LaRouche Addresses Washington Event

Is There a Political Solution for the World At This Advanced Stage of Global Crisis?

Speaking by teleconference to a Washington, D.C. *EIR* seminar, and by webcast to a live international audience, former Democratic Presidential candidate Lyndon LaRouche on Nov. 14 addressed the current electoral crisis in the United States, as a unique opportunity for dealing with the stench of corruption from the entire political process of the election.

Mr. LaRouche's opening statement was published in last week's *EIR*. It can be summarized as follows:

The election-crisis which has erupted in the U.S. now, is to be regarded as a probable act of Providence, in the sense that it compels the U.S., its leading institutions and its citizens, including the institution of the Electoral College, to use that crisis itself as the occasion to re-examine the evidence of the sundry qualities of combined fraud and other wrongs against the intent of our Constitution which had brought the process of the Presidential election to that cumulative state of pervasive and systemic corruption which expressed itself in the circumstances of the Nov. 7 election-crisis.

The world at large, and the United States itself most immediately, is now haunted by the ghost which menaced Germany in January 1933. During that January, the elected next President of the U.S.A., Franklin Roosevelt, and forces, such as those centered in the Friedrich List Society of Germany, were committed, on both sides of the Atlantic, to kindred policies for dealing with the effects of the world-wide Great Depression of 1929-1933. Then, as now, the opponents of President Roosevelt's policy aimed to defend the overreaching power of those very Anglo-American financial interests which had caused that depression, by using measures of austerity based upon a savage looting of the populations, and by brutal political measures designed to destroy the peoples' means to resist such depredations. Those measures, then, were similar in form and intent, to the demagoguery contained in the recent proposals of the Bush and Gore campaigns. Such opponents of the Franklin Roosevelt legacy, echo in this form and degree the financier interests which overthrew the government of then German Chancellor von Schleicher, and brought Adolf Hitler to power.

We face today an awesomely similar threat, in the U.S. itself and world-wide. The leading forces of sanity in the world then, were typified in a most significant way by Roosevelt's occupancy of the U.S. Presidency, over the hateful objections of Wall Street-centered financier interests, and of

forces in Europe then politically allied with those same financier interests. Roosevelt and Germany's Chancellor von Schleicher were leading elements of the resistance to the support for fascists from those same international financier interests, including the Wall Street interests, which funded Hitler's rise to power at the close of January that year. A few weeks later, Roosevelt succeeded in his timely occupying of that Presidency to which he had been elected, but the financier interests associated with Britain's Montagu Norman, had already imposed the choice of Adolf Hitler on Germany. We know the hateful consequences of that Hitler takeover for the world at large.

Today, such an internal, Nazi-like threat to the U.S. itself, is represented by the overreaching, fanatical power which had been attained by that combination of the slaveholder and shareholder legacies which exert today what too often amounts to virtual control over the political decision-making processes of the leading parties. This combination's domination of powerfully funded forces controlling the recent Presidential selection-process, up to the point of the Nov. 7 election, was the agency which polluted the conduct of the electoral process, and which, in that process, thus created the vast and systemic corruption now presented to us by the unwholesome stench of the abortive Presidential election of Nov. 7th.

The Constitutional Issue

At the conclusion of his presentation, Mr. LaRouche read the following statement, which poses the Constitutional question he sees currently before the United States:

"Two constitutional questions are posed to us at this juncture. Considering the present circumstances, in which this election-crisis has erupted, does the U.S. have both the right, and the obligation, to pause now for calmed, sane, and sober reflection, during these weeks the Electoral College is being prepared: to consider, thus, the implications of that present danger to the very existence of our constitutional republic and the welfare of the world at large? Have we the national will, as well as the constitutional right, to consider thus the causes of that vast corruption which permeated the process leading into the Presidential election-crisis of Nov. 7th?

"My reading of the intent of the framers of the U.S. Constitution, and my reading of the circumstances of the choice of

Thomas Jefferson over Aaron Burr, the selection of President John Quincy Adams, and the Tilden-Hayes crisis, indicates that we have not only precisely that right, and also that solemn obligation, to the founders of our republic, to our Constitution, and to our posterity, and to the world within which we have exerted great power, to use the means which our Constitution has prepared for like contingencies, to ensure the continued existence of our republic according to that solemn, constitutional intent to promote the general welfare, that commitment to the common good, upon which the very existence of our republic was premised."

The full text of Mr. LaRouche's opening remarks, and the questions and answers from the international audience, are available on www.larouchespeaks.com and www.larouchepub.com.

Questions & Answers

In last week's issue, we published the first portion of the discussion period following Mr. LaRouche's speech to the Nov. 14 seminar. Questions were asked by many of those present, as well as by people calling in from cities around the world. We publish here the conclusion of the webcast dialogue.

Don't Vote for 'the Lesser of Two Evils'

Dr. Abdul Alim Muhammad, Minister of Health of the Nation of Islam: Greetings to you, Mr. LaRouche. I think I have two questions. In thinking about this constitutional crisis, as a result of the fraudulent elections, and due to my training as a physician, I always try to think: How could this very bad situation be even worse? And it occurs to me—and I want to get your opinion on this—that if something were to happen to President Clinton, it wouldn't be the first time that a person became President due to the assassination of the sitting President. And that would be one possible resolution of this crisis, about who becomes President, because it would put one of the current candidates in office immediately. And I just wanted to get a sense from you: Do you have any feeling about the danger that this crisis might represent, for the sitting President, Clinton?

Then the second question, is related to the constitutional process for trying to resolve this kind of a dilemma. It's my belief that the electoral process is completely fraudulent, in that the election was deliberately shipwrecked, if you will; and those that drove the ship onto the rocks, probably already contemplated the notion that the Electoral College would be called into play, to perhaps, make an independent choice for President, such as in the Hayes-Tilden situation. And I was wondering, whether or not, is there some way that we could tell the legitimacy of the Electoral College, as it is presently constituted? And, related to that, is there a particular way that you would advise, for us to try to influence the functioning of the Electoral College, so that someone other than Al Gore, someone other than George Bush, could be selected as Presi-



Dr. Abdul Alim Muhammad, Minister of Health of the Nation of Islam.

dent? Thank you.

