LaRouche To Arkansans on Crisis: 'Options Are as Good as I Promise'

Democratic Presidential pre-candidate Lyndon LaRouche joined State Sen. Hank Wilkins, Rep. Calvin Johnson, Rep. Booker Clemmons, and Pine Bluff City Councilman John Foster at a town hall meeting in Pine Bluff, Arkansas, on Feb. 23. His address to that meeting, follows.

Well, I have some very bad news for you, and some good news. I suppose that's the way it's supposed to be.

The world is now, contrary to reports, in a depression which is worse than that of 1929-33. The United States is hard-hit. The nations of Europe, and the Americas, are all hard-hit. Under the present circumstances, and present policies, there will never be an economic recovery in the United States. Under present national policies, a deep crash, worsening, is inevitable. However, that can be cured.

The situation is somewhat analogous, though not precisely, to what we faced under Franklin Roosevelt, coming in as President after his election in 1932. The policies of Coolidge, of Hoover, and so forth, during the 1920s, gave us a Great Depression. That was not the only cause for it, but it was a leading cause. There were bad policies. Roosevelt, speaking to the question of the "forgotten man," in 1932, was elected as President; and in 1933, took measures which saved this nation, and not only got us out of a deep depression—a 50% cut in the average income of the people of the United States, occurred at that time—saved the nation. We went through a horrible war. We emerged as virtually the only power on this planet, the greatest producer on this planet, and virtually the only real economy on this planet at that time. He led us to success.

During the postwar period, we did some unfortunate things, but much of the Roosevelt legacy continued. We continued to grow, in prosperity, relatively speaking, for the next period, up until about 1964, until about the time that the Vietnam War started. Since that time, we have been transformed from a producer society, the leading producer society of the world per capita, to a consumer society, living by exporting our jobs to cheap labor overseas, in agriculture and industry. We have robbed people overseas, to make them work cheaply for us, as in the case of neighboring Mexico. We are now bankrupt.

If you look at the record, in point of fact, even by official statistics, which are largely fraudulent, you look at the lower 80% of family-income brackets, there has been a catastrophic collapse of the lower 80% of family-income brackets. The lower 80% of the people of the United States, receive *less* than the upper 20%—and there has been a recent catastrophe. Anyway, that's part of the picture.

The international financial system is hopelessly bankrupt. Most of the leading banks of the world, especially Europe, and the United States, are bankrupt. The Federal Reserve System is bankrupt. So therefore, we are in a real catastrophe.

Learn the Lessons of Franklin Roosevelt

Now, we could fix that, not by simply copying what Franklin Roosevelt did in the last depression, but by learning the lessons from what he did do, and what he accomplished.

At present, what this means is this, for the states. We're talking here in Arkansas about a state—it's a state which is on the relatively lower end of the 50, in conditions of life and opportunity. But in 46, at least, of the 50 Federal states of the United States, the state governments—and that means also the local governments, the county and local governments—face an impossible situation. That is, there is no way possible for these state governments, including their county and local components, to continue to balance their budgets, and maintain a decent life. It doesn't exist.

This is similar to what Roosevelt faced in 1933, when he was inaugurated: bankrupt banks, bank holiday measures, starvation beyond belief, then, around the country—despair. He saved the country, because he was committed to the principle upon which this country was founded, the principle of the general welfare. That we are a sovereign nation. The legitimacy of government depends upon meeting the needs of the general welfare of the entire population, and also our posterity—teachers, education, for example.

Therefore he took measures, which we should study now, to understand what we should do, and what we can convince people to do, on the basis of experience, to take as emergency measures now, to save this nation, as Roosevelt saved the nation, and made us a great power again, during his term in office.

Now, therefore, the first problem is, the states have very limited power to deal with this. The income of the states, the total amount of money floating around into the states, is not adequate to maintain the present, combined private and public institutions. So switching money around, is not going to solve the problem. The states are bankrupt. What we need is growth.

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Mourning

Family and friends leave memorials at site of fatal nightclub fire

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LaRouche: U.S. Economy doomed

■ Perennial candidate says federal banking system bankrupt.

By Jody Normand

Lyndon H. LaRouche Jr. was keynote speaker at the town hall meeting held Sunday at the Pine Bluff Convention Center.

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The local daily reports Presidential candidate Lyndon LaRouche's first Arkansas town meeting on its front page. The meeting was an in-depth discussion of recovery measures from the depression, with 50-60 of "the cream of the crop of Pine Bluff," said State Sen. Henry Wilkins. But it was highly controversial with the Democratic National Committee.

But the states can not provide growth by themselves. Under our Federal Constitution, the states, or any other institution in a state, can not obligate the U.S. Federal government, or the United States as an entity, to future debt. The power to create Federal indebtedness, national indebtedness, lies with the Federal government, with the power of the Treasury, with the consent of Congress, to print currency, or to promise to print currency, or to issue bonds against future currency issue. Therefore, the states are now going to depend upon the mechanisms of the Federal government to create credit.

Now, what are the remedies the states, in particular, have available to them, potentially, to deal with the problems of the states, and the communities within them? Large-scale investment in basic economic infrastructure, in order to increase the levels of employment, and income, to the point that the states and the communities can now balance their budgets. In other words, you have to bring the taxable revenue of the state up to the level at which the state can balance its budget. Otherwise, all the clamor about improvements, will not work.

Now, many of the states are aware of this problem, as I describe it. Some governors don't agree, but every state agrees they have a problem. At least 46 of them do. California has a hopeless situation, for example—the largest and wealthiest state, has a hopeless situation. There's no way they can solve their problems, within state facilities. Within the reign of the income of the state, there's nothing they can do to solve the problem. They try to increase taxes? It will have a regressive effect upon the economy. If they cut state budgets, it will have a regressive effect on the economy. So, budget-balancing, and similar tricks, *will not work* by themselves. We need an additional source of income. We need a stimulant. And the stimulant is largely to increase the amount of employment of our people. We have many unemployed people, and misemployed people. And properly employed, through government—that is, with state governments, and sometimes the Federal government, but with the backing of the Federal government's action on credit—states can solve their problems.

