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## To Arkansas Legislators

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# Capital Investment To Produce a Human Being

*On May 10, 2004, Lyndon LaRouche addressed a group of legislators in Little Rock, Arkansas, who were at a reception for him. Following his opening remarks, LaRouche answered questions for over an hour; two of these questions, and LaRouche's answers, follow his presentation below.*

*Arkansas State Rep. Joyce Elliot introduced LaRouche to the group.*

**LaRouche:** Generally what our problem is, is this: We're in a fascinating period of history, and we are in a period of history, where you can no longer draw straight trend-lines between two points. We're in a period of fundamental change, for better or for much worse. Right as we speak, we're in the crumbling phase of an onrushing, general world depression, far worse than what was experienced in the United States, between 1929 and 1933. It's happening. For example, you were talking about \$40 a barrel oil, now, in the peg price. And to some of you, you know what that means, in terms of the impact upon not only gasoline prices, and so forth, but on fuel oil prices, and power. We're much too dependent upon oil for power in this country. But, also, the markets are crumbling. The bond markets in particular, internationally, ever since that recent deal, where they separated bond prices from stock prices, to try to keep the dollar floating up there.

So, we're now on the edge of the biggest crash you ever knew, or ever heard about, at least in modern times. We have a President who is stupid, the most stupid man we've ever had in the Presidency. We've had some close calls with that, in the past. But, this is the real prize. He's actually a poor reincarnation of Mortimer Snerd. He's sitting on the knee of a man, who is actually himself a marionette; his wife Lynne Cheney, is actually the Lady Macbeth of the current U.S. government. She runs Cheney, she's made his career, she controlled him. He, in a sense, is her puppet. So, you can imagine, here she is with her strings, pulling this thing she adopted, Cheney. Cheney is holding a dummy on his lap. He doesn't use ventriloquism: he uses a teleprompter. And that's what gets the President to speak. You don't ask what the President's intention is. You ask what his teleprompter's is.

Now, quite seriously, that's our situation. And, it's not accidental. The Democratic candidate the last time around, wasn't too much shucks, either. So, we didn't have any choice at all, in terms of running leading candidates. One was dumber than the other. This one is perhaps meaner than Gore.

But, we're now in a very serious situation. We have two problems: the biggest financial-monetary crisis in modern history; it's now onrushing. It's inevitable. It can be dealt with, but it's inevitable. At the same time, we're entangled in not only an Iraq, we're entangled with a process, a commitment to war in general. The policy of Cheney and those behind him, is world war. It is perpetual warfare—that's one name for it; it's preventive nuclear warfare. And, if this current administration were reelected with Cheney in it, we would be attacking Syria; we'd be attacking Iran, North Korea, and other countries, with nuclear weapons, with so-called mini-nukes.

## A Generational Investment

Obviously, we don't have the troops, we don't have the force any more, to fight a conventional warfare, anywhere, not even in Iraq, where we are presently. But, nuclear weapons can be used. They can be dropped from the air and similar methods. And very destructive. And, we have new types, which we knew were being developed a long time ago: lower radioactivity output, but tremendous destructive force.

And that's what we would have.

Now, there is a remedy for this kind of situation. You have to realize that economy is not money, it's physical. Economy is the welfare of people: It's education, which develops the people; it's basic economic infrastructure; it's investment in capital goods of production; it's better housing—these kinds of things: The things that are necessary for human beings to be productive, and to determine the quality of their productivity. These are physical things.

Money, properly speaking is something which should only be created by a government. It has no value. Money is an idiot. It goes where it wants to go, which it has no idea where it's going. And therefore, government must control it. You must regulate the economy, in such a way, that money doesn't do silly things.

For example: The basic problem in economy, which we've forgotten about since about 40 years, when they decided to take us off an economy, is that the key thing is capital. Now, the basic concept of capital, is today, to produce an adult human being; a young adult, who's properly educated and similarly qualified for a modern economy, takes 25 years of life. Until someone reaches the age of 25, provided they have the opportunity for the education, their development of the first 25 years of their life, is essentially a capital investment of society in the person. That's something we forget. There's a capital investment in developing a person.

Then, you have the capital investment in developing and improving the land area; the capital investment in developing mass transportation and power systems, water management, all the other things that go with that. These are sometimes very long cycles. For example, TVA; it's still there. It's a more than 50-year cycle. Major water systems that were developed under Roosevelt, and before, from the junction of the Ohio



*State Rep. Joyce Elliot introduced LaRouche, when he spoke to a group of Arkansas Legislators: "I am pleased that Mr. LaRouche will speak with us today, to be a part of what we are doing to exchange ideas. Because one of the things that I think that's greatly lacking in this country, is, we tend to get an idea, and we decide it's right, and not spread our wings to even embrace anything that's new, or something that's thoughtful, beyond what we hear every day. And I appreciate the origination of his ideas, and how they make people think, and provoke us to do things perhaps in a different way, from what we've done before."*

and Missouri, and Mississippi River down. This is now decaying. The Tennessee-Tombigbee system is now decaying, what was done with it. It should have been a great promising project, which comes on the other side of the Mississippi, over here. This part is also decaying. Water systems which are essential.

We have whole parts of the United States that have never been developed, the so-called American Desert, from Montana down, all the way into Mexico, in Sierra Madre way: Never been developed. No development significantly, since about 1911, in the whole area. It's still sitting there, with all that land-area, with all those resources tucked underneath it, with all that potential, and we have not developed it; we have not brought water in there, we should have brought in a long time ago. We could have changed the character of the country. We didn't do it.

