

Revive the Democratic Party of FDR and JFK To Save the Nation

by Lyndon H. LaRouche, Jr.

Lyndon LaRouche, who recently announced his candidacy for the 2004 Presidential elections, gave the following address to an EIR Seminar on Jan. 3, which was webcast simultaneously. The address was entitled, "Now the Incoming President: The Third, But Not Final Report by Lyndon LaRouche on the Next Presidency."

Well, obviously, in talking about 2004, my immediate concern is not what's going to happen in the year 2004. My concern is what's going to happen *now*, and whether we shall ever *get* to 2004 as a nation, or not.

There's presently a meeting, I understand, occurring in Austin, Texas, among the party reporting to the President-elect, or putative President-elect, down there. The problem today is, that, from everything you can see, about what this team—not only Mr. Bush, but the entire team, his team—has said about policy, the incoming President promises to be the greatest catastrophe in American Presidential history, not some years down the line, but in the next weeks and months immediately ahead.

The problem which I shall outline today, and also indicate what my role in this business is, is that we are not only in the worst financial crisis in modern history, the biggest one; we're also in, globally, a potential global economic breakdown crisis—that is, something qualitatively worse than a depression. If the Bush team occupies the Presidency, and sticks to the policies which it has stated it's firmly committed to, the United States will very soon be destroyed as a nation, not years down the line, but perhaps in a very short period of time.

Why?

What you see, recently, is the collapse of one of the greatest financial swindles in modern history; it was called the Y2K swindle. Now, knowing about 1996, what they planned to do, Wall Street, typified by our dear friend Greenspan—who's about to go down like the famous Rumpelstiltskin, who disappeared, and Greenspan is going to be doubling for Rumpelstiltskin when he goes down some hole someplace, and disappears, which will be fairly soon. Because his end is nigh. Not his mortal end, but at least his identity as a leading figure of the United States.

What happened with Y2K, was that the United States government, in collaboration with Wall Street, created one of

the biggest swindles in the world, in world history. The swindle was based on the argument that, come the year Jan. 1, 2000, the danger would be that the world's computers, which were operating on the basis of a final two-digit symbol for date, year-date, would crash, when '99 became '00. And that this was the thing that could blow out the entire system.

So, what happened over these years, was, a vast amount of money was poured in, on the basis of the panic, of fear of a Y2K blowout. It was poured into software rewriting. It was poured into financing new computer systems, which otherwise would not have been bought the way they were. It was also to create a vast amount, a pool of money, of financial power, ready to stand ready on Jan. 1, 2000, to assure that the system didn't go belly-up, when the computers failed to report the accounting figures for Jan. 1, 2000, on.

Now, of course, that never happened. There never was any danger of that. The problem was being fixed in the meantime.

Y2K and the 'New Economy'

Well, what happened was, that through this swindle called the Y2K swindle, they built up a fake industry, using the image of the so-called New Economy, and Internet-related industries, to build up a vast bubble, where you saw people who were worth nothing, becoming billionaires, based on stock appreciation. And now they've gone back to being non-billionaires, because their stock went back toward zero, and they're out in the streets, saying, "I was a billionaire," and they look like a bum, and they *were* a bum, beforehand.

But these things have collapsed. The dot.com crisis. We see the Internet collapse, the Nasdaq stocks collapsing, around the world. What they did is, they fought like the devil, throughout the year 2000, to try to keep this so-called New Economy, or Y2K bubble, alive. They were determined to keep it alive until *after* the Nov. 7 general Presidential elections. Which is what they did. But the election came, and it was a bummer. Nobody was really elected, so the Supreme Court got in and decided who was elected, when nobody really knew. We still don't know.

So, at that point, the system, for various reasons, crashed. And the will to keep the system going, also crashed. Now, why?

Well, in the meantime, what had happened to the U.S.



Alan Greenspan's "New Economy" bubble has come to an end.

economy, was something similar to what happened to Germany, in the year 1923. Now, some people who are old enough to recall, or read about it, that when the French troops occupied the Rhineland, after World War I, in order to collect the so-called war reparations debt, the German government got the French troops out of Germany, by promising to pay this reparations debt. Which they tried to do, by printing money — Reichsmarks. This went on until the year 1923, when they were still printing Reichsmarks.

