

LAROUCHE WEBCAST

The Greatest Crisis In Modern History

Lyndon LaRouche gave this webcast address on May 8, 2010, in Northern Virginia. It was chaired by his national spokeswoman Debra Freeman. (The webcast is archived at www.larouchepac.com.)

Debra Freeman: Good afternoon, everyone.

There was *no way* we possibly could have known when we scheduled this event, that it would come at such an incredible moment in time, when the crises that we have been discussing, the crises that Mr. LaRouche forecast, would all come to a head, in what seems to be a single moment. And in that single moment, it is also the case, and it is increasingly clear, to people in the United States, and, indeed, all over the world, that the only functioning economist, who has an overview of what caused this crisis, and of how to fix it, is Lyndon LaRouche.

Lyndon LaRouche: *There are two topics which I shall address today, apart from what I shall treat, as questions come in, as I respond to those questions. The first will be on the immediate crisis. The second will be on what we do, if we succeed in installing the policy which is needed to deal with this crisis. The first part is elementary, and the second part is scientific.*

Now, we have a piece of legislation, in the form of an amendment, and there's some other legislation around it, in the Congress. It's legislation sponsored by a group of leading Republicans *and Democrats*, who are determined that this policy of Obama's *shall not go through*: that the legislation, as Obama intends, *will be blocked, and he will fail*. And this may probably be the actual approach to the end of his run as President.

Now, what has happened is not a domestic U.S. affair—it is a domestic U.S. affair, but it's not, in nature, a domestic U.S. affair. What has happened is, the entire British system—the British system is not the British monar-



EIRNS/Joanne McAndrews

LaRouche PAC organizers at Union Station in Washington, D.C. mobilize for LaRouche's policy of a return to the Glass-Steagall standard and a Four-Power alliance to rebuild the bankrupt global economy.

chy, though the British monarchy itself is a part of that system; it's the international financial system, which is under the leadership of Jacob Rothschild as an agent of the British monarchy. The core of this thing is called the Inter-Alpha Group.

Now, the Inter-Alpha Group's chief victim, officially, is the euro: All the nations which are part of the euro, are the first target of disaster. However, the controlling feature of this euro system has been, since the end of 1989, the British system. The euro system is a puppet of the British Empire. The most powerful influence in the British Empire, financially, has been centered in the group called the Inter-Alpha Group, with many different kinds of extensions, whose power is located largely among the pirates of the Caribbean.

For example, the people who own Russia today, financially, have their headquarters in the Caribbean—and they are *pirates*. Their offices are there. And the Russian economy is presently controlled by pirates of the Caribbean, some of whom speak Russian—for example, in Antigua, you can't get a hotel room if you don't have a Russian accent. So, that's the nature of the situation.

The Greek Bailout Has Backfired

What has happened is this: The attempt to pull a swindle—which apparently is successful, in one sense,

using a bailout of Greece, to try to wreck the nations of the continent of Europe, the euro group—has backfired, and has struck at the heart of the system, the euro system, which is controlled by the British monarchy, the British Empire group. What happened on Thursday [May 6], for example, in the United States, was a reflection of this. We are approaching a point, which is coinciding with the Greek bailout issue, which is a fake: Greece should not have been bailed out. They should have, as a sovereign nation, gone through a reorganization of their finances, under sovereign direction. Trying to pull all Europe, into support of a Greek bailout, is the intention to *ruin* all of Europe, simultaneously.

Now we did what we could to cause that to backfire. And it did backfire. It's backfired. And there was a mood shift in Europe, including in the German election campaign in North Rhine-Westphalia, during the past two weeks; a sudden shift in the mood, expressed in the population, which is a reflection of this process.

What happened is, the gambling on Wall Street, was intermingled with a superior force which controls Wall Street. Wall Street is controlled by the British Empire; it is not an American possession. So now, what you're seeing as a U.S. crisis, is really the British crisis, because the British system is about to blow! It has reached the point of blowing.

So what happened was, essentially, the Obama Ad-

ministration—Obama himself is a British puppet, he's not really an American. He may be an American by birth—that's a highly debated subject, but nonetheless, he's nominally American. But he's not American in spirit, or in direction, or ownership. He's owned by the British Empire, via the rotten British extension into Chicago. He's a puppet.

So this puppet is going to be ordered to assist the British, at the expense of the United States in this process. Not everybody in the United States is either stupid or a traitor. There are some people here, in politics, who are not traitors. And this happens to include a couple of people, such as Sen. John McCain, and Sen. Maria Cantwell, and others—Feingold and others—and they are not going to sit by and see the United States destroyed. So they have moved to jam up the so-called Dodd bill. The end of the Dodd bill, the change in the Dodd bill is already stuck in there, in another piece of legislation, inside the Senate proceedings. But, you have a determined group of people who *know* that the British system is about to collapse. And know that if the United States does not take appropriate action to defend the United States against a collapse of the British system, *we go down!*

So therefore, the people behind McCain-Cantwell and so forth, are acting not as factitious politicians, they're acting as patriots. And the guys who oppose them are not acting as patriots! Because, if the British system goes down, the euro system goes down—as it will go down—one way or the other, it's doomed! This system is finished, and nobody can save it. The question is, are we going to go down with it? And those on Wall Street who support the President's policy in this, are the traitors. Because they're willing to sacrifice the United States, for the interests of Britain.

So, you have some patriots in the United States: John McCain. What is John McCain? He's a Republican; but that isn't what's important about him. He's a soldier, or a sailor. He comes from several generations of leading figures in the U.S. Naval tradition. He's a patriot. What he's reacting to is not a question of factitious advantage for one political party or interest or another; he's reacting as a patriot! So is Maria Cantwell, and so are others, Feingold and so forth, involved in



Rep. Barney Frank (D-Mass.), “the crazy gentleman from Cape Cod,” and Speaker of the House Nancy Pelosi (D-Calif.) deliberately blocked LaRouche’s 2007-08 reforms which could have launched an economic recovery.

this: They’re acting as *patriots*! To mobilize a defense of the United States, against the oncoming total collapse of the international financial-monetary system in its present form. Because if *we* defend the United States system, against our incumbent President, among others, and Europe goes down, we in the United States can launch the recovery of Europe; by extending the Glass-Steagall system, which we intend to reimpose here, now, into Europe, we can cause a recovery of Europe.

Monopoly Money or Glass Steagall

What’s the situation here? Most of what people consider financial assets, are totally worthless. They’re derivatives. They’re gambling—they’re side-bets on gambling for side-bets. They do not represent real, physical-economic assets. They’re frauds. We’re talking about hundreds, or maybe quadrillions of nominal dollars out there, as the world’s financial assets in debt—which ain’t worth nuthin’! And it’s gambling. It’s as if you took the game of Monopoly, and you brought the game of Monopoly into Wall Street, and now you play with Monopoly money. And you declare you have a great victory. And then somebody comes, and asks you to pay the bill for whatever they’re serving that night, and they don’t have any real money, they have only Monopoly money. What happens? The game is over. And that’s what we’re dealing with. You’re

dealing with a system which is based on Monopoly money. All these financial derivatives, this vast amount of money, all this bailout is all fake and fraudulent!

So, what do we do, using the Glass-Steagall approach? We take the entire system, reestablish Glass-Steagall, and under Glass-Steagall, *we cancel all the Monopoly money*. And we defend the integrity of legitimate obligations, of the type we have in regular banks.

Now, what's happened since 2007, especially since 2008, we have destroyed the integrity of the banking system. It was done deliberately, by a crazy gentleman from up near Cape Cod, in Massachusetts, who is not very sane, and he's not very intelligible, but he's a stinking nuisance, nonetheless. So, we have destroyed what we could have saved: In other words, in the Summer of 2007, I specified this: We could have then acted, without any great crisis, to stabilize the U.S. economy. We didn't do it! Because of Barney Frank and what he represented, what was behind him.