Basic Economic Infrastructure

The categories are what we call basic economic infrastructure.

Power. The nation has a crisis in a shortage of power generation and distribution. The states have a problem in water management. The states have a problem in transportation. The United States has a crucial problem in transportation. If Amtrak goes, and it's about to go, we *no longer have a national rail system.* No semblance of it. The airlines are collapsing. The pressure on United Airlines, is to produce cheap competitive flights, to put the other airlines that are not in bankruptcy, into bankruptcy. We're about to lose the air-traffic system. Right?

We have problems in other categories. We have problems in education. We have a *disaster* in national education, as you were discussing some aspects of today. But what you were discussing was really only an aspect of a national problem. We have a *crisis* in education. We are teaching people to

rehearse examinations, through multiple-choice questionnaires scored by computer. We are not teaching the student; we are scoring the school system, and the state, competitively, on the basis of this monkey business, of "monkey-see, monkey-do." We are not producing enough teachers who are qualified. We are not reaching the mind of the student, in a process of reliving the process of discovery. We're training children like monkeys. And no wonder they're frustrated.

We have a crisis in family conditions. Commuting conditions. The standard family no longer exists in many parts of this country. We have latchkey children. We have—as a result of the changes in culture under the Baby-Boomer generation, you have children who were raised with, I don't know how many mothers, and how many fathers, and they don't know which one is real. And siblings, the same thing. You have broken communities, and broken patchwork families. And the young people who are coming into secondary school and universities today, are victims, largely, of the patchwork family system which was developed in the past 40 years.

We have problems in health care. We did have, in the immediate postwar period immediately, legislation called the Hill-Burton legislation. Hill-Burton legislation was in part a reflection of our experience in World War II, where we had to build a military medical system, to support 16 or 17 million people, largely overseas, under wartime conditions—whether in combat conditions, or in reserve conditions, or in so-called rear-echelon conditions. We applied that lesson, of that experience, and earlier experience, to the idea of medical care. And you had, in the postwar period, this Hill-Burton legislation, which prescribed that the Federal policy should be—we should set objectives, so that the people in each county in the United States, or each county in a state, would have a certain level of assured care potentiality, in terms of types of beds, types of care, available. So that a woman giving childbirth, a troubled childbirth, would not have to drive a hundred miles over country roads, to try to get to a hospital that's not there—which you have, in states and areas like Arkansas.

We built a good system, which was based on the cooperation of Federal, state, municipal, and also voluntary and private facilities, largely hospital, or similar types of facilities. It was a good system. In 1973, Nixon destroyed it, with the HMO legislation. We are now systematically murdering people with so-called health-care reform. This is simply murder, and it's selective. It targets the poor, it targets the aged, and so forth and so on.

So we have, in these areas, in the areas of infrastructure—we need high-speed public transportation. We need it on an interstate basis. We need it on a statewide basis. We need it on local basis.

We need water management. Parts of the country are desperate. California, the Southwest, is in desperate condition for lack of water management. The entire area of the so-called American Desert, it's a dry area, we could fix it. We have never fixed the northern end of the Mississippi River, and Missouri. We could fix it.

These things are necessary. We have problems of potable water, usable water, in areas.

If we do these things, and if we provide public credit, reorganize the banking system, provide public credit to encourage the rebuilding of industry, based on the stimulus of the economy, based on investment in the public sector, we can get our budgets back in order. We can rebuild this economy.

There Is No Need for War

The problem right now is this: The United States is baffled in Washington by a couple of problems. Number one, we have a lunatic—and let me speak frankly. You know, I'm 80 years of age, but I'm a frisky 80 years of age, who intends to become the next President. I have an inclination to speak frankly, and you'll forgive me if I do. But these idiots in Washington, influenced by a bunch of criminals, want to have a war. They want to have a totally unnecessary war in Iraq. We don't have any situation in any part of the world that the United States, if I were President, couldn't handle without war. And I travel in a good number of parts of the world, and I know people [applause]. It doesn't exist. We're a powerful nation, and when we do the right thing, other nations will cooperate with us, and there are ways to solve these problems. There is no power on this Earth that represents a *credible threat* to the United States. None! And there's no problem we can't solve in a reasonable way, with the support and cooperation of other nations, which we can get.

If I'm President of the United States, and I say, "I want to have a meeting among nations, on the question of international financial reform, because of this bankrupt system," they will come. And they will come quickly. And there will be a reasonable discussion. Because of the history of the United States, and the power we represent, when the President of the United States asks other nations to come, even if they don't like us, they'll come, and they will discuss. And if we can reach reasonable agreements, those agreements will be effective. There's no problem we can't solve.

So, we're not concerned—we're concerned and tied up with this idea, of we're going to kill somebody, in a form of warfare which is against our Constitution, and against international law. You don't go to war because you don't like somebody. You find a different way to solve the problem. And most of the world agrees with that. Most of the people of the United States *agree* with that, despite all the funny stuff with the polls, and the mass media.

At the same time, we're paying no attention, in Washington, to the fact that we have the biggest financial crisis in modern history. This Federal government is probably right now running on about a $1 trillion-a-year Federal deficit. And the President, with his policies, is about to increase that deficit, for no good reason.

So, what's happened is Washington is all tied up on this issue, and the world as well, on the issue of war, or no war. Will President Bush decide, purely on an impulse, to declare war on some morning, possibly in March? We've got about 130,000 or more troops in the Middle East, ready to go, and all he has to do, under the present circumstances, is say, "Go," and we're in a war! And we don't know when we will return from it, or what the effects will be.

