assistance to stop the genocide in Zaire; that not only should Zaire be broken up, and Shaba turned over to somebody else; but, that *all of Africa*, from Sudan south, could be chopped into pieces of micro-states, in the kind of process which is happening in Central Africa, which is happening chiefly on the initiative of the British government, or the British state, including Prince Philip of the World Wildlife Fund, or World Wide Fund for Nature. It is genocide.

The genocide that is occurring in the so-called Great Lakes region of Central Africa, is organized by the British Overseas Development Minister, which is a name for Colonial Minister, Lady Lynda Chalker, Baroness Lynda Chalker; with her puppet, the President of Uganda, who is the butcher responsible for the whole process in Rwanda; who is the butcher responsible for, on British behalf, the whole genocide in Burundi; who is responsible for the invasion of eastern Zaire by his troops, on behalf of the British.

Now, you’ve got a conflict going on; just to get an example of what kind of world we live in, and what this guy is talking about.

Colonial Africa is divided into two principal groups. They’re called Anglophone and Francophone groups; that is, those who were colonized by French-speaking European powers, and those who were colonized by English-speaking European powers—British.

Under feudalism in Europe, the way you got population, serfs, is that, if you were given the title to a certain area of land, and you became the Duke of This, or the Count of That, or the Baroness of This, then you got, as a bonus for getting the land, you got to own the people who lived on that land. They became your serfs, your subjects; and, you could do with them pretty much as you liked.

In Africa, it works somewhat differently. If you control the people, you control the land which they occupy. If you have Francophone land, that is, Rwanda, Burundi, eastern Zaire, and you want to steal it, what do you do? What you do, is *you run genocide, ethnic cleansing* of the Francophones, and replace the Francophones with the Anglophones.

Now, the French imperial government of Chirac, is not a

humane government; but, it does object to losing valuable mineral real estate in Africa, which was Francophone, and losing it to Anglophones.

So that you have a genocide which is being perpetrated in all of Africa, particularly all of Black Africa, perpetrated on the initiative, chiefly, of the British government, with the support of the No-Good Organizations, as they're called, of the United Nations, the NGOs. But, supported in general by the French; except the French *object* to the British making a profit out of the process, by killing off Francophones, in order to turn the territory over to an Anglophone/British-controlled area, or to British interests.

So, the French government is bucking the British on this question. And, Conor Cruise O'Brien says, "No, that shouldn't happen. And, one would hope that the British wouldn't do anything to help keep Zaire alive, or to interfere and reverse the process of chopping up all of sub-Saharan Africa from Sudan south, into a mass of depopulated micro-states, and turning the territory over to these people."

This is the kind of world we live in. This is what they're doing in eastern Europe. This is what they did in the Balkans; and, the British organized, with the French (Mitterrand), organized the Balkan war. It wasn't organized by anybody in the Balkans; it was organized by the British and the French. And, it was organized with the help of the Canadians. And, it was organized *in the name of* geopolitics, just like the Fourth Reich policy.

It was the policy of the British, ever since the Civil War in the United States, when people such as the great economist Henry Carey—Henry C. Carey—said, you know, Lincoln had a war plan for occupying Canada and sending a fleet of Erickson's ocean-going Monitors to Europe, to blockade every British port, and to bring the British to their knees, and destroy the British Empire, and eliminate its power from this planet forever.

And, as a complement to that; remember, in those days, we were allied with Germany (in those days, Prussia), and friendly to China, and allied with Russia, which helped us against the British and Confederacy by threatening to make war throughout Europe, and actually sent the Russian naval fleet to our coast to assist us, should the French and British attack us. During most of the Nineteenth Century, the British and the French were our enemies, as they have become again today.

But, during this period, Henry Carey proposed that our success in the United States in developing the continent by building railway corridors of development, from the Atlantic Coast to the Pacific, should be applied in Europe. And, that from the coast of France, the Atlantic Coast of France to the Pacific Coast of Japan and China, and down to the Indian Ocean, that Europe should work, with the United States' support, to develop railway corridors of development, which would unify Eurasia as a great productive force, and eliminate the power of the British Empire.

In response to this policy, the British developed a policy which was later called geopolitics. And, over the course of the late Nineteenth Century, they developed an idea of naval domination of the world's seas, by British Dreadnoughts, or what we call today battleships, which was the policy of the Prince of Wales, later King Edward VII.

Now, their great concern was that France, Germany, and Russia would connect with the independence movement in China, would connect with Japan (that is, prior to 1894), with support of the United States or in alliance with the United States, and, that the unleashing of economic development throughout Eurasia, would destroy the power of the British to dominate the world, forever.

Therefore, the British concern since the late Nineteenth Century, has been to split the United States from France, which, in the late Nineteenth Century, was civilized, particularly under Sadi Carnot and Gabriel Hanotaux; to split it from Russia, which was then allied with Germany in the late Nineteenth Century, and to prevent a combination of France, Germany, and Russia, from uniting with China and Japan, to create Eurasian economic development, through railway development corridors.