LaRouche: I've been worried about that problem with Clinton, for many years — since 1994, in particular; one of the first things I was concerned about with him. I've done, because of my peculiar advantages and experience, I've done a number of studies of this problem of high-level assassinations, and have enjoyed the collaboration of some top-level, relevant people in the military, and others, of various countries, in the United States and abroad. So, I do know something about how these things are done. I've been the target of such assassinations several times, including by the FBI, 1973 in particular. I escaped that, so I know (we have the paperwork on that one, by the way) how that's done. It's done with deniability, but it's always done with the official agencies, and you have to worry about several in the United States. You worry about the FBI. You worry about the Wall Street crowd in general, which is called the "BAC," the British-American-Canadian crowd of financial interests and law firms, tied with the financial community in New York City.

The Kennedy assassination brought that to the fore. We don't know who assassinated Kennedy—I don't.I don't know who those three guys were! It wasn't Lee Harvey Oswald, that I know; it was some other guys. And John J. McCloy covered it up, and bulldozed the Warren Commission into creating the fake Oswald story. But I do know the *attempt to organize* the assassination of President Kennedy was organized from Canada, by the Louis Mortimer Bloomfield who was head of the relevant organization, who had been the chief adviser on the correlation between British intelligence and

62 National EIR December 1, 2000

the FBI, since 1938.

That's how things happen. I know, also, that if you want an assassination done in the United States, there is a special offshoot of the military, which is a "special warfare" offshoot, as it's called, which is used for that purpose. Now, the special warfare unit has people from many countries, who are professional killers, who can be brought in and flown in, and then shot afterward, after they've done the job, and kill almost anybody—poisoning, and everything else, is done!

So, that danger I know about; I know about it in the case of de Gaulle, because I've talked with people who had defended de Gaulle, personally, against assassination. I know what his problems were. I know about the Mattei killing in Italy. I'm familiar with the assassination of Aldo Moro in Italy, a killing that was done, partially, on the orders of Henry Kissinger personally, in the 1970s. I know it was done through a section of NATO, that did that assassination. I know how that was done; I know some of the facts about it.

And since I understand this kind of business, from that standpoint, from my investigations and my association with people who were insiders on such investigations, I have been seriously worried about the life of the President, since 1994. And I know that the danger to him was focussed, in foreign interests behind George Bush, personally—the former President—who, together with people like Richard Mellon Scaife, and some corrupt people in the Justice Department and courts, and so forth, orchestrated most of the operations against President Clinton. I know those operations are still, in a sense, live today. Yes, I'm worried! I'm worried every day, for President Clinton's life. Every day, I worry about his life, for just the reasons you indicate, and, probably, some more reasons as well, of what the implications might be, of that, eh? Lonely.

The problem we have is a cultural problem. The American people have been conditioned to accept the status of human cattle, which has been imposed on most of the people in the lower 80% of family-income brackets. Now, the problem is not the external impression imposed upon them—that's not the most serious problem. The problem is the internal impression they impose upon themselves, so that they think like human cattle. When someone says to me, "I've got to vote for the lesser evil," you say, "Buddy, you're voting for evil, right?" And in the case of these two clowns, it's a very clear case: They're both as evil as both sides think.

So, why do the American people vote for the enemy, instead of themselves? Why do they vote for Satan, rather than



The threat to the life of President Clinton comes from the British-American-Canadian crowd of financial interests and law firms, the BAC: the same people who were behind the assassination of President Kennedy. Here: Kennedy's funeral cortège, November 1963.

God? and expect Satan to do some good for them! and then, are surprised when he doesn't, after they voted for the clown.

So the problem is, that the Americans say, "Look, we've gotta be practical. Don't take on the big boys. We've got to think about our family interests, our community interests, my personal interests. We've got to make a deal, to get this little deal for us." Trade unionists do the same thing. They'll trade off their souls, to get one little promise of a favor, in a deal with some politician. And then, he turns around and double-crosses them, and they say, "We were robbed." They weren't robbed, they asked for it; they robbed themselves, by making that deal, instead of saying, "I am a citizen; I am a sovereign person; I have a mind; I have a right to know what's going on; I have a right to make an informed decision about what's good for this nation."

Will you stop thinking about yourself, and think, instead, as a President should think, what is good for the nation, what is good for our posterity, what is the good of our nation for the human race? What are we, as a nation, doing, that makes us good for the human race? That's our long-term strategic security. What are we doing for our people? Don't sit there and say, "What am I getting? How am I cheating to get a deal?" Think of what you're doing for your nation, and then your nation might do something good for you. Think of the man, elect the man, who's good for the nation; and maybe he's the man you can trust, to do something good for you when you need it. Don't try to make a backroom deal with

somebody, and then hope, that because you got a secret little deal on the inside with the slavemaster, that he's going to be good to you, the slave. Stop thinking like a slave, and think about what you're supposed to be. You're supposed to be a citizen! A citizen who's born; you're going to die; we all are born, we're all going to die. Are you gambling on the pleasure you get in between? Is that the meaning of your life? The pleasures and satisfactions you get from moment to moment, as you travel from birth to death? Or do you want your life to mean something, when you've moved on? Do you want to think that your life means something to your grandchildren, to your community, to the nation, to humanity? That you've paid your dues to humanity, passing through this life? Do you think of yourself, as God looking at you personally, and say, "What have I done for God today?"

If you think like that, you think like a citizen. You say, "I've got a mind; I can think; I can find out what's going on; I can talk to people; we can discuss these things; and I can come to a decision, about what I think is good for this nation, and is fair to people in it."

If you make that kind of decision, and *only* that kind of decision, you are a moral citizen. If you think of, "what favors I can get, or what troubles I can get personally lifted off my back, and I'm willing to sell my soul for that, (in the form of a vote)," then what do you expect you're going to get? You act like a slave, you're going to be treated as a slave.

And see, a true slave—and I saw exactly this in Virginia, looking at a place that had been a place where slaves were kept; and there was a place in the basement, where women slaves would lock themselves up every night: To be a slave, is to be a person who, in one way or another, locks themselves up every night, or every day when they go out to work. They are self-enslaved, and the master sits back and laughs at them: "Ha ha! My slaves are very good slaves; they put their own shackles on."

And that's what people do, the way they vote.

Our job, if we're serious about politics, is to confront our fellow-citizen with this fact. And hopefully, using everything we know, including Classical forms of art, where this kind of thing is taught to people, to teach them to stop being self-imposed slaves. And then they'll stop doing this nonsense. And I'm persuaded, that until we can get people to stand up on their hind legs like human beings, instead of four, and stop thinking like slaves, stop reacting to politics like slaves, and vote for their soul's position in the whole of eternity—what am I going to be, between birth and death, and what is that going to mean in the totality of it all? And you can *think* like that, and *act* like that, you can't help but tend, with all the errors you'll make, to converge on making the right kind of decision. You'll learn from experience.

