

LAROCHE WEBCAST

Six Months Into The Greatest Ever Financial Crash

Lyndon LaRouche delivered the following hour-long keynote, and then fielded questions for two more hours at an international webcast from Washington, D.C., sponsored by the LaRouche Political Action Committee on Jan. 17, 2008. The webcast was moderated by LaRouche's national spokeswoman Debra Freeman.

Debra Freeman: Good afternoon. On behalf of the LaRouche Political Action Committee, I'd like to welcome all of you to today's international webcast. As I think many of our listeners may recall, it was approximately six months ago, during a similar webcast, on July 25, that Mr. LaRouche made clear that we were in a situation, not where we were facing an *impending* financial collapse, but that in fact the financial collapse was under way. Within days of that webcast, Mr. LaRouche was proven absolutely correct, by a chain of events that occurred. On July 28, Countrywide Financial, which is the nation's biggest mortgage lender, announced a 33% drop in profits, and it's been nothing but bad news ever since then. Two days after that, American Home Mortgage, another major lender, which specialized in subprime mortgages, collapsed. By July 31, the subprime mortgage crisis was on the front page of every newspaper in the United States.

Mr. LaRouche was 100% right in forecasting the collapse. He was 100% right, when he said that the collapse had occurred. And here we are, six months later, with the debris from that collapse hitting on a daily basis. As a result of a national and international mobilization, the willingness to deal with that crisis, at least the willingness to admit that that collapse is under way, has begun to permeate political circles. Hillary Clinton's Presidential campaign stands as probably the only Presidential campaign, or at least the only one that I'm aware of, that has been prepared to put this front and center. And while that is useful, they have still failed to address the causes of the crisis, or the real solutions.

I think that today's webcast is one in which Mr. LaRouche, as he has been doing repeatedly at these international webcasts, will provide a pathway, whereby people can gain greater understanding of what it is we are facing, as a nation, as a world, indeed, as a civilization. And I believe, knowing Mr. LaRouche as I do, that he'll also provide a pathway to solving it.



LaRouche: "The danger from this crisis is greater than probably any of the precedents, other than the collapse of the Roman Empire itself."

So ladies and gentlemen, without further ado, let me present to you, Lyndon LaRouche.

The Crisis Is Manageable

Lyndon LaRouche: Thank you.

The presentation and discussion which is going to occur now, will be for most of you, one of the most important things in your lives—the issues. Because we are at a point, not of an ordinary crisis, not of a financial crisis, not of a mere depression, but of a global breakdown crisis, centered in the trans-Atlantic community, especially the English-speaking trans-Atlantic community, which will radiate, if it's not stopped, to bring every part of the world into a *general breakdown of their respective social systems*. This is one of the greatest moments, in terms of importance, in history, since the 14th Century in Europe, with its new dark age, and since similar events, like the collapse of the Roman Empire, or the collapse of the Byzantine Empire: This is the kind of period we're living in. And the danger from this crisis is greater than probably any of the precedents, other than the collapse of the Roman Empire itself.

This is momentarily a collapse. Each day, now, since Jan. 3, the crisis has been expanding in magnitude, at an accelerating rate. What you think is the extent of the crisis today, if the measures I propose are not taken, will become much worse, by an order of magnitude in the next week, and the week after that, and the week after that, until the whole system grinds into

a collapse, probably some time during this year. And I'm talking about a global collapse, not a collapse just of the trans-Atlantic English-speaking community. But the thing is centered obviously in the trans-Atlantic English-speaking community. That's where the source of the infection is, from which it spreads. And that's what we have to deal with.

We also have to deal with another problem, apart from an economic problem: a problem of idiocy, which permeates the highest ranks of the Senate, and other locations, among all so-called leading economists, today. There are a few exceptions here and there. But on this question, of this crisis, except for a few people in the woodwork that I know about, there is no public expression of any comprehension of what this crisis is about, or any comprehension of what the remedies are.

Now, let me say, on that point specifically, that the primary crisis before us, immediately, is twofold: On the one hand, it's an international monetary-financial crisis, in which the collapse of the entire world international monetary system could be completed within a time as early as this year, and even sometime earlier in this year, because that's the way human events are. You can not predict the day in which that collapse would occur, but the collapse is already ongoing. And none of the governments in existence today, has any efficient comprehension of adopting measures which would actually deal with this crisis.

The crisis is manageable. It's not simply solvable: You can not simply turn back the clock and get good times back again, where you had them before. But you can bring the thing under control. And the problem I wish to address today, specifically, is the measures of control which the government of the United States and other governments *must take now!*, if they're going to save civilization. This is doom-time. And often in human history, it was possible up to a certain point, to prevent a civilization from disintegrating into chaos. We're in such a situation now.

But if we don't take the measures, this civilization will collapse into chaos this year. If we understand these measures and are willing to take them, we can manage the crisis, through cooperation among nations, which agree on certain principles. That's always been possible. But if we do not do that, we are living on the brink of one of the great dark ages in all human existence, globally.

‘This Is Big-Time’

So: What I’ll do in the course of today’s remarks—I’ve portioned things into two sections, because I can anticipate from certain leading circles in our political system and elsewhere, that there will be certain questions addressed to me, through Debbie, which will either identify themselves, or will identify themselves categorically, by their profession or by their interest. But some of them are very highly sensitive, and the questions will come to me, not with their name attached to it, but with the category that they represent involved. And what I’m addressing most immediately, are certain leading political and other circles, inside the United States and internationally, which need to know what I know, and they do not yet know, and to make that clear.

So this is big-time. This is not small-time.

We also have a big problem of a bankruptcy of ideas and mentality among a dominant section of our culture. The more influential part of our upper 20% of family-income brackets are crazy, and corrupt. Especially the generation now between 50 and 65 years of age. That is the generation which is the most disoriented and most corrupt, especially certain influentials.

So therefore, the problem is that some of the people, including in the major press, major publications, mass media generally, and so forth, on this question, are either outrightly lying or incapable of telling the truth, because they couldn’t know where to find it. And they are the most influential voices you hear, so far, from the U.S. Senate, from leaders of the House of Representatives—not all leaders, but the ones who are the most vocal and most reported—and from most Presidential candidates. They are all, by my book, idiots, and worse; because their opinions are worse than worthless. If their opinions were to prevail, the whole country will go to Hell; that I can guarantee you.

Therefore, what we’re in the process of doing, which I’m particularly in the process of doing, is, being a veteran Presidential campaigner, and of some international significance: I am not running for President, but I am running to create the situation on which the coming President of the United States, if properly selected, will take the steps which are necessary on behalf of the United States, to enter into cooperation on these principles with other nations, and under those conditions, this planet can survive, civilization can survive. We can recover again. This is not as easy as Franklin Roosevelt faced with the Great Depression. This is a much tougher problem, a much more dangerous, deeper corruption than that. And so, the precedents from that period, while valuable to us today as a lesson, are not a prescription by imitation for solving this problem.

The greatest problem we have, is the incumbent President of the United States, and the number of idiots, both Democratic and Republican, in the Congress, including the Senate, who think like they do. That’s our biggest problem. Because what we need at this moment, looking back at our history, we are in a moment, that we need a Franklin Roosevelt as Presi-

dent. And what we have as a Presidency today has no resemblance to that, whatsoever. As a matter of fact, the question of species is also in doubt.

So therefore, it requires a special effort. The effort will, however, come in the course of the campaign—a critical point. Because if one or two figures, who are Presidential candidates, or pre-candidates at this point, step forward, as Hillary Clinton has made a step in that direction—if they step forward to take charge of the leadership of the parties going into their Presidential nomination procedures, then they will become a focal point of leadership, to counter the idiot who occupies the White House today. That’s our best shot. And people from abroad will observe that, because they will say, “Yes, you have interesting ideas. It would be nice if the United States would do that.” But, will the United States do that, considering the idiot we have in the White House today? And with the Cheney hanging around his neck. And with a Speaker of the House, Pelosi, who seems to be owned by a notable fascist, and is doing everything to sabotage what needs to be done to save this nation? And similar problems in the Senate.

So therefore, the first thing we have to address is the fact of a general incompetence in dealing with a specific problem we *must* solve, and also a massive corruption, political and moral corruption, within relevant parts of the upper 20% of our family-income brackets, notably those in politics. That’s our problem.

Therefore, I could say the following, just as an example: You could imagine two politicians trained in economics. They jump out of an airplane, to take a parachute to the ground—but they have forgotten their parachutes. The first one says, “I think we’re in for it.” The other one says, “Don’t believe any of those conspiracy theories. We’re going to make it. We’ll bounce back.” And you’ll get that from a lot of them, today.

The British Empire ‘Slime-Mold’

Now, let’s go back in American history to a point, which should be a point of reference today—it doesn’t contain the solution, but it contains the suggestion of what the solution might be: Franklin Roosevelt, as President. Franklin Roosevelt as President saved the United States, by returning the United States to its Constitution. Measures by Roosevelt were in accord with the principle of the Constitution. The Presidents who preceded him, since the assassination of McKinley, including Woodrow Wilson, Teddy Roosevelt, Hoover, Coolidge, so forth, had actually been the enemies of the best interests of the United States, operating from the top level of the United States.

The problem that Roosevelt faced, was a problem of the British Empire. Now, the British Empire is not really a monarchy. It’s a slime-mold: That is, it is a collection—and this has been the case since the beginning of the British Empire in 1763, with the Peace of Paris—an international financier cartel, largely of Anglo-Dutch denomination, but essentially bankers in the Venetian tradition, a slime-mold. They kill each



Painting by Alexander Kotzebeue

The Seven Years' War was typical of British Empire "slime mold" practice. Britain won the war in 1763 after it got all its rivals on Continental Europe to fight and destroy each other. Here, a painting depicting the Battle of Kunersdorff in 1759, where Russian and Austrian troops defeated the Prussians.

other by night, and they gang up together against the human race in the morning. This is the type.

In 1763, this slime-mold, this international financial gang, took over Britain, at a time that Britain had been the victor in a war it orchestrated, called the Seven Years' War. What Britain had done, which is typical Liberal practice, is to defeat all its rivals on the continent of Europe, by inducing them to make war against each other. So Britain sat back, while Russia, and France, and Prussia, and other countries, fought each other, and came down in ruins, with the Peace of Paris, in which the British came in and collected the remains. It was the British East India Company, who collected the remains. The British monarchy is *not* the controlling force inside the British Empire. The controlling force is a slime-mold, called the Anglo-Dutch Liberal financial establishment. They run the empire. They are not necessarily British citizens; they're often Dutch, they are French, they're Venetian, they're New York bankers. George Shultz, for example, the guy who sank the Roosevelt monetary system, is part of this. He's a fascist. So's Rohatyn. Rohatyn's a fascist. It's not a term, it's a species designation.

And what we're faced with today, and with the Bloomberg game, is the attempt to establish a Presidency of the United States, under Bloomberg and Schwarzenegger (whose father gave him fascist credentials by birth) to establish a dictatorship in the United States, modelled immediately on that which was used by the British to create Mussolini as a dictator in Italy, the same British circles which put Hitler into power in Germany. This is the problem. We are faced with a threat of tyranny beyond belief, by this crowd. And this is

what the British Empire is: It's the Anglo-Dutch Liberal system, which is a system of international finance, which in respect to each other are predatory. They eat each other, and they eat each other's children. But then, they gang up against all of the rest of us, and play us for fools.

For example, who started the war in Iraq, the last war in Iraq, that's now still ongoing? It was done by the Tony Blair government of England. Tony Blair orchestrated it. Remember the case of David Kelly? The key figure inside the United States was Dick Cheney, but not really Dick; it's his wife. His wife is the one who picked him out of the swamp, got him jobs, got him positions, and she's the terror who runs him. She's a British agent, a Fabian, part of the Fabian Society, the same thing that Tony Blair represents. So, you had American accomplices of the British Empire—which is not the British monarchy, it's the slime-mold of British or Anglo-Dutch finance—orchestrated a war in Iraq, in Southwest Asia, *to destroy the United States by inducing it to destroy itself!* Just in the same way that the Anglo-Dutch Liberals set up, in the early part of the

18th Century, a war called the Seven Years' War, in which the powers of Continental Europe chopped at each other. And the British came in and collected the remains, the Anglo-Dutch Liberals.

In our midst—if you think that Felix Rohatyn is an advisor to any leading figure, you should fire that leading figure, should be fired from office, particularly from the position of Speaker of the House. Because they represent a *danger* to the United States, as great as a traitor in a high position during warfare. She, under the influence, is a poor patsy, a poor, dumb patsy, controlled by Felix Rohatyn, who has done the most to destroy the United States House of Representatives, during her term of service, since she gained that position. These are the kinds of problems we face.

Roosevelt Used the Constitution To Save the U.S.A.

Now, go back to, again as I said, to Roosevelt: Roosevelt came into the Presidency at a point that we hadn't had—with the exception of Taft, in a sense, and Harding, who were questionable figures—we hadn't had an honest President since the British killed McKinley, in order to bring Teddy Roosevelt into the Presidency. Teddy Roosevelt, Woodrow Wilson, Coolidge, Hoover, so forth, were problems. We were almost destroyed by this. We were still a powerful nation at that time; we were almost destroyed.

Roosevelt came along. Now, Roosevelt was a descendant of a New York banker by the name of Isaac Roosevelt, who had been a collaborator of Alexander Hamilton, in his time.