So, we didn't do what we should have done. This rolled over, with the beginning of a series of swindles, into what happened in 2008. That was under Bush. Then we went, in order to cover the crimes we had committed, we went to *bailout*! And now, we have a hungry and desperate U.S. population, by and large. They're on the verge of mass starvation, literally, a total breakdown. And the question is: Who do we support? Do we support the people of the United States? Do we support essential industries? Do we sup-

port municipalities and their functioning? Do we support the nation itself? Or, do we support foreigners, the bailout monsters, typified by the British Empire? We make that choice: We say: "Well, we don't owe you guys a thing. We have a Constitution, and what's been happening to us, is a violation of our Constitution."

If we do as Franklin Roosevelt did, when Roosevelt saved the United States from a correspondingly similar



The issue, said LaRouche, is "the collapse of the present world system, which is now ongoing, which exploded in your face on Thursday." Shown are press reactions on May 12 to the events of Thursday, May 11. The top two are from the London Financial Times, the bottom two, from the New York Times.

catastrophe, in 1933, by Glass-Steagall. Glass-Steagall is not some wild innovation; it's simply the principle of the U.S. Federal Constitution. But it needed a specific law, addressed to a specific situation, to defend our nation against this threat. And that's Glass-Steagall.

Now, Larry Summers, who is a mental case, got in there, with a morals case, called Geithner, and that didn't help anything at all.

So now, we've reached the point where we're part of a British system—the whole international system! You don't know who owns what. It's like a vast game, at electronic speed—and very complicated games, where people were hedging against other people, then trying to come up with a hedge, against a hedge, against a hedge, against a hedge!

So, what happened on Thursday, as the intensity of trying to cover their butt against the British collapse, occurred, it blew out! The whole thing blew out, because it was no longer controllable! An incalculable development occurred—but it was pre-calculable that it *would* occur! When you take into account the insanity of the people who have been running the banking system and the financial system in the United States, and the insanity of the current President. There was no provision to avoid this.

So, we had a total collapse, in the stock markets on Thursday. What caused it? The British crisis! *The British crisis.*

An Avalanche: The Patriotic Majority

What do you get as a reaction? As I said, I made certain remarks about John McCain, and Maria Cantwell. Take McCain in particular. So, he's a patriot. What is emerging now, is a split and reorganization of the two leading parties. And who knows what other complications may occur, as well. What you have, now, is you have a Republican-Democratic faction, typified by McCain and Cantwell, but only typified by that. And this is a rapidly growing movement among leading politicians inside the United States, on both sides of the aisle. The leadership that is opposing the Obama plan, and the British, is, admittedly, still a nominal minority.



cantwell.senate.gov

The Glass-Steagall amendment introduced by Senators Maria Cantwell (D-Wash.), John McCain (R-Ariz.), and others is, said LaRouche, “like an avalanche rolling down the side of a mountain, and picking up material, steam, and numbers, as it goes.”

But with the backing of the American people, it is no longer a minority.

Now, what's the backing of the American people? All those people you saw in August of 2009, out there saying, “We want to kill you,” to the politicians they had elected. “You betrayed us. We want to kill you, over health care.” So now, you've got a situation, in which, the population will not sustain the nominal majority for Obama, in the Congress. The population itself will not sustain or support that. They will *capitulate* to it, or not! And when they're clear, that they have a target, by means of which they can challenge this, they will do it.

What they want, is for well-known, leading political figures, or similar figures, of the United States, to step forward as a group, and say, “We think the time has come, to stop this nonsense.” Then the majority of the people of the United States, right now, are ready to support any political leadership, which they consider credible, which is willing to do that.

And therefore, John McCain and Maria Cantwell, the Senators, with their associates, are now, like an avalanche rolling down the side of a mountain, and picking up material, steam, and numbers, as it goes.

They are now determined to put a block, on any effort to thrust through a Dodd bill, without the Glass-Steagall in it. They will jam up the works, and they have the ability to do so. And we're also in the process, where, behind them, is the sight, clearly more visible, roaring more loudly, of the avalanche, sliding down the

America's Victories Over the British System



The War of 1812: King George III is losing his fight with President James Madison. The cartoon, “A Boxing Match, or Another Bloody Nose for John Bull,” comments on the defeat of the British warship the *Boxer* by the American frigate *Enterprise*. Cartoon by W. Charles.



The American Revolution: “The Surrender of Cornwallis at Yorktown,” 1781, by John Trumbull (1786-87).



The Civil War: *The Confederate surrender at Appomattox*, The New York Times, April 10, 1865.



World War II: Victory celebration at the Norfolk Naval Base, 1945.

mountain slope. It’s a matter of timing. There’ll be an overwhelming majority, in the United States, a patriotic majority, which is spreading rapidly—it’s spreading like wildfire right now, implicitly unstoppable—which is going to be behind the McCain-Cantwell-led opposition.

We will probably have a Glass-Steagall vote *soon*, in the political process, or the equivalent of a Glass-Steagall vote.

We will also have alarmed the British, by what we’re

doing. The British will know, *we have sent them to Hell!* Where they will be warmly received! And that’s where we stand.

Two Factors in History

We’re now in the position to change history. This is the way it happens. You have two factors in history: You have the so-called objective factor: the way things are moving, the perception of interest, the fears, the hopes of people. And you would say, “Well, why don’t

these things control politics at all times?” Well, it doesn’t. You come to a change in a general mood—it was the kind of thing that Shelley refers to in the close of his *A Defence of Poetry*. People at large are gripped by something they do not always understand. But it compels them to act in a certain way, perceived in their own interest. And generally, often, it represents a nobler quality, aroused in that people, than they had represented before.

The American Revolution is typical of that. It happened here. It was an isolated situation; we weren’t in Europe. And the Americans, here, realized they had to defend what they had established in North America, and they did it. They had support from people in Russia, France, Spain, and elsewhere—and we won our freedom. We won our republic.

We won also, the fight against the British in the Civil War. We won the fight against slavery. We won the fight against backwardness in general. We won the fight to develop the Western lands. We won the fight to unify the nation, as a transcontinental nation, from the Atlantic shore to the Pacific shore. We did that as a people, in this way. We suffered long periods of suffering, while we waited for this reform to take place. But the power of the reform, like a tidal movement, came upon us, and we were mobilized; when we found suitable leaders, we responded to them, and they saved us.

What you see in the McCain-Cantwell initiative is a timely response, the instinctive reaction of the American process, to a threat to our existence. Admittedly, most citizens don’t understand fully what this is about. But they know the effects. They smell the doom coming down upon them. They know something needs to be done. And when someone says, like John McCain, or Senator Cantwell, and others, when they say, “We are mobilizing to defend this nation, from this awful thing, from this breakdown crisis that threatens us all—and you all know, your jobs are lost, your cities are hopeless, your water systems are breaking down—everything is going to Hell! You can not sit there. *You’ve got to do something* to change the situation. You can not let this continue the way it’s going!”

And thus, you find a point—some politicians, some leading figures—that usually happens in anything like this: Some leading figures step forward. They talk to each other. They explore. They’re cautious at first. Then they begin to discover they’re attracting more members around them, into the same cause. They smell the acquisition of power, political power and influence. Now,

they say: “We can jam the works up. We can jam the works up with a Glass-Steagall action.” And Glass-Steagall action is now the thing that’s on the agenda! The other things are waning! This is it! You’re either with Glass-Steagall, or you’re not in the real world. That’s the situation.

Do we have the power, at this moment, to ram this through? Not quite yet! Not quite yet. But after my remarks today, which will be heard and will be discussed by relevant people—I’m not actually directly conspiring with them, but they know what I’m doing and I know what they’re doing, and we don’t really disagree very much! Because the thing that unites us, even though we come from different backgrounds, is, we’re all patriots. That’s the difference. And those who oppose us, are not really patriots, and that’s the difference. When the American people are aroused, and have a clear cause and clear leadership, they will respond accordingly. And they’re beginning to respond, right now.

