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## Economic Policy

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# Providing the Leadership the American People Will Need

by Lyndon H. LaRouche, Jr.

*The following videotaped testimony was presented by Democratic Presidential pre-candidate Lyndon LaRouche.*

We face a situation now, which is roughly comparable to the situation when President Franklin Roosevelt was running for office in 1932. Contrary to wishful delusions about the economy, this economy is finished. It can go in one of three ways: We could have had, since 1997, as I warned, a collapse of the type where the stock market collapses by 50% or more—*suddenly*—a deflationary collapse, chain-reaction collapse. But then, in October of 1998, there was a change in policy to try to avoid a financial chain-reaction collapse, by hyperinflating the world monetary and financial systems, as a way of trying to postpone, if not prevent, a coming financial collapse—that's the second financial alternative, and that's the one we face right now.

The third alternative, is that governments, including the government of the United States, the President of the United States, personally, most notably, must intervene to call a conference, an international monetary conference, to reorganize what is actually a bankrupt international financial and monetary system.

Now, in the recent period, in the most desperate period—where Larry Summers and Alan Greenspan have been attempting to postpone what they know to be, or should know to be, is an inevitable financial crash—we've entered a hyperinflationary phase, somewhat comparable to Germany in mid-1923. *When* the thing will blow out, or when it might blow out, is not yet certain; but the threat of the blowout is present and growing. And that threat is a problem we're going to have to deal with—*now*.

The alternative, as I said, is to form a new monetary conference, call a number of nations together, and put the present system into bankruptcy reorganization, and start all over again, in effect, the way we did with Roosevelt, when he was first inaugurated in 1933. We're going to have to go through that. We have been—we must admit it, we must face reality: The population of the United States, or at least those in the top 20% of income brackets, and others, have been about as crazy, or more crazy than Americans in the late 1920s or early

1930s. We had a big financial bubble then, which resulted in the stock market crash of 1929. We're headed for a bigger crash now. We had a crash, not only because the bankers were crooked, as they always have been—our Wall Street banker-types are not exactly too moral—but, because they're worse today, and there are more people, a larger percentage of the population are involved in this euphoric belief in an ever-ongoing prosperity under this so-called new form. And we're crazy. Therefore, we're going to have to go back and change our ways.

### What's Required Is a Shock, and Leadership

We're not likely to change our ways until a great shock hits. Well, I tell you, the shock is coming. So, the chance to change is now. But, you're going to have to realize, that we as a nation have been crazy. What we've been doing in financial policy, in economic policy over 30 years, has been crazy, and has been getting crazier by the decade. We're now at the limit: Either we reorganize the system, and become sensible, or we're headed for something beyond belief.

I think, that with a shock, many Americans will wake up. What's required, however, in a shock like this, is leadership, the way that Franklin Roosevelt provided leadership in 1932-1933. Without that kind of leadership, after a shock, the American people will still be crazy. People recover from these kinds of situations only when shocks bring them to their senses, number one; and number two, when they have the leadership which inspires in them, the confidence to undertake rebuilding—and that's what we need now. That should be the function of the Democratic Party's Platform formation and the Convention—admittedly, a radical change from the trends in the party leadership right now. But that change must come, otherwise, you're going to be saying, "President George Bush." And that won't be pleasant.

So, there are several areas we have to cover. One area of the Platform, primarily, is the reorganization of the monetary system. That means we're going to have to cancel all the funny-money games and go back to a strict, hard-core, hard-commodity program. That is, we're going to have to rebuild our industries, we're going to have to invest in capital goods,



Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. with supporters. “Contrary to wishful delusions about the economy,” LaRouche told the Ad Hoc Platform Hearings, “this economy is finished.”

in technology—forget this so-called “New Economy,” it’s dead, it’s already as good as dead. We’re going to have to go back to the *old* ways. We’re going to have to make a number of social changes, as well as economic changes. Among the economic changes, of course, is rebuilding our infrastructure. We’re going to have probably about 10% of the population from the upper-income brackets, along with others, who are going to be out of jobs very soon. That is, people in the top half of the top income brackets, they’re going to be losing their jobs, most of them. We’re going to have to provide mass employment. The driver for increasing the level of employment, will have to be basic economic infrastructure: water systems, power systems, transportation systems, sanitation systems.

## Education and Health Care

We’re going to have to also rebuild the physical and other infrastructure of our education system, and our health-care system, both of which are essentially breaking down. For example, reports are now, that half of the pupils reaching the eighth grade in the United States are *illiterate*. Now, that’s not a problem just of money; that’s a problem of bad teachers and bad teacher policies in the educational system. Yes, we need more money. We need more teachers. But we also have to have teachers who are committed to teaching—not what too many are doing today.

But, we have to build the infrastructural system.