Franklin D. Roosevelt Library (NLFDR)

"Franklin Roosevelt as President saved the United States by returning the United States to its Constitution."

And Roosevelt did not stumble around, and did not innovate in some curious manner, did not violate the Constitution, but he *used* the Constitution precisely, and followed it, in order to organize an effort to save the United States from itself, and from what previous Presidents had done to the United States. He saved the United States. He did more than save the United States: At the time he came in, the British ruling class, including the British monarchy itself, had not only put Mussolini into power in Italy, but had put Hitler into power in Germany. Who created Hitler? It was not Germans, it was Brits. They organized it. They insisted upon it.

When Roosevelt became President, this underwent some degree of change. Roosevelt took emergency measures which were based on the U.S. Constitution. And today, we should follow *exactly* those precedents that Roosevelt used then, that are constitutional precedents. His constitutional conceptions *are* constitutional. What exists now, as a so-called "constitutional" interpretation of these matters, is *not* constitutional: It is something imported from abroad. This is *not* our Constitution.

Remember, our Constitution is derived, primarily, immediately, from the 1648 Treaty of Westphalia, the Peace of Westphalia. This was the foundation of a commitment among nations to the modern, sovereign nation-state by those nations, in 1648. This ended a long period of religious warfare, which had been induced by Venetian interests, from 1492, the Expulsion of the Jews from Spain, by the Grand Inquisitor, through the end of the war in Europe in 1648, the Thirty Years' War.

This agreement, prompted by a great Cardinal Mazarin, from France—actually an Italian, but he was stuck in there by the Pope—and this agreement on the Peace of Westphalia, on the "benefit of the other," that each people and each nation must devote itself primarily to the benefit of other nations, and

by doing so, to create a bond among nations, in cooperation among nations, by which these kinds of problems can be cured.

We can not eliminate the nation-state; we do not need a Tower of Babel. Because the ability of a people to govern itself depends upon its culture. And without that culture, a people can not be self-governing. So therefore, you can not impose law upon nations, simply by just imposing law upon them. You must work through the culture of that nation, the culture of its people, and have their willful consent to cooperation of the type needed to fulfill the intentions specified by the 1648 Peace of Westphalia.

This is embedded in our Constitution, in the citation from Leibniz, in the Declaration of Independence: the "pursuit of Happiness," which was Leibniz's attack on the Liberal theory. Liberalism is *not* U.S. philosophy, not constitutional philosophy: Liberalism is rejected in U.S. constitutional philosophy. This principle of the "pursuit of Happiness" which Benjamin Franklin and others took

from a book by Leibniz, was expressed as the great Preamble of our Constitution, the so-called Bill of Rights. And this principle of our Preamble is our fundamental law. And that is the law which is the *interpretation* imposed on every other aspect of our constitutional system. *The Preamble of the Constitution is our fundamental law!* Which expresses, echoes the Declaration of Independence, but is our constitutional law, as a Federal Republic. *Every other part of the Constitution is subject to interpretation according to the specifications of that Preamble.* That's our law. That was the law understood by Franklin Roosevelt.

The Federal Power of Bankruptcy

We also have another feature of our Constitution, which is different than anything you find in Europe, or at least in western and central Europe: We do not believe in monetary systems, constitutionally. The United States system is not constitutionally a monetary system. European systems are monetary systems, based on parliamentary government. There *is* no moral principle controlling. There are moral principles adopted in constitutions in Europe, but the essential thing is not there. In the U.S. Constitution, *the creation of money, and the regulation of money is a function of the Federal government.* The issuance of money is done by the consent of the House of Representatives, and enacted by the Treasury Department, under the direction of the President. It is unlawful to create money, or a form of money, in the United States, except by the Federal government, and except according to this principle, this constitutional principle. We are not a monetary system! Not constitutionally. We are a *Federal Republic*, and we have a credit system, which is based upon the constitutional principle reflected in our system of the creation of credit.



Library of Congress

The founding philosophy of the United States is in opposition to Anglo-Dutch Liberalism and the parliamentary system. The U.S. Constitution is derived from the 1648 Treaty of Westphalia and its principle of the “benefit of the other,” established by Cardinal Mazarin (left). This idea is embedded in the Declaration of Independence’s statement of the inalienable right to the “pursuit of Happiness,” as articulated by Gottfried Leibniz (right).

We also have, under the same term, as a Federal government, the power of bankruptcy. And this power of bankruptcy is very important at this time, because without exerting it, you’re not going to save the United States. And if you can’t save the United States, you’re not going to save the rest of the world.

That means: That most of the outstanding debt, represented by financial interests, as claims upon the United States, its territories, and its people, will be put by the Federal government, into bankruptcy receivership. What should be paid, in the short term, *will* be paid. What should be supported in the short term, *will* be supported. But those sums we can not afford to pay, *we shall not pay*. We shall proceed under *bankruptcy law*, under our Federal law, to put the entire *system*, of money and related things, into receivership. If we do that, other countries will do it, too.

Now, what I’ve proposed, as you know, is that four powers in this planet must come together to share a policy, an initiative, which will save this planet from a general collapse. These four powers are, the United States (despite the idiot in the White House now); Russia, China, and India. Because, if these four nations agree on a relevant policy, not only will other nations join them, automatically, other nations, which are smaller nations, will join them in common interest. But we will solve the problem. *We can organize a recovery of the world economic system, by reorganization of its financial system*. We will return to a principle, if we agree among these nations, under which the same principle that applies to the U.S. Constitution, in terms of money, applies there: We will create a *fixed-exchange-rate system*, echoing what Roosevelt intended before he died—and I’ll explain what that significance, “before he died” is.

We will therefore have a system under which loans outstanding can not fluctuate in the interest rates upon them, but will be kept within payable limits. Because, in general with the world economy as it is today, if the interest rate on long-term loans exceeds 2%, you’re going to have a collapsed economy. Because you can not *afford*, in today’s productivity, to have higher rates of interest in general, for long-term capital and related improvements. Therefore, you must have a fixed-exchange-rate system. That does not mean a gold-based system, but it does mean that we probably would do the same thing with gold that Roosevelt did with gold: We will consider it, not as a monetary asset, but as a means for settling accounts among sovereign national powers. And thus, to use that power, to maintain a counter-inflationary stability in long-term investments among nations.

If we don’t do that, if we’re unwilling to do just exactly that, there is no chance that the world civilization as we know it, in its present

organized form, will continue to exist, as long as the remainder of this year. Because the rate of acceleration of decadence, of collapse, that is now built into the system, will accelerate to such a degree, that we can not determine on what date the system disintegrates, but it will be soon.

Mobilizing the Base

So the question is: Can we find in the United States, in particular, can we find a group of people, especially leading figures, who will come together to do what I have prescribed on this account?

Now what we’re doing right now, we are mobilizing the base: The problem has been, that since the corruption from the top down, in the Senate and the House of Representatives, the corruption typified by that expressed by Nancy Pelosi, the stooge for the fascist Felix Rohatyn, that has prevented the Houses of Congress from functioning. *They don’t function*. There are people in there who would like to function. There are good people in there, but they don’t function. Because the system of “go along to get along” doesn’t permit them to function properly under these conditions. With proper leadership in the Senate, and proper leadership in the House, yes, they would function. We’ve got to, first of all, change the Speaker of the House, right away. Otherwise, you don’t care much about the United States. If you care about the United States, you will say that she needs to go, into some peaceful retirement, where her limited mental powers will find a proper realization.

So, thus, in this way, we had to go to a lower income-bracket section of the population. We went to the states and localities, working on the state level, to campaign for an action, which I prescribed, which if it is not implemented ex-

actly as I have prescribed, means the doom of the nation. This is the Homeowners and Bank Protection Act. If that act is not instituted, in *exactly* the method I have specified, without changes, the system won't survive: We're finished.

Now, what we have now, is a growing mass support in the base of the population, on the state level, for that act. That the people in the Senate and the Congress are increasingly aware of the pressure coming from the states, in our mobilization for support of this act—to be implemented *precisely* as I have prescribed, without changes.

Why? Let me explain this act: The bankruptcy of homeowners, or nominal homeowners, can not be allowed. And we can not solve the problem by selective bailouts of some people. It won't work. You have to have a *national freeze* on foreclosures. Now, that has been picked up by some political figures, such as Bill Clinton and his wife. And so far, that's good. But that's not enough, as I think they know. You also have to protect the bankers *simultaneously, and in the same act*. Why? Because mortgages, if they're legitimate, and orderly mortgages, not some kind of fly-by-night thing, are related to banks: to *chartered banks*, to *chartered Federal banks*, to *chartered state banks*. These banks are now in danger of collapse and liquidation.

Therefore, you can not simply suspend these mortgages by themselves: *You've got to put the banks under protection, in exactly the same act!* If you don't put the bank under protection, your attempt to defend the mortgages will do no good. And if you allow the thing to continue, where the banks are being chewed up, now—by disreputable things that should be written off entirely—are being looted. As in the recent round of trying to buy out some of these hedge-fund operations which should not have been saved. They should be collapsed! Write them off the books! They're not worth anything.

We've got to save the homeowners. We've got to keep them in their houses. We've got to keep the communities stable. We've got to protect the local banks. Because, if the local, regular banks, the honest banks, are not able to conduct business, the whole economy of any part of the country will proceed to disintegrate! If you are not prepared to defend the homeowners, and the banks, the legitimate banks, *in the same Federal act of bankruptcy, using bankruptcy law as the means of doing it*, you aren't worth anything! And you should stop talking. Stop babbling. That's the *only* way you can save this system.

That is not all that's required. If we *stabilize* the United States politically, by the Homeowners and Bank Protection Act, *then* we open the door for the next required steps, which is to change national policy, probably in this time I would change it through leading pre-Presidential candidates. What you need, is an organizing voice, or more organizing voices, to get something moving behind this. If leading candidates defend the Homeowners and Bank Protection Act, as prescribed, we can save this nation. But that's only the *first step* towards saving this nation.

Europe Needs a Lender of Last Resort

The next step is to proceed on the international level. And that means, the President of the United States has to go to Russia, to China, and to India, and to other countries, and to propose a treaty agreement, a draft treaty agreement, which is equitable, which establishes a fixed-exchange-rate system. And this will probably bring nearly everybody in, if you do it.

For example, in Europe, as my wife has explained to people—she's German, and she knows about Germany, which many Germans don't; but she also has her contact with German experts and French experts and so forth—and has been conducting a discussion, an intensive discussion, on the question of the Lender of Last Resort. Now, the reason that Continental Europe is absolutely doomed today, under its present conditions, is *there is no lender of last resort under the Maastricht Treaty* and implementation. You have to reverse and cancel the Maastricht Treaty, to save Europe! And all it takes is a couple of countries who are key countries, to break out of the Maastricht Treaty, and it will disintegrate of its own accord.

In that case, then Germany, Italy, France, and so forth, *will be forced* to return to the principle of the lender of last resort, which is their own national government, their own constitutional government. Once they agree to return to this principle, then we can talk to Russia, to China, and India, in terms of long-term trade agreements, we're talking about 25-to-50-year trade agreements, for infrastructure, all these kinds of things. And we can have a program of expansion of the economy, development, which will give us a perspective of long-term recovery.

Once we decide, under treaty agreements of that sort, that we are *going* to survive, over the coming 50 years, then we shall survive. Because we will then make the decisions and be able to make the agreements which enable us to accomplish the common aims of mankind. And that's our function on that account.

Now, there are several things that have to be dealt with to clean up the garbage which is left over from the past. Go back to FDR. Now, there are two views of what the Bretton Woods Agreement was. One view, which is little known today, is the intention of Franklin Roosevelt, and that intention was very clearly declared, repeatedly, by Franklin Roosevelt, while he was President, especially during the war: President Roosevelt's intention for the Bretton Woods system, was a breakup of the British Empire. Roosevelt was committed—as I was at the time, I was in military service at the time—he was committed to the liberation of all territories from colonial occupation or oppression; and also the elimination of what we call semi-colonialism. That was his intention.

The British, and Winston Churchill, had a fit about that. And as soon as we had breached the wall in France, in the invasion of Continental Europe, immediately, those banking interests, in London and in the United States—like the Harri-man bank, which had initially put Hitler into power in Germany, and also had put Mussolini into power in Italy—

these banks, which had created Fascism, on the continent of Europe, with the participation of certain U.S. bankers, Wall Street bankers *of the same type* which I'm fighting today, like Shultz, and Hariman, and so forth—these guys made a right turn. And the British policy was to prevent the war from being won too quickly at that point.

Therefore, the war was sabotaged. For example, you had a General Montgomery, who was probably the worst commander in World War II, who ran an operation with the First Army, which screwed everything up, and prolonged the war for at least six to seven months. Other things were done, to try to eliminate the Roosevelt perspective for the post-war world. And the issue was largely expressed *between Churchill and Roosevelt*. Roosevelt would talk to Churchill, and say, "Winston! We are not going to do this! We're not going to put up with this any more! We're going into a world without colonialism, without people being oppressed by other people. We're going to the American System, of the conception of independent, sovereign nation-states. And every people has to have the right to have a development, a self-development, of a sovereign nation-state."

Oh! Churchill wanted none of that! He was out to defend the British Empire. So, as soon as Roosevelt was safely dead, Churchill's friends—take the case of Indo-China: Indo-China had won its independence in warfare, under Ho Chi Minh. Ho Chi Minh had been cooperating with the United States in that struggle. With Roosevelt now dead, the British ordered the Japanese to come out of the prison camps where they had been held in Indo-China, to be re-armed, and to occupy the country which had just been liberated from them. And the entire history of the Indo-China War since that time, was that creation.