As a result of that, many of the good people in Washington—and some of them are good, some of them I like; I just don't think they have enough guts, but they're good people, including, I think, Bill Clinton, who's sort of around Washington, nice guy; doesn't do some of the things he should have done, but I like him. But, these fellows are not paying attention to the issue of the economy, because we're all tied up with the question of war. Are we going to war; are we not going to war? The press inundates us, the mass media: War or no war? No news about the economy. And while the economy is collapsing, nobody in Washington is actually doing anything about the economy.

You're talking about the economy here, tonight, various aspects of the economy, the problems that arise from it. You're dealing in a state which has limitations: It's one of the poorest states in the Union, per capita. It's asked to strain its resources to meet the effects on the state, which is already poor, of a national economic crisis, international financial crisis. You're looking for resources to meet the problem, when the resources don't exist. The potential resources to survive in the state do exist: If you had the credit for long-term, 20-year, 25-year programs in infrastructure, to increase current employment, you could balance your budgets. But without that assistance from the Federal government, in terms of credit creation on long-term programs, you can't solve the problem. And it's not to your shame, because 46 or more states of the United States are in the same condition. And you belong to a state, the southern part of the state, which, after all these effects of the collapse of the lower 80% of family household income, you have in this part of the world, some of the poorest. And therefore, the resources per capita, and per square kilometer, are less.

We can solve the problem. But the problem is, the nation is not alert to that. The governors are, the state governments are alert to this. But the Federal government is not.

The Federal Government Must Act

Now, my concern, and I'm raising quite a fuss about it, is to get the Federal government on the issue of economic recovery.

Now, this means one thing that they don't like. This means admitting that we're in a depression; admitting that our banks are bankrupt, and they are. We can deal with that. But, the Federal government must admit the problem, and act upon it. We must admit that what we've been doing for the past 40 years, in terms of economic policy, especially since 1971, has been *insane*. We've been tearing ourselves down, but we're a rich and powerful country. Not only do we have resources which we've built up in previous times, but we had imperial power. We could go to other countries, we could dictate to people what their currency's value would be, relatively—we did it! We could dictate to them: You support us, or else! We did it. We squeezed the world, to keep this country in power, economically.

Now, we've come to the end of it. There's nothing left to squeeze. The system is collapsing. Japan is collapsing. The Japan economic system, banking system, is hopelessly bankrupt, and they've been supporting us in recent years. South and Central America almost don't *exist* any more, when they were once-powerful nations. We looted them! Africa is a case of deliberate genocide, by the governments of the United States, the United Kingdom, and Israel. They're the principal source, and this is *genocide.* This is not mass death; this is deliberate, selective mass murder, as the case of AIDS in Botswana typifies the problem: And, the case of the non-availability of generic drugs, to areas of Africa which desperately need them to fight this disease. Asia's in somewhat better condition, although there are problems there. The Middle East is, of course, a warfare pit. Europe is in trouble.

So, we have this crisis.

Therefore, if we are willing, we can get the Federal government to pay attention to business, to pay attention to the economy. If we use the lessons of Roosevelt's response to the Depression, not as direct copies, but to learn to do what he did; maybe do it better our way, but do it. If we enter into cooperation with other nations—cooperation we can get—we can bring this financial-monetary crisis under control. We can start a process of genuine growth. If we use the U.S. Constitution the way it was intended; if the Federal government launches large-scale projects, and enters into agreements with the states, on which the states' power of creating public utilities, large-scale public improvement programs, [are] in place, we can raise the level of employment, by plan, up to levels which, on a budgetary basis, will guarantee a stable budget and stable growth..

So, that's what we have to do. So therefore, I say, what I give you is a message, a blunt message; it's truthful: I've been the most successful forecaster in the world for the past 35 years. Never made a mistake. No one else has done that. So I say, on that authority, I can assure you that the situation is as bad as I tell you, and the options are as good as I promise.

But, what we have to do, and I'm going to be doing this all over the country, as well as around the world, is, we have to get people in the states, to awaken themselves to what the problem in Washington is. We've got to pull ourselves together, and force the Federal government to respond to the fact that we don't need this foolish war, and to respond to the fact that we have a depression. And if we use the lessons of the past, we should know how to *fix* it, and let's fix it.

Thank you.

The Welfare of Our People Comes First

After his presentation, Lyndon LaRouche engaged in a dialogue with the audience at the Pine Bluff town meeting on Feb. 23. The Rev. Dr. Henry "Hank" Wilkins IV, who also serves in the Arkansas State Senate and chairs the Legislative Black Caucus, moderated.

Reverend Wilkins: Are there any questions?

Q: Number one, you talk about reform, economic reform: Does that include, that the United States should go into the issuance of its own currency? You talk about banking reform. Does that include, that the United States government should put the Federal Reserve out of issuance of its own currency? Do you advocate that?

LaRouche: No, not quite. Something similar, though. Look, I can tell you, the banks of the world, in, say, Europe and the Americas: The banking systems of Europe and the Americas and of Japan, are hopelessly bankrupt. It's not just a little thing; they are hopelessly bankrupt. They are basket cases. That includes Citibank, this includes Chase Manhattan, J.P. Morgan-Chase Manhattan, and so forth and so on. They're bankrupt.

Now, what happened? Our Federal Reserve System, of course, is the Federal expression of the banking system. Remember what the Federal Reserve System is: The Federal Reserve System is a consortium of private financier interests, which was chartered on the initiative of Teddy Roosevelt, and under Woodrow Wilson, to become a power *over* our government. That is, private interests were able to take control, increasingly, of our currency, and our regulation of our banking system—with government participation. But it was a copy of the European banking systems; it was not our constitutional banking system. In point of fact, it can be shown, literally, that the Federal Reserve System was unconstitutional, because it's contrary to specifications of the Federal Constitution, and those provisions were never repealed.