In the Spring and Summer, a change occurred. The amount of money that was spent to roll over the war reparations debt, by the German banking system, in printing money, was greater than the amount of the total debt. At that point, the inflation in currency exploded as price inflation in commodities, and you had the famous German hyperinflation of July through November 1923, at which point the German Reichsmark disappeared. It vanished. It exploded.

Now, during the year 2000, we came to a similar point; at which the vast amounts of money which Greenspan and company were printing, in various ways, to pump up the U.S. markets, had reached the point that the amount of money being poured in, to subsidize the U.S. debt, accumulated debt, was *greater* than the debt it was trying to roll over. And you began to see, in the course of the year 2000, a commodity-price inflation, of a type similar to what happened in Germany in 1923. You saw it in petroleum prices. You're seeing it now in the California energy crisis, of Southern California Edison, and PG&E. You're going to see it all over the country. You're going to see a blowout of entire systems, of utility systems, electrical utility systems, and others, as a result of this. You

already are seeing a hyper-inflationary process in home acquisition. That is, in some areas of the country, it costs 200-300% more than a few years ago, simply to find a place in which to put your family.

You're seeing a rise in prices on the order of magnitude of 20-30% in the commodities which people buy, that is, manufacturers buy, to produce products. So, you're seeing a general tendency toward commodity-price inflation, of the same type, in general, which you saw in Germany in 1923.

Now, that began to hit strong over the Summer of this past year, and into the Fall. The figures are there.

Despite the lies from Wall Street, despite the lies from the government, there is a hyperinflationary tendency in commodity prices, in major categories, inside the United States today.

Now, obviously, the attempt to keep pumping the system up, the way they pumped up the Y2K bubble before, was no longer tolerable. Nov. 7 had come; the election was over. They didn't want to have a financial crisis before the Presidential election, so they kept the system floating until then, and then they began to back off.

You now have an impossible situation: If Alan Greenspan the idiot, for example — and I say "idiot," because people are calling him a genius; he's not a genius, he's an idiot. He's a fool, operating according to script. And he's going to be disappearing very soon. Because he's going to come to the point, very soon, with this depression running on fast, people are going to start demanding that he drop interest rates. They're going to demand that he inflate the economy still further, after he's already hyperinflated it. And Alan Greenspan is just going to find himself in the position, where he wants to disappear. And like the famous Rumpelstiltskin of the fairy story, he's going to stamp his feet in the ground one day, and just plain disappear — for his own good.

This thing is finished; it's over.

A Global Breakdown Crisis

Now, on top of that. We have another crisis, which is a global crisis. When I talk about a breakdown crisis, I'm not exaggerating.

Over the past period, the United States, which ceased to be

a major exporter, beginning with the Carter Administration — remember, Carter shut down infrastructure. He shut down the savings and loan banks, and similar kinds of things. He destroyed the kind of industry — that is, the small, high-tech industries — on which productivity depends. Began to gut the farmers, gut the small producers, the small entrepreneurs, who were the gut of productivity, and growth of an economy. Not the big corporations. The big corporations sometimes used to produce a decent product. But they were able to produce a decent product because they relied upon vendors, largely in the machine-tool category, who produced a high-technology product, which you saw reflected in automobiles, and other parts.

These people were put out of business, by Carter, and by Volcker, and by what followed during the early 1980s.

So, the United States went from a position of being, formerly, the most successful economy in the world, over the period of Roosevelt's recovery, from 1933 to 1945, and into 1965. Despite all our mistakes, and we made a lot of them, we were still the model economy of the world in 1965. We began to destroy that, when Nixon started to revive racism in America, with his "Southern Strategy" campaign in 1966. And Carter took over, and continued the racist Southern Strategy, when he became President during the late 1970s.

Under these conditions, the traditional policies, under which the United States had become the world's model success, were torn down, step by step. Whole sections of industry, small businesses, farms, and so forth, were destroyed. Infrastructure was gutted, as you see in the shortage of electricity today. The economy was destroyed.

The Importer of Last Resort

What happened was, that, over the course of the 1980s, especially beginning 1989 and 1990, the United States became a net importer! We used to be the high-tech export leader of the world. We have become an importer. Worse, we have become the importer of last resort, for the world.