We have a worse problem in health care, relatively speaking. In health care, we’re losing, and have lost, a great bit of our institutional infrastructure, particularly over the past 25 years, since the repeal of the old Hill-Burton law, and its replacement by the so-called HMO law. This change has re-

sulted in a disaster in health care. It’s not just a matter of who’s going to pay. That’s not the issue. The issue is, if you don’t have the hospitals, if you don’t have the physicians, if you don’t have the emergency clinics, if you don’t have the other *physical infrastructure*, where physicians assemble to perform various kinds of medical services, apart from their private offices, you *don’t have medical care*.

So, the main concern of the United States today, as before, in the postwar period, should be to build up our institutional capacity for delivering medical care as needed by the population, rather than anything else. If we provide the number of physicians, support the number of physicians, and so forth, who are needed, to work with these institutions, we can do as we were doing quite successfully, under the old Hill Burton system. Go back to it, but we have to rebuild much plant; we’ve lost hospitals, we’ve lost facilities.

## The Threat of Infectious Diseases

We have also, at the same time—as President Clinton has admitted and emphasized—we have a global infectious disease threat, which is hitting largely in places like Africa, but which is also a threat to the United States and its people, already. That is, the basis for this report by the CIA, which the President used to declare this emergency, is the fact that two U.S. agents, travelling in strange parts of the world, could pick up, in the course of their travel, a disease from Africa, which was previously unknown, virtually, in Europe or the United States, and arrive at their destination in the United States, or Europe, dying from this disease, like Ebola, or other kinds of new fevers.

On top of that, as the report emphasized, we have an increase, through the failure of our antibiotic program—that the antibiotic program, and health-care program, as presently administered, is actually increasing the incidence of resistant strains of old epidemic diseases like tuberculosis. Therefore, we have to have a lot of emphasis on research to develop new technologies, as well as the support system for dealing with these kinds of diseases.

We have, in addition to that, all kinds of problems: We have urban problems; we have housing problems; we have social problems and mental-health problems, which are a by-product of this situation. And therefore, we’ve got to address these things.

## The ‘New Violence’

We also have another problem that I’ve addressed recently, together with others: It’s a threat in the United States which I’ve called, “New Violence”; that is, violence is old, but the form of violence we’re undergoing now, in Europe

and the United States, is different, is a new form, not what we've experienced before. What's happened is, through the spread of military and other types of Nintendo games, such as Pokémon, our children in the highly suggestible age groups of three to eight, nine, and so forth, have been subjected to conditioning by these kinds of games. And these kinds of games produce a quasi-psychosis, where these children are doing violence to each other. Not just with guns, but look at the *kinds* of death that are proposed in Pokémon. Look at the way people are killed in the Pokémon stories. These ways are spreading.

Not only that, we have it in the police departments. From our military and police departments, we've gone to a Nintendo style of military training, of shoot-and-kill—point, shoot, and kill. As a result, we've produced people who, on instinct, can empty their weapons, rather accurately, at a bunch of targets. And we've had these cases of police shootings, violence. For example, the famous case in New York City, where several police, four in total, unloaded 41 bullets into the body of an unarmed man [Amadou Diallo], before finding out who he was. This is typical. Our military are being trained in these ways.

As a result of this kind of thing, the spread on television, through Nintendo-style games, and related methods, we have brought into the United States, as we saw at Columbine, a new kind of violence—a new motivation, new mental mechanisms for violence—into the United States. It is not guns. Remember, no gun, ever of its own volition, shot anyone. But the man who had it, did the shooting. To understand the problem of violence, don't look at weapons. Look at the mind of the individual. It is the mind of the individual that does the killing. And that's where you've got to go.

So, we have to clean this up. We have to clean up our entertainment system. Some people say this is a matter of free speech. It's not a matter of free speech. If you're taking children, putting them before a television set, every day, hour on hour, playing with these Nintendo-style games, hour on hour, they're being trained to kill on instinct. This is not a matter of free will. They're being conditioned. They're being literally *brainwashed*. People in our military are being brainwashed in similar ways. And some of our police teams are being brainwashed in similar ways. This is the kind of things that the violence is producing.

It is not only in these departments; it's in our mass media, our television, our electronic games, and similar kinds of things. If this continues, we're not going to have a society worth living in. And don't say this is a matter of free speech. This is the same thing with drugs and other things. It's not a matter of free speech and free choice. If you have a society which is afflicted with these kinds of habits, that society will destroy itself. And the decision you have to make, is whether you're going to condone our society's destroying itself. Or whether you're going to say, this kind of thing is not to be

encouraged in our country.

So, those are the kinds of problems we face.

## The 'General Welfare Clause'

Otherwise, we face a more general problem. The difference, essentially, between the stock market or financial market lunacies of the 1920s, and again today, is that people no longer believe in the principle upon which this nation was founded. You can find that principle stated in various ways. It's stated in the first three paragraphs of the Declaration of Independence. It's also stated in the Preamble of our Constitution. Sometimes it's called the "General Welfare Clause." The principle on which our government was founded, our republic was founded, the principle which we contrasted to feudal society, and similar kinds of oligarchical society, is that, the government has no authority, no moral authority, except as it is officially committed to defend the general welfare of all of the population and their posterity.