The Promise of Korean Reconciliation

Correspondent from the Korean daily *Chosun Ilbo*: What do you think about President Clinton's possible visit to North Korea; and, how do you evaluate the Korean peninsu-

la's recent situation, after the summit between the North and South, last June? Thank you.

LaRouche: Well, personally, the North-South agreement, of course, I'm happy about; particularly, because I'm happy with the President of South Korea, who made a very, in a sense, courageous decision, and a correct one. The man is a noble man, and he should be honored for what he's accomplished so far, in that respect. The ending of that horrible division, and the willingness of people in both parts, to take the lead in doing it, is great. And we see, immediately, the benefits.

Now, forget the terrible things that are being done to Korea right at the moment, by the international financial authorities, including the United States. What was done to Korea was a crime. Everybody in Korea knows it. It was a crime that was done by its great partner, the United States—the conditions that were imposed in the 1999 period onward: a swindle. And everybody in Japan, who's any good, knows it too; those in China know it; other parts of Southeast Asia, ASEAN-Plus-3, know this.

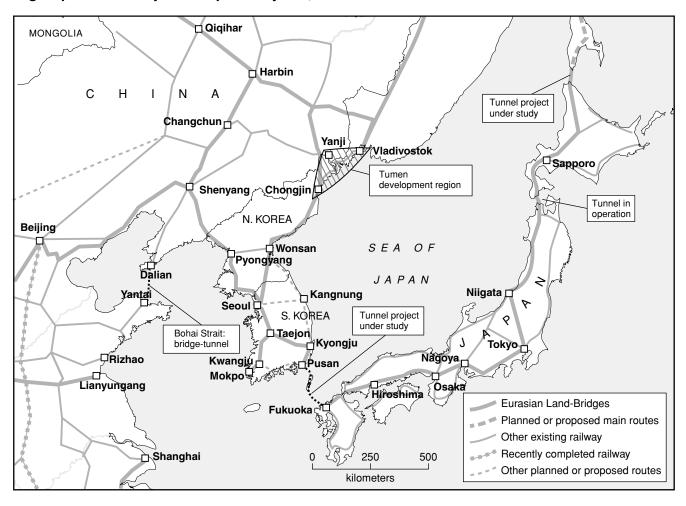
Now, there's a good side. And I think we have to concentrate on the good side, and making it work, and trying to defend as many things, that are being destroyed now, as possible, like the industries, and so forth. The good side is, that—as has already been adopted—if we start, as has already been proposed and agreed, by simply reopening those railroads, those railroad connections, and extending them as agreed, into areas such as Beijing; into areas such as the Trans-Siberian Railroad: If we take the area of Korea as a whole, China, and Russia, and you look across the sea to Japan, you have an area of China, in there, which is one of the rich potential development areas of all China; in the ideal place, with infrastructure and with transportation through the area, this area could suddenly become very rich.

This shows that the development, if you go from Japan to Pusan, through Korea, into China, into this area, into Russia, you have, as people who are involved in this recognize, we have the possibility of going from Japan directly to Rotterdam and to Brest in France, by transportation grid systems with power systems attached. We have the ability to open up all of Central Asia for a great development, in areas which are sparsely populated, with rich resources, but which are unusable because of the lack of development in that region. We have one of the greatest opportunities for improvement of the conditions of this planet as a whole, through that kind of development in that area. That is an area which includes some of the greatest concentrations of population on this planet, as with the case of China, India, the case of Southeast Asia.

This is where we have the greatest impact, on the greatest part of the human race, in the quickest way, and in the fastest way, of all. When we open up the hinterlands of Central Asia, including the remoter areas of China, the underdeveloped areas of China, for this kind of development, which the reunification of Korea strategically facilitates, we say: This is one of the great things about the 21st Century, if we could just get

64 National EIR December 1, 2000

FIGURE 1
High-Speed Rail Projects Proposed by EIR, 1996



there in decent condition!

So, I'm extremely happy about the positive side.

I'm extremely worried about the effects of the continuation of the destructive process, as we've seen in the Daewoo case, for example, just now. That should not happen! The sovereign industries of Korea, which were developed by Korea in the great reconstruction of South Korea, industries which are invaluable for the treatment of North Korean development; which are invaluable for opening up those new areas of development in China, Russia, and so forth: This must not be destroyed, this must be protected.

And I hope that very soon—you know, President Clinton, in my opinion, is not a bad guy. But when you understand what he's up against, and understand the nature of what I referred to today, from this Southern Strategy crowd, this fascist crowd which controls the politics in much of the United States, you understand what danger and pressure he lives under. I would probably be more courageous, and I would probably be considered more foolish, but I would be more

courageous on these matters. But I can not but have compassion for the situation in which he finds himself, which I probably am more sensitive to, than many other people, even people who are closer to him. And therefore, I have compassion for his mistakes, because I understand they're not simply his mistakes. They're institutionalized features of our present system of government, and party system. And my job, is to figure out, how can we change that?

So, I look at Korea that way. I'm concerned about Korea. I'm concerned for the success of its great undertaking. I'm concerned for the success of the ASEAN-Plus-3 process, that it not be sabotaged, by the IMF pressures, or other. I would like to see an end to this looting of Korea by these financial arrangements, and financial rules of the IMF and others.

But I'm very happy about the positive implications of what we can do. And what Korea can do.

Korea is extremely important. It's a country which has a mixture of cultures, a Buddhist background and a very strong Christian element. And because of that reason, Korea is one

of the perfect countries—like the Philippines, and others—to function as an interface between European culture in general, and the whole of Asian culture in general.

And that's one of the great challenges of this whole period. It's, how do we take cultures like Asia cultures, in particular, which are different, have a different origin and different history than those of European civilization; and how do we effectively have understanding and cooperation among people who have different cultural backgrounds of this type in the long span of history; bring them together, to a common purpose and common understanding?

Korea is one of those nations, whose peculiarity is that it is particularly well suited, to help act as an interface between European civilization and Asian civilization in general. It's a part of Asia; it's also a part of European civilization. The development of industry in South Korea, and so forth, is a part of that. It's an essential part of that, and it's demonstrated that principle. And therefore, Korea is, in that sense, one of the special jewels of the prospects of cooperation, between European civilization as a whole, and Asian civilization at this time. And therefore, I would defend it, especially from that standpoint, as well as its rights as a nation.