In Mexico, other parts of South America, in Asia, Japan, Korea, China, Southeast Asia, we are the importer of last resort. We are running a current account deficit, recently estimated at about \$600 billion a year. A current account deficit. A large part of that is simply our import-export deficit. We're importing most of our goods from the world, especially from the areas where cheap labor is abundant — China, and so forth. From the yen carry-trade area, from the euro carry-trade area, we have been importing. And we've been going into hock to do it.

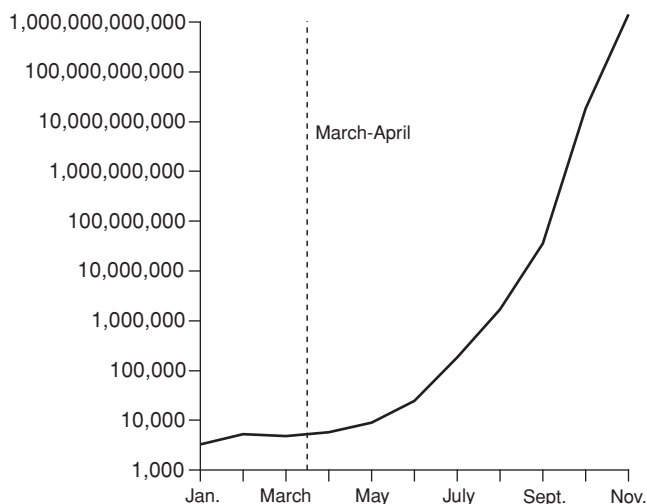
But the world has depended upon the United States — that is, China, Japan, Korea, others, have — to continue to buy our products, from them, to keep *their* economies alive.

Now, we've reached the point, with this crisis, that that's not going to happen any more. You're going to see a tragedy. It's going to occur in Mexico. Mexico will be the country the worst hit by this. There'll be a collapse in the *maquiladoras*

FIGURE 1

Weimar Hyperinflation, Wholesale Price Index (1913 = 1), March-November 1923

Logarithmic scale



and other export industry, and Mexico has become highly U.S. import-dependent — export dependent, for our imports. You're going to see it in Asia, hard crashes throughout Asia. You're going to see a hard crash of a whole section of the economy of China, as a result of this process. Because the United States can no longer *afford* to finance this flood of imports, from cheap-labor markets in other parts of the world. Which means that those parts of the world which have been counting on selling into the U.S. market, are going to face tremendous cutbacks in their export levels. Cutbacks which will throw them into a bankruptcy-deficit position.

This means that the collapse of the U.S. market, as an importer of last resort for the world, is going to set a chain reaction of collapse loose around the world as a whole.

The Speculative Bubble

Now, how did we maintain this position?

We maintained the position because it was a speculative bubble. That foreigners who had money in the United States, or had money they could invest in the United States, could get a high yield on short term, by investing in these short-term markets, such as the Internet market. Therefore, they kept their money parked in the United States, and moving into the United States, thus pumping up the U.S. financial bubble.

The fictitious profits generated by this speculation, inside the United States, were keeping the United States going. And as long as this bubble continued, the United States thought it could continue to support this level of imports, as the importer of last resort. Other nations of the world continued this policy,

and supported the United States, not because they liked what we're doing, but because they wanted to export their products to us! We were the importer of last resort. Other nations, the euro bloc, the euro carry-trade bloc, the yen carry-trade bloc, others, supported the United States for fear, that, if they didn't, their exports would collapse, because the U.S., as the importer of last resort, would collapse.

What's happened now, is that since the collapse which has occurred at the year-end, and is occurring this week, because of this collapse, this means that that game has come to a screeching halt. We can expect major percentile collapses, immediately, in the U.S. economy. The fact that Bush plans an arms-spending binge, of at least modest proportions, through Donald Rumsfeld, his designated Secretary of Defense, does not mean that arms spending, or arms expenditures, are going to bail the U.S. economy out. They're not going to.