That means that the Federal government, through the Treasury Department, is actually responsible, probably with the participation of Congress in some capacity, to put the Federal Reserve System into collective bankruptcy reorganization. That means that the United States Treasury assumes the caretaker responsibility for the Federal Reserve System, and the banks included.

Now, our objective is severalfold. In the long run, we're going to have to reorganize these finances. Most of the paper outstanding against the banks could never be paid. Write it off—it's bankrupt. Some of this will have to be frozen, or reorganized in other ways, as we did in the 1930s. At the same time, we have to keep the doors of banks open, if the banks are necessary, because a bank not only represents a private interest, it is also an institution of the communities of the country, on which we depend for deposit, for issuance of credit, and for other transactions which are essential to the continuation of ordinary business. Therefore, when you put the banks into bankruptcy, you have to take them over, and you probably have the same bankers sitting there, the same people, doing the same things they were doing the day before, in terms of meeting these kinds of responsibilities. So it's actually operating as under Chapter 11, in bankruptcy reorganization—that function. Some banks will close down altogether—they're junk. You can't do anything with them. But any bank that has a useful public function, on the Federal or state level, must stay in business.

Under these conditions, the currency of the United States will have to become legal again. The only legal currency, under our Constitution, is a currency which is issued by the Federal government, with the approval of the Congress. And similarly, any debts that the U.S. Treasury pledges for the future, such as bonds, that sort of thing, Federal bonds, again, is a promise to pay in U.S. currency, and implicitly calls upon the authorization of the Congress to authorize the Federal government to incur this future payment, in currency.

So, what we're going to have to do, is put the banking system into banking reorganization, create a new credit line, probably using something like I've been working on, a revived Jesse Jones or Reconstruction Finance Corp., that was used by Roosevelt, as he used it, to get Federal credit, and other credit, combined, to get it into the banking system, to get it out there churning on state projects, and things of that sort, just like the TVA [Tennessee Valley Authority]. Or something like the TVA, that kind of project. So, that's what we're going to have to do. So that's what I'm talking about.

The Federal government will have to act, to prevent a chain-reaction collapse of the financial system of the United States, and do similar things in cooperation with other countries, for international transactions. This means the Federal government will take over the Federal Reserve System, and other things that have to be maintained; put them into bankruptcy reorganization—that is, not shut them down, put them into bankruptcy reorganization—and administer them. The Federal government, through that facility, will have to generate credit, Federal credit, which it will then utilize particularly in support of programs, which are deemed necessary for the national interests. Just the way the TVA was done.

This would mean, national transportation systems. My proposal is that the effective way this is done, as much as possible, you do it through state public utilities. That is, the state creates a public utility. This public utility has certain guarantees, which the states arrange. We used to use these

LaRouche told his Pine Bluff audience that the Federal government, through the Treasury, is responsible to put the Federal Reserve system through bankruptcy reorganization, and keep banks open for issuance of credit for infrastructure development and jobs.

public utilities, as in the cases of power, and so forth, these were places which, because they were regulated, poorer people could put their savings into the bonds in these public utilities, and be assured a reasonable, secure return on the investment, for their future, their pensions. What happened to 401(k)s, under the 401(k) bill, the looting of many people of their savings, by this crazy 401(k) law: We have to protect the citizen. Therefore, you would create public utilities, for water systems, power systems, transportation systems, other things that are properly in the domain of government, or government regulation; you create public utilities, you encourage people to put private savings into these things, to supplement the advance of credit from state governments and Federal governments, and use that as a great stimulus. That's essentially what we have to do.

Reverend Wilkins: I know this is a lot to swallow at one time, but—

Q: Mr. LaRouche, you created such a draconian picture of the world today, with the government, that the "Dubya" Administration has presented today, how do we as citizens, and taxpayers, put forth a position of that nature?

The world today is not like it was in the '30s, with the Republican administration, because I think what I understand you to be saying, is that the WPA projects and things that were put forth, by the Federal government into all the states, to rebuild the infrastructure, needs to be done again today. Is that not right?

LaRouche: Yes.

Q: We operate on a totally different society today. It's more global. And a lot of the dollars that you're speaking of, are not in this country. They are in other countries, all over the world. So, how do we go about doing that?

LaRouche: First of all, we end the global system. Because our Constitution, first of all, is a national Constitution. Secondly, the globalization is dangerous. You can not have a sound economy and a globalized economy. It is globalization, in various disguises, which has caused this world depression. We went from an idea that a nation-state should have national economic security, and therefore should have the power to determine its own national economic security. That meant that you protected industries *in* your country. Look here! You've got a paper industry, right here. You've got this whole belt across the Southern states, in the evergreen area, evergreen swamp area, which has been producing paper. So what's happening across these states, and right in this community, you have the paper industry is affected, that's going under. Why? Globalization.

Q: Well, yeah, but it's the G-7 [Group of Seven nations] that sets globalization policy.

LaRouche: Yeah, I agree, but the point is: What's happening now? The world is changing. The center of power in the world right now, in terms of economic power, potentially, is between Western Europe, and a group of nations in Asia, centered around Russia, China, India, and Southeast Asia, the so-called Southeast Asian group—the trading relations. China has got the biggest projects in the world, the Three Gorges Dam, the biggest water project in the world. They're also buildlng a still larger water project, to pull water from the South to the North. They've put in the most modern rail

system in the world, has just been started in China: magnetic levitation rail system from Shanghai to Shanghai Airport. They're going to build more of them. You know, this is like 300 miles an hour, rail system. Nice and quiet. Comfortable. I've ridden on the thing in the experimental station in Germany. Wonderful thing.