That means that the economic policies, must be policies which promote the general welfare; that means, which promote the standard of living; which promote the security; which promote the health-care system; which promote the national defense, of course; which promote good education; which promote good opportunities; which promote upgrades in the conditions of life of our citizens at work, and elsewhere. These are the primary responsibilities of government.

Now today, we've gone to a different system. It's called the John Locke system: The right of property. The argument is, that anything which makes money is good. And therefore, if we have owners of property, they have a right to their profit, they have a right to profit, even as it is being made now in the Internet area. Just pure speculation, the kind of speculation which is destroying our economy and destroying the world. So, the fact that people condone this, think this is right, think that shareholder values are primary, the corruption of the majority of the members of the Supreme Court—as Roosevelt faced back then in the 1930s—these are the problems. And as long as we as a people, believe you have to go along with public opinion, as expressed by our major news media; have to go along with the idea of shareholder value, you have to submit to that—as long as you accept that, you're bringing it on yourself. You're bringing doom on yourself just the same way that the so-called popular opinion, the *vox populi* of the pagan Roman Empire, sent the Latin Roman Empire to its doom. We're headed in that direction.

We've often made that kind of mistake in our national past. Fortunately, in our past, we have corrected that mistake—again, and again, and again. We must now correct that mistake once more. We must say that shareholder value, the kind of free trade and related policies that we've imposed upon ourselves, are lunacy and they have to stop.

What you should do is look at what the hearings were, before the Congress and elsewhere, when Roosevelt became

President, Franklin Roosevelt. Look at the investigations that were conducted against Wall Street and others at that time. Look at the laws that were passed to prevent this foolishness from continuing. Those laws helped us. They carried us through most of the years up to recent decades. In recent decades, especially since the Carter Administration, we have been destroying those very laws, which the Roosevelt era put into place to protect us from the insanity that led us into the Great Depression of the 1930s. Today, the same kind of insanity prevails. It is supported by popular opinion. It's supported by leaders of the Democratic Party and their leading candidates. It's wrong. It was wrong then, and it's wrong now. You don't go along to get along. You go along with this, and you go down.

So, to sum up, first of all, we have the worst financial crisis in modern history. We shan't survive it, unless we come to our senses. If we come to our senses, we can. We need programs to deal with it, programs which do have precedents, and we need leadership, leadership typified in the past by people like Abraham Lincoln and President Franklin Roosevelt. With that combination, we can survive. With that combination of leadership, we will fix up our infrastructure, go back to high levels of productive employment, restore our health-care systems, restore our power systems, restore our transportation systems, restore our education system, and get some good old-fashioned clean morality into our nation.

Under those conditions, we can survive. That, I think, is the gut of the platform which the Democratic Party must shape during this coming period.

## Look at LaRouche's Policies for Solutions

by Rep. Thomas Jackson

*Mr. Jackson, from Thomasville, Alabama, is the chairman of the Agriculture, Forestry, and Natural Resources Committee for the House of Representatives in the Alabama State Legislature. He is also the vice-chair of the Agriculture Committee for the National Conference of State Legislatures (NCSL).*

Thank you, Mr. Chairman. There are a couple things I'd like to say. I won't prolong the time this morning.

But we, in Alabama, we talked about the policies that the Congress should address; we need to get behind the candidate that will be more lenient to these policies. But there are problems that we're having in Alabama, and in southwest Georgia, southeast Alabama—the drought. And I brought one paper, with several headlines from last week. We were over in the

southeast, wild-grass area last week, . . . where the drought area is severe. The state newspaper said, the worst in 40 years, one headline said. And, it's not getting any better. We visited those cotton farmers, corn farmers, and peanut farmers over in that area, and they've lost every bit of their crop, to drought. And they're crying because the crop insurance policy that the Federal government has, is not helping them at all. Even the hay fields are in such deplorable conditions, that Alabama has to buy hay from Mississippi, to feed the cattle.




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**W**hat we are asking for is that we look at the New Bretton Woods conference, and we pull the issues and policies from that conference, and re-invent them, and reestablish them, give them new life, and new meaning, in this 21st century.

—Thomas Jackson

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We're in a bad situation as relates to farm and farm products.

Now, what effect is this going to have on families, consumers, when they go to the market, to buy produce? Prices are going to be sky-high, because the products never got out of the field, and that means that we're going to have to get those products from some other source, at a higher price.

Now, what we've got to do, and what we need to do, is, look at Lyndon LaRouche, running for President, and his policies, to address the issues that we are talking about here today. We've gone to Congress through the NCSL. We've lobbied Capitol Hill. We got a farm bill, but that farm bill is not anything like what we lobbied for. And when you think about what even the President has signed into law last week—it helped peanut farmers, but overall they didn't get anything that they really needed, as it relates to disaster relief.

We're in a crisis situation, and a lot of people don't realize that. In Alabama alone, agriculture is a \$5.5 billion industry. And, I think that we need to treat agriculture like we treat any other industry—give them incentives. You know, we give million-dollar incentives to bring an industry in, but we don't want to give the incentives to those industries already produc-