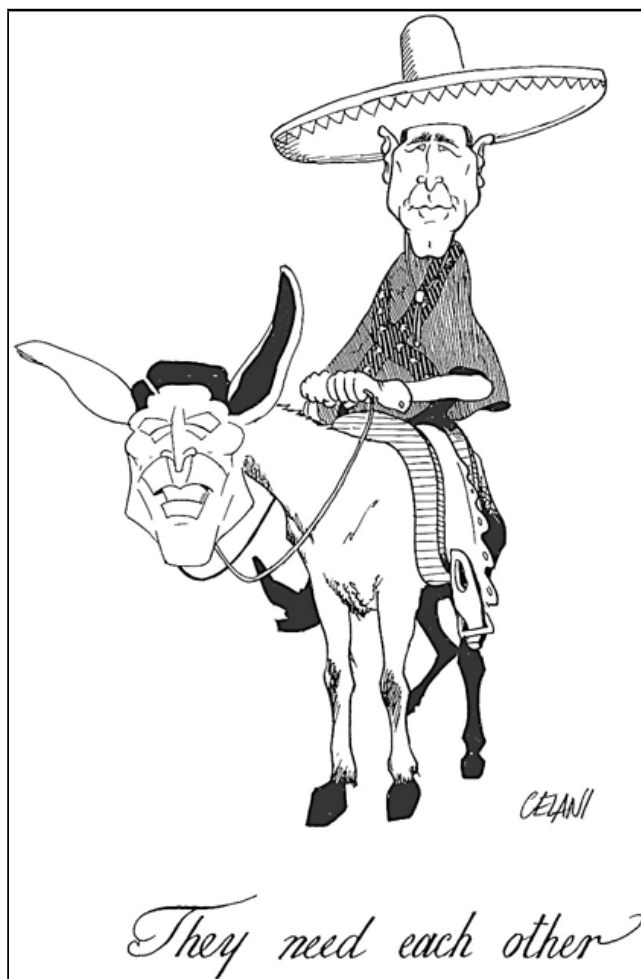
Then, the chain-reaction effect, of the United States no longer being the importer of last resort, is going to have a chain-reaction effect on other parts of the world: South America, Central America; Africa's already suffering; Europe, Asia, are all going to collapse. This collapse of these parts of the world economy, is going to, again, come back and hit the United States in a new way. This is all coming on fast.

Now, technically, we are bankrupt as a nation. The entire banking system of the United States, as a collective unit, is bankrupt. The Federal Reserve System is bankrupt. The European central banking systems are bankrupt. The central banking systems, or the equivalent, of Central and South America, are bankrupt. Africa is totally bankrupt. The Middle East is on the edge of a potential war, which can become a religious war, spreading throughout the Muslim and other parts of the world. There are explosions, potentially, in South Asia, crises of these types. There's a crisis in Europe. Europe is bankrupt. England is bankrupt. Continental Europe, Western Europe, depends upon the German economy, and the German economy is operating at a loss, under these conditions. They destroyed their export market, though they're thinking of getting another one.

These are the conditions that we face.

Now, what's George Bush going to do about it? What can he do about it with that team he's got? What can he do about it with the number of Democrats on the Democratic side of the aisle who think like Bush? And the Gore people, where you had trouble finding the difference between a Gore supporter and a Bush supporter, when it came to policy. That's the problem we face now. What are we going to do about it?

Well, it's obvious. This didn't start yesterday. We didn't get into this mess yesterday. From 1933-1965, the U.S. was rebuilt from a depression caused by the policies caused by Teddy Roosevelt, Woodrow Wilson, and Calvin Coolidge—was saved by [Franklin] Roosevelt, who understood the nature of the problem. Roosevelt carried the United States



through the Depression, without setting up any kind of dictatorship which would upset our Constitution. Roosevelt got us through World War II, and the programs of Roosevelt, even though they were chopped down after his death, nonetheless, continued to support the United States and Western Europe in recovery from the wartime and Depression conditions.

So that, over the period 1933-1965, despite all the mistakes we made, *we were the model economy of the world*. So that, if we take away all of the bad things we did between 1933 and '65—there were lots of them—we still were, in net effect, a nation dedicated to improvement, the general improvement of the conditions of life, improvement in productivity, improvement of all of these things together. So, if we look back then, what we did between 1933 and 1965, in net effect, was successful. We were still a successful economy, despite all our mistakes. Since 1965, since Nixon started with his pro-racist Southern Strategy, and his wild free-trade policies, the United States has been going downhill.