A similar operation was run in Indonesia. There was a very effective liberation movement in Indonesia against the Dutch imperialism. The British backed that, with armed forces, a war that went on for some time, and created the mess which we suffer still today.

Similar things were done in the split-up of India, in the Pakistan-India split—and it was a horrible scene to see, the way it occurred. This was done, by the British.

Africa was given liberation, but not liberation: They were given the title to liberation, but no power to run their countries. Similar kind of thing.

Similar efforts were made in Central and South America. So that when this Bretton Woods agreement was presented, by Franklin Roosevelt, the intention had been to use the power of the U.S. military, that is the economic power, to convert the military power into economic power, for machine tools and similar kinds of development, to assist not only war-ravaged Western Europe, but also the nations which had been colonized or semi-colonized, to be liberated and developed, by



The imperialists double-crossed leaders in Indo-China like Ho Chi Minh, who had worked with the United States during the war, for the freedom of Indo-China; thus they guaranteed a situation of chaos and war in the region. Here, French President Georges Bidault greets Ho Chi Minh in 1946, after Ho proclaimed the Republic of Vietnam (and before the French recolonized Vietnam).

converting the war-production capability of the United States to a peace-production capability, for the needs of these people. We proposed to make a world *free of imperialism* and its vestiges. That was Roosevelt's policy.

When Roosevelt died, immediately, Truman, who was an agent of the British in terms of his connections, moved to sabotage everything that Roosevelt had represented, in terms of this post-war policy of decolonization. The post-war policy of the Truman Administration was *re-colonization*. A British policy of recolonization.

FDR's Bretton Woods System Was *Anti-British*

Now, despite these changes, the United States continued on its internal economic policy, in the same direction, until the assassination of President Kennedy. And it was not just the assassination of President Kennedy that was key, it was the fact that his successor, Johnson, was terrified. And because Johnson was terrified, Johnson supported the Gulf of Tonkin Resolution, which got us into the Indo-China War.

The Indo-China War, a long war, like the Peloponnesian War, destroyed the United States, or destroyed the United States' economy, and so undermined it, that in 1971, the Bretton Woods system disintegrated under Nixon.

Now, the other view of the Bretton Woods system was that of Keynes. Keynes was at the 1944 conference of the Bretton Woods convention, and did submit a proposal. Now, people who *don't know* their history, will say that the Bretton Woods system was designed by Keynes. Not so. The Bretton Woods system was an *anti-British*, *anti-colonialist* position. What happened with the death of Roosevelt, was that Truman and Co., were able with their fascist friends in New York, like the

Harrimans and so forth—the same people who had put Hitler into power earlier—to turn it into the “Keynesian” alternative. So therefore, Roosevelt’s Bretton Woods system is made clear by his own testimony: This was an *anti-colonialist system*. The Keynesian system was a colonialist copy.

But nonetheless, despite the fact that this was merely a colonialist copy, in the United States, we maintained, internally, an economic system which was very much like the intention of Roosevelt. We maintained that up until the death of Kennedy, when things began to go bad at the time, after Kennedy had been killed. So therefore, today, when people say the “Keynesian system,” that’s a way of covering up the fact of this.

So, we maintained a protectionist economy, up through Kennedy, up through Kennedy’s Presidency, and lost it rapidly after that point, especially after 1968.

Then, in 1971, we lost our honor; we lost everything. The British took over, through George Shultz, the same George Shultz who, in the same period of time, put a fascist dictator, Pinochet, into power in South America, in Chile. The same George Shultz who owns Schwarzenegger today (whose father was a real Nazi), who ran a Nazi-aided operation in the Southern Cone of Americas during the first half of the 1970s. And has not improved his morals since that time—or Schwarzenegger’s either.

So this is what the issue is. We had a system, which is the Roosevelt Constitutional system, for decolonization of the world. Now if we look at things today, look at Asia and Africa, and the struggles in South America and Central America, you see a similar situation. The mission, the long-term mission for humanity now, if we get out of this crisis, is to fix this problem: We have large populations in Asia, most of whom are extremely poor. By their own unaided means, they could not solve the problems as they must be solved. However, with international cooperation, long-term cooperation, long-term agreements, the development of infrastructure, the development of other things needed. For example: The need for the thorium cycle of fission power, in India. India’s a very poor country. It has some people in it, who are not so poor. But 70% are desperately poor, and their condition of life is worsening. Without thorium-cycle nuclear power, India can not in practice recover from this mess.

China has a similar problem. It has certain technological progress, certain achievements, but it also has vast needs of development. This requires nuclear power; it requires cooperation in infrastructure. It requires long-term agreements. The same thing is true of all of these countries, of the world. We need these long-term agreements, which must be treaty agreements, based on a fixed-exchange-rate system, like that of Franklin Roosevelt’s design for the Bretton Woods system. That’s what’s required. And therefore, what we do is move from an act like the Homeowners and Bank Protection Act, to stabilize the U.S. economy sufficiently, to begin to move on



U.S. National Archives

Lord Keynes (right), chairman of the British delegation at the Bretton Woods meeting in 1944. Roosevelt had designed Bretton Woods as an anti-British, anti-colonialist program, but after FDR’s death, the fascist financiers who had put Hitler into power turned it into the “Keynesian” alternative. Within the United States, however, the economic system followed that of Roosevelt, until about 1968.

the other things, to give us the room to move on the other things we must move to—including *immediate* long-term agreements, starting no later than January of the coming year, with the nations I indicated: the United States, Russia, China, and India. We must have a long-term agreement, or series of treaty agreements, with those and with other nations, which govern the way we are going to develop this planet economically, for the future of humanity! For a thousand or two thousand years to come.

Defending the principle of sovereignty of a people, because a people has embedded in its culture, its language, or the use of its language, it has the deeper aspects of mentation. A people that’s denied that, and is supposed to speak an argot, moving from one country to another, and speaking some kind of a pidgin—they lack that cultural continuity of development, and the people are turned into virtual slaves, or approximations of that. So, we know that we must maintain national sovereignty, national *cultural* sovereignty among nations. And therefore, national sovereignty must be expressed in terms of cooperation among sovereigns, to develop long-term agreements on common objectives, for up to a thousand years or so to come. That’s what we require.

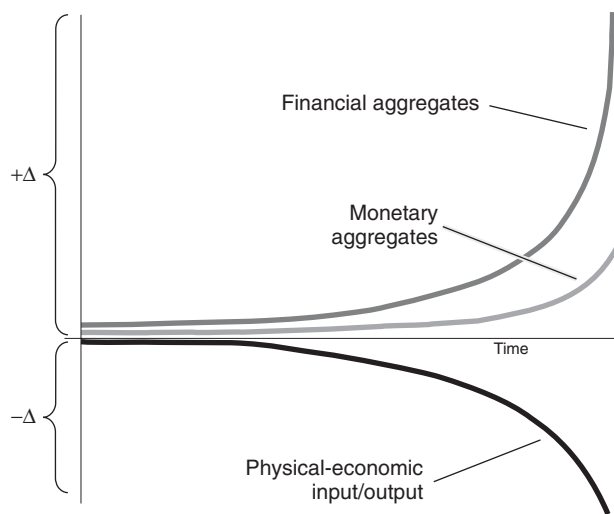
And that is what should be laid on the table of the next President of the United States, properly selected.

LaRouche’s ‘Triple Curve’

Now, let’s go to the first of these Triple Curves, to explain where I come in on this thing [Figure 1]. This was something

FIGURE 1

LaRouche's Triple Curve



The increasing decrease of the physical output coincides with an accelerating rate of monetary emission.

which I first produced, actually in the end of 1995, and published for the first time in January of 1996. It was published as a feature of my pre-Presidential election campaign that year. And what it describes is the actuality at that time, of the U.S. financial-economic situation. The three values are simply: You have the issue of money, Monetary Aggregate, issued by governments or by other means, other agencies. You have also then, the generation of Financial Assets, as distinct from just simply money assets, which are related to monetary assets. You also then must compare this with the per-capita, per-square-kilometer productive powers of labor, in *physical* terms, including infrastructure, as well as other aspects of productivity.

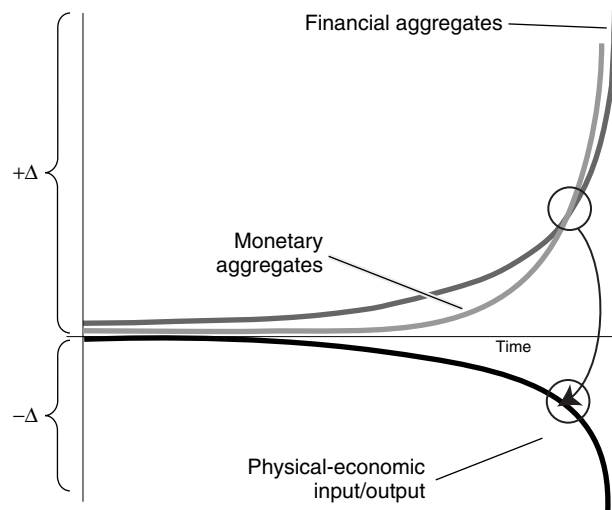
Now, what has been happening, especially at an accelerating rate, since 1971 in particular, and at an accelerated since 1987, since October of 1987, has been an *increasing decrease* of the physical output per capita of the population of the United States, per capita and per square kilometer. What has been happening at the same time, is this has been sustained, as especially under Greenspan, by an accelerating rate of monetary emission. The U.S. government, in various forms, has been extending the emission.

Now the emission has been used by a multiplier factor, which is insane, to increase the rate of financial aggregates outstanding. So now, you see an accelerating rate of financial aggregates' growth, relative to an accelerating rate of *decline* of physical production. For example: infrastructure. The New York streets, for example, under Bloomberg. The New York streets are collapsing under Bloomberg. Maybe it's an expression of their dislike for the man!

Now then, we come to a second one, a second case, which

FIGURE 2

The Collapse Reaches a Critical Point Of Instability

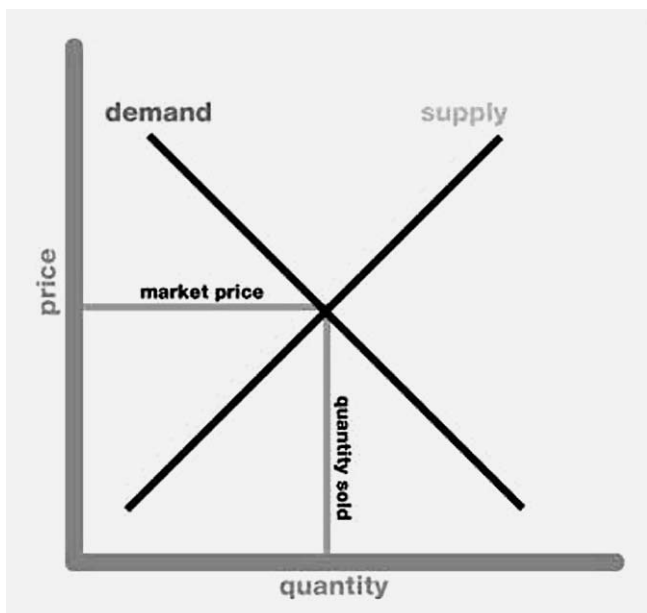


The continued collapse of physical output and the explosion of monetary and financial aggregates put the U.S. economy in a terminal collapse phase.

I published in 2000 [Figure 2]. There was a change that occurred that time, in which the United States entered into a long-term, deep, depression. This happened *before* George Bush was able to pollute the White House, that is, George Bush, Jr. But what had happened was, you had the rate of monetary aggregates, that you had to generate to sustain the financial explosion, and financial aggregates expanded. So, as a result of that, with a continued collapse of the physical output, per capita and per square kilometer, you had entered into a collapse phase of the U.S. economy, a *terminal* collapse phase. So, by the time Bush came in, as President, in January of 2001, the United States economy was already *doomed* under its existing policy. It was doomed to collapse at an accelerating rate, over the period of the decade. And it did.

That's the problem we have to fix. We have a bankrupt system, which is inherently bankrupt, in which the amount of monetary aggregate being generated to bail out, as you see the bailouts occurring today, to *bail out* an inflated, explosive mass of financial aggregate, has reached the point that it is now going to accelerate at such a rate, that the question is, whether the U.S. economy, under its present policies, *will out-live this current year*. People who think they have money, are going to find they don't have any. People who thought they had vast savings, will find out they don't have any. That's the kind of world we're living in.

And idiots out there, are saying, we're going to induce a palliative to some homeowners, we're going to "stimulate the economy." "Stimulate?" What's that mean? More monetary



Cartesian Economics 101: This diagram from theinsidetrader.com has the following text above it: "How to make money from your first ever high school economics lesson. Think back to that first simple diagram on the blackboard. If you happened to miss that class, don't worry, it really is simple. The diagram is the same as the one [shown here]."

aggregate! That's like putting more fuel in the fire, in the forest fire! The worst thing you can do. You have to go back to the Roosevelt idea, the Roosevelt conception. Put the system under bankruptcy, put it under control, and some things will have to go into negotiation, and some things will be paid; and that decision will be made on the nature of national interest and human interest, and human rights. That's our only chance.

Now, most people have a problem with this, including people who may be asking questions not too distant from now. "I don't understand it," they will say. "I don't understand what you see." "Won't it be sufficient...?"