And what’s going to happen in Europe, in the coming days, is going to shape this thing, because the European system *is now coming down!* The enactment of the Greek bailout, has implications which mean, the present European monetary-financial system *is now doomed!* It has no life-expectancy. It’s going to disintegrate. The British Empire is going to disintegrate. The British Empire is going to make threats against the United States, because of this Glass-Steagall reform. And it’s only the British that are sympathetic to the opposition to Glass-Steagall now; or people who are duped by British influences of one kind or another. And Europe will go down.

Glass-Steagall: How It Will Work

But! If the United States is organized around a Glass-Steagall reform, what will happen? We will take—and most of this money that Wall Street claimed to own, and similar kinds of people, will vanish! *Fwhpp!* Gone! We discover, it’s Monopoly money! We don’t have to honor it! It’s gone!

Well, that means that a lot of banks are going to go. Not all of them, because we can also rescue some banks. What we do, is, we walk into a bank with a Glass-Steagall writ in our hands, and we say, “We’re going to sort out your accounts.” Now, some of this—this big bucket over here, that’s the wastebasket, and most of your financial claims are going to vanish from here as they go into that wastebasket. Now, you have a small amount

over here, that is, the wastebasket is full of quadrillions of dollars, of worthless dollars, and what you will salvage is a modest part of the total, monstrous mass.

What will we do? Well, the United States has now rid itself of these debts to these swindlers from London, and from New York, and from Chicago, too—we're not going to honor them. Their money is now declared worthless. Their assets are declared *worthless*, are declared to be *bunk*. What happens? Well, if we have the right leadership in the United States government, everybody will join, or nearly everybody will—some will complain, but they will join. Why will they join? They want to survive. They need to be tapped into whoever has got the real money—and they will go along with that, especially if it's a fair deal.

And therefore, we're going to create a mass of loans, of Federal loans, on Federal credit. We're going to utter it under a Glass-Steagall standard, and we're going to start funding the banks that we save. We're going to take the parts of the banks that are worthless, that are parasitical, we're going to throw it away! It's gone! It's Monopoly money! We don't want Monopoly money any more here, not in the banking community! You try to play it—you're out.

All right, so now we've got a much more modest banking system, rid of all these parasites. And what do we do? Well, the Federal government can now utter money, utter credit, in the *Congressional* way. It goes into what? Into legitimate banks, mercantile banks or similar kinds of banks, to save savings banks and mercantile banks generally. And the other kind of thing—they are gone sooner rather than later.

So therefore, what do we do? Well, we don't have much in the way of building an economy any more. We pretty much destroyed it, especially in the past three years, under the succession of George the Turd and Obama. But, what we've got, is a shambles of what we once had, in terms of industries and infrastructure.

Like the water systems in the United States: The time has past—the time has past since 1966-68. In 1966-68, we reached a zero point, and started going down in basic economic infrastructure, as smart guys did what they did: You used to have a municipal water system, and the municipality as a corporation would own the water system. And the water system would have employees, who performed all the essential functions, including clean water, that sort of thing, repairing the pipes, maintaining the system.

But then, they decided that they could save money

by farming it out to private interests. And the private interests would not maintain the full repair of the water systems. So therefore, you have in the cities and towns of the United States, many of them have lost their water systems. The water system is 60 or 100 years old; it has never been repaired. And we have a catastrophic rate of breakdown of municipal water systems. Because we employ cheap labor, with no pension guarantees, with none of these things that we used to give to public corporations which would serve the community, for water systems, for example. We have similar processes with power systems. All the kinds of things we used to get from municipalities and state organizations are gone! They're broken down.

So, what will we do? We will take two categories of infrastructure, and this money we issue, through this new act, under the authority of a new Glass-Steagall Act, the Federal government will now utter credit, which it will distribute in various ways, either directly in some cases; or, where it's an investment, we will often prefer to loan it to cities, municipalities, or to private corporations, for their investment. If we think the investment is a sound one, it's productive, it's creative, we'll do that.

Infrastructure To Rebuild a Ruined Economy

Now, the major part is going to be on infrastructure, because we don't have industry any more. We don't have really independent agriculture, any more. It's controlled by international agriculture, like Monsanto—which claims that it invented life! I don't know where they got that patent from, what screwball passed that thing through. But, we've got a lot of unemployed people. We've got to put them back to useful work, we've got to care for them; we've got to bail out the communities which are threatened with jeopardy, like these water crises, which all up and down the traditional cities and towns in the United States, are now in jeopardy in water supply!

And that's really a serious problem: Health-care problems! We've ruined the health-care system under the Nixon Administration, going to the HMO system, even before this mass-murderous system voted in by fools under Obama.

So, our population is threatened, by the stupidity of governments, from the time that somebody assassinated John Kennedy, to prevent him from opposing going into a war in Indo-China. And he was murdered to clear the way for a war in Indo-China, *that the British wanted*



An artist's rendition of the proposed Bering Strait tunnel, linking Russia with Alaska, viewed from the Russian side.

Courtesy of the Council for the Study of Productive Forces, Russia

us to have. And since that time, we've been going downhill.

So, we've got a ruined economy. But we have American people, and we have an American tradition. We have a knowledge of what we used to do. We have an understanding of science, and I'll get into that, in the second part of what I'm going to say today. We have the options: So, we'll invest in infrastructure. But, in addition to going back to fixing up the possibility of living in communities, which no longer are just breaking down, where the water systems are being repaired; where transportation systems, educational systems, health-care systems, are being restored again, we're going to do some major things: We're going to build a worldwide, international, railway, magnetic-levitation transportation system. Every continent, except Australia, will be united and connected, and in depth, by an international rail system, or in the form of a magnetic-levitation system.

Actually, it is much cheaper, and more efficient, in many ways, to transport goods by rail than by shipping. Shipping is less efficient, more costly, than high-speed rail and magnetic levitation. We're going to connect the continents, from the Bering Strait (I understand Walter Hickel died, the former governor of Alaska, who was an active supporter of the Bering Strait bridge). So, we will connect all of Eurasia—Africa, fully, by rail sys-

tems and power systems, and health-care systems, that sort of thing. A system of infrastructure. We will reach from the Alaska straits, down to the tip of South America. The whole area will become one area of development, continuing the intention of the Lincoln Administration in installing the Transcontinental Railway. We're going to build a world system, among nation-states, sovereign nation-states, which is capable of being the vehicle for the recovery of the world economy.

We are also going to have to, of course, develop new industries. We're going to change the character of the U.S. economy. For example, we have destroyed much of the development which existed in the central and western lands of the United States. We destroyed it! We built super-congestion, around Washington, D.C., for example, which is insane! You used to have industrial development, or municipal development, of a finite size, and a finite area. Then you would have an area between that and the next city, which was generally toward rural, and involved agriculture.

The idea, in the old days, was to have townships and cities built where you could commute to work in less than half an hour each way, each day—preferably 15 minutes. And to provide mass-transit systems for people to be able to do that, in a short period of time. Today, we have people commuting, around Washington, for an hour and a half to two hours each way, each day. What

does that do to family life? What does that do to the culture of the society? Similar kinds of things. The schools are a mess.

So, our infrastructure of the nation, and among nations is wrong! We have to build that infrastructure. It's high-speed, it's a big investment, it's a long-term investment—we have to do it. Ah! But that long-term investment, in water systems, transportation systems, power systems, so forth, and in space systems—I'll get to that later—these investments will be the driver for distributing credit into the new industries, which will spring up, as a result of this reform.