But, all of this is capital investment. It's a *physical* capital investment: It's something we do now, which is going to last for a period of up to a quarter-century or longer. It's something that we invest in. We call it capital, we call it financial capital, because we pay out now, to develop the infrastructure; and it pays us back, over a period of a quarter-century or longer. That's what a real economy is. It's increases in productivity, through increasing the productive powers of labor; it's investment in technology, science and technology, to increase man's power over nature, to deal with problems.

This is what we've gone away from. We went, 40 years ago, approximately—and I tell the story repeatedly, because I

think it's important to remember. You know, I have to capture your imagination, in a sense, to communicate. I've got to get you to think about something of the past, and think about the past coming forward to the present. Take you back—I'm not going to take you back a long time; that's what I do a lot, but just take back, since the end of the World War II: Because that's what most of us are a reflection of. Some of us lived through part of that in one way or another.

## **Economic Looting, and War**

World War II, when it started: It started at Versailles, at the end of World War I, when an idiot from Lansing, Michigan who was then Secretary of State, pronounced Germany as having the sole guilt for World War I. Now, actually, it was King Edward VII of England, who was dead at the time—was dead when the war started, but he planned it. He planned it in order to set the nations of Europe against each other's throats, to preserve the British Empire. It's that simple.

Now, at the end of that war, it was a terrible mess. France was bankrupt. Britain was bankrupt. Who was going to finance rebuilding France and England at the end of the war? Well, they decided it was Germany: They had the sole guilt, they were going to pay for everything. So, they set up the Versailles reparations system.

Now, the problem was, that Germany was also looted, as a result of that war, which had cost a lot of manpower and materiel. But, the Germans printed the money! They printed the reichsmarks, to pay the debt. The reichsmarks were paid to the British and French. The British and French had a big debt to the United States. So, the U.S. system depended upon receiving payment from the French and British, to support the New York financial market, which depended upon the German reparations payments to France and Britain (and to other countries, but that was the essentials of it).

Obviously, from the beginning, when the system was designed, the monetary was designed, it was never going to work. It couldn't work. Because Germany couldn't pay, and therefore, the United States couldn't be supported by France and Britain. So, they had a plan. They had a plan of bankers. And this plan became known as fascism. And the idea was, to use the crisis that they had built into the system, the Versailles system that could not work, to create a system of fascist governments throughout Europe. And that continued over 1922, when Mussolini was put into power, from France; and it continued through the fall of Hitler, in 1945.

At the end of the war, Allen Dulles, and similar people, cut a deal with a man who became an enemy of mine, a personal enemy of mine: François Genoud, of Switzerland, who was the negotiator between Schellenberg of the SS, and Dulles. And, what happened is, the whole kit and caboodle of the SS system, that is the hard core of it, was brought into the Anglo-American system, and it was actually made functionally active, *on the day that Franklin Roosevelt died*.

Now, when I came back from the war, I quickly saw that

there was a change, which some of you recall from experience. Under Truman, the right wing had taken over. And, men who I knew had fought in war, turned into stinking cowards, under the threat that the FBI was under their bed. Their wives told them to shut up, do anything necessary to survive and keep their jobs. To *lie*, especially lie. Some of these people went into suburbia, and they learned to lie in the suburbs. They taught their children to lie: “Don’t say anything that will get our family into trouble. Your father might lose his nice job with the defense industry contractors.” So, these young children, who were raised in the post-war period, learned to lie.

Then, after Eisenhower left office, who saved us from many bad things. He was against this evil, like many of us were. But, when he left office, Allen Dulles was turned loose, and the people around him. They started with the Bay of Pigs, and then their friends in the world organized the Missile Crisis of 1962, where people were hiding under their beds; or hiding in the barroom, hoping to find God, before the missiles struck. Then Kennedy was killed, and nobody talked about it, about who had done it. It was done by the right wing, the same crowd that Dulles had brought in from the Nazi side, at the end of the war.

At that point, the young people, who had been subjected to the kind of rearing that the cowards of my generation subjected them to, especially young people who were going to universities in the middle of the 1960s—the best universities; the ones from which you’re promoted to future careers in government and other things, positions of power: These young people, after the beginning of the Vietnam War, took their clothes off, from university, and took drugs—LSD and everything else; and they became the rock-drug-sex counter-culture.

## Baby Boomers and Debt Bubbles

But, they went on still, and they’re running the government, today. They’re running all the key positions today, in government. And that’s what Bill Clinton’s problem is. Bill is probably one of the most intelligent Presidents we’ve ever had. And, he has a fine feeling, has a good mind. But, on this question—you can’t move him. Oh, I sometimes move him. He sometimes is moved. But, he’s very reluctant. He’s part of his generation, he views that generation as the Golden Generation. That’s his weakness. Some of you here know him, and he has that weakness. So, he comes up on the wrong side. But, on a matter of principle, like this death penalty case, they had down here in Arkansas: A poor, lame-brained fellow, couldn’t know exactly what he was doing, he was picked up and charged with the crime of murder, and finally executed. That kind of thing. And I’ve seen him duck on that kind of issue, a number of times.

But, it’s a problem of a generation! Not Bill. Bill’s bright. Bill is probably about as moral as you find; I wouldn’t say the same about Hillary, but Bill, yes. The problem is, they don’t

face reality. And they’re going along, believing in this post-industrial system, which was developed at that time: We went from the world’s leading productive economy, into what’s called a post-industrial society.