Save a Nation's Vital Industries

American trade union leader: My questions are directed in the area of the financial reserve system, and the "Plunge Protection system" that our government, I suppose, has in place today.

I found it interesting, you spoke about the Daewoo crisis in South Korea, and you felt that Daewoo should not be allowed to crumble, so to speak. And I'd like for you to, perhaps, explain the difference between your stand on that, and what it might be if, say, a bank, a major bank here in the United States, would fail. And my question about the "plunge protection"—hopefully, these questions will all interrelate—I'm wondering if they're going to further lengths than they've gone in the past, and I wonder how far they can actually go. And as far as the Federal Reserve, you claim that it should be taken into receivership. I wonder if you would feel that it should not be restored, once things would come back around, to what it is today; if it should actually become something different than it is today? Thank you.

LaRouche: Let me focus on two things that you've asked about, because the "plunge protection" system just fits into that.

First of all, just visualize what this means: a collapse of several hundred trillion dollars, of real estate and other paper in the United States, in a very short period of time. Now, you remember that one of the key things is the leveraging of mortgages; mortgage recycling through Fannie Mae, Ginny Mae, and so forth, which will then pump the banks into this kind of bubble-building in real estate. And if you look at the inflation in real estate, especially in the so-called growth areas of suburban investment in the United States, you see a real hyperinflation in real estate prices. You see people, for exam-



Hyperinflation hits: real estate ads in California's Silicon Valley, June 2000. "Now what happens when all this paper collapses?"

ple, in Silicon Valley, who can not afford to find a house to live in, even though they're getting incomes in the \$60-70,000 a year or higher brackets. They can't afford to buy a house!

You see the homeless in this country as a result of the real estate crisis. This has helped create this situation.

Now what happens when all this paper collapses? And what is the real value of houses that are priced now, many of them nothing but glorified tarpaper shacks, with Hollywood exteriors pasted on the exterior. There're really tarpaper shacks! A little bit different materials—a little chipboard, some plastic appliqué on the outside, and maybe a couple of gold-plated faucets in the toilet. But they're junk! Even a termite won't eat them, they're so bad! These things are going at \$400,000 to \$1 million mortgage, or more—or higher in the Silicon Valley area. They're junk! You put a grand piano in one of them, and the whole row of houses will go down. At \$400,000 and a million dollars a crack—whatever it is.

So, what happens on the day that half of the people employed in the upper 20% of family-income brackets, such as the Nasdaq area, are suddenly unemployed, and have no skills that are employable, available. They're out in the street, they're ejected from their homes because they couldn't meet the payments on these high-rent houses, which may run to 40% of their paycheck, or even 50% may be spent on paying rent, or the equivalent. And they're ejected from their houses, they're on the street, they have no skills which are employable at that time. And you hit the most heavily debt-ridden section of the employed population: this section, about half of them wiped out. What happens to the real estate values, then?

Now, then, what happens to the security that the banks and the mortgage companies, and so forth, hold on this real estate? What happens? What happens when shareholder values collapse in a chain reaction, because all of this mess is tied in together—the credit system, and so forth, is tied together? So, as a result of that, you're faced with the fact that

you have a hopelessly bankrupt Federal Reserve System, because the Federal Reserve System is essentially a government-chartered corporation, set up successively by Teddy Roosevelt and Woodrow Wilson, as a way of running the U.S. economy independently of the government, but with a government charter, and with some influence by government, in appointing a few people as part of the board.

When this system, when the banks of this system, the major banks—the big banks, which are now super-merged and highly vulnerable because they are super-merged—go under, one after the other, then you have to recognize that the system, as a whole, is bankrupt. That means, that Uncle Sam has to come in, in the form of the Executive Branch, with the consent of the Congress, and aid of the Congress, and put the whole shebang into bankruptcy reorganization, just like any bankruptcy on any streetcorner. The difference is, what we have to do, is, that we have to keep the banks functioning even if they're bankrupt. We may think that the stockholders' value in the bank may be worthless, it may be zero; the bank may have no net financial assets whatsoever; but the bank is still an administrative agency, by which we can maintain the flow of savings, deposits, and so forth, and business in local communities and others.

So, therefore, the Federal government will want to keep many of these banks, or most of them, functioning, for their service function, even if they're not viable as banks.

Now, in that case, what are we going to do? Where are you going to get the mechanisms of credit to keep the economy functioning?

Well, what you do, if you've frozen this debt and declared it non-interest-paying, and so forth, while you sort it out in bankruptcy; where's the source of credit? The source of credit is, to go back to the Constitution, and recognize that the only authority to print currency, and emit currency of the United States, is the Federal government, in its credit-creating authority, as Alexander Hamilton defined it. Therefore, we're forced to go to what is called national banking: The Federal government creates credit; it then utilizes both government facilities, and private service channels such as banks, to administer the flow of this credit, which is used for purchases, for employment, salaries, and so forth, of producing people, to keep the economy going, and to make it grow.

This means very large-scale government commitment to what it can do: large-scale infrastructure. We have a lot of infrastructure projects, which are government, or state, or otherwise existing. We have a vast shortage of power production. All these kinds of problems. So the Federal government will have to do what Roosevelt did, in a sense: Go to the infrastructure, increase the percentile of the total labor force employed in building essential infrastructure, including rebuilding hospitals, health care facilities, schools, things of that sort; as well as things that involve water, power, etc. This kind of thing.

So, we'll plow a great deal of credit into that. That credit, in turn, will give employment to contractors who contract to

work in these projects. So we'll have to supply the credit, so those contractors can get the materials, and get the labor needed to do their part of the job, as well as the main job on infrastructure. That would stimulate the economy. It will stimulate employment and activity in local communities. That way, the Federal government, in cooperation with the state governments, can manage the process, to ensure that communities remain stable. You say, "This community's going to collapse unless it gets something. What have we got on the decks that it's going to get, to keep it in business?" We can't have communities collapsing. We can't have pockets of mass unemployment in various parts of the country. We've got to administer this process, so we say, "Only useful work will be assigned, but we must apply this, and provide this where it's needed to maintain the economy locally, as well as to get us out of this mess."