Now, the problem we have: We have two kinds of people who are ignorant of economics: those who are honestly ignorant, and those who are inherently dishonest. And the latter outnumber the former. In other words, "How can I cheat?" This is Economics 101 today: "How Can I Cheat?" Not "How Can I Earn?" Well, we abolished earning: We shut down our factories, we stopped building our infrastructure, we shut down our farmers. We allowed Al Gore, who was reputed to have been eaten by a polar bear—which likes fat. Polar bears like fat. They see a guy walking up there, with fat, "This guy, what a fat head! He must be fat all over. We'll eat him!"

But, these kinds of ideas of sophistry, the same kind of sophistry in an extreme form, which sank ancient Greece under Pericles, the same kind that we're repeating today. This is our problem. And as a result of the popularity of sophistry: "All my friends tell me..."

The Human Mind Is Not Digital

Well, let me take one more little side issue, because it's so crucial to understand this problem, which most people don't. Let's take computer games. *Killer* computer games. What's the difference between a man and a monkey? And how does this apply to understanding computer games? Because computer games are designed on the basis of two things: First of all, they were designed to kill; they were designed to train a mass of the population, and retrain soldiers, as killers, who would shoot more often and at more people. And it worked! In order to train soldiers to kill more profusely, they invented games; they went to the computer industry to produce games, which are point-and-shoot training games. Then, late in the 1990s, when the subsidies to the computer industry were collapsing, under the previous arrangement, then, the computer industry, which otherwise would have gotten suddenly poor, went into mass production of the computer killer-game industry.

They produced this killer wave: We are on the verge of having suicide-prone mass-killers, just like you talk about in the Middle East, inside the United States. These mass-killers will be from our own youth, and they will be from youth who have been indoctrinated in playing computer games. And those who produce these games, are fully aware of this. And our study of case-histories shows that the secret of these games is, the children don't play the games. *The games play the children.*

One of my experiences earlier in life—oh, a quarter-century ago, or more; back in the 1960s, actually—was, I had been an old chess player. And I got away from it, because I got bored with the game, couldn't stand it any more. I went to all the games. I didn't win tournaments, but I was a blindfold chess player, simultaneous blindfold chess, all these kinds of tricks which I was good at, when I was younger and quicker. But then I said, "I gotta change." So, I looked at the game of "Go." And after a little too much playing the game of Go, I realized what it does to your mind—and I said, "never again!"

Now, the game of Go does not have a bad intention as such. It has a negative effect on the mind. But it does not have a bad intention. Killer games have a bad intention. And the intention which is built into the design of the games, is that you think that the person is playing the game on the Internet? Uh-uh! *The game is playing him!* And the firm that runs the game, and monitors it, is *playing him!* Or her.

So the point is, first of all, it has all the defects of Go, with all the necessary moral failures added. Kill! Kill! Game ends! Game ends! Game ends! Die!

When does game end? When the law enforcement agency or other official comes on the scene—and you stop killing the people, and kill yourself. That's exactly what happened in Virginia, exactly that.

And all the time this is happening, the companies that run the games on the Internet, are *monitoring* the games. They're

coaching the games. Controlling and manipulating the minds of the players!

You have also a similar effect on MySpace, another mass-brainwashing operation produced by the digital industry. Facebook, another one, and so on and so forth. We're seeing the development of mass terrorism potential, inside the United States, based on these games! And the effect in the United States will be comparable to what we have in Southwest Asia, as so-called terrorism. But coming from *inside* the United States, *generated, and monitored, and controlled* by computer companies that manage these games, while the poor suckers who are playing them are being managed.

We allow it.

The other aspect of this thing, which is what I refer to in this case, is that the human mind is not digital. There is no digital mathematics that can represent the processes of the human mind, as distinct from those of a monkey. The human mind is creative by virtue of functions we associate only with *analog* devices. Creativity, as expressed by a human mind, corresponds generally to an analog function. We've done some work on that.

In the case of economics—coming back to that: in economy today, what is taught as economics, is *Cartesian kinematics*, a projection, a statistical projection. There are virtually *no competent economists* engaged in long-term forecasting—none! But many *incompetent* ones! And every one is wrong. Because it does not correspond to human behavior.

Human behavior is creative. Look at yourself. Now stand next to a picture of a gorilla or a chimpanzee. Or a baboon if you prefer. And say, "what's the difference between me, and a baboon, and a gorilla, or a chimpanzee? What do I do? I can think."

"Well, prove that."

Well, what is the population-density of baboons, chimpanzees, and gorillas. How many millions per square kilometer can you have, of chimpanzees, baboons, and gorillas? Now, what is the rate of growth of world population, per capita and per square kilometer of the human species? What's the difference? The difference is discoveries, which take two forms: of scientific principle, physical scientific principles, and Classical artistic principles. And these things enable human beings to increase the potential of the human species, as no other living creature can do.

This power comes as a result of what we call creativity, which does not exist in any digital system. But the only way you can represent it, mathematically, is by analog systems. That does not cause it, but it's capable of reflecting that.

So the point today, is people are living in a digital society, whose deleterious effects are enhanced, increased, by the role of these games, and similar kinds of entertainment. Look at the attention span of a young kid, 16-to-25 years of age! What is the typical attention span? What is it, 30 seconds? 15 seconds? Strictly as a result of MySpace. Take a MySpace addict, a typical MySpace addict: What is the length of their concen-

tration span, measurable? What is the length of concentration span of a game player, on a killer game? These guys are babblers! They have *no* concentration span, whatsoever.

So we're destroying a section of a population, by destroying their minds, destroying their mental capacities, and turning them potentially into mass killers. And this is what our policy is.

It Is Time for a Global Peace of Westphalia

And this is the way we teach economics. Gore is typical of this. Gore is an exemplification of evil. Why? Because he denies the existence of creativity. For example, the case of India. He says he's for reducing carbon emissions—it doesn't mean a damned thing. He doesn't know what he's talking about! *But!* What does he mean? He's against the development of the fission process, for thorium-fission cycle. The thorium-fission cycle, using a material called thorium, which is rather abundant in India, used in proper devices, can be placed locally to provide power in locations, to improve water management and do a lot of other things. So the people of India require a very large increase of this process, set into motion. And to do this, you have to have a nuclear reaction which charges the thorium—which is not military problem at all—which thus gives the local village and so forth the ability to have a nuclear plant which provides what it can't get otherwise: freshwater.

Take for example, the Deccan in southern India: In southern India, the supplies of water have depended for long time, on drawing down fossil water! Now fossil water in southern India, in the Deccan region, means water which was put down there before the beginning of the Ice Age, 2 million years ago, the first ice age we know of. So, fossil water, which has been buried there for 2 million years, is now the recommended resource, for providing water for a village in southern India. It's crazy. With a nuclear plant, on the coast—and India has a very small area, relative to the coastline—near the coast, you can produce from seawater, you can produce freshwater in quantities, and economically, for these people. And improve the conditions of life.

So the United States government, in its infinite lack of wisdom, has tried to ban the thorium cycle from use in India, along with the British. So, the point is that humanity progresses through technological progress, and so forth.

What we represent as the American System is this: Europe has a very special kind of quality. Remember that about 19-20,000 years ago, we had great ice ages, all over the northern hemisphere, not every part of it, but a lot of it. Ice was thick, habitation was poor. The most advanced cultures were maritime cultures, people sailing in flotillas of boats, using astro-navigation, to go large distances, up to 1,000 miles or so, or 2,000 miles, across oceans, or down oceans, from one place of residence to another place of residence, as the seasons change. And we know of these things, because through the study of astronomy, we recognize that some of these astronomical cy-



India has plentiful thorium to use as nuclear fuel and become energy independent. The United States and Britain are trying to ban the thorium cycle and stop this technological progress, because thorium requires a small amount of plutonium to turn thorium into fissile uranium-233. Here, India's Kamini reactor, the first in the world designed to use thorium/U-233.

cles which are built into the calendars are of that character: that only a society which was based on astronavigation, a maritime culture, could possibly have generated these features of those calendars: 25,000 years, 50,000 years, 200,000 years. Long-range calendars for cycles.

So in this process, the Mediterranean area and its adjoining areas became developed, as a maritime culture. This happened over thousands of years, but what we know of most of it, started about 700 B.C. with the emergence of an alliance among Egypt—that is, the case of Egypt, the Etruscans, and the Ionians, against Tyre. And this process led to the development of European civilization, which had a promising start, but kept being destroyed by empires, or the development of European empires, such as those of the Romans, or the Byzantine Empire, or the empire of the Venetians of the medieval period; and the attempted modern empire.

The issue has always been, in European civilization, in particular, that the tendency has been by oligarchs, to degrade the lower 80% or more of the family-income brackets of a population to virtual animals, by denying them access to the process of developing creativity and new discoveries. This was the issue posed by Aeschylus in his great *Prometheus Trilogy* and other writings. We take the distinction of mankind from the animal, which is the creative powers of the human mind, which don't exist in any animal, which the strength of humanity lies in there, and we suppress that in large parts of populations, with various kinds of oppression—colonial and other oppression.

So we take a society which had the most advanced power in the planet, which was European society as it developed in recovery from the dark age of the middle of the 14th Century; we corrupt it by things like the Grand Inquisitor, and the emer-

gence of Liberalism, and the creation of empires based on Liberalism. And we subject the entire planet to this cruelty. And we call that, "the way things are." We call that, "common sense."

The time has come when the requirements of maintaining humanity, the technological requirements and scientific requirements are such, that humanity can no longer exist under what has been the practice of much of European civilization over the period to date. We must take what we resolved in Europe in 1648, the Peace of Westphalia, and commit ourselves to the *entirety* of the human race, to all of it: *It has the rights* which are granted to Europeans among themselves by the Peace of Westphalia.

So, that, to bring things to this close, as I presume the questions'll be pouring in shortly, is what I have to say today.

Dialogue With LaRouche

Freeman: before we get to the questions, I have a couple of announcements and greetings. When we conduct one of these webcasts, we have satellite meetings in various parts of the world, and I couldn't begin to announce all of them. But, when we have gatherings that are new to the network, I always do try to extend greetings to them. My understanding today, is that in addition to the normal gatherings that we've had on the continent of Ibero-America, today we have several gatherings in Bolivia, at the University of San Francisco de Asis; teachers and deans at the campuses of La Paz and Tupiza, which is the Tarija province, are gathering. Also, in La Paz in Cochabama. The Association of Municipalities in Cochabama is listening today, and we welcome them to today's broadcast. There is a gathering in Ecuador at the University of Manta. There is a very large gathering at the University of Sonora in Mexico, and as always, there is a gathering in Mexico City. So, I'd like to extend a welcome to all of those groups, and I will try to entertain your questions as I always do.

We also have a statement that was submitted by State Rep. Joe Almeda of Rhode Island. He is the primary sponsor of a resolution calling for immediate Congressional action on the Homeowners and Bank Protection Act in the Rhode Island House of Representatives. And he wanted to convey this statement to those who are listening:

"I support the policy proposed by Lyndon LaRouche in the Homeowners and Bank Protection Act and we're working very hard right now, to push a resolution supporting this act through the Rhode Island House of Representatives. We are expecting a vote by next week. But I'd also like to urge all other state legislatures across the country to join us in passing

similar resolutions. You do not need an economics degree to realize that LaRouche's proposal is necessary."

Lyn, I think that you answered many of these questions in the course of your presentation, but the various questioners want them answered anyway, again. And my experience with them, is that repeating doesn't hurt!

A 'Stimulation Package' or a Sex Clinic?

Before I get to those, one of the questions that came in while you were speaking, is from somebody who was previously associated with the Hamilton Group, and who now is over at the Congressional Budget Office. And he says:

"Mr. LaRouche, Hillary Clinton's economic stimulus package seems to me to be named incorrectly. I want to be clear that I happen to agree with what she's proposing. I think it's necessary. But I think that it's necessary only as a measure to address the immediate needs of the American population. I do *not* see it as stimulating the economy per se, but merely as an attempt to stabilize things.

"I'd like to know if you agree. My own view is that, given the nature of this crisis, there are two potential approaches. One is to take LBJ's approach, and I believe that Hillary's proposal actually falls into this category. The other approach is to take the kind of approach that John Kennedy took with his Moon mission. I don't know if one *can* lead to the other, and I'm wondering if you think one can lead to the other.

"The other question that I have for you is, do you think that we still have the capability to launch a JFK-style approach?"

LaRouche: Well, as I said, there is no real precedent for either the problem we face today, or for the remedies for that problem. There's no precedent in known history, for what's required now. I think, nonetheless, on the other hand, although that is true, that it is not beyond us, to discover the new approach to be taken to solve an unprecedented problem. This is not new to humanity, to do that, it just requires a mustering of the will and insight needed to do it.

The idea that we need a "stimulation package" is wrong! *That's* where the problem lies. Everybody is talking about stimulation, like this is a sex clinic, or something. This is not the problem!

The problem is the fact that stimulation is the worst thing you can do. That is, stimulation of the present system. Well, you had that, with the curve. It's being stimulated! *The rate of inflation is so-oo-arr-ring!* You want more of that?

Do you realize what the rate of inflation is now, underlying? Do you realize what it means relative to *your* income, personally? How do you match your income with the rate of stimulation? The rate of inflation? Look at the price of bread, look at the price of Al Gore! He took food out of your diet—as a carbon-control measure.