Then, after 1971-72, what did we do? We changed the monetary system: Once we’d changed the monetary system to a floating-exchange-rate system, deregulated, then what did we do? We then went to countries, we bankrupted the countries through our control over the monetary system. We ruined their currency. We sent in the IMF and World Bank, to tell them to lower the value of their currency. We then created an artificial debt, that is, we told them to accept a debt they did not incur. We said, “Because we have lowered your currency, that means that your creditors will not be satisfied to be paid in your currency, because we cheapened it. Now, we’re going to add an additional debt, to make up for the payments to your future creditors, whom you’ll have to pay.” The countries of Central and South America have long since more than paid *every penny they ever owed* on their debt, to the international financial system. They don’t owe anything.

What we did—we dropped the value of their currencies. It was nice. Now, we ruined their economies. We shut down much of Mexico, for example, much of its agriculture, its industry, its infrastructure has been destroyed, by *our* doing that, from 1982 on. Now, we said, “Now you work for us—cheap!” Cheap.

And so, we substituted virtual slave labor, from people in these countries, for our industries. We used virtual slave labor from China. Then, you have the phenomenon here: the Wal-Mart phenomenon: Wherever Wal-Mart steps into a couple of counties, you find desolation in the industries all around it. Because, Wal-Mart says, “If you’re going to continue—. We’re dominating your market. If you want to sell to us, you have to produce at Chinese wage rates.” Shuts down the industries. Wal-Mart is like a disease, spreading across the country in that way. But, it’s typical of the system.

So, we have actually destroyed the system of economy we had, which, with all its short-comings, political and otherwise, its injustices—without that—it was the most effective, productive machine on this planet. And we have destroyed it.

Now, as a result of that, we’ve built up the debt against ourselves, especially with the courtesy of Alan Greenspan, and his financial derivatives scheme. We’ve built up a debt: We’re talking about a world economy in tens of trillions of dollars of net product annually. The turnover, in financial derivatives, which are relatively short-term side-bets on the economy, are in the order of magnitude of *quadrillions* each year. We can never pay it! The world is bankrupt. But, it’s primarily it’s a financial bankruptcy, first of all; and it’s also a physical economic bankruptcy: That is, we are bankrupt in the fact that we do not have the productive capacity in agriculture, in infrastructure and industry we once had. We don’t have it! Our people are not *productive* in the same way any more. Their productivity has been taken away. But, we

can fix that, by hard work.

But, we're also financially bankrupt: That means, that we've come to the point, that we say, "What about Franklin Roosevelt? What did Franklin Roosevelt do, in 1932, when he ran for President, and when he became President in March of 1933, what did he do?" They had a situation, which was far less severe than today. But, what he did, is a model in terms of U.S. law, in terms of principle of government, which will address the problems we have today. The Federal government must act.

## What Is 'The Pursuit of Happiness?'

Now, the principle of law is elementary: We have a unique Constitution. No other nation in the world, is a true republic, today. We, in our Constitution, are a true republic. We are a creation of Europe. Because, in a time of great difficulty in Europe, the finest minds of Europe, including the influence of the followers of Gottfried Leibniz, imported into the United States around the circles of Benjamin Franklin, the ideas of Leibniz and related kinds of things from Europe.

These ideas, which were grouped around a youth movement—the founders of the United States, except for a few old guys like George Washington, and Benjamin Franklin himself—were a youth movement! How old was the Marquis de Lafayette, when he became a general of the U.S. Army? Hold old was he at Yorktown, when he played a key role in defeating the British, at Yorktown, and establishing our freedom? How old was Hamilton, when he devised the techniques of implementing our Constitutional system of political economy? These were young people! Young people in the 18- to 25-year age bracket. Educated under the influence of Franklin, and his education and press system, his publications system. One of the world's leading scientists.

So, we were a nation, but we were a small nation, when we had our freedom. Then, in 1789, just as we adopted our Constitution, and as Washington became our first President, the British organized the French Revolution, which unleashed Hell in Europe. Adolf Hitler was an echo of Napoleon Bonaparte. And Napoleon Bonaparte was made possible by a Jacobin Terror, which destroyed much of Europe. And Europe has never fully recovered from the reverberations of the French Revolution of 1789-1815. Never.

So, we have a unique Constitution. No other nation on this planet has this quality of Constitution. It's based on fundamental principles of law. In the Declaration of Independence, the concept of the natural right of humanity to a pursuit of happiness, and the purpose of government, is to provide the opportunity for the pursuit of happiness, to all members of the society.

What is the pursuit of happiness, as Leibniz argued this against the writings of John Locke? The pursuit of happiness, is the recognition that man is not an animal. That man is a creature of creativity, made in the likeness of the Creator, capable of doing creative things, to improve the universe,

through discovery of principles. We are all mortal, and therefore, happiness consists in finding between birth and death, is finding a meaning in our mortal life, which comes and goes. We inherit from those who went before us, good things. We try to discover what they are. We try to use them. We try to preserve them. We try to maintain those things we have acquired from previous generations, and perpetuate them to the benefit of future generations. We try to add to that stock of creativity, and leave something to those who come behind us, with the idea, that we can die with a smile on our face, because, our life has been good; it has been useful; it was *necessary*, because it did some good, that humanity needed.