In other words, what's the market for industry, and for the products of industry? The market lies largely in the Federal government's role in organizing credit for basic economic infrastructure. The jobs you create in infrastructure become the echo and the stimulant for the jobs you create in industries, which supply support for the undertaking of building the infrastructure. Like the Tennessee Valley Authority under Roosevelt, a perfect example of what I mean. We can do TVA type approaches throughout the world. These are not some kind of trick, these are essential.

Therefore, if the Federal government, through the mercantile banking system, now under a Glass-Steagall system, can supply credit, we will deliver credit; under the old Roosevelt-style precautions, we'll deliver that credit through banking institutions, in order to fund investments in necessary production in private industry. And that's the way we'll build the economy.

Bring Back the CCCs

We have a population which has been ruined over the recent 20 to 30 years. It's no longer productive. We have a whole layer of youth, who are absolutely unqualified for employment in anything! Except mastur-



FDR Library



FDR Library

The Civilian Conservation Corps (CCC) taught young men diverse trades, not only preservation of national forests. Above: recruits study electricity at Baltimore Night School, 1933. Left: A CCC experimental farm in Beltsville, Md., 1933.

bation. [laughter] And therefore, we've got to do something with them, and you have to go back to the example of what Roosevelt did in the 1930s, typified by

the CCC [Civilian Conservation Corps]. You've got to take these young people, who have no qualifications for honest work, get them off dope, get them to live a normal life, and start to organize a normal life. We did that with the CCCs: We took these young people, and we put them in camps, where they would do useful work, as in forestry, for example.

Now, we got, for example, a famous military division out of Michigan, on the basis of this program in Michigan alone. And these fellows did a fair job in fighting in World War II in Europe. So then, they became a part of the essential basis for our industrial potential in that part of the world, when they returned. Of those that did return.

So that's the way we do it. We invest in things, and we get social programs of investment which will chan-

nel people from uselessness, into initial skills and then into the ability to have a full spectrum of productive capabilities. And enough of that, so the entire population is in it. We're going to eliminate a lot of so-called social work and other kinds of entertainment, because you get a higher ratio of actually physically productive work; and that's what we have to do.

So, that approach will work.

And what we're forced to do, as McCain and Cantwell and others are doing, in this initiative they've launched now—you're going to find this spreading, very, very rapidly, throughout the entire political system. The system is not going to look the same a week from now, as it does today. It's going to change. And the Obama Administration is doomed—one way or the other. Either the United States doesn't do this and we go to Hell, and then he's gone that way. Or, we decide to become sensible, and he's gone that way. He's out. We'll find someplace where he can be kept as a museum piece, well-fed, nourished, but away from people. That's the way we treat our mental cases, we try to protect them, take care of them, be humane, provide a safe place where they are not going to be harmful to other people. And that's the way you have to do with him.

So, it'll be changed one of these two ways, and the change is coming on now.

What will happen? Well, you're going to find that the Republican and Democratic parties are going to all re-assort themselves. They'll re-assort themselves, according to national interest. You see it now, right now, with this coalition around McCain and Cantwell. The party lines are being crossed. Why? Because the party lines are no longer relevant to the people, to the citizens. So those who will stand up on one side, may be not new parties, but will be a coalition. A coalition of people who stand for one set of principles, as opposed to those who oppose it. And that is going to happen very rapidly, *if* we are to survive!

'The Basement'

Now, what is the long-term view of this thing? Well, I'm having a lot of fun: I have a number of young people associated with me, who represent a very significant quality of talent. And we have a thing we call "The Basement," which is only a name for a part of the whole operation, and we are in the process—this Basement operation is a scientific operation, which services and intersects a lot of our youth work and other work.

But we recently decided, we're in a position to go

further, and it's quite relevant to all of this, because—and I've said this on several occasions before; I'll say it again right now: People live and die. And as they're still living and about to die, or think they might be about to die, they think about burial, or something tantamount to burial. They think about being tucked away as a dead person, someplace where their memory, the memory of their existence, as typified by tombstones and cemeteries, will suggest to them that there was a purpose in their *having lived*, a purpose in life. And if you take that away from people, if they don't have a sense of a purpose in having lived, once they face the reality of death, at which point they have only one thing: *The sense of an importance of purpose in their having lived*. They're not monkeys, they're not animals: They're people, they're thinking people, creative people. And therefore, this is the thing that really gives the glue to society, and its future: Does my life, is this whole story about resurrection, merely a story to quiet us down? Or is there something in which we participate, during our lifetimes, which will mean something for humanity into the indefinite future of mankind?

The problem is, that we have so many attempts to deal with that requirement—because most people, who are decent people do, always, think in those terms; they think in terms of grandchildren and great-grandchildren. That's one way of expressing it. They remember in their family circles, and otherwise in their communities, the people who are deceased, what they did, what they contributed, and we honor them, and we hope that our passing will build a score for us, that we, too, are honorable in the future of humanity, after we've passed on.

Can we say, though, that mankind is really going to pass on, successfully, in this way? Is there really a meaningful connection between our living now, and our descendants and the communities we live in? Are we really doing something of which mankind can be proud, indefinitely, to all future generations? Can we say mankind—whatever happens to the universe—mankind will remain a useful, powerful force for good, in the universe? And do we actually think about that in a way, which corresponds to scientific reality?

Well, since a very elementary thing is that our Solar System is a fairly young system in our galaxy, and the Sun is a young sun; you can call it a sun of this, or sun of that, but it's a young Sun. And the planetary system which it has, is something that it spun off and developed when it was young. And you have these planets. But you know, also: It's not going to stay this way forever.



NASA/ESA/HEIC and The Hubble Heritage Team (STScI/AURA)

This supernova remnant, N63A, was a massive star that exploded in the Large Magellanic Cloud, located 160,000 light-years from our own Milky Way galaxy. In maybe 5 billion years, our own Sun will explode! We need to start developing the scientific knowledge and capabilities to transport mankind elsewhere, when the time comes.

We look at the history of galaxies, for example. Planets come and go, suns come and go! And we're stuck on Earth, with this Sun? We're gambling the future of all humanity on the assumption that this Sun is not going to blow up on us, which it will do, eventually anyway, unless we find some way to control it. And the Earth is going to become uninhabitable long before that time! So where is the future of humanity? Where can a human being, who's conscious of what it is to be a human being, find the succor of certainty that humanity is going to exist? And animals don't have that, only human beings do.

And if we don't have that assurance, then what happens to our morality? Then it becomes whatever we choose, as a fantasy, to replace the lack of certainty.

The main function of society has to be recognized now, especially in this present time of crisis: That we have to give mankind a credible assurance, that we, the existing population today, as well as those who came before us, will find a meaning in their having lived, in

the future of mankind throughout the existence of this universe to come! Until we do that, we have not really given a rational response to the desire of any sensible person, to hope that the outcome of their life is meaningful for humanity.

Now, in the United States, in its creation, there's a very strong element of that, of that belief and that commitment. In the recent generations, we have lost that. That was lost when we decided to go "green." I guess that's what happens to your body, when you go dead, it turns green.

So, we've gone green: We no longer think in terms of "What if...?" "What if the Sun is going to blow up?" Are we taking steps to prepare for dealing with that eventuality,

to maintain humanity, despite that threat? Are we developing scientific knowledge and capabilities which lead in that direction? Are we learning how to go to different planets, for a temporary stopping place on our way out to some distant part of the galaxy, or some new galaxy? Are we thinking in those directions? I am. Why shouldn't you?

Now, I've got some young fellows here, and they are willing to do that. That's our Basement program. We are now dealing with the practical program of how we can work out—and it's not that easy; it's no simple thing. It's going to take a lot of work: How can we put mankind, or some people, safely on the planet Mars? How can we safely transport them to the planet Mars, now that we know some of the problems of long-distance flight in space travel, the biological problems. We think these problems are soluble. We're working on it. And we're looking, harking back to a current in modern science which was thinking in that direction, the current in modern science, which gave us the orig-



EIRNS/Stephanie Nelson

LaRouche Democrat Kesha Rogers' campaign to save NASA from the Obama Administration's termination of the Constellation manned spaceflight program, and to impeach Obama, won her the March 2 Democratic Party primary for Congress in the Texas district that includes Houston—home to NASA's Johnson Space Center.

inal initiative for space travel.