No, the point is, forget stimulation. This economy is not going to recover by stimulation. This economy will recover *only by massive surgery to remove the present kind of stimula-*

tion, and introduce an altogether different one!

What we have to do, is forget monetary stimulation. We have to have a governmental control of the creation of credit. We must have a banking system, a regular banking system, which cooperates with government, in processing that credit into places where it's needed: new firms, infrastructure, so forth. So, the *creation of credit is by government, not financial stimulation!* You have too much sexual financial stimulation going on, as it stands now!

What we have to do, is bring this thing under control, and *take down the present financial-monetary system!* Without changing some of the labels. And how do you do that? You do that by an orderly bankruptcy. What do you do with an orderly bankruptcy? You put the entity into bankruptcy. And the first thing you do, you say, "We're going to send this to the butcher shop, or revive it."

Now, in most of these cases, you can't send it to the butcher shop. Let's take the case right here: Loudoun County, nearby. I warned about this. I warned about this back in 2000, that Loudoun County was being set up to become Ground Zero for the biggest financial collapse in U.S. history. And it is in process of becoming exactly that, as I warned. What happens with bankruptcy in Loudoun County? What happens with this crazy idea of bailing out worthless real estate investment enterprises, *at the cost of banks!* It is the banks which are used by the Federal government, and other means to bring credit into areas' institutions! It is the security of these banks, which is *essential* to us, in our system of government, our system of economy. *We regulate!* We do not destroy! We destroy that which is worthless—we destroy diseases. We don't destroy financial institutions.

We don't stimulate a sick economy. We don't stimulate the sale of cocaine. We don't stimulate the spread of AIDS. We don't stimulate these things. What we do, is we concentrate on creating and supporting things which are necessary to cause the *physical* recovery of the economy.

The problem with this thinking, is people are worshippers of *money*. The Mammonites, huh? Strict worshippers of money. And money is nothing. Money, except as government makes it more than that, is either a system of usury or piracy, or it's an instrument of government, controlled by government. *Money must be controlled by government!* Principle #1. Before answering the question: Do you accept the control of money by government, in terms of its utterance and its circulation? Do you accept that? Do you accept tax rates which are selective? Which have the effect of regulating what things get treated more favorably than other things, because the tax rates are better? No more golden parachutes; lead ones. They sink deeply.

So, stimulation is not the answer. What you have to do, is *create a new monetary system, without shutting down the monetary process.* How do you do that? You take the core of this financial problem, the core is: The homeowners are losing their homes. You can not have them thrown out of their homes.

They are being thrown out, not because of any fault of their own, but the conditions imposed upon them, with the complicity of government, and with the complicity of powerful financial institutions which say, "We're more important than the people." People like Bloomberg. I mean, anybody who's got an \$11 billion income can not have done it honestly.

So therefore, what you do, is you say, "Money is, under United States law, money is the property of the U.S. government, and its regulation lies with the House of Representatives as the representative agency, and lies with the Presidency, especially the Treasury Department." That's what money is, and money has no rights to exist except on that basis, or by treaty agreements of the United States with other governments. So, anything else, you get into bankruptcy, the welfare of this population is threatened, the welfare of the nation is threatened, the economy is threatened, what do you do? Money has got to go into the woodshed, and we're going to take cord wood, and we're going to train it, get its hips back in shape. So, that's the first thing you have to understand. So, it's not stimulation vs anti-stimulation; it's reorganization. And how do you do that? What you do is you go into the key parts of the economy, starting with homeowners, communities, and banks—real banks, not the fake ones. You stabilize them under bankruptcy protection, Federal bankruptcy protection. Don't try to resettle the accounts, don't try to resolve anything; just resolve they're going to be under Federal protection.

Then you have to go from there to other measures which stimulate growth. Now, one of the first things you do, is you're going to start up things like the national automobile industry capability. We don't need more automobiles right now, we're producing enough, or we're getting the Japanese to produce them for us. But what we do need, is to revive the machine tool capability which was located within the automobile industry as a machine tool capability to build infrastructure—to build nuclear plants, to build new mass transportation systems. We don't need all these highways; we don't need people to have to travel from West Virginia into Washington at a cost of \$7 a day or more in tolls, where it's two or three hours each way to live in West Virginia where it's cheaper to live, in order to work in the Washington, D.C. area. It's *nuts*! We used to have a system where you would have local production, and therefore when people were working or living, they didn't have to travel three hours commuting. The ideal of commuting or commuting organization was 15 *minutes* each way commuting. That was considered good; at the maximum half an hour. When you go beyond half an hour or 15 minutes for commuting time, either way, to and from work or other essential functions, as a normal daily function, you are *insane*, or the government's insane.

So, therefore, what we are going to do is reorganize the society to make sure that those things that are essential are encouraged, and those things that are not essential, well, they can sit there for a while. Then we will, in a sense, have new

laws, which will be crafted, based on their impact on prices to incomes, in order to get things going so that you don't have a Bloomberg getting \$11 billion from a swindle, aspiring to become a fascist dictatorship the United States. That is *not* our policy, or should not be our policy. We don't need all these golden parachutes. We have a population that needs care; we have a world that needs care, and resources are not going to be sucked out of the blood of the masses of the people in our economy in order to enrich the few, at the expense of the people. So, therefore, that's where this problem lies, and that's where this question of stimulation takes people way out of whack. Forget stimulation—go see your sex consultant.

Infrastructure *Plus* Stimulation?

Freeman: Well, you just provoked a whole mess with that. Well, people are altering their questions.

This is a question from someone who has responsibility for one of the Congressional committees that has to deal with this. And what she says is, "Lyn, there's a lot of discussion in Congress and the Administration regarding this so-called stimulus package. Maybe it shouldn't be called a stimulus package, maybe it should be called something else. The initiatives that we're talking about include things like rebate checks, extending unemployment benefits, aid to states, help with housing problems and the devastated construction industry, and various other short-term measures. While infrastructure spending is among the initiatives under consideration, there are concerns that legislation providing additional spending through infrastructural development, would simply take too long to enter the economy. So, from *this* standpoint, do you think that 'stimulus legislation' is appropriate, and should additional investment in infrastructure be included in any stimulus package, or should it be separate?"

LaRouche: Forget stimulus! There's too much stimulus. Eleven billion dollars in the possession of Mayor Bloomberg of New York is excessive stimulus. We don't need any more of that. We want to make sure that none of that ever happens again. He is the horrible example of the year. He must never appear again, especially as a candidate.

All right now, the point here is, *forget the stimulus all together*. What you're going to do is, you're going to cut and cover. You're going to cut crap; you're going to cut golden parachutes; and you're going to put what you cut to the account of things that should have been paid. In other words, you're not in the first instance going to increase the monetary aggregate. You're going to put money into some areas, and take it away from others. And that should be very stimulating, depending upon your point of view.

So therefore, we do want a growth program, but a growth program must be based primarily on science and technology and on capital improvements in basic economic infrastructure. That's what you do. Look at what Roosevelt did, and the way he did it. That's exactly the way it worked; that's the way



EIRNS/Paul Gallagher

"Forget monetary stimulation," LaRouche said. We need government creation of credit and a banking system which cooperates with the government in putting that credit where it is needed—infrastructure. Here, the former Broening Highway GM Plant, in Dundalk, Maryland, which closed in 2005.

it should work. You will provide abundant credit, but not money, *credit*. How will you provide it? The Federal government will issue an act—let's take one of the things that Hillary has proposed recently—that should be uttered as an act of the Federal government. That act of the Federal government should then be translated into a relationship with banks.

Now, for example, take banks that are legitimate banks—not these Countrywide or similar kinds of fake banks. What we want to do is stabilize them. In other words, you want the homeowner to have the home. This may mean that homeowner pays a reduced rate, relative to the present fees, for occupation of that house, but stays there. Now, you're reducing it, but at the same time, your intention is to protect the local bank. You don't want the local bank to go into bankruptcy, because if the local banks go into bankruptcy, then the homeowners have no chance whatsoever, the businesses have no chance whatsoever, they all go down. So therefore, your interest is to stimulate the security of those banks, and this is part of the exact same operation, it's inseparable from protecting the homeowner, because the homeowner is not just a homeowner, the homeowner is a member of the community, and that community requires support, because what about its tax revenue base? So therefore, you're going to have legislation which is addressed to dealing with these problems of the tax revenue base, the security of the banking system, the private banking system, the chartered banking system, and the homeowners, all at once. You don't want people evicted, you don't want things shutting down. So, you're going to shift your policy so that some things that need stimulation of that type will get it, and other things will lose the excess stimulation they've been

enjoying all too much. That's the way you do it. And therefore, you have to have a sense of a national budget, a national operating budget, including a national investment budget. You have to make a list of the things you require.

For example, look at what's happening in Asia right now. It's a very crucial part of this thing. What you have now is, you have a train which has left Shanghai, and will end up in Hamburg. What this means is a revolutionary change in the economy of China and of Eurasia, comparable to what the United States achieved with the transcontinental railroad system during and following the Presidency of Lincoln. In other words, you are going away from a society which depends on long-range and sometimes tedious maritime trade, into internal traffic in goods—imports/exports—across land areas. In this case, it will reduce the time required from Shanghai to Hamburg, to a few days, a relatively few days, or a couple of

weeks. Whereas, the longer route would take a month or two months. So, therefore, this is an improvement in the economy of Eurasia, which means that you are actually getting more for less. When you reduce the physical cost of something that is necessary, you're getting more for less. And our object is what? Doing this through technological improvements and improvements in infrastructure.

We have a world population that is very poor. Take Africa, for example: They're very poor people. You're not going to go in there and stimulate very poor people to suddenly get all the wonderful skills they need to have a modern industry, you're not going to do it! It's not possible. What you're going to do, for example, is to go to the African farmer. You're going to go to the African farmer, who is essentially a good farmer, but the bugs and diseases kill his crop, and other things happen to him. So what do you do? You go in and you do things, through infrastructure, which enable the improvement, in the conditions of life and productivity of that farmer, to occur. Now, you have created a foundation for that farmer and his children and so forth, to improve their cultural power to exist, and that's what you do. So, you are not always necessarily looking to *spend more money*, like a gift under a Christmas tree by Santa Claus or something. What you're trying to do is increase the *efficiency* of the human race, so that the same effort by people per capita and per square kilometer, produces a higher gain, physical gain. And you're trying to eliminate things which are more costly to society than they are worth, such as the existence of Mayor Bloomberg.

So, that's the point, and that's what has to be emphasized. Forget stimulus! What's this, a sex clinic?

Don't Look for a 'Plausible' Pitch

Freeman: Lyn, the more you say that, the more these questions keep coming in....

This one is from the Hispanic Caucus on Capitol Hill. And I'm asking it because we have a number of Congressional offices, but also a number of state legislators, who are asking exactly this question:

"Mr. LaRouche, what would you think about dividing your legislation into two pieces? I think we've got the votes for a moratorium on foreclosures. What if we were to put that first, and then bring up separately the bank protection? And if we were to do it that way, how much time would we have after a moratorium on foreclosures to deal with the banks?"

LaRouche: I would say about ten seconds. By the time the effect of that hits the banks, you would begin to get an effect you don't want. See, the problem here is very simple, it's understandable: People like people, and they don't like banks. People like people more than they like loan sharks. They don't like predators who eat them. This is understandable. But don't worry about these predators; we are going to re-educate them and train them. They will now become good people; we are going to train them. The government is going to train them to become good people instead of bad people.

The point is, that the welfare of the citizens requires that the bank be stable. The welfare of the community requires that private banks, under Federal and state regulation, be stable, to provide an essential function in the communities to keep the communities functioning. Without the credit system which banks represent in the community, you can not have a circulating medium of credit needed to stabilize an economy. There is no question that what is proposed for the homeowners is, for the moment, more popular. But that's only because the homeowners don't yet know the truth of the matter. And the object is, rather than trying to pander to their ignorant views on some aspects of this thing, why not educate them and inform them of what the whole truth is? It is not against the law to educate people! It is not against the law to tell people what they need to know to survive, and they need to know what the role of banks is in their survival, or they will not survive. So, the fact that they have a prejudice against banks at this moment, does not mean that that's going to work.

See, the problem is, we're living in a sophist society. The culture is sophist. I find that I am appalled sometimes, even though I know this better than most people do. There virtually is no regard for truth in this nation. Virtually no part of this population wants to talk about the truth. I can get very nasty about that, because I can tell you some cases that people wouldn't like to have me talk about. But the point is, that people think that a *plausible appeal*, a plausible pitch which gets what you want, is what you should say. "Don't tell the truth if you don't think it has sex appeal." That's the standard of sophistry today, and therefore, most people relying on what they consider common sense or sex appeal, seek things that will destroy them. It's like the guy who went out to a prostitute and

came back with a deadly disease. He sought it, he thought it was what he wanted, and he died with it. So, don't think that what people think is popular is true, or that what is popular is what you should base yourself on.

The most important thing in politics, which very few politicians today know, is if you're going to tell the truth, you're going to make a lot more enemies than friends. But if you don't have the guts to do it, society may not survive. My job is to tell the truth, even if my own associates don't like it, because the truth is necessary. And the fact that we're in a society filled up with sophistry, where people say things on the basis of how they think it would affect the attitudes of other people. If they've got the wrong attitude, you're going to help change it.

After the HBPA: Reactivate Industry

Freeman: ... This is a question from somebody involved in a national campaign, and it's got many parts to it. I'll read you the whole thing, and then you can figure out how you want to address it.