And that's the fundamental principle. In our Constitution, our Preamble, we set forth these principles of natural law. We are a sovereign people: Sovereignty is not the government's sovereignty *over* the people; *the sovereignty of government is that it is an instrument of our sovereignty, as a people*. In other words, it's not something which rules us. We're not choosing a monarch. It's not a king. It's not a dictator. It is us! We are a sovereign people, and our government is our *instrument* of our sovereignty. It is the *tool* of our sovereignty. It is not something which oppresses us, and must never become so. The first obligation of government is to sustain, and promote the general welfare, of *all* of the people. The continued obligation is to promote posterity—the interest and well-being of posterity.

## The General Welfare Principle

Therefore, when you face a great crisis, where the financial system is disintegrating, as now, you do what Roosevelt did: You invoke the principle of the general welfare, as President, as the head of the Executive branch of government, the section of government that must *act*. You invoke the general welfare, to say, "We are going to *defend*, the general welfare."

Now, that means, the financial system goes into receivership, in a Chapter 11 type of receivership. We take over the Federal Reserve System, which I happen to know is bankrupt. All the major banks of the Federal Reserve System today are bankrupt: Citicorp, J.P. Morgan Chase Manhattan, so forth—they're all bankrupt, all the major banks. More than bankrupt. Beyond bankruptcy. Hopelessly bankrupt—all of them!

So, what do we do? The government takes the Federal Reserve System, which is the system of all such banks, and puts it into government receivership, like a Chapter 11 receivership procedure. We then utilize the inherent powers of government, the power of creating currency, to create a debt: A debt against capital improvements in the future, debt that is secured by the capital improvements we are going to make with that money.

We then use that money in two chief directions: One, immediately, you take the basic infrastructure needs of the nation, which have been neglected for over 40 years, and you launch large-scale projects, comparable to what the TVA project represents in our memory. You set forth power genera-



*The Arkansas legislators group in discussion with LaRouche. While he was in the state, the Arkansas Democrat-Gazette ran the refreshing headline: "LaRouche Says Bush 'Dumbest' President."*

tion and distribution. That is a quarter-century to a half-century investment. What you spend, today, will be a physical asset which secures that payment, for a quarter-century to a half-century to come.

You launch large-scale infrastructure projects, in the form of general transportation: You go to not only modern railroads, extend that to full-system railroads—we don't have to have trucks running up and down, all night. And, there's another factor in this—you improve the transportation system.

You go to the water-management system: The water-management system of the United States has to be totally brought under control. We have to open up new areas. We have to manage our water. We have to generate new sources of water, available for our needs.

We have a health-care system, we've destroyed, destroyed by the Nixon law of 1973, which turned over Hill-Burton. We don't have the health care we used to have. We no longer have, under the current implementation of HMO, we no longer have the right to life that's built into the health-care system. The physician is no longer authorized, to determine what treatment you'll get. Some accountant, working for a financial holding corporation, which controls the system, determines whether you live or die! It's that simple. And their policy is, that death should be accelerated.

There *is* no plan, no provision for preventive health care. Most of us are old enough, here, around the table, old enough to know what that means: That means that you have a physi-

cian, or a clinic, you go to; the physicians at it, say, "Well, let's take a look at you. Let's look at you at about the age of about 50, in particular, when the troubles begin to show up—the future troubles, the undetectable. Now, let's have you take a couple of tests. Come back a few times. Let's look you over. Let's do a profile on you: What kind of sicknesses you're likely to get. And let's think about how you're going to manage your life, to deal with these potential problems, before they hit you."

And, the best time, is about 10 years or so before it hits. And people have potentialities; they have potentialities, you know, which may be 20-year potentialities. But, the wise thing to do, is, you know if you have a potential problem, to get on the case, well in advance, a generation before it actually hits you. Now, this means, that you are spending more time with your physician. You're getting more testing for that reason. And you have the former Surgeon General, who's from this state, Joycelyn Elders, could give you a lecture on that subject. I had a nice talk with her, the last time I was down here, on just this area.

So, we need, not only care—immediate care—for traumatic problems; we need a preventive health-care system, which will greatly *reduce* the actual cost of health care: Because you catch a disease before it hits, you're going to save a lot of money and a lot of grief, and so forth in the process.

So, we need to build those kinds of institutions. We need to increase and improve the quality of training institutions, and the hospitals which specialize in training, of physicians,

and nurses, and others; to increase the capability of just dealing with this problem.

## Education for Human Beings

Now, education: We don't really have an education system, today. As a matter of fact, the education system today is worse than it was 20 years ago, or 30 years ago. Why? Because the philosophy of those who have run and dominated government, the large interests, is that we are treated as human cattle. When they're kind to us, they treat us as wild cattle: They come out and they shoot us, in season, or something like that. Otherwise, we are herded cattle. And if the farmer is nice, he talks to us; he comes when the cow bellows all night, the farmer comes out and quiets the cow down, by milking it or whatever. And one old lady gets angry there, she's going to get the whole crowd stirred up. But then, dear old Bossie—she's going to the shop, you know. She's going to be chopped up; she doesn't give enough milk. Her calves' get weak feet—uhh, she's finished, she's gone. She's gone.

So, we treat people as animals. We treat them as human cattle: We sent them into the shop to work; we assign roles to them; we select them, what they will be educated to become; we don't give them a choice of deciding what they'll become; we set quotas. We decide, "How many of each breed we want, for what kind of stall. One to pull the plow, the other to throw the lash to keep the donkey moving." We don't treat our people as human.