So, you have large-scale projects. The Mekong Development project, which involves China, the nations of Southeast Asia. Large projects in India, which are being mooted.

Western Europe, which is bankrupt, depends upon its exports to China, India, and so forth, for its own survival. They're going under otherwise. Russia is key to this—in the middle. So, we have, in Eurasia, a large-scale program, involving Japan, Korea, China, the ten nations of Southeast Asia, India, and so forth. These nations are now in cooperation on technology sharing, across this whole continent. And this is the basis for a great economic revival of that continent.

Our view is that, to do this, each nation must return to—away from globalization, scrap the WTO, scrap the G-7 globalization agreements. Because the G-7 are bankrupt. So therefore, they have to be reorganized. Go back to sovereign nation-state systems, like we had between 1946 and 1958, in recovering in the post-war world.

Q: But the whole world has deregulated. I think what you're presenting is re-regulation.

LaRouche: Absolutely.

Q: And that's a difficult thing to in this—

LaRouche: Not for me. Not if people are desperate enough. Not if you care. If I tell you, that if you don't re-regulate, if you don't scrap this system, you're not going to survive, are you going to do it? And I'm telling you the truth when I tell you that.

Q: Well, how is it that citizens can present this case to the Administration, or to national leaders?

LaRouche: I'm presenting it. I'm quite successful in presenting it to foreign countries, which I deal with. And I have a bill which has been adopted in Italy, for going back to a Bretton Woods system, and the majority of the Chamber of Deputies of Italy voted it up. We have bills in that direction are going forth in Europe. We have similar proposals which are—a reform has occurred in China, in this direction. Cooperation among these nations in this direction is already there. It's only the United States, because of our ever-beloved news media, that the typical citizen in the United States doesn't know what's going on in the world outside the United States, and doesn't know about this crisis, which every other part of the world knows about. We're sitting here uninformed. Well, I'm well informed.

So, step number one: I have to inform you. And that's my job. Not just to be a candidate. My job is to be an advocate of your interests. I'm not just a candidate: I'm 80 years old, I don't *need* the job. I happen to be in excellent condition. My enemies don't like that, but I am in excellent condition.

And the point is, is to get *you* informed, in every part of the United States, through media just like this, where I can get close to a small enough number of you at one time, where we can have the kind of discussion, to thrash out some of these ideas. And you will come to the point that you'll do it. But you have to have a sense, that we are a nation, we're all suffering. I'm an expert in the area, so I can tell you what the suffering is like in different parts of the world. We're all suffering. We're sitting here with our faces hanging out, in the Northeast, the West, and so forth, we're all sitting out, just like you are here in Arkansas, and we're all suffering. We're wondering how to put it together. And once we get the *idea*, of how we can put it together, I don't think we're stoppable.

Q: Well, bringing this home locally, to Pine Bluff, you know, you've heard today that we're faced with a possible tax increase from the city government level, the county government level, on the state level, the school board systems, and we're definitely facing tax increases on the Federal level, as far as the FICA tax, and things like they do. How do we deal with that, when we're dealing with shrinking income? I mean, as a whole. How does the community deal with it?

LaRouche: I know exactly what you're saying. What you're dealing, actually, with is not just today's crisis. You're alive today. You'll be alive tomorrow. You'll be alive X number of weeks or months from now. That is not precisely the problem. The problem is, come Summer, come Fall, where will you be? The question is, can something happen in this country between now and Summer and Fall, to change the situation? You'll get by, in the short term, in the term of months. You'll find some way to maneuver and get by. But, the long-term perspective is zero, unless we change. So, the question is, how do we get moving, and begin to change the way we think about things, in time to act jointly, and to do some of the kinds of things I'm talking about?

So, I assume that today, in the state of Arkansas, you've got people here, who know somehow, how to manage the situation, to prevent a catastrophe in the short term, or in terms of months, or weeks. You get by. But, into next year, you won't get by. Therefore, in the meantime, before the election comes in the year 2004, before the January 2005 inauguration of the next President, we have to change this country.

I think that what's happened now, is the problem is, as I said, is that the obsession with this war issue has gotten our attention off the issues which affect *you here*, and affect the country as a whole, and the world as a whole. Because, if we were paying attention to the economic issue, instead of being distracted by the war issue, we will raise these issues—

Reverend Wilkins: [to questioner] I want to respond to a portion of that. What we see on television, when you turn your television on, when you look at the Today Show, when

An educator asked, "How can citizens present this case to national leaders? This is positively needed, because a lot of times, we are so misinformed. . . ." LaRouche responded, "I'm presenting it. I have to inform you. And that's my job. Not just to be a candidate. My job is to be an advocate of your interests."

you look at the evening news, that's all they're talking about, is this war, and it's creating a mind-set in America that says, "We've got to do this. Well, you know, we've started down—we've got these troops over there, we might as well go ahead and do this."

Well, in reality, we don't *have* to do a war, if we don't really want to do one. As an elected official, I see my responsibility as helping to educate the populace, because what we're going to have to have—it's clear that we don't have the national leadership mind-set to make this change from the top down. We're going to have to create a groundswell from the bottom up. And so, I see that as part of my responsibility.

I don't know anywhere else, in the state of Arkansas today, where there are people sitting down, getting this kind of information. Have you heard it anywhere else? Have you seen it anywhere else? No, you haven't. It's not happening. So, we've got to take the leadership at the ground of getting information out to people, and as we do that, I think we'll create a groundswell that will cause some Congressmen, and some Senators, and ultimately, you know, to do something—or else.