Take the points: We collapsed in 1971, with the drop into

a floating-exchange-rate world monetary system. That was the first catastrophe. As a result of Henry Kissinger's, and similar efforts in causing a Middle East war, and some other crises, we were in worse condition by 1975. In 1976, the Southern Strategy took over the Democratic Party, the same racist policies that were behind Nixon, took over Carter. Carter did more damage to the U.S. economy in one term in office, than all other Presidents combined since 1965. He deregulated; he destroyed infrastructure; and he unleashed what he called, or what his Administration called "controlled disintegration" of the U.S. economy. And the U.S. economy has disintegrated.

Nineteen eighty-two, under Bush/Reagan, we had Garn-St Germain, which picked the bones of the banking system that Carter had bankrupted. We had Kemp-Roth, which told Wall Street to steal, not to invest in real industry. We had junk bonds, a form of theft, a form of swindle. We had derivatives, which took off in the 1990s, but were already there in the 1980s. Then, in 1989, 1990, Margaret Thatcher, George Bush, and François Mitterrand pulled the biggest swindle, in the wake of the process of disintegration of the Soviet system, and moved to set up a world empire based in financial speculation, not production, and to eliminate the powers of the sovereign nation-state *in the United States*, as well as every other nation. It was called "globalization." It was a return to the Roman Empire. And to the slavery that that implies.

So, over this period, the period from 1966 to the present time, the United States, which was once the world's leading economy, is now become one of the worst—the biggest failure among economies. We are now at the point, the whole shebang is about to collapse.

The Party of the 'Great Mistake'

Now, what's the problem?

The problem is, not only George Bush, because I don't think George Bush knows anything, or could understand anything of this, but he's got a bunch of people around him, who do have some intelligence, and they do understand some things. But they, as a machine, are committed to the policies which were built up, step by step, under Nixon with the Southern Strategy, under Kissinger, under Carter, under Brzezinski, under George Bush as Vice President and President, and so on, down to the present time.

So, the Republican Party, in the majority, and a good deal of the Democratic Party as well, at the top, is the party of the "Great Mistake." Thirty-five years of a bad mistake. These are parties, which in their present policies, are committed to making their mistakes *bigger and better*. More mistakes. George Bush is committed to defending the Great Mistake of the past 35 years, and making it bigger and better. Gore was committed to continuing the bad mistake of the past 35 years; making it bigger and better. He and Newt Gingrich and Al Toffler, back during the Carter days in Georgia, were working

together to push off this Third Wave thing, which is part of this present insanity.

So, the problem is not that we don't have solutions. We do have solutions. We could go back to things that worked. We could agree with other nations, because there's a depression, we could agree to convene a new international monetary conference, to establish again, the kind of fixed-exchange-rate system that got us out of the Depression in the postwar period; establish capital controls, exchange controls, regulation, reinstall regulation of our industries, such as the power industry, which is now in a crisis, to make sure we get power again. To restore our health-care system; to restore our educational system. We did these things before, under depression and depression-like conditions, and we can do them again. Other nations would agree with this. So, why don't we do it?

There are solutions. Yes, the crisis is much bigger than Roosevelt faced. But, the lessons we learned from the success of Roosevelt and his legacy, shows us how we should approach these problems today. Now then, ask yourself: Where do people stand on the question of Roosevelt versus Coolidge? Where do they stand on Kennedy versus Nixon? Where do they stand in the parties? Do they propose the policies of Coolidge? The policies of Bush? The policies of Nixon? Or do they propose the policies of Roosevelt and Kennedy? Which?

'This Is What Worked'

Now, if we had the party of Roosevelt or Kennedy back in power, we'd know exactly what to do. We would look back to the lessons of our past, and say, this is what worked in the past, and we're going to do it this way. Why? Because it's not some cockeyed idea that's unproven. It's something that worked in the past. And when something doesn't work, you *fix it!* By going back to before you made your mistake, because you can get agreement on it. Now, if you want to make some improvements beyond that, make them. But, it may take more time. The first thing to do, is to use the lessons of the past, and *fix what needs fixing!* Then get your improvements. What we need to do, is to go back to the system that worked for us, between 1933 and 1965. It worked for us, and it worked for much of the world. But this time we have to extend it to other parts of the world we didn't, in the postwar period. The so-called developing countries. We're going to have to bring nations together around the idea, of saving this planet from the worst depression in recent history, recent centuries.