In what respect? We don't recognize the difference between man and beast. Now, you have all kinds of people going to church and so forth, but they still don't recognize the difference between what man and beast is! Why is man a spiritual being, as opposed to an animal? Because, man, and man alone, is capable of discovering an universal physical principle, or comparable principle—and changing the way human beings function, by adding a new principle to the repertoire of human behavior. What we do, is we discover principles which existed in the universe. We didn't create the principles; but we made a creative *discovery* of those principles. And when we apply those principles to the universe, we are *changing* the universe.

That's what we do with science and technology: We take a principle which existed; we discover the principle, we discover how to do use it; we apply that principle, and we increase man's power in and over nature. That's the function. We do the same thing, in terms of social relations: We create new systems of human behavior. This is typified by Classical artistic composition. We change, we change things, for the better.

But, we are not oriented, in our present educational system or our national policy, to developing those qualities in human beings, which distinguish human beings from beasts. We try to create a society which we can *manage*, in the way you would manage a herd of cattle. We don't treat each other as human, except by exception.

That's what the Humboldt system of Classical education was. To educate people to be human. Now, not everybody's going to become a genius. They're stubborn about that—"I don't wanna become a genius." But, if we produce enough people who *do* want to become geniuses, and if we give others the same kind of education, then we will produce from the geniuses, *leaders* of progress. And the others will understand, what they are saying. And therefore, we increase the ability of humanity to improve its conditions of life.

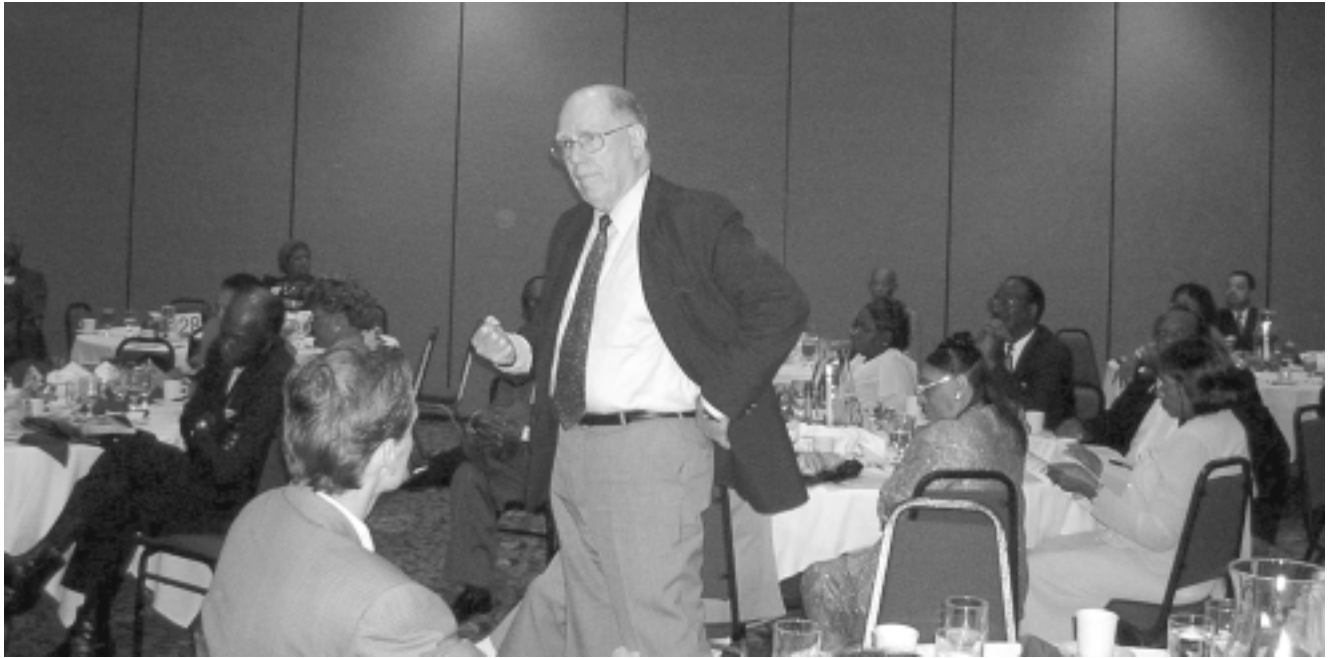
So, we do it in two ways. Start with these kinds of projects, in the area of power generation and distribution; water management, and all that that means; general transportation and what that means; health care and what that means; education and what that means, with the idea that everybody should be educated on a university level up to the age of 25. But, it should be a *real* education, not the stuff they're peddling out at high prices today. We can do that.

All right. So, we have one sector, which is the public sector, which is the area of government: There are certain things the Federal government itself should do, in terms of projects; we should rebuild, on the state level, state public utilities, regulated by the state. Where the idea is, you come in with a government investment, Federal credit; you build a utility, say, a power utility, say, in the state of Arkansas. You have a public utility organization, created by the state, by state law, which now regulates that. It regulates for several purposes: It takes it over, and manages it, and the problem is to ensure that that utility functions, for *all* off the people, *all* of the needs, of *all* the territory. You're not triaging anybody.