So, in that case, you have a significant period of time ahead, in which the credit of the United States—the credit of the U.S. as a sovereign state—is the only source of net credit, by which the economy is kept functioning, and is able to grow; as it was in the case of the 1930s, and so forth, under Roosevelt. So we're going to have to do that.

This means that the Federal Reserve System, essentially, in reorganization, will cease to be the chartered Federal Reserve System; and instead, will become a national bank. That is, the Federal government will simply create it as a national bank, in the way that, essentially, Alexander Hamilton defined the way in which a national bank functions; in modern terms, but the principle is essentially the same.

At the same time, the International Monetary Fund is also bankrupt. The G-7 nations' central banking systems are all, collectively, bankrupt, because all of the leading financial institutions associated with those systems, are bankrupt. Therefore, since they are bankrupt, they can not create credit. They can't even pay their debts. Therefore, those governments will have the choice of either taking those systems over, or accepting national catastrophe, a social and human catastrophe.

Therefore, the G-7 nations no longer represent a group of central banks, who dictate the policy of the world. Instead, the governments which have taken over those central banks, now are responsible for the credit policies of the G-7 nations, and their policies change accordingly.

So, those are the circumstances under which we can operate.

Now, the Plunge Protection Committee was essentially a hyperinflationary speculative mechanism, for short-term cover-ups of the degree of bankruptcy of these banks. The Plunge Protection system is hyperinflationary in character, and it is that system itself, which, by delaying the collapse of the system, *has made it worse*. We are now in a boundary condition, where the attempt to continue the Plunge Protection system will be a self-causing blowout. It's finished.

In the case of Daewoo, the same thing applies. We have to understand, ourselves, that the productivity of the people



Treasury Secretary Alexander Hamilton. "The Federal Reserve System, essentially, in reorganization, will cease to be the chartered Federal Reserve System; and instead, will become a national bank. That is, the Federal government will simply create it as a national bank, in the way that, essentially, Alexander Hamilton defined the way in which a national bank functions."

of another nation is part of our standard of living. That is, if people in Korea can produce a product which helps the world economy to grow, through the labor of Koreans, that is good for all of us. So, we don't want to take their jobs away from them, for the sake of protecting U.S. jobs. We want to increase, and stabilize their employment, as a way of creating the basis for *increasing our own*.

What we want is—. Look, the United States has to be dedicated, over the next 25 years, to going back to being a high-technology-exporting nation. Not cheap goods; very high machine-tool type of technology. Benchmarking ends; we go back to the old system of engineering and science. We make the products the world requires in terms of high technology. We ask Europe to do the same thing; some parts of Russia have some scientific capabilities which will do the same thing.

So, therefore, nations which have a higher level of tech-

nology, on the average, must dedicate themselves to longterm assistance to nations which, on the average, do not have that level of technology. And that means a 25-year program of transfer of technology, to nations which, especially, can not afford it, through credit mechanisms.

That means that our industries must be re-geared to supply what the world as a whole needs. It used to be good business, you know: You supply what the customer needs; that was considered good business. What the world needs from the United States, from western Europe, from Japan and so forth, is the technology which China, India, Africa, Central Asia, so forth, need, to build up their own economies. And if they build up their economies, that means that by increasing the productivity per capita of the world, *you raise the standard of living of everyone*.

So therefore, Daewoo is essential, is one of the essential pegs, in Korea's role in building up the economy of Central Asia. It's an essential part. All the people of Central Asia need that product. Don't take it away from them! Keep the skilled labor, and the skills of Korea, working, for the benefit of all Asia. That will improve the total productive powers of labor in Asia, which will make the cost of living less, per capita, in the world as a whole; which will benefit us tremendously. If we do that, that will increase the market for export of U.S. high-tech goods, to all parts of the world—which should be our business. Meeting our customers' needs is always good business.

And if we think in terms of this kind of problem, that way, then we see that, we in the United States, which has thought of itself as the great power, have a vital interest in defending the best interest, the economic interests of a country which is Korea. That's the way to look at it.

Reject the Insanity of Globalization

Two members of the Mexican Congress, José Antonio Calderón Cardozo and Patricia Lorenzo Juárez, of the Alianza Social party: Mr. LaRouche, everyone is aware, these days, of the unprecedented occurrences, like the U.S. elections where no one seems to have been elected. To this, one might add other unprecedented occurrences, such as the complicity of parliamentary forces, that have traditionally been antagonistic to each other, joining together to legislate in favor of the destructive, neo-liberal, and globalist economic model. Here in Mexico, we see how lawmakers from the PRI and the PAN are readying themselves to pass laws that will de-nationalize us, and that, despite the fact that some of them just heard Pope John Paul II denounce globalism and the savagery of the market, on the occasion of the Jubilee 2000. What do you think can be done, by us, legislators from the emerging political parties, who, although we are in the minority, favor laws that would radically change the neo-liberal economic model?

LaRouche: I am very much for doing that. What I've said today, implicitly addresses that question.

Look, neo-liberal policies are dead. Or, if they're not dead,

the people who believe in them, will soon be dead. What is neo-liberal policy? Neo-liberal policy is nothing but a return to the conditions of economy and social policy, which are associated in European history, with the 14th-Century New Dark Age.

The key to the improvement in the productive powers of labor, and standard of living, which occurred in extended European civilization, from the 15th Century to the present, is absolutely unprecedented in all of human existence. This improvement is largely centered in two policies which created the modern, sovereign nation-state, instead of all previously existing forms of society. By creating the sovereign nationstate, of which the first example was France under Louis XI, and then Henry VII in England, we established governments which are based on the principle of what is called the general welfare, commonwealth, or common good. The first time in history, that governments of entire nations were constituted on the assumption of law, that no government has a legitimate right to exist, except as it is efficiently supporting the promotion of the general welfare of all the people, and their posterity. And that relations among states must be based on the agreement of sovereign states to cooperate in promotion of the general welfare among them all.

That was the principle of law. Under that principle of law, which was based on, also, the utilization and acceleration of scientific and technological progress, the improvement in the per-capita output, life expectancy, conditions of life of populations, *improved as they had never improved in all human existence*, pre-historical, and otherwise, before.

This was the unique contribution of European civilization, from the 15th-Century Renaissance, to all of humanity. We created, finally, a conception of sovereign government, under which the government could mobilize resources of credit and otherwise, to foster that kind of development, for the benefit of the improvement of the conditions of life of all, and their posterity.