"Mr. LaRouche, you've built what you call a firewall to protect what I assume you mean are the charter banks, into your HBPA legislation, and I have several questions regarding this. I don't understand exactly why you call it a firewall. How would it function? It won't really stop the collapse, as far as I can see. Second—and this is what I'm having the most problem with—the banks' exposure to the hedge funds and vice versa, is such that I don't understand how you could separate one from the other, and I think this is what many people are having problems with. I also look at it in terms of the implications of Bank of America's acquisition of Countrywide, which is being promoted as something that was good for Bank of America, although I don't really understand how it could be. Since your legislation does seem to address the issue of protection for the banks, why does Wall Street have such a violent reaction against it?"

"Also, finally, you've repeatedly said that the HBPA is only the first step. From the standpoint of domestic policy—I understand what you're saying about the four-power agreement—but from the standpoint of domestic policy, how would you immediately follow up on the HBPA, because obviously there's more than just the mortgage crisis that has to be addressed."

LaRouche: Well, let me take the last part of that first. The first thing that I would do, is to do what I proposed in the year 2005 and into 2006. I would say that we would create a Federal fund to reactivate what would otherwise be the permanently lost machine tool capability embodied in the U.S.-owned auto industry. I would use this, for example, for building large-scale rail systems, and nuclear power systems, and other things which are desperately needed by the population. So we shift the flow of payments away from what is a hopeless cause—bailing out these crazy banks, like mortgage banks. We're just going to cancel them. They're bankrupt,

they're honestly bankrupt, they're obviously financially bankrupt, and they have no useful function. Why should you save any of them? Why don't you declare them in bankruptcy? Is it because you don't have the guts to do so? Is it Wall Street? Wall Street is polluted. If Wall Street says something is something, don't do it! They *lie*! They always lie. At this stage, there is no honesty there. Forget Wall Street! If you want to live with Wall Street, you're going to die. Maybe not what you chose, but what you chose in fact.

Okay, so the key thing is, there are things which are urgent, which if done, will revive the economy by reviving the creative productive powers of the population, either directly, in terms of the application to production, in terms of the infrastructure which catalyzes an improvement in productivity. In this period, most people aren't worth employing, and in most cases it's not their fault. They're not worth employing because they were never trained to be useful. They were trained to do make-work, to seem to have a job, to seem to have a function, but no significant function to the benefit of the economy. It's just to keep them on maintenance, like a kindergarten. Not developing people. So therefore, our biggest factor in recovery, there are cases where we require re-industrialization, that is, employing people like skilled machine tool people, who were in of the automobile industry, as part of the machine tool sector. Employing them in projects which we need desperately as a nation, and employing as many other people as auxiliaries of their work as possible.

So, we will not put a penny into bailing out the mortgage banks, not a single penny. We will defend the charter banks, period. Nothing else. Everything else was a swindle. Why should we bail out a swindle? Just because it was not called illegal, it's still a swindle. So therefore, we will defend the banks, because we are limited in what we can defend, and we must defend the charter banks, otherwise the entire system on which the economy's functioning depends, will fall. And we have limited resources; we do not have infinite resources. And therefore, we will reserve the subsidies for the Federal government to extend long-term credit, issued through the usual procedure, including by the Federal government with the consent of the Congress, for major projects of the type that people like Felix Rohatyn and company killed, when I proposed them in 2005 and 2006. If my policies had been continued in 2005 and 2006, we would not be in the mess we are in today. Now it's later, but maybe it's not too late, and maybe we can still survive. So, let's do it, and let's stop talking about these other things. They're not worth talking about.

Hedge funds—well, we may need an expansion of the prison programs. I'm serious! Bloomberg—\$11 billion—look at it! *How the hell did he get \$11 billion?* What kind of hokum did he pull? Who'd he rob? He ought to be ashamed of himself to have that much money, considering what's happening to every street in New York. You're afraid to take one—it may be the one that collapses into a pit tomorrow. So, that's the situation.

The point here is, the charter bank is an essential institution for organizing and maintenance of the protection and recovery of the American economy, and the protection of its people. Don't start from the end run of some jerk, who says that's not going to work, so-and-so doesn't like it. Of course they don't like it! You're taking their right to steal away from them. Their right to commit suicide; you're denying that. "How cruel you are to do that." No, no need to apologize. The guy comes up to the bank, and says, "I've got a claim on your accounts here. I got this thing, you owe me this." "We got a firewall here, buddy. You get nothing. You go to the back of the line and wait. Put in your application, and when we get around to it, we'll talk to you." That's called a firewall.

What Can the States Do?

Freeman: This question is from a Maryland state legislator.

"Mr. LaRouche, I serve on the committee which is dealing with the immediate implications of the mortgage crisis, and while I do plan on signing on as a co-sponsor to the HBPA, I wonder if there isn't something we can do on the state level to mitigate the crisis, while we are pressuring Congress to act." We have so many questions like that.

LaRouche: Well, very simply, yes. See, the state level is already functioning, and the state level is the superior power of the legislative facilities of the state, to kick the Federal government in the ass. And giving it an elevating experience, that method. That is a very important function, because the consent of the people as a whole and our institutions as a whole depends upon this process. The state has to do certain things, its responsibilities, but our Constitution divides what they have to do and what they don't. What they have to do *above all*, as states, and as state government agencies, is *to represent the people to the Federal government*, and to kick the Federal government in the rear end, when necessary. And that is what they're doing. Look, don't kid yourself, and don't be afraid. I'm telling you, that what we're doing in organizing this legislation now, and particularly when it comes in as LPAC legislation—comes in as something else, it wouldn't work, because LPAC means *me*. And I'm an expert, so you're not getting some gossip from the street, who's coming in and making a wild suggestion, which may be well motivated and so forth. But I'm an expert. I'm more expert than anybody in the government right now on this question. And what I'm putting out as an LPAC proposal, is an expert proposal, and I've seen nobody able to duplicate the equivalent of that, so far. So, when people at the state level support me in this, that is a message to the Federal government. And I can tell you, the Federal government wants nothing presented to it with my name anywhere near it. Why don't they want my name appearing there? Because they're afraid of me. What good does that do? If they're not afraid of me, they're not going to do any good. That's the way it works.



EIRNS/Joanne McAndrews

Mobilizing the base for the Homeowners and Bank Protection Act: The LaRouche Youth Movement is organizing in city councils, state legislatures, and towns across the country for the HBPA.

Oil Prices: Congress Isn't Listening!

Freeman: ... I'd like to call to the microphone Ted Weill, the chairman of the Mississippi Reform Party.

Weill: I've just been bothered tremendously in the last three or four years, because I see a slight increase in gasoline prices all the time. In 1946, I paid 11 cents a gallon. Now I'm paying three dollars and a quarter a gallon. The strange thing is, that the oil under the continental United States belongs to everyone in this room. It doesn't belong to politicians, or to Bloomberg or anyone else. We should be able to do with that oil whatever we want.

Now, I know all you people know that in places like Venezuela, they're charging 9 cents a gallon for the Venezuelan people. Iraq, where we've already lost 5,000 boys, I think their price is 12 or 13 cents. My question is simply this: if the Venezuelan government can set up oil-cracking plants to make gasoline for their people, we should be able to do the same thing, and I'd just like to hear your comments on this, if you're in agreement with that, or if you're not in agreement with that. I've tried to contact congressmen. I can't get past the staff, and for some strange reason, you know. I just think this is an example of what the people can't stand in American anymore. When they have to pay, well, like I said, I used to pay 11 cents a gallon after World War II, and you can't go from 11 cents a gallon to three dollars and a quarter—now I understand, the last report I got, is that the price per barrel may jump to \$150 a barrel, and now it's \$100, and within a year it may go up to \$200 a barrel. That could kill the average American, and I don't think they should be dying.

I think we should do something about it, and the LaRouche group—I've been following them a long time, and I think we ought to have a program. You probably already have one, and we could do something about this, because I know you have young people, and that's why I like to support your organiza-

tion. These young people go out all over the country, and it's going to fall back on their shoulders anyhow what happens to this country. Not me, not you, LaRouche. You're too old. and so am I. But I think the American people should be able to do something about this, and do something about it now. And I don't know how to get to 'em. I can do it on a local basis. I put a full-page ad in the *Tylertown Times* in Mississippi, and got good response from the people in the county. I think we ought to really go out and get serious.

I've asked the Congress, where are our anti-trust laws? I got three answers back. One from

Pelosi, asking for a \$30 donation for the Democratic Party, and two of them were form letters, saying the exact same words. One was from a representative from the East Coast, one was a representative from the West Coast: "We have a longstanding understanding in the House of Representatives. Whenever we get a letter from another district outside of our district, we give it to the representative in that district." Picking, my representative, received 411 letters, because that's how many I sent to Washington, and those are the three responses I got.

Now we, as the American people, should be able to do something about this and do it now. And, I know it's gotta be a monopoly. It couldn't be anything else, because those oil companies aren't really paying anything for the oil they get out of the ground, but they've been paying a lot of our representatives and our congressmen, and a lot of other people. That's the reason I can't get in touch with 'em. Thank you.

LaRouche: It's not a physiocratic problem. The point is that, ask, "what is the price paid to Saudi Arabia for its oil per barrel," and you'll find out the truth of the matter is very simple. The truth is the price of petroleum is controlled by the British empire, not by the producers of oil, petroleum, or petroleum products, in the Gulf or anywhere else. They have a monopoly, which is controlled by the Anglo-Dutch Liberal system, which is the empire. My view is, there's only one solution to this problem: Skunk the Empire! Sink the Empire, and if somebody says they're pro-British, ask them what lunatic bin they came from, because anyone who's pro-British has to be a lunatic.

Is the HBPA Constitutional?

Freeman: Lyn, we have a dozen questions that address this particular issue. This one is from John Jeffries, the machinist in Louisville, Kentucky, but we also have it from a

couple of congressional offices, and we also have it from a Presidential campaign. The way that Jeffries poses it is as follows.

“Lyn, I recently helped get the Homeowners and Bank Protection Act to my city councilmen and my legislators, and I’ve recruited many top officials in the labor movement here in Kentucky to endorse the legislation. I’ve recently met with my congressman, John Yarmouth of Louisville, this week, and I asked him to introduce the legislation into Congress. He read the material and was extremely provoked. He said he thought it was a good piece of legislation, but he was concerned that the bill was unconstitutional. I assured him that it was not, but I said that I would relate that concern to you, and I’d like you to comment on it, since it keeps coming up.”

One of the ways that this was posed by one of the other congressional offices, and by a Presidential campaign, is they say that the question of constitutionality is a complicated one, because “there seems to be little question that the President has the power, either by the declaration of a national emergency or by Executive action, to move in this direction or to send legislation up to Capitol Hill; but the argument that keeps coming up is that such a Presidential declaration or Executive order is in fact necessary, and many of us, frankly, are reluctant to encourage such a declaration, given our current circumstances.”

LaRouche: Well, first of all, there is no constitutional issue here at all. It’s fake. What happened was some members of Congress referred the subject to the Congressional Research Office, and suddenly in the middle of all this, somebody plunked this thing, saying this is unconstitutional, on top of it. And so, therefore, whatever jerk wrote that into that particular reply to the congressman, is the source of this thing. It’s totally incompetent.

The principle involved, the constitutional principle, is in the Preamble of the Constitution. And the Constitution prescribes the protection of the general welfare. By extension, each of the states—to the extent that the Federal government has not preempted the area!—the state has the responsibility and power to act in lieu of the Federal government, if the Federal government has not yet taken that area over. What would happen is, if a state government pushes something through, then if the Federal government *then* comes in with superseding legislation, then that power of the state has been taken from the state government to the Federal government.

So, the whole argument is idiocy. It means you’ve got some worms, or, uneducated people, shall we say, inside the congressional advisory office. So, it’s crap! It’s nonsense. You can not sit back and say, after reading the Preamble of the U.S. Federal Constitution, you can not sit back and say, that in the face of a threatened disaster to the American people, that the executives of a state, or the legislative bodies of a state, can not take action in the case where the Federal government has not preempted that area of action. The guy should go back and go to school, before giving it such an opinion.

Motivation and Creativity

Freeman: This question comes from Ruby Nelson, who is a Warrensville Heights city councilwoman.

“Mr. LaRouche, I’m a city councilwoman in Ohio, who recently raised your Homeowners and Bank Protection Act at our council. There’s tremendous interest in this initiative among my colleagues. I understand that in the second portion of the bill, that you’re *not* calling for a bailout of the banks. I understand what you *are* calling for, and I agree with it. If the banks go belly up, then pensioners, state employees, and depositors will lose everything. If the HBPA passes Congress, and I certainly hope that it does, what can we look forward to? How will it work? Also, importantly, we depend on local revenue from real estate taxes and other taxes based on real estate in one form or another, to help on school and related funding. If we lower mortgage payments, this will impact those jurisdictions, and we’re going to have to deal with it.

“But second, on a broader and more profound level, I think your initiative is just terrific, and I really admire your drive. I have to ask, what is your spiritual motivation to do this? It’s like you’re David fighting Goliath. You’re working against all odds. What motivates you to wage this very challenging fight, and how can we spread it?”