Most of these countries will agree. There are many countries who will follow the United States still today, on a project like this. You tell the world, you tell Europe, you tell Asia, that the United States of Roosevelt and Kennedy is back: They'll cheer. You tell them, we want to work together with them to solve these problems on the basis of things that worked before: They'll cheer!

The United States still has great moral authority because of the record of its past. Not its recent past, but its past. The

past that was typified by Roosevelt and Kennedy. The past which, admittedly, Clinton wanted to revive, when he became President. He wasn't able to, but at least he recognized the intention: We have to go back to the legacies of the Roosevelt-Kennedy era, to solve these kinds of problems.

So, we could! So, what's our problem?

A General-Welfare Coalition

The problem is elementary. We have a political system, and an incoming Presidency, which is opposed to those things that will solve our problem. What's the result? The worst catastrophe you can imagine.

It's doubtful that the United States, as a nation, could long outlive a Bush Presidency, unless something changed fundamentally. Now, that's where I come in with this campaign of mine. What's my job?

Look, the Democratic Party's a shambles. We've got a lot of good people, a lot of good constituencies. We've got labor, we've got African-Americans, Hispanic-Americans, groups that are interested in the general welfare. The constituencies of Roosevelt. We have also, in the Republican Party, some people who are honest and decent people.

You could put together in this nation, a coalition of forces, which would accept the idea of the Roosevelt-Kennedy legacy, for this kind of crisis. It can be done. How do we do it?

Well, we do it in two ways. First thing that's required, you require a sense of the crisis. You may not have it fully today, but I guarantee you, that two weeks, or three weeks from now, you're going to have a good sense of what this crisis is. It's much worse than anything any of you will imagine. I'm an expert, and therefore, I know how bad it is. You're not yet an expert, so you don't know how bad it is. That's the difference.

So, you're going to have a sense of crisis, that something has to be done, which is not a continuation of the present junk.

Now, the second thing that's required, is: *Who* is going to change it? Now obviously, *you're* going to have to change it. Who's you? You is the general welfare, the people who represent that, who can rally in the Democratic Party, reach out to sane Republicans, who would recognize the problem under conditions of crisis, and insist on no program which is not simply an affirmation of things that worked, between 1933 and 1965. Things that people can *agree* worked. It's not speculative, it's not really debatable. They *worked!* And this ain't working.

So, it's not too hard to settle that question, as a matter of practice.

Now, my concern, is to find a rallying point, within the Democratic Party ranks, and the people who should be in that party, if it's rebuilt properly; to reach out to sane Republicans, and say, "We're going to save this nation. We're going to save this nation on the fact, the authority, that what we've got now, doesn't work, and couldn't work, and isn't going to

work. What did work before, will work again. And we're a constituency that demands that that be done."

We've got to get ourselves *together* around that idea.

So, the reason I *have* to run: First of all, I'm the best economist in the world, and the printed record proves that. So, you need a good economist, for leadership in this time of crisis. Somebody who understands this business—and I do. Unfortunately, I do.

Then, you've got to pull the Democratic leadership together. The base: Labor, African-Americans, and others, must be pulled together, around the issue of the general welfare, the fundamental pillar of our Constitutional system, the principle of the general welfare. *We must unite to defend the general welfare, against the Tories*, as Roosevelt put it in his Second Inaugural. That's what we must do. And we must say, the Democratic Party must be taken over, and reorganized, on behalf of the Roosevelt-Kennedy tradition of defense and promotion of the general welfare, of all of the people and their posterity. Reach out to as many Republicans as possible, to join us in that common national effort. That's what we must do, and that's what my role will be: to attempt to catalyze that kind of unity, among the people who share the belief, that the promotion of the general welfare is the only legitimate basis for the authority of government, as opposed to some kind of dictatorship, of the type they had in Germany, when they didn't follow the Roosevelt track, in that crisis.

That's what the situation is. And that's what I'm doing.

Developing the Clout

Now, we'll try to do what we can with Mr. George Bush and company, but we're not going to try to find a consensus with him. Because, to have a consensus, the other guy has to have sense. Otherwise, it doesn't work.

But, there are people around him, who are not unintelligent, and if we get together the muscle and the troops—and we have them: If you look on the state legislator level, the leadership there; you look at the trade union and state level, of trade union leadership. You look at people that are concerned. You look at senior citizens that are threatened with *death* by this present policy. You look at the poor of this country, who are threatened. The homeless. You pull these people together, and say, we're going to fight for the general welfare. Don't make wild promises; we're just going to follow these policies, and make things work again.