The other thing we have, from what we know of space science, in terms of, for example, the Kennedy thrust, for reactivating space science. At the beginning of the 1970s, our assessment of the space program was, that our investment in the science of the space program, gave us 10 cents of productive potential, for every penny we spent on the actual program. The science program was the most beneficial program we had, with the highest rate of return to pure scientific development. And what happened: We were shutting it down, from the middle of the 1960s on. What we launched in the Moon landing and so forth, was a product of what had already been previously accomplished in scientific terms. We began to lose that capability that we'd been given, even while we were doing the initial space explorations!

So there we have, now, a history of where the world was going, with space science, which is in this relevant direction. If we can say that we are prepared, if necessary—in some future time, when necessary—to transport humanity to safe places away from a dangerous Sun, and a dangerous condition on Earth, if we can say that, then we have a moral authority for the organiza-

tion of society around a sense of purpose. And we don't have to have fake explanations of this.

That's our destiny: We are a very peculiar species. No other species is like us. And we want to save that species. We're going to assure that, if you do something good in your lifetime, that the benefit that you generate, will be preserved to the advantage of future generations. And that's humanity: You're tied, morally, spiritually, to the people of the future, and the people of the past. You feel like a real human being, a human being which has a purpose for existing in this universe.

So, we are concentrating on something which will become successful, particularly if we get this thing going in solving the problem immediately before us.

The Fakery of Money

Because, the great fakery that we have to deal with today, is: Money is fake. The conception of money is fake. Money is not a measure of value. Money was a vehicle, which we used, as in the Massachusetts Bay Colony, and in other good cases—we used money as a system of credit, which was necessary to organize society for certain kinds of projects which are physically beneficial to society, and to its well-being, health, and

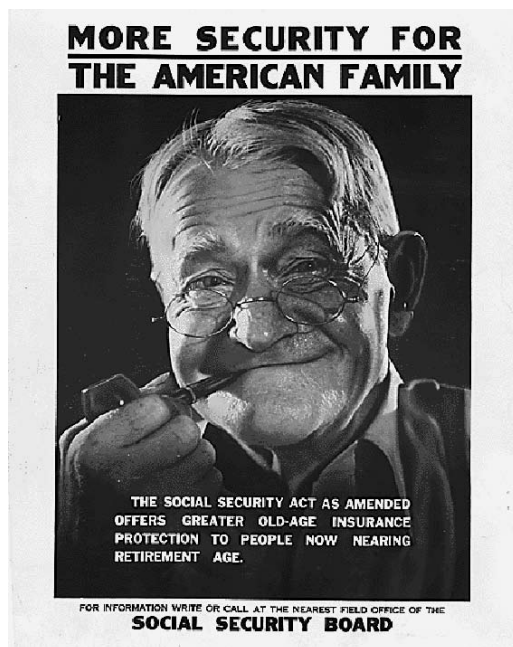
so forth; and freedom. So, that is the real meaning of economy: Is the contributions to the future of humanity, through a commitment to discovering new ways of solving old and new problems. This is physical. It is not monetary.

The monetary system is a convenient way of organizing exchanges, and, in the Massachusetts Bay Colony, before the Andros takeover, that system was already working. That is a peculiar American System. And the foundations of the American System were laid there, in Massachusetts, during that period in that time. And our design of economy was always based on that, in all good times.

So, let's go back to that. And say, let's look not at money economy, let's look at physical economy, and let's say that money is necessary, as currency, in an economy, but it's not the purpose of the economy. It's a means of organizing the efforts of economy. The value of what is produced lies in the value for humanity, not in a money value. The money value is simply a way of organizing production, production and distribution. So, let's look at things in that way for a change.

What is *physical economy*? That's the real economy. How do you increase the productive powers of labor? What do you need to produce to solve these challenges for humanity? What is the physical science you need to master, to understand how you could increase the power of a person productively, per capita? Even under conditions in which the richness of resources is being lessened, relatively, by depletion of the most rich resources, like iron ore, other things. How do we do that? Well, we get new technologies, we go to higher energy-flux-densities of production, all these kinds of things that are all physical.

Well, you go back; where did the solution to this thing come from? You have a gentleman, who was important, even during the beginning of the last century, Max Planck, who founded a branch of science, which was called "physical economy"; or actually, "physical



FDR Library

Defense of the general welfare: A poster advertising Social Security. The program, which became law in 1935, was a cornerstone of FDR's New Deal. Compare Obama's pledge to slash Social Security and Medicare today!

chemistry," as such, but physical economy, as well. And his work led to the work of such geniuses, and other followers of Bernhard Riemann, as Albert Einstein, for example; as William Draper Harkins; as Vladimir Vernadsky, and others.

And these people, who were followers of the school of science of Bernhard Riemann, made a revolution, during the course, from the time of Planck's early discoveries, up until the recent time. And these discoveries give us access to understanding some of the primitive problems which face us in space travel. If we want to send people into space, we've got problems we have to solve. And it's only by thinking in terms of a physical science, and defined in these terms, of physical chemistry, that we have been able to crack this.

Cosmic Radiation: Space Is Not Empty

We also have the fact that space is not empty. We've got a program on this one, too, that's going on in the Basement. It's only in the primitive stages, but it's going to be very important. There is no empty space; between Earth orbit and Mars orbit, there's no empty space. You may not see it, because you don't have the sense-organs to sense it as a sensory experience directly. But it's out there. It's all kinds of cosmic radiation—thick with it! If you want to go to Mars on an accelerated scale—which you have to do, because 300 days in space travel at a lateral speed, is not very good for your health. You might arrive as a piece of blubber. So you need some special conditions and you have to do it fairly expeditiously, to take this trip. And we have to plow through that, that area—and there many other implications.

So we are actually pulling together, odds and ends of people who have contributions to make to this area of science. And the importance, the moral importance of this, for this occasion here, this subject here, is, we need to give young people, who are totally demoralized, and others, who have become demoralized, we need to give them a clear sense that there's a road we're going to

travel, which is going to lead in the direction of certain kinds of things which must occur. And this includes this area of the development of this department of physical science, which involves some very important changes. We only have, now, we only have a preliminary sketch of what the nature of the problem is. A great amount of research is going to be required; it will take several generations to do the kinds of things we're talking about, even under optimal conditions. But we have to give mankind *a new moral perspective*, more durable than the fragile ones we have had before.

And we should go into this crisis, because when you walk out on the streets from here, and you say, "Well, the Glass-Steagall revival has occurred," you're still going to see destitution. You're going to see mass unemployment, crummy conditions. How do you say, you can walk out to that with optimism, if you do not have a clear sense of building the future? And therefore, you need to have a sense, a teaching of physical science, for example, which is consistent with that moral concern, not that you're going to go to another galaxy now, in your lifetime. I certainly am not! So I don't have any illusions about that! But I do have a concern about what comes after me, which is the normal thing for any healthy human being. And I have to think about what I'm contributing to what comes after me. And I have to think in terms of a satisfactory answer to those questions! Can I say that what I think is coming after me, in some sense, is valid? And that's a matter of science.

And what we have to do, is to shift the teaching of science and teaching of economics, away from what we've been conventionally concerned with: Money! Who's got the money? Who's got the money? And you see how worthless money is today, since Greenspan came in.

So therefore, we have to have a more durable conception of the value of man, of the value of our work, and the value of the future we hope we are creating. And let's take this occasion—it's the only thing that's important right now, because it's going to determine the course of future history: *Is the Glass-Steagall reform, which is now on the table, going to be immediately implemented, to prevent the United States from joining the British in going to Hell?* Because, if not, we don't have a future, at least, not for a long time to come. If we do, then there is a future.