LaRouche: My motives are habits I acquired a long time ago. You know, I came out of life with knowing that Euclid was a fake, from the age of 14, and knowing a number of other things were fake, because I never accepted what I knew to be fake. This got me into a lot of trouble, but it gave me a great benefit. I’m smarter than the people who gave in, because I didn’t believe what you shouldn’t believe, simply because somebody in authority said you should believe it. And also, you know, there’s a sense of immortality here, which is intrinsic to the human being who’s aware of this, and that is, we die, but since we’re human beings, we don’t completely die. The creative powers that are given to us, as human beings, continue to be efficient in their products, in their influence on society after we’re gone. And thus, there are no good “lost causes” in history. Any cause which is good, which involves creativity, will find expression in the process, by reverberation or otherwise.

I’ve seen that. I probably know more history than most people do. I live with about 3,000 years of European history, so I know this very well, and I could give you examples, but that’s a long story by itself, and I’ve already been dealing with a long story here, to begin with. So that’s essentially it.

How the HBPA Will Work

The understanding on the other part of the question is, we must save the homeowner and the bank, both. We must save the charter bank. We can not save any other bank but the charter bank. We can’t do it! It’s too complicated. But what do we do? As I said, that’s the beginning, but what do we do? We’ve got a bank down there, we’ve cleaned the thing up by putting it into bankruptcy *protection*, bankruptcy protection. Now, we

know that this is not going to be enough to get a recovery going, so what do we do? We get Federal credit, from the Federal government, and we take necessary projects, which are long-term projects, like 25-year, 50-year projects, we take these projects and we use these projects which are an increase of productive output, and that increase of value of productive output becomes the margin of stability in the community, in which you have a certain balance between banking and households, and other things in the community. It's important to create productive activity. Passing money around is not the solution! Money does not contain the solution. The credit for doing things that are necessary, which are productive, is the solution.

So therefore you need programs. For example, it's crazy in this area here, to go from West Virginia, to Washington and back, in daily commuting. This is nonsense. It's idiocy! And the people who took down the railroad that connected Washington to that Northern Virginia area, the people who failed to develop farming and industry—they took an area and made a big residential area out of it, with no income source except the income of householders who reside there, and the services they provide in the community. There's no production going on! You have an area from into West Virginia to Washington, where there's virtually no production! They are failures! The revenues of the cities, the communities in this area, is entirely family income of people who live outside the area from which they commute. We used to have farms out there. We shut them down. Farms grow food. Farms near cities growing food are very helpful to municipal areas. Why did we shut down the farms? We could have improved the farms. That area is only good for one thing—dairy farming and similar kinds of things. The only damned thing it's good for, and that's what it was being used for before some damned fools got in there and tried to do something else with it, as real estate speculation.

The whole thing is a swindle! It's been a swindle since the early 1980s. And I'm sure we can fix it. We can fix it by bringing into that area, knowing there are a number of people who are no longer going to have jobs there, our job is to figure out what is a useful kind of employment—probably infrastructure or something else—which will stimulate growth of employment in that area, to absorb that area's requirements for employment. And that's where the Federal government, with cooperation with the state government, steps in.

But the idea of passing money around, this monetarist conception, is crazy. We've got to concentrate on building up the productive powers of labor per capita. If you increase the productive powers of labor, physically, per capita, per square kilometer, you can solve all the problems in that way.

If you think that by sloshing money around, or credit around, just as passouts, you're going to solve a problem, it is crazy. It's a product of the degeneration of the culture of our people over the recent period, particularly since 1971, 1964-71. We've degenerated. And we can not hold ourselves hostage to habits which represent degeneracy. We have to say to

people, you have to give up those habits which are moral degeneracy. Give them up! We can't afford them anymore. And then you have to come in and give the alternative, more productive things, and that's the way to get ahead. You've got to give the population a sense, as they did under Roosevelt during the Depression. You have to give the people of the United States a sense that *they* are moving ahead, that *they* are part of the process of moving ahead, that *they* and their children are part of the future of the nation, in building a future for this nation. If you get that started, we can not lose. If you don't get it started, I don't think we're going to win.

What About Credit at Zero Interest?

Freeman: I'm going to take a couple of international questions, and interject them into this discussion of the situation here in the U.S. This is a question from José Villar, who is an economist for more than 29 years, who is writing to you from Spain.

"Mr. LaRouche, I'd like to say that I'm absolutely in agreement with your analysis and I understand that not only in the United States, but in all the other countries of Europe, we absolutely must adopt national emergency solutions. Given that the dollar currently has no support with relation to gold or GNP, and that they have eliminated the M3 index which identifies the quantity of money in circulation, I wonder if it's possible for a nation to issue money through a national bank without interest? I believe that this would prove a true revolution for humanity; money would only be moved within the productive economy and thus the speculative economy itself would be eliminated at its source. Is it feasible to do this, to issue money without interest? Wouldn't this after all be the best solution to force us to turn the economy back toward production and away from the speculative impetus that has brought us to this state of systemic and nearly apocalyptic collapse?"

LaRouche: Well, in general, the policy should be a recovery policy. If you recognize the level of productivity in economies today, to have a prime interest rate in excess of 1 to 2% as a general national credit standard for banking, is excessive. Anything in excess of that—We can't carry it. You have to realize, as I've put the curve here, over the recent years, especially the past ten years, that the productivity of Europe and the United States has been collapsing per capita, per square kilometer, at an accelerating rate, while money has been uttered at increasing net interest rates, in effect, for things which have no value whatsoever, except resale, resale on speculation of one thing or another. The case of Bloomberg. When Bloomberg walks away with \$11 billion from this thievery, you have to say there's something wrong with that society. Not just with Bloomberg, but something wrong with a society that lets a thing like that develop. It's like a cancerous tissue developing. You have to say, there's something wrong here. You have to remove that cancerous tissue. That's the problem here.

So therefore, I think a low interest rate and control of the

banks leads to control of credit at low prices, which do not affect and do not diminish that, and it has to be a fixed-exchange-rate system, because if you have a floating-exchange-rate system, as now, you have people finding that they were paying one rate of effective interest on something, and because of a currency depreciation or appreciation, they are now paying a different rate of interest borrowing costs than they did earlier. And you have whole sections of the world economy which are put out of business for this reason. So therefore, the regulation, Federal regulation, with international treaty cooperation, on agreements which regulate this, are necessary. If we have that kind of regulation, and that kind of international banking system, then a low interest rate, basic rate, on a nation-wide level, can be sustained, and will have exactly the kind of effect that you propose for an interest-free lending policy, because the net effect will be that the benefits will far outweigh the costs of that approach.

Barack Obama's Role

Freeman: This is a question on the Presidential campaigns, from a Presidential campaign, but it's not on policy, it's more on strategy.

"Lyn, this is a more mundane question than some that you've been asked, but it's on the minds of a lot of us, and you keep bringing up Bloomberg, so I thought I'd ask it. Barry Obama keeps presenting himself as the candidate of change, and it's also the case that many people assume that simply because he says he's black, that that also makes him progressive, and they just never learn. He hasn't said very much specific about what his actual policies would be, were he to be elected, and this is probably a conscious policy on his part. Yet, despite the fact that he hasn't said what he would do, and despite the image that he tries to convey, it is the case that he enjoys the support of Wall Street and the most conservative Democratic senators and governors that we know. My question to you is the following: Does he know what he's doing? Is he a witting player in all of this, or do you think that he's just a throw-away?"

LaRouche: I think there's some of both elements in that. He is intrinsically a throwaway: The intention of the people he might think are backing him, is to throw him away. The key political figure to look at, to understand this, is Schwarzenegger, whose father was a true Nazi—he was engaged in the Nazi police force in enforcing, killing people in Eastern Europe, and that's his tradition. And he's also nothing but a tool of Shultz, who's another fascist, the man who brought Pinochet into South America with the help of Felix Rohatyn, and who brought in some Nazis by way of Spain, veteran actual Nazis, to apply Nazi methods to the Southern Cone in the first half of the 1970s, under the Nixon administration. So, this is the kind of reality you're dealing with. Shultz is a factor.

The Chicago Board of Trade is all I could find on Obama, as a major controlling factor. He has a history, part of which he wrote himself, in books which are published and also by

one biography written by others, who did a study. And there's nothing there that gives me any confidence. Now, he may be intelligent, but he has not revealed that to me. And in my view, Bloomberg and Schwarzenegger, who are owned by Nazi types—Bloomberg fits the profile of the Mussolini who was put into power by the Bank of England, with the support of relevant people in New York City, whereas Adolf Hitler was put into power by the Bank of England, with support from Harriman, for example, in New York City, and other Manhattan bankers.

In dealing with the ownership of someone who is receiving favorable treatment from financial interests which I know are at issue, it means that either he's intended to be a stooge for them in government, or that he's simply, like other candidates, one of those they're trying to run—they're trying to run the campaign in such a way that no visible candidate receives a significant, dominant support for the nomination. In that case, then, the Democratic Party officials, as opposed to elected or designated delegates, take over. And then you get a backroom decision, which could be something like Bloomberg.

We are very seriously in danger of a fascist government being installed in the United States at this time. The governor of California is a fascist dictator, in fact, by virtue of practice. And he is supported by, principally, by George Shultz, his controller, who also has a Nazi pedigree. The policies of Bloomberg are those of Mussolini. Corporativism! He said it; his people said it, his supporters said it. Corporativism, which is a form of fascism, a name for fascism as introduced under Mussolini, which was copied by Hitler! So, Mr. Obama, before he would get one iota of blessing from me, for his candidacy, would have to satisfy me that these unfortunate indications concerning his background and influences upon him can be explained away.

The Source of Growth Is the Human Mind

Freeman: ...The next question comes from the Freshman Congressional Caucus: "Mr. LaRouche, you speak often about an FDR approach. Our view is that FDR's policy was to build our way out of the last Depression. The question to you is, can we still build our way out of this crisis, or is it just too late for that. The current situation seems so critical, that waiting for the benefits of a massive public works program to kick in, just does not seem to be sufficient to address the problem. What are your thoughts on this?"

LaRouche: Well, that's too simple a description of what I'm proposing, and what I'm pushing for. I'm not waiting for something to kick in, I'm saying we should move in, and we should do some slash and burn, of things that are too costly for us to do, and we should not continue to do. And after we slash and burn things that shouldn't be done—you know, like mass prostitution, which may denude the Congress at a certain point—that we have other things which have been postponed which are urgent.

Now, there is a secret to this; a secret well known to me. It's called human creativity, which if you can avoid computer games, you may become able to understand. Because computer games destroy your distinctly human capabilities. To put it as I said earlier, to understand it, you have to realize that if a procedure is *digital*, and you are trained by that, you are not a competent scientist, and your brains may be in danger. Whereas, if you think in ways which would be described as *analog*, you probably are on the right track.

Now, the source of growth in society is not money. The source of growth in society is the human mind. No animal, no chimpanzee, no gorilla can make an invention which would increase the potential population density of its species. Human beings do that all the time. Gorillas, and chimpanzees, and Schwarzeneggers have no creative potential. And it is through the creative potential by which the productive powers of mankind are increased, that society increases its power per capita and per square kilometer, to live, and increases the standard of living, that is, the actual effective standard of living, increases the life expectancy of populations. That's the point. It's not manipulating money; it is stimulating the development and expression of the creative productive powers of the human mind. Now, the more creative you can be—and I can give you many examples: You have the Renaissance. The increase of the productive powers of labor of the mind, during the middle of the 15th Century was one of the greatest surges in increases of productivity in the entire history of mankind. The American Revolution had several cases. The power of the United States, which was developed by crushing the slave system, is one of the greatest increases in productivity per capita and per square kilometer in the history of mankind. The increase in productivity, productive powers of labor, and wealth, per capita and per square kilometer, under conditions of depression, under Franklin Roosevelt, is one of the greatest miracles of economic productivity in all mankind.

So, the issue of success, is not an issue of accounting. Accounting is important in the sense that you don't spend money for things that are worthless and you do spend them on things you should be spending them on. That's where it ends. And you engage largely in long-term investment, and you tend toward increasingly capital-intensive investment. You tend to invest as much in basic economic infrastructure in that way, as you invest in production, otherwise. If you follow those rules, as we did under Lincoln, with the effect of the transcontinental railway system and similar kinds of things—if we do that, if we do again what Roosevelt did out



USAID/K. Burns

Africa has the largest area of agricultural production of any continent, but a low level of technological skill, LaRouche said. The solutions exist, but were never instituted because of a deliberate policy of genocide for Africa. Shown, primitive agriculture in Uganda.

of the Depression in the 1930s, we can not predict any definite rate of improvement overall in net effect, but we can say, that this is the road you have to travel. And you will travel it, by choice, because if you don't, all Hell awaits you. And simply because Hell is burning at your tail, you will go ahead and progress.

Investment, Not SIVs?

Freeman: This is a reflection of many questions that we've gotten from both inside and outside the United States. This particular question comes from Mr. Temba, who is asking you the question from Tanzania.

"Mr. LaRouche, the financial system failure may be caused by financial management system regulation or whatever, but since you are an expert on this topic, we are going to pose this question to you, since we've been unable to figure it out. Could you please explain if you would, how Structural Investment Vehicles were formed, and what their effects are to the global economy? Also, who owns these things, and what are we to do with them? Thank you." Nobody seems to know this, by the way.

LaRouche: First of all, it's a fake. It's a swindle, it's looting, and if you look at the results of the practice where this occurs, is promoted, you see that it's all looting.