Q: I have a question, and I fear that it's going to be oversimplified, but I didn't hear Mr. LaRouche say anything about what to do with those rogues, and crooks, and I could call them a lot of other names, who've stolen all of that money, from Enron and all those companies, and while we—I say Enron: Enron is just one of many, many, many, who have caused people to lose jobs, who have caused people to lose entire retirements, and I did not hear you speak to that issue. It may be a minute part of the problem, but it is a problem for those of us in the trenches.

LaRouche: Let me be plain-spoken and answer you directly, without going too far, and saying too much, about our President, or his friends, or others. The reason I have problems in the Democratic Party, is because of that. That there are certain people, who are tied to famous names in organized crime, who control much of our financial system, and our political system, from the top down, especially in the party organization part of the national parties.

For example, let me give one name. A guy who is the leader of an international drug-trafficking mafia. His name is Marc Rich. Now, at the beginning of February, former President Clinton was interviewed, and asked if he would pardon Marc Rich if he had to do it over again today. His answer was, "No." I was very happy to hear that President Clinton had said that. I thought it was very intelligent statement. He said, "Why? Because Marc Rich belongs to the Republicans. He's Cheney's problem." And if he left it to the Republicans to pardon Marc Rich, he wouldn't have gotten, Clinton wouldn't have gotten any flak over pardoning Marc Rich. So he wouldn't do it again.

Now, what's Marc Rich? Marc Rich is a very dirty guy. He's a part of something called the Russian Mafiya. It's tied with everything evil you want on this planet, and it controls Al Gore, for example. Al Gore was one of its progeny. Joe Lieberman is part of it. Some of the people in the top ranks of the Democratic National Committee are part of it. Many of the Congressmen know about this stuff. They don't know as much as they should, because they don't wish to: It's too uncomfortable. But they're not of that temperament.

Now, you go on the Republican side, and you find that,

not only is Marc Rich tied into Joe Lieberman and Al Gore's friends, but he's also, his lawyer is the key man for Vice President Dick Cheney. And, if you look at the Marc Rich-Halliburton relationship to Vice President Dick Cheney, you begin to see. If you look at some of the things on the Bush side, you see the same thing.

What you're talking about, are people who have looted our country. Look what Enron did. Enron is responsible for the bankruptcy of California, and similar kinds of things. 401(k) was a swindle of this type. Who did it? The same kind of people—401(k). People have lost—they went from Social Security, went from regular pensions, into this 401(k), which was a swindle, from the beginning. But greed inspired people to say, "I can get more money out of 401(k)s than I can from a solid pension." They gave it up, and they were swindled. Now we've got people running around, who thought they had pensions; they don't have them any more.

No, this crowd is all one thing. And I am well-informed about these characters, as I've intimated to you. I know who they are, and what they are, and what control it is they have over the national parties, and control over part of the Congress. And, I have made myself their enemy, and therefore, within some quarters, I'm not much liked, but I'm sort of proud of that.

Q: I want to know about Alan Greenspan. How do you feel about him then?

LaRouche: Well, Alan Greenspan, I understand, takes baths, and I hope he comes clean there, because he doesn't any place else. There's talk about him spending a long time in his bathtub monthly, with his little quacky ducky, or whatever it is. But, I just hope he would come clean there.

No, remember, back in 1979, Carter, under Brzezinski's pressure, appointed Paul Volcker as Federal Reserve chairman, and that was the beginning of the collapse of the U.S. economy, its final phase, when he went with that 21%, 22% interest rate increase, which collapsed a lot of things. Since that time, since 1979 to the present, the U.S. money system has been controlled top-down by two fellows in succession: Paul Volcker, and his successor Alan Greenspan. Alan Greenspan has created some terrible financial bubbles. He's one of the chief causes of collapses of the economy. The collapse of 1998, the GKO collapse, of Long Term Capital Management, was his creation. The IT bubble collapse was Alan Greenspan's creation. The coming collapse of the real estate bubble, which is going to hit the Washington area, and other areas—the Fannie Mae bubble, Fannie Mae-Freddie Mac bubble, he created it. This man—I call him "Bubbles."

But, he is a very vicious fellow. He was a follower of Ayn Rand, and if you wanted something really right-wing, and fascist, Ayn Rand was it. And he was the head of her fan club for a long period of time, and he carried the tradition of that fan club into the Federal Reserve System, and you've seen the results.

Q: Is it that I'm investing, throwing good money after no money? Because, I was listening to you talk about the bankruptcy of the banks, and, you know, the huge ones, Chase and Citibank, and all of these, and part of our investments, part of our stocks, these are companies where we supposedly hold stock. So, am I throwing my $10 after no money?

LaRouche: Well, let me go to a more fundamental question, because your question pertains to it. A long time ago, you may have read the *Republic* of Plato. In there, in the second book of the *Republic*, in the dialogue among—trialogue, among Socrates, Glaucon, and Thrasymachus, there's a discussion about national policy. In the course of this, Socrates introduces in Greek a term called "*agapē*." *Agapē* is the same word used by the Apostle Paul in ***I Corinthians*** 13. What is sometimes translated as "charity," "love," and so forth; it means something much more, as you may know from that reading.

This term came into modern usage from the Greek, and from the Greek New Testament into Europe during the 15th Century, during the establishment of the first modern nation-state in France, as a result of the sacrifice of Jeanne d'Arc, who made that possible. And the idea that a nation-state is not legitimate—is morally illegitimate, unless the sovereign is accountable, efficiently, for the general welfare of the whole population, including posterity. Therefore the supreme law of government is that, of legitimate government.

Our Constitution specifies sovereignty. We as a people and our government are sovereign in our territory. That government is legitimate to the extent it exerts that sovereignty, and assures the general welfare of the total population, and posterity. That's our law.