And then, once we decide we're going to do that, how do we maintain the morale, the moral character of our populations? We do that, by providing them the as-

surance, of a *knowable, understandable science education and practice*, where they can understand, in their own terms of reference, at least in good approximation, *that mankind has a future!* And that we must organize our policy, not simply for our comfort—we must do that; but we must organize our policy, with a view to *what is going to happen to future generations of humanity.* We have to earn the respect of future humanity! That we are not only providing the solutions for these problems, or the seed for the solutions, but we are creating a system, of commitment, which will ensure that we will continue to progress in that direction, indefinitely; and will give people some sense, of what the practical measures are, which can lead to that result.

The Choice: Hell or Heaven

So, let's take the issue: The issue of the collapse of society, the collapse of the present world system, which is now ongoing, which exploded in your face on Thursday, in the stock market, and which is going to explode in a higher form this coming week, because it's already exploding. Are you going to respond to this, with this change, which I indicate—the Glass-Steagall reform? Otherwise, if you're not going to respond to the Glass-Steagall reform now, you're wasting your time by being alive! It's true. This is the only thing that's morally significant: Are we willing to commit ourselves to this Glass-Steagall perspective *now?* Now, that leading political forces have put the thing on the table? It's the only thing that'll save us, and there's nothing else worth doing. Anything else *is a damned waste of time! Just babble.*

So let's take the position: Understand the crisis; we can solve it. We have a core of recognized American leaders, who are now leading an effort which will grow very rapidly, not only in the United States, but will grow also, by reputation, in Europe and elsewhere. Let us assume that we are going to win! Because there's no time worth spending on the alternative: You're looking at Hell or Heaven. And once you've made the choice, then you'd better start exploring Heaven. Not going there faster—that may happen, but in terms of: You are committed to ensure, that our victory, over the enemy, our victory through initiation of a Glass-Steagall reform, will empower actions, which will lead to the salvation of mankind, from the kind of threat that's immediate.

And once we do that, we have to think seriously about what are the characteristics of the moral standard

by which society should make policies? And I suggest, that we have to think in terms of the new physics, the new form of the physics, of physical chemistry, typified by the gentleman I've named, and use that as a standard of challenge, for the missions of mankind. Every generation and every group of generations, must have a mission: For example, some of you in this room are in your 20s, some are in their 30s; some are somewhat older, like me.

So therefore, what are we going to contribute to the future of mankind? What's our ability, what's the road-map we have to work out, for the future of mankind? That's what's needed.

So, we will now have some questions thrown at me. And you can observe the spectacle.

Dialogue with LaRouche

Freeman: And we *do* have questions!

Recently most of the institutional questions have been dominated by questions from a group of economists whom we lovingly refer to as “Stanford Group.” Lyn had the opportunity earlier, to engage in a long dialogue with some members of that group, but during the course of it, there were a great number of questions that came from various institutional layers located here in Washington—a good number of them from members of Congress, and from journalists. And we did not have time to entertain those questions then, but I will try to give them, where it's worthwhile, some priority today, because they are very much to the point of what we are discussing.

But before I ask the first question, let me just mention something which Lyn referred to in his remarks, and which was conveyed to me, in a message from Marcia Merry Baker, who is one of our editors at *Executive Intelligence Review*. She says, “With sadness, we report the death of [former Alaska] Gov. Walter J. ‘Wally’ Hickel. He passed away last night, May 7, in Anchorage, Alaska. He was 90 years old. We appreciate his long record of dedication to ‘big projects,’ an expression that he liked to use. He was committed to a mission to Mars, to the Bering Strait tunnel, and to many other such great enterprises.

“A press release that was issued by his office this morning, notes among his many commitments and achievements: ‘As a believer that big projects are a



FORUM International

Former Alaska governor Walter Hickel addresses a Moscow conference on the Bering Strait project, April 25, 2007. Long a supporter of this historic bi-national plan, which would link the Eurasian and American continents by rail, Hickel died on May 7, 2010.

symbol of civilization, Wally Hickel promoted a tunnel beneath the Bering Strait to connect the U.S. and Russia, and make possible a railroad around the world. His concept for a water pipeline to transport Alaska's abundant water resources to California, received both attention and ridicule in the 1960s and the 1990s, and he insisted that it would, one day, become a reality. As a member of an advisory committee to NASA, he advanced big projects to support the exploration of Mars, and the settlement of the Moon. He was still talking about all of these projects, as of last month.”

So, it is with that, that we mourn the loss of former Governor Hickel, and we commit ourselves to bringing those “big projects” that he refers to, into being.

V-E Day Greetings from Russia

We have a greeting from Russia, from Prof. Yelena Borisova, and she sends this greeting on behalf of all Russian anti-globalists.

She also sends it on the occasion of V-E Day, which is being widely celebrated in Russia, and in fact, all

over the world. One would have presumed, that it would also be celebrated here in the United States. However, for anyone who listened to President Obama's address this morning, one would be a little bit surprised to note, that he never even mentioned it! And I suspect, that he doesn't realize that today is, in fact, that commemorative day. I presume he knows it's May 8, but I don't know if he knows anything else.

Professor Borisova says: "Our congratulations to you today, on the occasion of Victory Day. This is a very special greeting to you, Mr. LaRouche, because you, in fact, were a participant in that glorious struggle. We will never forget the common fight of the anti-Hitler coalition. Now, today, we, as you, are doing our best to prevent attempts to conquer the world by any new fascists, whoever and wherever they may be."

And that is a greeting that we welcome, and we certainly share the sentiment.

The question that I really wanted to ask, comes also from Russia. It comes from someone who is an author of a fairly widely read blog in Russia, and he says: "Mr. LaRouche, our greetings to you on Victory Day, and our thanks to you as a veteran of that war. My question to you is an extremely important one here in Russia, where, unfortunately, on such matters, we tend to be told everything, except the truth.

"I want Mr. LaRouche to know in advance, that his answer to this question will be published everywhere. Because here in Russia, it is indeed a hot topic, as is Mr. LaRouche. My question is, what really happened in Greece? Or, rather, to restate it: Who has won in this Greek situation? The government, or the people who are protesting so actively and valiantly?"

LaRouche: The crisis in Greece itself has only begun. The fact that the Greek parliament officially swallowed the demand of the European Union, means that the crisis in Greece is now intensified into a very deadly potential form of reaction. Because what has happened, is, the submission of Greece to this euro demand, is existential: The conditions of life imposed upon the Greek population are indescribable. And therefore, we have opened up a bleeding sore, in the subregion of Europe, in the Balkans region, and this sore will run for a long time, unless something is done about it, now.

It's criminal. What you have is, again, the key thing, as I mentioned before—the key to what's happening on the world scale, in all financial markets and related situations, is a breakdown of the British Empire. The British Empire is not an empire of the British people. It is an

empire of institutions which are, in origin, Venetian. That is, it's a kind of a body, like the Cult of Apollo, the Delphi Cult of Apollo, which ruled over Europe, up through the time of the death of Plutarch, who was the last reigning high priest of Delphi Cult of Apollo, who ran Rome. So, these kinds of operations have run the world, most of the time.

And what the British represent in Europe, is a form of empire, which comes out of that Delphi tradition. It's gone through many phases; it went through the interim period from the destruction of the Persian Empire, the death of the ruler, into the emergence of the Roman Empire; then the Byzantine Empire; then about 1000 A.D., the empire of Venice, which controlled the financial life of the world, at that point.

Venice is still a controlling factor in the financial life of the world. If you're Italian in particular, and you know the history of Italy, you know that Venice is the place that runs most of the world, with its tributaries, which are connected. It's a financial center of the world. It's the same Venice which, in the 14th Century, caused the New Dark Age, by switching to the control of a monetary system. And the same thing is happening, more or less, today.