That means, that you must have a protectionist policy; government must take political action to promote those kinds of endeavors, and public improvements, which contribute to this improvement in the general condition of life. This means that governments must protect and sponsor scientific and technological progress in forms which are beneficial to the population as a whole, and to the needs of the nation. This means that government must mobilize credit, over a longer period of time, to enable these things to be done. This means that government must act to protect prices, so that entrepreneurs can continue to function, and produce these fine products, which benefit all mankind; which mean you require a system based on perfectly sovereign nation-states; no to globalization—that's feudalism; no globalization—that's a return to the Roman Empire. A protectionist system of the type that Alexander Hamilton described, and others have described the American System, which protects prices; which has regulation of imports and exports; which regulates financial affairs, its internal financial affairs; which controls the external



"I assure you that Miguel Cervantes, in Don Quixote, particularly in the second part, revealed all the secrets of neo-liberalism, and revealed the confused inner state of mind of people who are sucked into it." Here: a relief statue of Don Quixote at the Spanish Museum in New York City.

flow of credit, and so forth, for that purpose. The kind of things we did from 1945 to 1965, to revive Europe and the U.S. economy from the conditions of depression and war. Those measures are essential to the survival of a nation. If we do not do that, then we are in a condition where the population of this planet—the potential population of this planet—will drop from over 5 billion, over 6 billion, at present, to less than 1 billion, in a very short period of time.

So, when you propose neo-liberalism, which is the end of those policies of the modern nation-state, what you are proposing is the greatest genocide in all human existence.

Now, some people commit genocide—they believe in the legend of the lemmings, which are supposed to go out every season and jump off cliffs, and die *en masse*. Neo-liberals are a new kind of lemming.

Now, at this point, I return to this one basic resource. First of all, as many people in Mexico would agree with me, there should be much more close attention to the writings of one of the greatest humanists in modern history, Miguel Cervantes: his *Don Quixote*. I see in the promotion of neo-liberal policies in Mexico, I assure you that Miguel Cervantes, in *Don Quixote*, particularly in the second part, revealed all the secrets

of neo-liberalism, and revealed the confused inner state of mind of people who are sucked into it. I also will say, in fairness to all my Mexican friends, that they did what they did because they had guns put to their heads, especially from the United States. And you look at the gun shoved to the head of President Fujimori of Peru, and the gun put to the head of those governments of Colombia which opposed the drug pushers, by our U.S. State Department, and "Mad Madeleine" Albright—when you see those things, you say, "Well, Mexico didn't do that exactly voluntarily. A gun shoved to their head, helped."

So therefore, if we get the gun away from the head of the Mexican—the Mexican government and the politician—and if the system that is now seen as collapsing, the so-called neoliberal system, and we in the United States and some other countries say, "An end to this," I think that our friends in Mexico will very quickly improve their perception of the problems of neo-liberalism, and might return to the kinds of thinking which were typified by my dear friend [President José López Portillo] some years ago, in 1982, those kinds of policies, before the 1982 change.

So, I'm hopeful. But we have to be fair, and honest, about this kind of thing. It's a gun to the head of the Mexican which has caused some people to say, "I'd rather be a neo-liberal, than dead."

The IMF System Is Dead

Moderator Debra Hanania Freeman: I'd like to call on Mr. Seth Ofori-Ohene, who is the former deputy secretary general of the All-Africa Student Union, the coordinating body for all national student associations in Africa.

Q: Thank you, very much. Mr. LaRouche, my first question is: America—after witnessing this election—can America continue to be the world policeman for democracy?

Second, you have called for a new Bretton Woods institution—that is, the IMF/World Bank. We all know the IMF/World Bank is operating a system that is unfair to developing countries, especially Africa, where they force a government to implement structural adjustment programs, which cause the [lowering of the] budgetary allocation on education, health, and other issues, which puts pressure on the masses. Now, with this prediction of economic crisis, or economic collapse in the United States, are you telling us that there will be an automatic breakup of the IMF/World Bank, which will create also an automatic, or new, IMF, or a new Bretton Woods institution, that will favor all nations, in a very free and fair manner?

Let me add another question. I would like to know where Africa lies under this era of globalization?

But let me correct the record—I am former Deputy Secretary General of the All-Africa Student Union.

Thank you very much.

LaRouche: Well, first of all, the creation of a New Bretton Woods, would be a sovereign act of a group of governments,



Seth Ofori-Ohene, All-Africa Student Union.

and, in practice, it would mean, of course—presumably—that the governments of the present G-7 group, or at least many among them, together with the representatives of the ASEAN-Plus-3 nation group, together with Russia, probably, and some other countries, and, hopefully, with those nations which still survive in Central and South America would typify the group of nations, which would replace the G-7. That is, the IMF would be taken over by nations which have scrapped the system. That is, the old IMF is *dead*. The post-1971 IMF and its policies and practices are *dead*. Because the IMF is *dead*. A new authority takes over the premises.

It's like making a revolution, and the revolutionaries come in, and they take over the premises, and they set up a new system. And the system would happen to be the system which President Franklin Roosevelt, in general, intended should be created — had he not died prematurely in 1945. That is, had Roosevelt lived to the end of the war, and perhaps beyond, what would have happened, is that you would have had an end to colonialism, which is still rampant in the Dutch-, Portuguese-, English-, and French-speaking areas. Those colonies have never gone away; they're there; you have governments which are called African governments, or Asian governments, and so on—but they're really not, because the financial controls are there, and I know in great ugly detail, because of my association with friends in Africa, I know exactly what's going on there, in these terms of reference. There is *not* a free government. Those that were somewhat free, have lost their freedom; they have a gun at their head; it's the gun of a British mercenary, or the gun of a U.S. merce-



President Franklin D.
Roosevelt (left) and Prime
Minister Winston Churchill
at Yalta, 1945. Had
Roosevelt lived, we would
have had an end to
colonialism—in opposition
to that hysterical
imperialist, Churchill.
Instead, colonialism still
reigns today.

nary, a former military man, operating as a mercenary, who's killing Africans, the way the President of Burundi was killed some years ago, by American *military*, who were working off the reservation, as a private capability, using people trained in Leavenworth, to shoot down that plane and kill a President, and change the politics of the entire Great Lakes region.

So these governments are not free any more. They aspire to be free; they're committed to be free, but they're not *allowed* to be free. *Colonialism reigns*. The system that Roosevelt intended to eliminate at the end of the war, exists; it rules; it's rapacious; it's murderous. It's as bad as Hitler in Africa. The conditions are *as bad* as those of Hitler, imposed upon Sub-Saharan Africa, in particular. And I know this. I have many friends who are *dying*; killed, who are from that part of the world—strictly, as a result of this operation. So, I'm not *soft* on that question.