The opposite law, is the tradition of apostle of slavery, John Locke, who introduced slavery into the Carolinas, as a formal system of law, called "property." The United States government today, is dominated, in the majority of the Supreme Court, by people like—by thugs, like Antonin Scalia, who says the law is shareholder value. Under the law, in any crisis, under our Constitution, under the Christian tradition, I just referred to, the government is responsible to protect the general welfare *first*, and other things second. We must defend the sovereignty of our republic, and the republic must defend the general welfare.

So, when it comes to sorting out bankruptcy, when there's any financial bankruptcy, the law dictates—if we follow the law—the law dictates that the general welfare comes first. The sovereignty, general welfare, and posterity come first. Others come afterward, if there's something left over. So therefore, those who invested in good faith, or those who have a need, someone who's invested in a pension—the responsibility of government is to make sure those pensions are met first, the stockholders last. The welfare of our people comes first.

Think more deeply. What is the implication here? I often

At the Arkansas state capitol in Little Rock, LaRouche is joined by Revenue and Taxation Committee Chairman Jimmy Mulligan (left), just before LaRouche was introduced to the State Senate and House of Representatives. At right are LaRouche aides Stuart Rosenblatt and Richard Magraw.

use this. Normally in politics, I stay away from theology as much as I can, but I can only stay away so far.

Reverend Wilkins: Me, too. [general laughter]

LaRouche: We have that problem in common. But the point—I pose the question: Why do politicians fail? Why do politicians who are otherwise bright, intelligent people, why do they fail morally? Like Hamlet, Shakespeare's Hamlet. They fail because as Hamlet says, in the third act, is, "When we shuffle off this mortal coil . . ." What frightens Hamlet is not death; what frightens him is immortality. What comes afterward. And Jeanne d'Arc, for example, was able to sacrific her life for humanity, willfully accepting the alternative of being burned alive, rather than accepting the degrading conditions of not being burned alive, for the sake of all humanity, because she was sure of her immortality.

Leaders have the problem, that very few of our leaders are exactly obsessed by immortality. And some of our nice leaders are not obsessed by immortality, and therefore they make compromises: "Well, I've got to think of my self-interest." But you only have one life! You only have one mortal life! And all eternity around it. And you have to say, "Am I an animal, like a monkey, that when I die, that's the end? Or am I a human being, who's accountable for my interest in eternity, as opposed to just this little mortal life I have?" As it's said in the parable in the New Testament, you have a talent. It's your mortal life. How do you spend it? For *what* do you spend it? And the problem we have today, is, we've become a putrid kind of heathen population, not for lack of preachers, but for lack of Christians among the preachers. Because this question of immortality—people are more concerned: "If I go to Hell, what kind of a house am I going to get?" Or, "Is God going to intervene to pay my mortgage next month?" As opposed to, "What am I willing to live and die for?"

In former times, when we were more moral, we would say, "We invested our lives, and risked our lives for the sake, immediately, of our children and grandchildren and others, for the community of the people." But, that is gone now. The "Now Generation" says, "What I get *now*, in the short run, is what counts. What I do for my grandchildren, what I do for the children that are coming. . . ."

Now for me, an older guy, I've a few frisky years before me, I assure you. But, I don't have that many years before me. What I've got is what I leave behind. What I've got is immortality. And the problem we have today, is, too many of our leaders, and too few of our citizens, still have that sense of immortality. Therefore, they make decisions, and fail to impose decisions upon their leaders, which are based upon that consideration.

My concern is, what is going to happen to this planet, if this depression and this war go ahead? There's going to be hell on this planet for a long time to come. If we can prevent that, if we can save this nation, which was a beautiful creation; if we can realize all the things we've put in to making it something, and if we give our lives to that, even just by living out our life in a certain manner, we've got infinite courage, and can do infinite things. My problem is, we are too weak. And, as I say, I don't try to get on the theology business too much, but when it comes to this question of immortality—

Reverend Wilkins: We've got just a couple more questions, and then we're going to close.

Q: Mr. LaRouche, while I agree with a lot of what you said, I disagree with what you say about the war. What do you think is going to happen, if we *don't* go do it?

LaRouche: Nothing bad is going to happen.

Q: Sept. 11 showed that the defense of this country was shattered. It proved that the government did not do what it's supposed to do.

LaRouche: That's right.

Q: Have you been in military service?
LaRouche: Yes, I have.

Q: I was in the military too. If we don't do something, they're going to do something to [us]. Because those kind of people got one thing in mind. If you don't believe what they believe in, they're going to kill you! And if you think that you can get away with not doing anything with them, you're sorely mistaken, sir.
LaRouche: Actually, who did Sept. 11?

Q: Nineteen Arabians, I guess.
LaRouche: No. They did not. We don't know exactly who did it.

Q: Yemenis, Arabians, whatever they were.
LaRouche: No, they weren't. What we've been told is a big lie.

Q: Well, who did it then?
LaRouche: Well, somebody inside our people.

Q: Bin Laden didn't plan it?
LaRouche: No. Not capable of doing it.

Q: Somebody inside our country?
LaRouche: Inside, at a high level.

Q: They were all proven to be nationals of some other country.
LaRouche: No, they weren't. Proof was never presented.

Q: Showed all of them on TV—
LaRouche: I know, but it's not been proven.

Q: That's all propaganda?
LaRouche: Yes, there is an investigation.

Q: So our own Americans paid 'em do it?
LaRouche: No, not paid them to do it. They didn't do it.

Q: That's right. They didn't do it for pay, or anything, but what they were taught.
LaRouche: No.

Q: If they killed us, they were going to go see God.
LaRouche: Let me pull rank on you on this one. One of my areas is security. I was the author, the original author, of what became known as the SDI [Strategic Defense Initiative]. I did that as a project, as a private citizen, with the Reagan Administration, with the National Security Council. I've been involved in this security question for a long time. I've done things for our country, as a private citizen, which are fairly high level, and very sensitive. I know the security business. No bunch of people from the Middle East, an outfit like Osama bin Laden, was capable of doing that. What was done was a very complex operation, and it was done deliberately, *to get us into a war*.