So what there is, is an effort of this empire, which is an international financial empire, of a monetary system—this empire has now gone to the point, with the aid of Alan Greenspan, of creating a mass of nominal monetary debt, which exceeds all imagination! Nobody knows how big this thing is! It's growing like a wild cancer. And the world can not live with this debt. But the people who are behind it, insist on having the power to rule.

Now, the tendencies they will have under these conditions are two: One, is to simply proceed to blow up the world, as has been done by empires before. This was done in the 14th-Century New Dark Age: 30% of the population or more was wiped out, by this process! And a completely new form of civilization eventually emerged. That's the one thing that's coming out of the British Empire.

And the British Empire also controls most of the financial-monetary systems of the world. So if you're going to save civilization, you have to destroy it; you have to destroy the British Empire. The British Empire has gone ahead, under the filthy Presidents, such as George H.W. Bush, George W. Bush, and now Obama, who are completely *alien* in terms of their policies to anything that corresponds to the interests of civilization

generally, or the United States in particular.

And the system is coming down.

What they're trying to do, is blow up the system, by, instead of allowing Greece to reorganize its money system, they are imposing that Greece be used, that the Greek debt be bailed out by Europe!

Now, the debt is *worthless*, in large part. Therefore, asking a Europe, which is already on the edge of breaking up, to absorb an unpayable debt, which the Greeks can never repay—not possible—means you're going to blow up Europe. But the British are doing that.

Now, what the British are afraid of, right now, most of all, the thing they fear the most, is a *Glass-Steagall reform by the United States*. If the United States adopts the Glass-Steagall reform, which is now being pushed, as I mentioned earlier, *then the British Empire is defeated, and we are saved*.

Europe, in the meantime, would go through a collapse. But it could be temporary, if the United States had re-established itself as a Roosevelt-style reform, back as I indicated earlier today. Then we can make it, and we could save Europe; we could save Russia. By doing that, we could also ensure the security of China, of India, of other parts of the world. We could stop this world crisis, even now, if we did that.

If we don't do it, if we don't push through the Glass-Steagall reform, which I specified, there is no hope for humanity's decent existence in the immediate future—beginning this week! And next. What happened on Thursday was no accident: It was a lawful development within a system which is doomed.

The center of the power of fake money, is the British Empire. It's located, as I said, in this group that was organized by Jacob Rothschild, back in 1971, called the Inter-Alpha Group: That is the center of political-monetary power on this planet. And that thing is ready to collapse, especially with the case of a very sloppy election in Britain, which is another factor of instability.

So what we have to do, is say: "You're finished," to them. "We are establishing a U.S. dollar system again. *We're going to cancel all these forms of debts which are fraudulent*. We're going to reorganize the banks as the way we know how to do it, and have done in the past, following our laws which we voted in our Constitution and other forms. We're going to survive! And the world is going to turn around to cooperate with *us*, to replace the British system, with a system consistent with the Glass-Steagall principles." That's what has to happen, and that's the way you have to look at it.

It was no coincidence that this happened in this period. When I scheduled this appearance, here today, for this time, I knew we were entering into exactly this type of period. And that's what's happened to us.

But the problem is, that most people who call themselves economists, don't understand economy! They believe in monetary systems! And the point is, you're in a monetary system, where the values are largely fake! Most of the listed monetary values of the world today are totally fake! And if you keep blowing that bubble up, it's going to pop! And it came *popping time*! And that's what's happened.

And it was going to happen about this time, and I knew it was going to happen about this time, but it happened a few days before this time! There was nothing coincidental, nothing surprising about that—history is like that. And if you do as I do, and think as I do, in terms of physical economy. and not this paper-mâché kind of economy, or an invisible paper-mâché economy which we have now—it's gone! It's doomed, it's gone! There's no mystery about it. The problem is, people attach too much value to this crazy system. They depend upon it. They think it has some intrinsic value, and it doesn't. It's only paper—and it's not even paper any more! It's an electronic wisp some place. So, that's what happens.

So this thing is inevitable. What we have to do is, presuming we carry through the Glass-Steagall reform—and everything depends on the Glass-Steagall reform—if we carry that through, then we will survive, and we will have the power to go into Europe, and talk to nations such as Germany, and Russia, and Italy, and France—even the French will probably agree—and we will say, "Okay, why don't you just join our system? Resume your sovereignty as sovereign nation-states, and enter into an agreement with us, like the Roosevelt agreement at Bretton Woods. And we will create a fixed-exchange-rate system, based on this, our tradition, of our system."

And, that's the solution!

But, see, Russia, in particular, has a stinking monetary system, right now, a financial system, which is owned by the Caribbean pirates, who own Russia from afar. And the poor Russians can't get access to the money the Caribbean pirates have, and they call it "Russian money." And they're looting Russia for the sake of the profits of the Caribbean pirates.

So, we can help them with that. We can enter into agreements with governments in Western Europe, and

with Russia, and China—China will be very happy to have such an agreement—and India. And a few other countries.

If we enter such an agreement, we've created a new international system, a Bretton Woods system like that of Franklin Roosevelt. Under those conditions, doing the kind of work I indicated, we can survive. We can progress. And we can say, "bye-bye," to the British Empire!

Stiglitz: Clever, But Useless

Freeman: The next question comes from an official at the U.S. State Department, and it is largely on the same topic. She writes, "Mr. LaRouche, we recently participated in a discussion on the current crisis of the euro, and of the crisis in Greece, and one of the people who gave a presentation was the economist Joe Stiglitz, who I believe you are familiar with. Stiglitz said that there were three ways to address the current crisis of the euro. He said that the first, obviously, was an internal devaluation by southern European countries—basically, wage and price cuts. He said that, despite the fact that this is being pushed, he does not believe it will actually happen; that he does not believe that the population will stand for it.

"The second alternative, he said, would be for Germany to exit the Eurozone, or to split the Eurozone into a northern and southern hemisphere.

"Then, he went through what he said was his preferred solution, which he described as the type of institutional set-up, that the euro area should have had from the start, which he described as a 'fiscal union.' He did not really go into detail as to what he meant by that, and my question to you, is, first of all, do you know what he's talking about? And second, is what he is proposing a viable institutional reform? I don't know what he means, when he talks about the 'necessary fiscal framework.'

"I am obviously very well aware of the fact that President Obama has endorsed the Greek bailout, and the cuts that go along with it, but that still doesn't answer the question of how, in fact, we are going to address this crisis."

LaRouche: Joe Stiglitz is a funny guy. He's not unintelligent, and he does know a number of things. But the problem is, we don't know what constituency he's voting for. And most of the ones he votes for, are fictitious. So, since he's voting for systems that don't exist, and will never exist, he is merely being an opportunist, and hoping that he can say something which will keep



swiss-image.ch/Christof Sonderegger

Economist Joe Stiglitz is "merely being an opportunist, and hoping that he can say something which will keep the fires of his reputation alive," said LaRouche.

the fires of his reputation alive. But he's actually intelligent enough, almost intelligent enough, at least, to be able to understand what I'm saying. But he doesn't do that publicly. He does it privately, only.

That's the answer. There's no simple thing. Most of these fellows—there are people out there, who, like Stiglitz, are more or less intelligent. They don't have much in the way of principles. And as the three questions indicate, the principles are rather doubtful and somewhat mysterious. So there's not much to say about it. These guys are clever, as I say; you have to acknowledge that. But then you have to say: They're useless.

Ending the Empire's Control of Africa

Freeman: I want to ask a question that comes from the members of the LaRouche movement in South Africa. And I ask this specifically because it reflects so many questions that we have gotten in, really from all over Africa, from contacts and supporters, and government officials there.