But in this case, what we have to do, is what Roosevelt intended.

Number one, we create a new international credit system, which will operate to the benefit of all of those nations, exactly as the Europeans and the United States desired to have the IMF operate to their benefit, in the period between 1945 and 1965. And that the authority for making the rules of the system, will lie with all of the governments. Now, in point of fact, my recommendation has been: that in regions such as Central and South America—which I call Ibero-America, because it was Portugal and Spain where most of the people came from (as language-cultures), that took over, even though the Indians still live there; they're the citizens of today, in Peru and Mexico, and so forth—that's a group [of nations]

which are very closely associated; and there's been a desire for a certain economic unity among sovereign nation-states in that region of the world. There's an expressed natural desire, expressed among people in ASEAN-Plus-3, for a cooperating agency, associated with concepts like the Asian Monetary Fund, proposed by Sakakibara of Japan some years ago—that such an agency be created. There are agreements: agreements among Russia, China, and India; similar kinds of agreements which exist; so that, you would have, yes, all nations represented, but you would also effect that by having groups which are relatively powerful, because numerous. They would participate as, actually, the mediating agencies, to create the policies. So, under those conditions, you have a completely new system; and that's what we must have.

If you try to find a reform of the old system from inside, it won't work: because you can not teach a goose to become a pig. It just can't be done, I don't care how many colleges you send it to, it will not become a pig. The IMF will not become human, simply by trying to re-educate it. You have to eliminate, essentially, what it is now. Just take it out, pack it up, box it, crate it up, and ship it out someplace; and bring in a completely new crew, which is established by the mutual consent and agreement of these participating nations, operating, to a large degree, through cooperating blocs, typified by the ASEAN-Plus-3. You have the European Union bloc; the ASEAN-Plus-3 bloc; you have other, imminent potential, or actual blocs; and these nations must meet, and they must agree, under emergency conditions, for a provisional set of rules, putting the old system into bankruptcy, and *changing* the rules of the system to promote growth, and promote a

system—. A general agreement is required, for a 25-year span, of creation of credit, for large-scale projects; which mean, largely, the export of high-technology from technology-rich countries to technology-poor countries, for the long-term, 25-year development of these countries. And the credit should be made available in concept, and then we should figure out how to get the job done in particular, on a country-by-country basis.

But that's the way the system should operate. And that's what I envisage: to take what Roosevelt intended we should do, for all nations, having ended colonialism at the end of the war; to bring all nations which had been oppressed by colonial and related conditions, to bring them to a state of freedom, and to offer them the means by which to achieve economic equality.

I think of nothing more; that sums it all up, Seth.

The Potential for Russian-American Cooperation

Q: Mr. LaRouche, my name is Wladislaw George Krasnow, and I am president of Russia-America Goodwill Associates. It's an organization of patriotic American citizens, who believe that the improvement of relations with Russia ought to be one of the highest priorities of U.S. foreign policy. And I was about to ask questions, but they were preempted; they were answered already, to my satisfaction, some questions on the global issues. So, before I ask another set of questions, I would like to thank you, as a former dissident, and a defector from the former Soviet Union; I would like to thank you for the wisdom and the courage of taking a dissident view of American politics, and indeed, a dissident view of global politics.

Sir, I know that you had the courage to stick to your convictions, and you paid a very high price for that, by having gone to prison for your convictions. So, I appreciate that deeply.

So now, to my questions: As I said, I wanted to ask questions of global implications about the Bretton Woods, and about the Middle East, but they were pre-empted; so therefore, I come back to my question. First, a somewhat personal question: why didn't you run? Why didn't you go the Nader way, so to speak, and run for the Presidency of the United States, as an independent candidate? In that case, you were probably better positioned to have a chance in the Electoral College. And if, let's say, if you were President of the United States and now I come back to the interests of my organization, how to improve relations with Russia; and I think you would agree with me that we need to improve them, and you already mentioned the agreement between the German Chancellor and Russian President Putin, the long-term agreement about extraction of energy resources from Siberia. So what other steps would you take, if you were President of the United States?

And in conjunction with that, you would like, perhaps, to

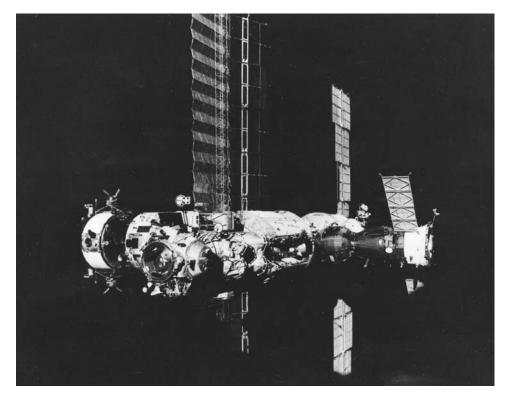


W. George Krasnow, Russia-America Goodwill Associates.

address the issue of NATO expansion, and the plans for further expansion of NATO; and also the situation in the Balkans; and the Bretton Woods in relation to Russia. What are the steps, could we, the United States, take to improve our relations with Russia? Thank you, I would appreciate it.

LaRouche: Well. I didn't run, because there was a real operation to ensure that I would not run effectively. It was legally, almost impossible to run anything useful. I was in a situation, in which I had to worry about what happens after Clinton ceases to be President. And therefore, I concentrated on—I knew this thing would be a mess; I knew from the Spring, from March-April, that this would be a mess; that there would be no clear, honorable victor in the Presidential race — none; that with the money business, the political business, the frame-ups, and so forth, that no serious candidate would be allowed to run. And you saw that, the way Bradley was pushed out, the way other things happened. No serious candidate would be allowed to run, seriously and effectively, against the Gore-Bush preselection. Gore and Bush were not elected by primaries; they were appointed to be the victors of primaries. There was no election involved; the whole thing was a hoax from the beginning.

So, I did what I did, because I thought it was the best thing to do. And, knowing the crisis would come in this period, my concern was, hopefully, to influence a number of people internationally, and also hopefully, the incumbent President Clinton, to change some of his estimates on what his capabilities might be, and to respond to a crisis in the right way. That's



Russia has vital scientific capabilities which are part of the division of scientific labor in the world as a whole, and should be utilized in the interests of world progress in the 21st Century. Here: the Mir space station, 1995.

been my specific, immediate concern.