We've got a tremendous political force. And it's up to people like you, to work with me, to pull those kind of forces together, to save this nation.

We won't save George Bush much by educating him; I don't think he's educable. But I think we can develop enough clout, so he thinks it's smart enough to go along with us. But to do that, it's going to take a lot of clout, and the clout will come in two forms: It's going to be facing a crisis, where he calls up Alan Greenspan, and Alan Greenspan is hiding

someplace—won't answer the phone. Because Alan Greenspan can't fix it any more. You're going to face a situation where nothing is working.

We know how to make things work. Let me tell you what we do have, internationally.

We have, in Eurasia—and if you look carefully at Europe, as I look at it, from the inside of it, and look at what Germans and others are trying to do, to save their skins, while the United States is going down—they're looking for long-term, 20-, 25-year trading agreements, with countries in Asia, and elsewhere, as the markets for exporting their technology to countries that need that technology. For cooperation with Japan, for cooperation with China, for cooperation with India, for cooperation with Southeast Asia, for building up Central Asia. These kinds of things are what the smart Europeans are talking about right now, and some of them—very senior figures, who really know what they're talking about.

If the United States takes the view, that we must join with such people in Europe, Japan, and so forth, and join with them, to build up, over the next 20- to 25-year period, a great drive in technology, to increase the standard of living, throughout the world, to increase the productive powers of labor in countries that are poor, because they have low productivity: If we do that, we can build something which reminds us of what Roosevelt accomplished, during his lifetime, and after his death, in the policies he set into motion, between 1933 and 1965.

If we have the courage and imagination and devotion, we can make this world a decent place to live in. Not a perfect place, but a decent one. And right now, that looks pretty good.

Okay, thank you very much.

The Ashcroft Appointment

The following exchange took place during the question and answer session.

Question from a Member of the Congressional Black Caucus: Mr. LaRouche, during your last seminar, you talked to us about the Southern Strategy of Richard Nixon. Now, since that seminar occurred, we have a nominee for Attorney General of the United States, who's an inveterate Confederate, and a professed supporter of Jefferson Davis. We do not see how he can possibly uphold the Constitution, that he clearly rejects. However, we are not represented on the Senate Judiciary Committee. How do you think we should proceed?

LaRouche: Two things: First of all, when Bush put Ashcroft in, as a nomination for the Justice Department, he made it clear: The Ku Klux Klan was riding again. That's clear.

Now, Bush—maybe Bush didn't know what he was doing, but somebody in the Bush team did, and a lot of them had the voice to say something about it.

Ashcroft was an insult to the Congress. If the Democrats in the Congress capitulate to the Ashcroft nomination, the Congress is finished.

This is pretty much like the same thing that Germany did, on Feb. 28, 1933, when the famous *Notverordnung* [emergency rule] was established. Just remember, that after the Reichstag fire, Goering, who commanded at that time—he was the Minister-President of Prussia at the time—set into motion an operation. As part of this, operating under rules of Carl Schmitt, a famous pro-Nazi jurist of Germany, they passed this act, called the *Notverordnung*, the emergency act, which gave the state the power, according to Schmitt's doctrine, to designate which part of its own population were enemies, and to imprison them, freely. And to eliminate them. This was the dictatorship.

Now, remember, that Hitler had come into power on Jan. 30 of that same year, less than two months earlier. He'd come in as a minority party, which had been discredited in the previous election. He was put in by bankers, including the father of President George Bush, the former President, Prescott Bush. Prescott Bush, as agent for Harriman of New York, worked with the British banks, to put Adolf Hitler into power in January of 1933. At that time Hitler was discredited, and about to be bombed out. He was stuck into power, because that was the last chance to get him in power.

Everyone said, no, Hitler's not going to make it, because the majority of the population is against him. Then, on Feb.

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28, 1933, the *Notverordnung* act was passed, on the pretext of the Reichstag fire. And this established a dictatorship, which Germany did not get rid of until 1945.

Now, I'm not suggesting that the case of Ashcroft is comparable to the Reichstag fire. But, it's a provocation, a deliberate provocation. And if the Democratic Party and decent Republicans do not combine to throw that nomination back in the face of the nominator, this Congress isn't worth anything. That is, because it will have surrendered its dignity.