Secondly, you want public investment, by private citizens, in these utilities. You regulate them, to ensure that they *are* safe investments. People who do not want to risk their savings, will find, and *did find* in former times, that public utilities were good places to put a good part of their savings. And it's a good function of the state, to make sure that that place of saving is maintained. So, you're now engaging the private interests, of private people, in something which the public is providing.

## Entrepreneurship and Discovery

Along comes another category, apart from the public investment: comes the category of private entrepreneurship. Which is very poorly understood. Some people learn what it means, and more people used to understand before, than they have during the past 40 years. True entrepreneurship is found, not in the large corporation. Very rarely does the large corporation's leadership have any competence in entrepreneurship. They are *not* the source of progress. The source of progress, is in the smaller industry, which may employ from five to a couple hundred people; which are closely held corporations, or private entities, which specialize in developing technologies. They specialize in developing a product, which is a superior product. They often are the chief vendors for the large corporations, which depend upon them.



*The Alabama New South Coalition, at its banquet on May 14, greeted candidate LaRouche and asked him for a brief impromptu address from the floor. He stressed his candidacy representing “the lower 80%” of American household income brackets.*

For example, take the automobile industry, in former times, when we had an American automobile industry—which doesn’t exist any more! We have an American tinker toy industry, putting the parts together—assemblies, we don’t where they came from. Try to get a part, and repair an automobile today. Just—I defy you! Try to find the part! You have to buy the whole assembly, if you can find out where it came from. The motor company does not know where it came from. You don’t have large parts departments, as you used to have them. You can’t fix things yourself any more—it’s discouraged.

So therefore, we have to promote—ingenuity comes largely from entrepreneurship, that is, in production. You know it in the farm sector. The progressive American farmer, given an opportunity, as under the Roosevelt system, was way ahead of the Agriculture Department in innovation. These young guys, who were post-war farmers, they went to agricultural colleges; they learned the modern technologies. They were out there, aggressively practicing technology in the field, before the Department of Agriculture authorized it. They were ahead. They worked hard. They were the *typical* entrepreneur. It was out of this kind of entrepreneurship, which has promoted the general development of industry, in the United States. People went from agriculture into industry. And from the skills associated with agriculture—in *most* parts of the United States, the way it happened—and they began to develop industries. We want that kind of entrepreneur!

Now, that requires something, which this present govern-

ment doesn’t like, [which has been] the present style, of the past 40 years: We’ve got to get a lot of credit out to people, who are good propositions as entrepreneurs, in building the economy. We’ve got to have a facility, where the banking system, which is now still in receivership by the Federal government, will have credit available, through that banking facility, for local and regional uses, for entrepreneurship. That means, you create committees which you collect, and, together with bankers, in a community; and you determine what the local community, including the local government, thinks is important for that area. And if it’s a calculated assessment, that Joe, here, who’s got a shop, is worth the credit, which he proposes he have to do a job, we think that’s a good risk: that money should be delivered to him. And it’s delivered not just wildly as money, its delivered as a supervised line of credit, run through the banking system, but the whole thing is supervised by somebody locally, who is the loan committee, for that area, for this kind of investment. We did that in the Second World War. We did that with a lot of war production operations, that way.

So, what we need is, simply: The Federal government has to act in this way, take over the banking system, prevent a catastrophe—because if you try to collect all these debts and settle all the debts, you’ll have a catastrophe. You’ve got to freeze it. You’ve got to put the whole thing under protection; sort it out, as we did, back in the 1930s. More drastic now, but the same principle.

We have to have a large-scale infusion of credit. We’re

talking about, if I'm President, the first day I'm in office, I'm going to put through a bill for \$6 trillion of capital investment over the coming four years, for these kinds of projects. We've got to have 10 million more people working, than are working now. We can bring the states into balance, by, if the Federal government operates properly, we can make sure that each state has enough income, in terms of the activity of enterprises, in terms of people employed, to balance the state budget without catastrophe. We can do that. We did it before; we did it in the post-war period. We did it with the Federal defense highway system. We began to maneuver the completion of the highway system, in order to balance out short-falls in certain areas which had a fall in employment, and we'd rush in, and authorize a project, or a phase of the project to be continued in that area, to make up for the fact that you had a high rate of unemployment in that area; and that sort of thing. We did it.

And, again, the same kind of thing applies to the local industries. We do it that way! That's all it takes! But, behind it, is a long-term commitment—it's going to be a lot of hard work, but it's better than nothing, which we're getting now.

## Morality of a Producer Society

And, it also implies a change in our moral attitude. The degeneration that occurred, in part, is that people don't think about being productive any more. The idea of being productive, and what productive means. The idea of creating something. We've become like the Roman Empire in decay. We have become a bread-and-circuses society. Look at the entertainment industry. Look at what people spend on entertainment, not only in *money*, but in time of their life. Look at the quality of what they consider entertainment, look what it's moral quality is. We are becoming a decadent, degenerate nation.

And by organizing to save our people and save ourselves from what that implies, we have to think about the moral implications, or the *moralizing* implications, of what we're doing. And the idea, as it came with Roosevelt and I experienced back then, when I was rather much younger—of seeing the Depression, of seeing what people went through, and seeing the slow increase in morality and confidence over the years 1933-1935 in the population: to see that if government shows itself, if our sovereign government, shows itself to be a true sovereign, by taking the problem of the people and giving the people a sense of hope, a sense of a future, a sense of a way up, then their morals will improve; because morality is essentially sensing that you are human, that your happiness in the sense of being a useful person, is important; your sense of your dignity; that you are important, you're proud to be yourself; you're doing something useful; your life has a meaning to it—and your morals improve quickly, as it did then.