As I said just before, take the case of Africa. Africa has the largest area of agricultural production of any continent. It has a population, to the extent it's not being killed by AIDS, which is talented for this purpose. But they have a very low level of technological skill otherwise. Now, what do you do? Well, what you do is what I've been proposing since I issued a proposal actually aimed at Nigeria back in the early 1980s, on the

plan of action which had been developed in that period—the Lagos Plan of Action. And it was obvious to me, that because of the low technological productivity factor in the African population in general, that if we looked at the problems that the African farmer faced—and they were largely African farmers—then you would see what had to be done. For example, look at what they produce as farmers, from inception of planting the crop and so forth. And you find out that bugs are eating them up; the bugs and diseases are eating them up. The problem is the African farmer had no local institutions, generally, which were capable of dealing with this challenge of bugs and infestations.

You would have local stations, in a place like Africa, a quasi-jungle area, tropical areas, and you would have local shelters which would help the farmers deal with problems of infestations and other kinds of things, like an agricultural advisory capability which is functional, as opposed to just commentary or advice. Then you would insure that you had methods of transportation—and remember Africa has the largest farming area of any continent—and you would try to insure that food was not destroyed in the process of being delivered to places for the people who were going to consume it. This required mass transportation systems, this required power systems, it required facilities of the type I had indicated. In that case, you would increase the net productivity of the African farmer, per capita and per square kilometer, without necessarily having to re-educate him as a farmer. You would simply give him the means to make his work more effective. And that would raise his standard of living, and once the standard of living starts to be raised, then you can go on a process of technological and other kinds of progress. That's the solution. It's still the solution today. We do not have any large-scale rail systems throughout Africa. We do not have the kinds of power facilities I have indicated. We do not have the institutions to give the kind of assistance against disease, tropical diseases and so forth, which are required. Why? Because they don't want it done.

And you go back to 1975, when Kissinger wrote a report on U.S. policy under the 1970s, and that is that the African population is already too large; it must be reduced. Let's not increase its productivity or size, because if we do so, the African population will consume too much of the raw materials which we have designated for *our* future use. So, there's a deliberate policy for Africa, of genocide. And once you understand that, and once you understand what the alternative was, and is still, and you understand what the opposition is, and where it comes from, as from London, from the London School of Race Relations, for example, which ran the Mau Mau operation in Kenya before, and is back at it in Kenya again today, the same kind of operation. And what happened to Mozambique and all these other places: Now you understand the problem. There is an element out there, an enemy of mankind, which happens to, among its other targets, choose Africa. And that's an example of this.

Freeman: We have time for a couple of more questions. I just want to remind people before I get to those questions, that as we gather here today, there are state legislatures all over the country, joined by city and county councils, who are currently considering legislation supporting the HBPA, and urging their Congressional representatives to take action on it. I know that in the state of Pennsylvania alone, I believe that as of this morning, 30 municipalities had passed HBPA endorsements. I would urge people to make sure that in their localities, the same is done. This is obviously not the total solution to the problem, but it is a critical first step, and one which our Congress has to obviously be helped along, before they take.

The Kosovo Crisis: A Dangerous Game

The next question comes from someone in the audience, if he is here, Mr. John Bosnitch. Okay, if you would step to the microphone. Mr. Bosnitch is a consultant and a former executive director of the Serbian Unity Congress.

Q: First of all, Mr. LaRouche, I'm very happy to see you're still in action, despite the decades of efforts to silence you. Having been demonized for, unfortunately or fortunately, having Serbian descent, I understand exactly what it means to try and fight for the truth, and I'm very happy that you started out by talking about this as an era of sophistry, and that you took it one step further, because the Sophists did mix a little bit of truth with the lies, and you went straight out and said that there is no truth whatsoever, no regard for the truth in this country whatsoever.

And now when you talked about the deliberate policy of genocide for Africa, that's the same thing that's being pursued now in Kosovo. There's not a single Jew living in Kosovo today. The Croatian population that was living there has been eliminated. The Turks are asking Turkey to protect them from the Albanian extremists. The hill people called Romani, are staying in their villages for fear of being executed if they leave them. And of course, the final target will be the complete elimination of the Serbs from their ancestral homeland. And we've experienced the same kind of closed doors that one of the question askers was discussing earlier. No matter what we say, no matter what issue we raise, it's, "No, Kosovo has to be independent." So, I want to ask you about this illegal effort to separate Kosovo from Serbia. It's not only an attack on statehood, but an attack on the entire Westphalian order, which you discussed earlier today. And I'd like to ask you for advice. Were you in the situation of Serbia and Russia today, what additional steps could be taken to stop this effort to destroy the entire world order through the issue of independent Kosovo?

LaRouche: Good. Well, first of all, you had Madeleine Halfbright, otherwise known as Madeleine Albright, or something, and while she was Secretary of State, she gave an address in, I believe it was New York City, in honor of the H.G. Wells Association, of which she is a member, and in which her father, who was the teacher of our present Condoleezza Rice, is also. The other key figure to look at in this connection is



NATO Photo

Asked for advice on the Kosovo crisis, LaRouche said, “My first thing is to keep [U.S. Special Envoy Richard] Holbrooke the hell out of there, and anybody like him.” We must organize forces and get agreement on a solution. “We are not going to kill each other any more.” Here, Holbrooke (left) with Gen. Wesley Clark.

Richard Holbrooke, who was a key figure in the mess which occurred in the Balkans in the earlier phase of warfare there.

Then you have to look back. You have to look back to the policy of the Hapsburg Empire and the heritage it passed on to Great Britain, and the history of this whole process, which was a cockpit. And you have to locate this in reality, which means you have to shift your focus somewhat from the point you were making, to a different point of focus, because the British set rarely fight their own wars. They get other people to fight each other, as you saw with the Seven Years’ War, and that sort of thing, or with the world wars, so-called World War I and World War II, as you saw with the effect of the conflict with the Soviet Union, which was already orchestrated in the same way. The same conflict you see orchestrated by the Sykes-Picot Treaty in Southwest Asia, which is still run by the British. The British run that place; they run whole sections of religious bodies and so forth in that region. And now again, since they’re trying to start a war with Russia, they go back to the legacy of 1912, and they start a Balkan war, again and again and again. And the Balkan war was used to trigger a war—it was done by a fellow who was dead by that time, the King of England, who organized this thing to have a war between his two nephews, Kaiser Wilhelm II, and Nicholas II. These are his nephews. To get them in war with the aid of the stupid Kaiser of Austria, who was stupid enough to play this game.

So, what you’re looking at today with Holbrooke and with the legacy of the society, which was Madeleine’s legacy, she avowed this—the H.G. Wells Society. To understand that, the simplest way to understand that is to look at two things: *The Open Conspiracy* of Wells, and also his *The Shape of Things*

To Come, including the movie called *Things To Come*. You see a kind of utopian image of a certain hellish variety, and Holbrooke is a part of that. The minute I hear the name Holbrooke connected with anything to do with the Balkans, I say the obvious: This is orchestrated.

Now, the other thing you have here, is you have two kinds of passions, largely religious passions. I mean after all, the Serb and Croat populations come from the same origins, north of what is now Czechoslovakia. They came down and on both sides of the river you have a division. The division was declared by the Roman Empire, who split the two sections. So one side is called Croat and the other side is called Serb. They come from the same exact historic background, very similar backgrounds, except that one is technically Orthodox and one is technically Western. And since that time, as with the Byzantine Empire before them, the way empires are managed is by orchestrating conflicts, and the genius of avoiding empire and avoiding these conflicts is to find ways to orchestrate the situation to prevent these conflicts from starting. Because once ignited, they are difficult to stop.

Now, my first thing is keep Holbrooke the hell out of there, and anybody like him. Because they’re out to *start* the war! Not to fight it, but to start it. And the fight because of the history of the recent Balkans wars, *will be hellish*, if it happens. Therefore, it must not happen. And therefore, there must be a determination by, I hope, our friends and some friends in the U.S. government to understand this.

We must not have a new Balkan War. We must have a solution. The solutions are going to be difficult to get, but we must organize it. We must organize forces and get agreement on it. We are *not* going to kill each other anymore! The killing has gone on and on and on. End it! Because we will not win this by war. We have to win this not by war, and convincing people they have to be human to each other. That’s the great challenge. But the problem we have, I have, is these skunks who are out there, chiefly British skunks, because the British run this. It used to be an Anglo-French extension of the Sykes-Picot [Treaty], but now it’s completely British. They run the thing, and they are out to have a war with Russia, or to get the United States to fight a war with Russia.

And also, they have a similar design on China. We have a mess in Southwest Asia, which it is possible we could bring under control, because if the Israelis would agree, we could have a peace in some of that area, and that peace could be spread because the Israelis no longer have any real interest in fighting that war because they no longer are a real asset to the United States. Therefore, a Syria-Israel agreement would not be a Syria-Israel agreement: It would be the opening of the door to a general reorganization of agreements among the nations of the region, which have had more than enough hellish war of Southwest Asia so far, largely orches-

trated from Britain and the United States.

So, this is the kind of situation, and therefore, number one, the important thing is to present the truth of this situation. And the truth of the situation is, what the *hell* interest do these people have in killing each other? None! Have they killed a lot of each other already? Yes! How did it happen? Fine. Are we going to continue it, or not? Or are we going to lay down conditions, which are *human* conditions, for the region. What we need is a regional agreement, like a Treaty of Westphalia kind of agreement, in terms of the entire region, and it should be sponsored by powers. I would hope that Russia would play a significant role in that, given the opportunity to do so.

Western Europe doesn't function right now. Doesn't function at all. There's no government in Western Europe. It's a Maastricht government. It's a Tower of Babel. There's no lender of last resort in the continent of Europe, in terms of western and central Europe. There's not a single lender of last resort. There's no state that has sovereignty in western or central Europe, continental Europe. None!

So therefore, we need that, and therefore Russia has a very crucial role, and I would hope that the United States, despite—. Remember, one thing about the United States. As bum as our President is, as bum as some of the others are, in our institutions in the United States, there is included a roster of people to which I am attached. People who are veterans of wars, or other kinds of things, who are generally patriots of the United States. Who are concerned about the country, its responsibilities and so forth, and who think about the future of the planet, as the best of us did. We care, and we have some influence. So there *are* people of influence and power in the United States, in institutions of all kinds, inside and outside the institutions of government, who are capable of understanding what has to be done, and will do it, if given the opportunity. They have been the major block against the poor lunatic President getting us into a war with Iran, so far. It's not guaranteed, but so far it's worked. So therefore, there are forces in the United States which have the sense to care about this kind of situation, in the Balkans as elsewhere, and to use our good offices, and to talk to Russia, and to talk to other countries in the region, to say, we have to have a solution that does not lead to more killing. It's our best shot.

And then, on that point, we have to lead to the question of rebuilding the area. Look, here you have all these nice rivers, these mountains and so forth. It has tremendous potential for development, agriculture and other development. Why can't the development of the region be the unifying factor of cooperation, and let a couple of generations pass of peaceful construction to sort the mess out?

Freeman: Lyn, before I pose the last question of today's event, I should tell you—we usually don't get this—that we're getting numerous thank you's, especially from some of the national institutions and Presidential campaigns, for your answers. They say that you did a great job in clarifying this for them.

'The Best of All Possible Worlds'

The last question comes from Mark Samet, who's a member of the LaRouche Youth Movement, and his question is a simple one. "Lyn, what makes ours the best of all possible worlds?"

LaRouche: Well, what we're talking about when we mean "world," you know what I mean by world, or you should. It's the universe. The universe is finite, isn't it? I've tried to make that clear. It is an unbounded finite universe in which we live, and the principles on which we operate are universal. We're not able to travel the way we might like to, to other exploding super-galaxies or things like that, if you like those kinds of spectacles. But we are part of this universe, we are part of the principle that runs it. And we have an effect on our immediate part of the universe, and on the whole.

For example, I often refer to this one case. You know, we discovered back at the end of the 1980s, that most of the cosmic ray radiation coming into that area of northern Germany, also in England and also in Denmark, through these phased-array devices, cosmic ray detection devices—we discovered that most of the cosmic ray radiation hitting the United States was coming periodically in a way which indicated it was coming from the Crab Nebula, which was a great supernova explosion back in the time when it was first observed from China. So this thing is a very complex organism out there. And it also controls our weather, much more than Al Gore could, because what happens is, the Sun is the real factor in global warming or not global warming. Nothing else. The Sun is the key factor, eh? What the Sun does, it plops up or it plops down. We're now in a period of greatly *increased* solar radiation activity recently, which is why there has been global warming. Having to do with the Sun, no other reason. And they pass suddenly, as Solar flares do.

So, in any case, we live in that kind of a universe, and therefore we should think of ourselves as universal beings, even though we are restricted to walking around on one particular planet, or even one part of it. We should think of ourselves not just as one human being in one area. We should think of ourselves as eternal people, as immortal people, because while the animal aspect of our being is subject to death, and that is not yet remedied or known to be remediable, nonetheless, what we are mentally in our creative powers, no animal has. And what we create to change the ordering of the universe, even in a finite way, is eternal. And thus, if we understand that, we have the confidence to expend our lives without tangible reward, simply by doing what we know needs to be done. And that is what makes us human, when we realize that. That what we *get* from life is not what's important. Physical satisfaction, for example, is not what's important. What's important is the fact that we have lived a good life, which will be, in some way, of benefit to those who come after us. And you have to have that kind of unselfish motive, in order to gain for yourself the most precious thing you can have: satisfaction with being yourself.