And I decided I had to make a choice: either to run a useless campaign, as a third-party candidate (and I think Nader was not a useless candidate; I think he was a hopeless candidate, but I think he contributed a very useful role in the specific role he played, to open things up a bit; and he probably is the guy who tilted the Florida vote sufficiently, to create a problem for Al Gore, which is not, in itself, unuseful)—so I made the decision I made, because I have a capability. I could use it one way, which I thought would be ineffective, at that time, under those conditions. And I had a possibility of being effective. So I decided to be effective.

On the question of relations with Russia: There are hidden factors of which you may know, because of your experience and background. The great problem in Russia today, apart from all the ones that are more obvious, is that the Russian scientific community, which is one of the world's great ones, has been largely dissipated. And if we wait another four or five years, the possibility of renewing a Russian scientific capability, will become more or less impossible. We're in the last time that the existing, leading scientists and educators of Russia could, through the normal educational process and promotional process, generate a layer of scientists who are comparable to the layer of scientists which existed in the Russian-speaking community, say, in 1989-1992.

Now, Russia has certain capabilities, scientific capabilities, which are part of the division of scientific labor in the world as a whole. We see some reflection of this in the space cooperation, which — most people don't understand how important that space cooperation is; I think, even some people in NASA don't really know what they're doing; they may know what they're doing technically, but they don't know what their purpose is, at least from some of the programs I see; they don't know, yet, what they're doing; and the policy-makers don't know.

But in this area—also, for example: In the area of biophysics—the Russian scientific community has an invaluable contribution to make in the area of biophysics. This is, particularly, in the legacy of people like Vernadsky and Gurwitsch, and people like that. And that thing is still alive in Russia; weakened, but alive. Some extremely important work.

For example, we are now coming to the end of the possibility of relying upon the great antibiotic revolution which we enjoyed, especially, since the 1930s, with the introduction of penicillin and the other kinds of things which we use, the sulfanylamide and all the other things we've got that are sulfa drugs. We've now come to the point, that the global epidemiological potential is such, that we can no longer depend upon the kind of antibiotic programs we've relied upon, largely, to the present day. We must look at biophysics again, and make a frontier breakthrough in the approach to dealing with this kind of problem. Molecular biophysics will not work; molecular biogenetics, that will not work. It's useful in some ways, but it's much overrated,

in terms of dealing with this area. Life is much more complex than a mechanical system, and the tendency of molecular physics to deal with this thing in that way, is just not competent for this purpose.

In Russia, as well as in some other places in the world that I know, some very valuable developments are still in progress, in determining, actually, what is the difference between a living and a non-living tissue. There are qualitative differences which are not yet fully understood, though we know many of the critical things which will enable us to define that. We have to solve that; we have to crack that. There are new technologies which are still frontier technologies. We must develop these rapidly, to be able to deal, among other things, with the new strategic threat of new types of pandemic and epidemic disease, globally.

And the Russian scientific community is one of those.

Also, though, one of the great frontiers for the development of mankind, is in the Arctic tundra region of Russia, in Siberia. This region is one of the great untapped potentials of the world, in terms of all kinds of development. There are people in Russia, who still have some of the left-over knowledge and capabilities, for how to approach that area; as well as other problems of a similar nature. By opening up transportation routes across that area and others, and controlling that area, we will change the economy of the world for the better; because we can move goods better, we can do other things better; we open up new areas of natural resources, we are presently not able to have access to. And so forth and so on.

These are only some of the areas. So therefore, I think that what we have to do, is, as the United States, Japan, western Europe, as we enter new cooperation to rebuild the world technologically, it's essential that Russia be—from its scientific standpoint—an integral part of the resources, which contributes to the technology needed (scientific technology and derivative technologies) for the planet as a whole.

There are many problems: African problems, other problems all over the world, in which the Russian component—potential component, still surviving—needs to be regrown, rebuilt quickly, for the kind of essential contribution it can make to the world.

NATO is a useless object. It's used up its purpose a long time ago. In 1989-1992, there was no continued purpose for the existence of NATO. It's now a sham. It's a sham for the countries it's extending into, it's a joke, it's a military joke! What do we have it for? We don't need it. What we need,—based on what I've outlined, this 25-year partnership conception—what we need, is a strategic conception of a mission for mankind. The mission is, to bring a condition of justice throughout the planet, through sovereign nation-states, and through the technological development of the conditions of life in each of those nation-states. That's a mission.

What we must defend, is not, "Beat some enemy." We must be prepared to defend, by every means, including mili-

tary means, that mission. We must complete that mission. We have a mission in Africa. We have a mission in Asia. We must develop that mission for humanity as a whole. Whatever threatens that mission, we must cooperate to deal with, and prevent it from taking over. And therefore, we don't need NATO any more. We need what John Quincy Adams described as a community of sovereign nation-states: that we agree to cooperate, for a positive mission, for the betterment of mankind in a specific way. And if somebody tries to wreck that, by introducing globalization or some other terrible thing, we are going to combine forces to frustrate that attempt. And if they try to force that attempt on us by arms, we'll deal with it.

Our objective is not war as such; the objective of strategy is a mission, a mission for humanity. And the time we shoot, is when we have no other means to deal with the defense of that mission. But the mission is not a malignant one. It's not trying to pick out an adversary, to kill them. The mission is to defend the mission itself.

And the mission should be—finally—the human race has to grow up and become human. Sovereign nation-states must cooperate to create the conditions of life on this planet, which we consider decent for all human beings. That mission involves transfer of technology in the development of that potential. And anything that interferes with that, must be opposed, because we act to defend one thing: decent relations with the human race.

Debra Freeman announces that she will forward the remaining, numerous questions to Mr. LaRouche, for his possible further responses to them, and invites those listening on the Internet to forward further questions to LaRouche by e-mail.

LaRouche: One thing relevant to the transmission of the proceedings, so far: And that is, that I crafted this seven-point statement with much thought aforethought. I did it, essentially, two weeks ago, with foreknowledge of what this election crisis was going to be, and what the implications were. And I put a lot into it, which may become obvious to people only after reflection.

So, if the bomb explodes in the middle of your head tonight, and you realize what I really said, call up Debbie, and maybe she'll get to me, and I'll get you the answer.

Listen to LaRouche's Speech: www.larouchespeaks.com

74 National EIR December 1, 2000