It wasn't perfect—I was there. I'm not going to exaggerate what it was. It was not perfect—otherwise, we would not have put up with Truman if we had been perfect. But, we did.

And, so, that's the situation. It's that kind of situation. What it takes—I think, in my experience, first of all, you have to have a sense of being yourself, in history. You have to have a sense of being in history, and are willing to take responsibility for history, to take responsibility for humanity, from where you stand, in your own way. Then, you find in that, the courage to do what you have to do. You have to have a sense of history, and something of what's happened to mankind. You have to think about the achievements of humanity. Don't forget the blemishes, but the achievements.

And you have to say, "Well, we're all going to die. While I'm alive, I'm going to do something useful. I'm going to do something, that justifies my dying with a smile on my face. And nobody's going to take that away from me."

Most people don't have that. They've lost it. We've got to give it back to them. We've got to provide them the leadership in a time of crisis, which convinces them, that that's the way they ought to look at things. And that's what makes me move.

## The Issue of Voter Apathy

**Q:** Mr. LaRouche, you talked about many things today,

But, in my opinion, the biggest problem this country is facing, is the apathy of our people—the very people that I work the hardest for, in my district, don't go vote! Now we got about 50% of our people that are registered to vote. We got about 50% of that registered to vote, going to vote. So, we got about 25% of our people calling the shot. Now, that makes it very easy, for the moneyed people of this country to rule the day. Now, I see it in Washington; I see it here in Arkansas, big money running our government. And if the people don't come back, and start participating, and voting for their own self-interest and looking after their own house, I think that's the biggest problem our country's facing.

**LaRouche:** I agree with you! But, I would say, "Why?"

**Q:** Well, what do we do about it?

**LaRouche:** Do exactly what I said. It's the only thing you can do. What you have to do, you have to use in history, people who have succeeded in dealing with this kind of problem. They are dealing with a moral problem. I mean, for people not to take—

What's happening? With what we can see around us, what you call apathy? Apathy's induced by the sense that they have no power, they're *told* they have no power. They're conditioned to believe in what the mass media tells them.

For instance, since 1977: The lower 80% of the family-income brackets in the United States have been pauperized. Since that period, we've had every report, since 1982, coming out of the Federal Reserve and government on inflation and other figures, is a damned lie! It's a calculated lie! There are no truthful reports coming out of the Federal government, in this area, where the Federal Reserve is involved. They're talking about, there's not much inflation: Don't you realize,





*LaRouche with campaign workers meets Alabama State Sen. Charles Steele, at the New South Coalition gathering on May 14.*

that you have as high as a 50% rate of inflation in food prices recently? In many categories here? And the government says, there's no inflation problem? We have a *hyper*-inflationary crisis breaking out!

What's happened? The way this was engineered, Truman—the reason I went back to Roosevelt and Truman—because the fascists took over, with Truman. Now, they couldn't take over all at once, because those of us who had gone through the Second World War, and through the Roosevelt experience, had certain limits to our toleration. I mean, for example, 1947, I sent a letter to Eisenhower, encouraging him to run, and I laid down the reasons why he should run, and I would stand by those reasons today. But, he didn't. He wrote back, and said he agreed with me—and he *did* agree with me! But, he ran later, after Truman had gotten us into a virtual threat of a nuclear war, with his foolishness, and the crowd of fascists that was running him!

And then, we got into this Korea mess, where his stupidity got us into the Korean War. And then, they discovered that the Soviet Union had a thermonuclear device, that was deployable, and they decided to call off—. Truman's intention, was preventive nuclear war. Truman was the Cheney of today! He had the same policy.

All right, so, we went through this kind of experience. And Eisenhower was called in, because enough forces realized how insane Truman was! They told Truman, you don't run again. You just don't run again! And Eisenhower became President for two terms. He fought to protect us from what he later called the "military-industrial complex." Which meant Allen Dulles, and John Foster Dulles, and so forth and so on. These guys, the same crowd, gave us the Missile Crisis and so forth. So we went through a cultural change, *of terror!*

Under FBI terror—so-called, still even under Eisenhower, but less so. Under Truman. We went under terror, with the Missile Crisis; terror with the assassination of John Kennedy; terror with the launching of the Indo-China War, official war, once Kennedy's back was turned—by shooting him.

And, we let our kids, who went to universities, the so-called beautiful children, the "golden children," we let them become drug addicts and degenerates. We were broken. We were broken. Everything we fought for was taken away from us, inch by inch by inch, from the Roosevelt period. By the time that poor Carter left office, we were almost finished.

The last chance we had, to avoid what has happened now, happened with me and Reagan. Reagan accepted my proposal—I don't know exactly how fast he accepted it, but I worked on it. And he adopted it: We came *close!* We came close to settling this question. If Andropov and company had accepted the discussion, which

Reagan proposed, we would not be in the mess we're in today. But, it was our last chance to reverse it, as subsequent events proved.

## **To Stop Being Fools**

So, what's happened, you think of our people, *40 years*; 40 years—60 years, practically. Sixty years since the end of the war, and 40 years since we began to go to Hell: Our people no longer have confidence in their own ability to control this government. They will tell you, you can't put the toothpaste back in the tube; you can't change things. "You'll see," they'll say, "you can't change anything. You have to accept your options."