If you give those kinds of powers, of a Justice Department, to Ashcroft, and what he represents, under that flag, you don't have any justice left in the United States. And any Democratic senator who disagrees with me, shouldn't be a senator. He doesn't represent the Democratic Party. So, it's going to be up to the people to make sure.

Now, what I would say is this: Members of the House of Representatives do have some powers. They may not be the formal powers of the Judiciary Committee, but they have some powers. And if the Congress makes it clear, and gets some of the senators, the Democratic senators, also to make it clear, that we're not going to put up with this Ashcroft provocation, we can stop it. But little protest movements are not going to do. You're going to have to jam the works up on this one. You're going to have to make it impossible for Bush to get his nominations through, as long as that Ashcroft nomination is not eliminated.

He'll pull him back. You get the determination to make him pull it back, he'll pull it back. You've got the strength. Unless the Democrats want to sell out totally. So, I think we need a *revolution* of the Congress, the House of Representatives.

And, the Congress has some powers in this matter. Remember, the Congress has not yet certified the President-elect. I think that the question of certifying the President-elect is also a question, this Ashcroft question, to be thrown on the table, on the question of certifying President-elect Bush, so-called, as President-elect. It's an act that has to be done by the Congress.

I would pull every string in the book that's serious, as a legislative string, to make sure that Ashcroft is not made the Attorney General. And I think that members of the Congress, members of the Democratic Party, should act on that point, as if their life might depend upon it. Because the lives of many of them might just depend upon that.

You don't know. . . . We're going into a period in which either we do the kinds of things I indicated in summary to you today, or else, what you're going to have, is not a government. You're going to have something like a Nazi regime. Maybe not initially, at the surface. What you're going to have is a government which cannot pass legislation, meaningful legislation. How does a government which can not pass meaningful legislation, under conditions of crisis, govern? They govern, in every case in known history, by what's known as crisis-management.

In other words, just like the Reichstag fire in Germany, How did that happen?

The Reichstag Fire

Well, a Dutchman, who was a known lunatic, used to set fires, as a provocateur. And he went around Germany setting fires. And one night, with no security available for the Reichstag [Parliament], he went into the Reichstag building, and set the joint on fire. And Hitler came out and said, "Well, let's hope the Communists did it." And Goering moved, and the Schmitt apparatus, that is, of Carl Schmitt, the jurist. And they passed the *Notverordnung*. And on the basis of a provocation—that is, crisis-management—they rammed through the *Notverordnung*, which established Hitler as dictator of Germany.

What you're going to get, with a frustrated Bush administration, if it's determined to prevent itself from being opposed, its will, you're going to get crisis-management. Where members of the special warfare types, of the secret government, the secret police teams, will set off provocations, which will be used to bring about dictatorial powers and emotion, in the name of crisis-management.

You will have small wars set off in various parts of the world, which the Bush Administration will respond to, with crisis-management methods of provocation. That's what you'll get. And that's what the problem is. And you have to face that. You've got to control this process now, while you still have the power to do so. Don't be like the dumb Germans, who, after Hitler was appointed to the Chancellorship, in January 1933, sat back and said, "No, we're going to defeat him at the next election." There never was a next election—there was just this "*Jawohl*," for Hitler as dictator. Because the *Notverordnung* of February 1933, *eliminated* the political factor.

And that's the danger you'll get here: If the Bush Administration is determined to hammer its way through on this thing, it's not resisted, and you allow it to do so, you will find that it is strongly tempted. And you look at—remember what George Bush's specialty was, as I remember very well. Remember Iran-Contra, one of the biggest mass-murder swindles in modern history, run by Vice President Bush, under special powers, given to him under special orders, with the Executive Branch. *He* ran Iran-Contra, the biggest drug-running game in the world. And behind Bush—and I know these guys very well, because I've been up against them; most of my problems came from these characters—these guys, pushed to the wall, will come out with knives in the dark. They will not fight you politically; they will get you in the back. They will use their thugs to get you. That's their method—know it.

So, don't sit back and be nice guys. When Bush makes some proposal, which is sensible, it should be treated as a sensible proposal. But when he tried to shove a provocation down your throat, like Ashcroft: No. No way, buddy. No way.

This thing stops right now.