

had been a return to the argument which prompted the crafting of our Federal Constitution.

The resulting wave of a wild-eyed stampede of accelerating inflation, since the beginning of 2001, has been the result of the termination of Glass-Steagall. The wild-eyed bubble of skyrocketing real-estate mortgage speculation, and related Wall Street forms of John Law-like hyperinflation in all speculative markets of the trans-Atlantic region of the world, have been the continuing consequences.

On this point, there was never an honest sort of ignorance in the implicitly treasonous motive expressed by J.P. Morgan's agent Alan Greenspan, in launching the undermining, and subsequent repeal of Glass-Steagall. He, like many among that horrid pestilence known as "Wall Street," have represented, ever since Judge Lowell's evil days following the Seven Years War, a horrid pestilence planted in the likeness of a filthy disease spread by our republic's speculator class. The truth today, is "Glass-Steagall today, or die."

I have been forecasting in a professional capacity since my first successful forecast for the national economy in late Summer of 1956, when I had first projected the most serious of the post-war recessions to break out at either the close of February 1957, or early March.

Both then, and in later forecasts, I have always rejected what is called "statistical forecasts." During that interval from late Summer 1956, to the present day, the forecasts which I have made by physical-economic forecasting have always been accurate relative to the forecasts of those known to me otherwise. My advantage never depended on "better statistics," but on my recognition of the inherent folly of presuming that financial-statistical methods had a consistent correlation with the movements in the physical effects of the economic process.

To make that point clearer, say that the real effects of economy do not lie within monetary systems as such, but in physical-economic processes which always, ultimately, reveal themselves to anyone. Statistical forecasting is fairly defined as a form of gambling, a form which is caught between the forces of physical-economic changes, or the lack of needed changes.

In other words, the prosperity or deep decline in a national economy of the trans-Atlantic regions, has always been a physical-economic decline in all its essential features. A financial collapse is an effect to be

On the 1999 Repeal of Glass-Steagall:

Was It Not Treason?

by Lyndon H. LaRouche, Jr.

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Whether it were the fruit of ignorance or other folly, the 1999 repeal of the 1933 Glass-Steagall law, has had an effect comparable to that which might have been brought about through an explicit act of treason against our United States. Among nations other than our own, their lack of a standard of law equivalent to Glass-Steagall is, in effect, a fruit of either culpable malice or of a folly of ignorance. In the case of our own nation, the principle expressed as the 1933 Glass-Steagall law,

expected when the financial growth outruns the net physical-economic growth. It is when the discrepancy of the effect of the growth of the margin of difference between a physical and a financial growth, increases in a self-feeding form, that the serious monetary crisis takes the chronic form known as either a trend toward hyperinflation or depression.

It is when such patterns are competently examined from their underlying physical, rather than merely financial forms, that a true physical law of economy is brought to our attention. That principle is brought to the surface as a true physical law of economy which acts in direct contradiction to the fraudulent concoction called a "Second Law of Thermodynamics."

The correct law, is one of the necessity of anti-entropic long-term trends, over the recent half-billions years of life on Earth, is the requirement that the effective net energy-flux density of living processes must increase, in the effect of the combined living species of our planet, of an increase of the energy-flux density expressed by the evolution of living species. In other words, a society which seeks to enforce a rule of fixed energy-flux density as a whole process in evolution of content and practice, is a condition of life proceeding in

the direction of extinction of leading species, such as mankind.

In the science of physical economy, as distinguished from a merely monetarist economy, the requirement for the survival of the human species, is the increased energy-flux intensity of the mode of existence of that species, as from lower forms of chemistry to increasingly higher rates of "capital-intensity" of the development of human society generally.

Without an accelerating density of nuclear-fission, thermonuclear-fusion, and matter-anti-matter, in forms of increasing capital-intensity of both production and the higher platforms that requires, mankind would have made himself just another species to join the census of the vast ration of eliminated species, which went extinct largely because they ceased to progress in effective energy-flux density of effect per capita and per square kilometer of the Earth's surface area. Today, mankind is the only species which has the potential of remaining a leading, living species.

This document presents the opening argument, as a completed statement here. However, in subsequent publications, there will be more on this subject to come.

Lyndon LaRouche On Glass-Steagall

and **NAWAPA** The North American
Water and Power Alliance

"The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there."

"Put Glass-Steagall through now, and I know how to deliver a victory to you."

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