That was the entirety of British policy from the latter part of the Nineteenth Century, to the present day. So, we got Teddy Roosevelt here, who reversed the patriotic tradition of our country. We became an Anglophile country. We became degenerate. And, if that wasn't bad enough, we got Woodrow Wilson, the Ku Klux Klanner and Anglophile, and lunatic, as President. And, our country has not been the same since.

Germany, and France, and Russia were set at each other's throats, beginning 1898. Japan was turned against the United States and China, in 1894-95, with the first Sino-Japanese War, under British pressure; and so forth and so on.

And, this, again, is the same thing: The *fear* that, in the collapse of the Soviet system, France, Germany, Russia, and other countries might unite to develop a rational system of economic development and cooperation based on modern technology, was considered by the British the greatest threat. And, we have people in the United States, like Bush, who shared that concern.

British geopolitics today

And, now, we see the ugly hand of the same forces, and the same voice which, in 1989, enunciated the revival of British geopolitics, in the collapse of the eastern empire, or the Soviet empire, has now prophesied, with the same precision and accuracy that he prophesied the British policy in 1989, that the policy in process in Africa today, is genocide, through chopping up every part of Africa south of the Sahara into micro-states, by various kinds of insurrection, using instruments like Museveni. And that's the policy which is now in progress.

We have, in the United States, again, in the State Department, in the military, in the Justice Department, and so forth,

we have institutions here which are fully in support of that policy, and a President who is weakened by the fear that his wife is going to jail, because George Bush is out to send her to jail, through George Bush's hit man Kenneth Starr, with his Starr Chamber operations. The President is so obsessed with these kinds of considerations, that he's not paying attention to business.

And, therefore, the United States is on a policy which means—what? If the President continues with this kind of foolish policy which came to light when he refused to veto the welfare reform bill, which is what lost him control of the House of Representatives, which he'd have won back otherwise; if he continues to make those kinds of mistakes, *he will be self-isolated, and the sharks which are swimming in the Republican pool in Washington, will eat him*, quicker than you can say "Dick Nixon." They're out to do it.

And, if he cuts himself off from his core support, as a President of the Democratic Party, then he will be destroyed. Though his inclination has been to propitiate his enemies.

He belongs to the Baby-Boomer generation, which was a mixture of draft-avoiders and draft-dodgers, largely. When faced with an enemy, they don't fight: They "dialogue"! They'd try to dialogue with the Devil! They'd try to dialogue their way into Heaven, and end up in Hell, which is what they often do.

And, thus, it comes back to the same thing: That we who are willing to think like Sherman, or Alexander the Great, who know that we are only a Gideon's Army, at best, must refine our perceptions of the situation, and resolve to act as a flanking force to whip the majority institutions into doing what they must do, for their own good!

The fundamental economic issue

Let me just conclude this presentation on the strategic situation, with one point. You will note, those of you who watch what I do in *EIR*, that I've laid great emphasis, forceful emphasis, shall I say, on a very important point in economics, which fits in here. And, I'll explain why that is so important now. There are two importances to it.

First of all, as I demonstrate, *every branch of taught economic theory in every university in the United States, is bunk*. Everything that is believed in Washington, in political circles, to be economics, is bunk! It's total incompetence.

What's the issue? There's a central issue here. The issue is very simple.

When we produce—and, of course, those of us who remember when we were a productive society can understand this. Maybe people who are from a consumer society, don't know about this. But, in productive society, we know about this. The way production is organized: You have flows; you have flows of infrastructure development, flows of materials, flows of productive process, transportation and so forth, all flowing into nodes, nodal points where operations are performed, typified by production operations. And, out of these

nodal points, you have flows. And, the flows are services and goods, which are transformed in the production process.

Now, in the old days, when we still were sane, 25 or 30 years ago, it was the general rule that in the economy as a whole, you had more coming out of these nodes, than you had going into them. That is, there was a gain, an increase of wealth; that the wealth consumed by households, by production, by infrastructure, was *less than* the wealth produced by production by society.

Where does the gain come from?

If you look at every theory of economics taught, or every accounting theory that you get in accounting schools or from an accountant, you will get these ratios. They will tell you that you have to spend so much to get this, and you should only spend so much to get that. They compare the input and the output of production; but, they don't tell you what happens in between.

Why do you get more out, than you put in, in a sane society? And, *when* do you get more out?

You get more out, if you provide infrastructure; that is, if you improve the land with water systems, transportation, power, so forth. You get more out, if you have better schools. You get more out, if you have better health care. You get more out, if you have better science and technology services.

But, what makes the transformation? How is it possible that on this planet, when man is involved in the nodal point of production in a healthy society of the type we used to have, that you get more out, than you put in? Where does the more out come from? And, these are physical objects. You get more and better clothing, housing, vehicles, and so forth. You get better services coming out, than you put in.

Where does this bonus come from? That ought to be the central question of economics, right? Where do you get the profit? That is, the real profit, apart from stealing and eating your neighbor.