The policy—I know who the author of the policy is. The author of the policy is on record. At the end of the Bush Administration, first Bush Administration, 41, Dick Cheney adopted a policy for a war against Iraq. It was a policy which was done together with some others, who wanted to have a Clash of Civilizations war against Islam.
Q: Islam? Against the whole nation of Islam?
LaRouche: Yes, all Islam—1.3 billion people. And the policy is there. It's called the "Clean Break" policy. This policy was developed under Cheney, in cooperation with some people in Israel. It was originally designed as a policy for the Netanyahu government—the "Clean Break" policy. It was then adopted by Cheney, and it was turned down by the Bush Administration generally. Bush went out of office, and the thing was buried.

Then, on Sept. 11, 2001, the policy was suddenly revived. Revived by people who are known proponents of it: Richard Perle, Wolfowitz, Rumsfeld, Cheney, Libby, and so forth—the Marc Rich crowd, and so forth.

So this was an operation, which was done *within* the U.S. security system—which should have prevented at least two of the planes from hitting anything. The first one might have been a surprise, but the next two were not. And our security system had been taken down, and somebody knew *exactly* how to do it. Now, this could not have been done by anybody from a foreign country. It had to be done from somebody *inside* the United States, at a very high level, and there are people who wanted that effect. And they did it.

So, we're still looking for the guys. Look, we have to deal with this realistically.

Q: If you'll allow me to be blunt with you, you are a crazy fool. I know my friend. . . I apologize: You are a nut!
Another voice from audience: Same to you.
LaRouche: I happen to be an expert.

Q: You're an expert at being a fool.
Another Q: I can remember the Oklahoma City bombing. They said the same thing, you know. They said this has to be Islamic, and found out later on it was not. So a lot of times, those people do get blamed.
LaRouche: That's understandable.

Reverend Wilkins: We'll take two more quick questions here.
Q: You said nothing will happen, would happen, if we don't go to war. What will happen if we do go to war?
LaRouche: It's incalculable.

Q: I mean, in that area.

LaRouche: It won't be limited to that area. That's the whole point. See, the United States can probably go in safely. Tomorrow morning, they can take 400 rocket-launched missiles, and they could take the high-impact non-nuclear missiles, and hit areas like Baghdad, and make mincemeat of that whole area. That could happen.

But the point is, when you fight a war, you're not going in to kill people, you're going in to win a war. Winning a war means ability to occupy that territory, or not have to occupy it, over a period of time to come. The problem is we're faced with—. You'll find most of the U.S. military professionals, the ground-force senior military, retired and serving, and Marine Corps, like General Zinni, would agree. This is a stupid war to get into. Don't get involved in it. The President has been operating under the influence of Cheney's circles, and he's bought into it. It's a mistake, a terrible mistake.

We have no problem—I've dealt with some of the people who were experts, and went into Iraq earlier on the weapons inspectors—there's no problem. There's nothing we have to fear. Yes, Iraq might be able to get a weapon, and throw it against somebody nearby. But it's not a direct threat to us. Furthermore, the people in Europe, the people in Asia, the relevant people in the Middle East, are perfectly willing to do whatever is necessary, to control the situation, to keep it from coming to a war. So, you have nothing to fear. I've been in the Arab sector, I'm known throughout the Arab world. I've dealt with these countries. I know what the operation is. It's nothing we couldn't handle. You don't *have* to go to war.

Q: So, what's the game? For these people who are advocating it?

LaRouche: The game is, that there are certain nuts, in our own country and other countries, but especially in our own, who want this kind of war. They want a war against Islam. And, for example, Dick Cheney. Dick Cheney, the Vice President of the United States, wants such a war. Dick Cheney is the rooster for the hen house that wants these things. The people who want the war, are a bunch of draft-dodgers, chiefly, a bunch of draft-dodgers who ducked service during the 1960s, during the period of the Vietnam War, and they safely stayed here. Cheney himself was a draft-dodger. Got himself an exemption. So the draft-dodgers, who don't know what war *is*, who have no idea what it is, condemn the generals, who know what war is, who say, "Don't get into the war." And everybody I know in Europe, and in the United States, who I've talked with, in all kinds of circles, we all agree, there's no *need* for this war! It's a crazy idea.

Reverend Wilkins: And by the way, some of you may be familiar with Gen. Wesley Clark, who is an Arkansan, who was the commander of NATO, who has publicly said, over and over—he's from Arkansas, he's around here all the time—who has said—and he's well knowledgeable about these issues; he's said, this war is not necessary, it doesn't make sense, it doesn't have to happen. . . .

Yes, ma'am. We need to wrap up.

Q: I'd like to give you a statement from one of my superintelligent students—and most of them are. They think very well. And, Mr. LaRouche, what they said, they want this George to be like the first George. They want him to *lead* the troops into battle. And will you please take that on to Washington, D.C.? My students at Pine Bluff High School, want this George to be like the first George, and that is to lead the troops into battle.

Reverend Wilkins: You're talking about George Washington?

Q: Yes, George Washington, and George Bush. [Laughter.]

Q: To Mr. LaRouche, and the entire panel: I really appreciate this information. This is not a question, this is a comment. This is positively needed, because a lot of times, we are so misinformed, and a lot of times, we as teachers always need communication, so that we can connect, and have a clear understanding, and I appreciate this information.

Reverend Wilkins: Thank you all. Thank you, Mr. LaRouche. [Applause.] Mr. LaRouche, this is the cream of the crop of Pine Bluff, Arkansas.