What options do we give them? Like the Kerry thing: Now, everybody who's serious in Washington, is despondent about Kerry. They're despondent, not only on the Democratic side; but also on the Republican side. We have many Republicans that are prepared to jump ship, against Bush. That is, the sane type—the grain state, the farm state Republicans. They're prepared to jump ship, dump these nuts, and organize their people to vote for the Democratic candidate, if they could get a decent one.

But Kerry is doing me-tooism, to the Bush machine. And the reason he's doing it, is because he's controlled by the money interests. He doesn't want to offend the money interests.

So, essentially, we're in a position, where we have, by the way the things are counted—we have no representation. We have people, in the Congress and elsewhere, who are perfectly qualified to do their part of the job. *But, we do not have control of the Presidency*, as a people. And this has been going on for a long time. For 60 years, we've been betrayed. For 40 years,

we were betrayed more seriously. And the people no longer have confidence in their government. They don't *believe* in their government: They believe they have to put up with it. They believe it's a thing that controls them. But, they don't believe they have any power to change it.

I talked to today with some preachers, and some of them were saying the same thing: We have no power to change it.

My argument is: We have no *choice*, but to change it. We have no *choice*, but to fight. You look at history—you know, Christ died! You say that was nothing, because He didn't succeed right away? We would have nothing, in terms of Christian civilization, but for Christ—nothing! That's simple.

So therefore, it's like a soldier in warfare: You're a mortal person. What do you devote your life to accomplishing? And it's those who are willing to do what they have to do, with the life they have, to try to turn things around, who keep in motion the things which ultimately result in every good that's happened to mankind so far. I think we can win. From my experience, we can win. But, it takes a lot more guts. And the problem I have, there are not enough of my fellow citizens, who have the guts I wish they had.

We can win. We have the power. If the citizens decide to turn out and vote, we can win. And, our job is to convince them to stop being fools! You know—I believe, sometimes, when a man is being a fool, you have to tell him!

## Who Can Move 'The Forgotten Man'

**Q:** Well, this is an election year, and we're all left-hand hanging. And we're touching as many people as we can, like you are. And we're all out at these little festivals and everything. And the other day, I was at one, and this man said—I told him what I was all about, and he said, "But I can't vote for you, because I haven't registered." And he's one of these people, who looked very unconfident of himself. And we need to touch those people, and say, "You are *important*," and make them feel really important, so that they will go and register and vote!

**LaRouche:** Precisely. The key thing is this, the basis—look at the civil rights movement. The way it worked around Martin's time, when Martin was leading it: Now, the people who came out for civil rights, were chiefly the people who were have-nots—not the people you thought would come out for civil rights. The have-nots. At a later time, when the thing began to succeed, then a lot of people showed up. And went down on the record, as civil rights fighters. But, it was a few people, a relative handful of people, who maintained a long tradition of civil rights in this country, from generation to generation. And a few of them, as leaders, were that. And they led. And the people that responded first, were the have-nots.

The same thing was true with Roosevelt's campaign. Remember, Roosevelt, Franklin Roosevelt: When he opened his campaign for the Presidency, officially, his first primary campaign was an address he gave in West Virginia, where

he made a statement, which became famous thereafter, "the forgotten man." He promised something for the "forgotten man." The way to lead a society, is to convince the people who are the worst-off, that they will benefit from what you are doing. That you care about *them*.

## End the 'Suburban Strategy'

The way things work now, with the Democratic Party, who has adopted this policy of the so-called "suburban policy," the sort of the Democratic Party equivalent of the "Southern Strategy" of Nixon, from the Biloxi, Mississippi meetings with the Klan. And the policy is, discourage the lower 80% from thinking that they have any right to determine the policies of the Democratic Party. That's what they're doing! What they do, is they say, the upper 20%, with the big money behind them, is going to determine the way the voting system goes, and we will allow and encourage some other people to come in, on single issues. On so-called "wedge issues." Playing one against the other, to come out and vote in the polls.

So, what you see, is a convergence upon the upper 20% of family-income brackets, is running the Democratic Party, as well as the Republican Party. And they have left out—and they know it!—the lower 80%. We've left them out.

And obviously, there's nothing we can do, unless we can break that barrier. We can not win. We must fight; we must fight to keep the spark of the fight alive. But, to *win*, we must break that barrier. I think we can break it. Why? Because I know what's about to happen. And it's happening now: This system is crashing down. And all those conceited fools, who think they have it made it and fixed, are going to, within a very short period of time, realize they don't.

And therefore, we have to stand *for* the principle of the general welfare. You're not qualified to be President of the United States, unless you *care* and focus about the poorest person in the nation. What're you going to do for them? Because, if you can't include *all* of the people, in your concerns, you don't care about the nation. We've got to get past the point—this nation is powerful, whenever it struggles that way. We've always been a power, when we work that way: When we are identified with the underdog, when we were the defender of the underdog, we were powerful. When we *cease* to be that, we become corrupt and weak.

You know, our people are not imperial. Our culture, American culture, we're a melting-pot culture. We don't have *any* of the attributes of an imperial nation. What we've adopted through a few financier-related circles, who run the country, we have adopted an imperial style of policy. Which you see in Iraq. You see Cheney and the people around him, are running an imperial, military policy *just like Hitler's*, or worse! They're dumber! They're out there! But, they don't have an imperial force! This nation is not capable of fighting a war! We are gutted out. We can not put in a credible force into Iraq!