You get the profit from the mind of the individual person, the developed mind of the individual person; the creative power of reason which the individual applies to the productive process. It's the mind of man. It's man expressing what the first chapter of Genesis expresses as man made in the image of God, to exert dominion in this universe. It is the mind of the individual, the human, on which all the goodness of society depends, including the goodness of production.

Therefore, if you want to have a healthy society, healthy economy, what should you do? You should develop the mind of every person in the society, to develop that creative power which causes this transformation.

What are they doing now? We're saying, "Well, in order to balance the budget, what we have to do is cut education. We have to cut health care. We can no longer afford to invest in infrastructure. We have to increase class size. We have to give no relevant education to irrelevant people."

What are we doing? *We are destroying the source of wealth!* The source of wealth is not this or that. The source of

wealth is the ability of the human mind, properly developed and properly employed, to act in concert, human minds in the productive process and so forth, to produce more than it costs to maintain and develop those minds. Therefore, the development of the individual mind, the development of health, longevity, productive power, investment in power, investment in infrastructure, these kinds of things: These are the things which make an economy grow.

If you want to balance the budget, what do you do? You have to balance the minds, and get the unbalanced minds out of the Congress and similar places. Because, you have to have a policy which *was* the American policy. You won't find this exactly in Hamilton, in his *Report on the Subject of Manufactures*. But, the essential thing, the term that was used back there in the Eighteenth Century, which came out of Leibniz, we called it "artificial labor," which meant that there was something about human labor, which was different than the labor of an ox—unlike some of the people we elect to the Republican ticket these days. Their mentality *is* about that of an ox.

This is called artificial labor. What was this? Power, technology, education, infrastructure. Increase the energy-intensity, the capital-intensity of production; increase infrastructure, education. To increase, as Hamilton says, the productive powers of labor. And, the productive power of labor is not achieved by beating a man the way you beat a horse, or a donkey. It's achieved by developing the mind, and giving that mind the opportunity to express itself in a productive way, in some function in society which is beneficial to the whole process.

Therefore, the way you balance the budget, the way you solve our problems, is, you get us back to being a productive nation. But, you *can not* make us a productive nation, unless you have a yardstick to govern policy. And, the yardstick is: the development of the human mind. And, the provision of the opportunities for that developed mind to do something useful which fits the needs of this process, is the way to build society.

What we've lost, is, we say, "We have too many people. People cost too much. People must do without. They must do with less education, and so forth," and what we're doing in the process, is, we're destroying the very thing which makes us human.

And, this quality of society, this quality of hatred that I referred to, merciless indifference, as I called it; the condition in which the average person thinks government hates them as their mortal adversary; these are the fundamental things you have to address.

And, you have to say, *you have to recognize, that in the biblical sense, but, also, in this scientific sense, every individual human mind is made in the image of God.* And, you have to have a commitment, a loving commitment to humanity which is based on that principle. And, sometimes, you will act as a Good Samaritan, not because there's any profit in it,

in a direct sense. But, because you have to have the kind of society, that the act of the Good Samaritan represents. You have to treat a human being in this way. That's your fundamental policy. Because if you treat human beings in that way, in every country, including our own, then you have a policy toward man, toward man as in the image of God, toward the creative powers in man, which define him as in the image of God.

And then, when you meet together, you now have a yardstick by which you can say, "How will we judge which of us is right?" If you have a difference: "How are we going to judge? By our prejudices, by dialoguing about our prejudices?" No! You judge on the basis of, what is the effect of the policy on the condition of mankind? What is the effect of the policy on the productivity of mankind per capita? What is the effect of the policy on the quality of land area per square kilometer in which we live? What is the effect of the policy on the relations among people in society? Have we eliminated merciless indifference? Is this the policy of a caring society? Is this the policy of a nation which cares for other nations as humanity as a whole?

And, therefore, this economic question that I referred to is vital. These so-called "practical people," are nothing but morons and idiots when it comes to policy, as they've demonstrated with the results they've achieved over the past 25 years, by leaving the fact of the creative power of reason of the individual out of the equation of economics, and failing to see why it's important to have schools with class sizes not more than 15 to 17 pupils, with a qualified teacher to maintain the dialogue, instead of a computer, or instead of a "wired society"; why it's necessary to have a health care system which increases life expectancy to 85 to 90 years of age, and sustains people at that level; why it's necessary to treat people in a certain way; why it's necessary to rebuild our cities, to rebuild our water systems, our sewage systems, our canal systems, our power systems; why it's necessary to help other nations, not just attend to business at home.

That if we don't understand that point, which is an economic point—this is the core of all economics since Leibniz. *It is the productive powers of labor*, in the form of what Hamilton referred to as "artificial labor"; the development of the powers of labor in a technology-intensive, science-intensive, capital-intensive, power-intensive manner, in improvement of development of infrastructure; *that is the means by which the wealth of a nation is produced.*

And, to the degree that we help other nations to become more productive, *we* become richer. Because, as the whole planet becomes more productive, we all share in the benefit of that productivity.

That's what we have to understand; that has to be our motivation. And then we, as a flanking force, with that understanding, with understanding the *moral* aspect of this, the scientific aspect as well as the simple practical aspects: We have to kick butt, fast!