The question is as follows: "In 1652, Jan van Riebeeck and his entourage of settlers of Dutch descent, disembarked on the southern part of Africa to establish a halfway station for the Dutch East India Company. This was to make available fresh food for the ships that were destined for India to buy spices. This was, indeed, the beginning of the colonization of South Africa. Since that day, we have fallen under the British Empire's ten-

tacles. For more than 300 years, up to this day, Africa is still under the rule of what you have referred to as the Brutish Empire. Our nations have no sovereignty at all. Some leaders in the past, like Patrice Lumumba and Thomas Sankara, tried standing up against the empire, but they were killed in short order.

How do we, on the African continent, join with you, Mr. LaRouche, in carrying out your policies such as the Four-Power Agreement, the Eurasian Land-Bridge, and food security for all, so that we here in Africa can be partners with you and the rest of the world, in getting rid of the British Empire, and having the possibility of living our lives as human beings, and not as cattle?"

LaRouche: Well, since I'm 88 years of age, nearly, promises on long-term actions from me are limited, accordingly. And therefore, however, I can speak of perspectives and policies which are trans-portable even if I'm dead. That's not because I mean to put a grim note on it, but that's the fact of the matter. I'm stubborn; I may live for another 10, 15 years, you know. I'm one of those stubborn types who do that sort of thing, but I wouldn't guarantee it, I'll tell you that.

So, the question here is, how are we going to settle this question of Africa? You're not going to settle it by trying to bargain with Africa. You're going to settle it, by getting the United States back under a Glass-Steagall system, and right now that will do it.

You see, we have, in a sense, our so-called African-American population is a mess at present. It's had better times than now. But it's problematic.

What we have to do is, we have to say, the United States, as a leading nation of the world—if we become that again by doing what has to be done, with the sort of [initiative taken by] John McCain and his associates—if we do that, we're going to have an opportunity. We're going to be again the top dog in the world, politically, not by physical force, but politically. And people will want to join with us, because the alternative of being eaten by the British is not very palatable.

So therefore, we have to say, what are we going to do with potential allies, available right now—Russia,



EIRNS

LaRouche Youth Movement organizers in South Africa, July 2007, with two guests visiting from Denmark. Samuel Lepele, the group's leader, is second from the left. "How do we, on the African continent, join with you, Mr. LaRouche, in carrying out your policies ... and having the possibility of living our lives as human beings, and not as cattle?"

China, India, and other countries, and some countries in Europe—to say, "We're going to do something about this African colonization business? It's a disgusting, immoral thing, and practically, it has to be changed."

Therefore, what will *we* do, to deliver to African nations, the sovereignty which they are denied? Don't come in there with a plan of how you're going to tell them to free themselves. Get serious! We have to have a commitment as a nation, with certain other nations, to say, "This imperial nonsense ends!"

Well, the first thing to do is, you agree on bankrupting the British system, because that's your problem. There is an empire in the world today, which is best identified as the British Empire, because it is associated with certain interests which associate themselves with the image of the British Empire, typified by the Inter-Alpha Group. Which is one of the most significant arms of the British Empire on the planet, in terms of finances, and is the key architect of this mess that's happened with Brazil, or rather, with Greece. So therefore, the destruction of the British Empire is the first step required; otherwise, no freedom of Africa—that simple.

So, let's destroy the British Empire! We have now in our hands, and provided we get this Glass-Steagall thing through, we will have the power in our hands to



NASA

"The destruction of the British Empire is the first step required, otherwise, no freedom of Africa—that simple," said LaRouche. To know what is needed there, all you have to do is look at this satellite view of the continent at night.

do precisely that. So, let's do it!

Now, what does that mean? That means we make a commitment to certain projects. First of all, reforms of currencies and things like that, that they want done. So, therefore, we will take and say, "What's Africa need?" Well, you take a photograph of all the areas of Africa at nighttime, and look how many parts of Africa have light at nighttime. And you find very few. So, all the talk about the success of this part or that part of Africa, is immediately shown to you by the night helicopter ride across the territory of Africa. There are very few places where there are lights at night, visible at helicopter level.

So therefore, what do you need? Africa has a large

potential for agriculture, which is most important because that is what affects most of the people who live in Africa—is their agricultural potential. Not much in terms of food, but in terms of potential.

Now, what you need to develop that potential, is infrastructure. Now, to deliver the infrastructure required, you've got to open up high-speed rail or magnetic-levitation types of lines, going from the Middle East into Africa that way, as through Sudan. To take and expand Lake Chad, to restore it to full strength of what it was in ancient times, which fixes Chad. And that's done by taking some water from Congo, across Congo, moving it into Lake Chad, expanding Lake Chad, and suddenly, this desolate country of Chad, which has no perspective whatsoever, begins to have a very significant perspective. And since it's a keystone country in terms of geographic position, as between Sudan and West Africa, it's very important.

So now, the other thing you have to have, is, of course, you have to have the railroad system. Water systems, railway systems. Then you have to build an infrastructural system. In other words, you've got farmers. The first thing you've got to do to maintain the economy is, you're going to get African agriculture back in business. You're going to give it all the assistance in that; you're going to provide the infrastructure with that purpose in mind. And you have some areas which have been destroyed by the British recently, as in the mountain areas there.

But, you get that going, and then you can say, by defining projects, using existing governments as political entities, and getting a system of co-operation among these governments, with water projects, with power projects, and so forth: This kind of thing creates the basis for giving real structure to Africa; and if you've got a commitment for a couple of generations to further this project, then we can.

In the meantime, Africa as a food basket, when it's brought up to strength, is crucial for the feeding of Europe. So, exports of African food products are a big opportunity for Africa, and for Europe. And you have mineral developments there, around the basis of an agricultural culture, you can develop the mineral resources in Africa.

In other words, what they do now is, they go into

Africa, they find a mine someplace, and they rape it; put the contents in a bag, and go to the port, and run overseas with the content of the bag. The normal process of using the raw material resources, inside a continent, and using it in a step-wise project of upgrading from one step to the other, partly for consumption and partly for export, which is a normal thing. But in Africa, they just go in there and take the thing, rip it out of the ground, and carry it off someplace else and sell it on the world market.

So, if you give them a world perspective, and are prepared to guarantee by solid agreements among nations, to restore Africa to full independence, you can do it. You have to be patient, you have to be loving, but you can do it. And that's what we have to do.

And what we need also is, on the inside, we need more recruitment of Africans, who, while defending their own national sovereignty as nations, will also become a cooperating cadre force across national borders, as an African interest group, to make sure that Africa has cooperation and means of expressing that to the world at large. So you need an African institution, of, you know, the revolutionary Africans, the ones that really want to build their country and develop it. And that's the way you do it. I don't see any other way to do it.

Glass-Steagall Will Bring Down the British Empire

Freeman: Lyn, while you were answering that question, your wife [Helga Zepp-LaRouche] called. Don't forget the milk! [laughter]

She called because she said that there were dramatic developments in Europe last night, that she wanted to make sure you were aware of, and I think she also wanted your comment on. Apparently, what occurred last night was, that the leader of Germany, Mrs. Merkel, was put under extraordinary pressure, and essentially changed her position regarding the current euro crisis. What Helga said is that, while there's a lot of technical gobbledygook involved, it appears that essentially what has occurred is, that Germany has now agreed to foot the bill for the bailout. The argument that was presented was that Germany was the only country that had the means to do it.

Now, up to now, Merkel has refused to do this, and has made very clear that she considers this a violation



RegierungOnline/Denzel

German Chancellor Angela Merkel discusses the financial crisis and the situation in Greece in a TV interview, May 6. She was put under extraordinary pressure from Obama and the British, to bail out the British system—and she capitulated.

of the EU's no bailout policy. But apparently, now the agreement is that Germany will foot the bill. They are refusing to discuss the mechanisms through which this will occur, because they say they want to settle all these questions, and have these mechanisms in place, before the markets open on Monday morning.

So, I smell something really rotten here, but anyway, what Helga said is, regardless of their mechanisms, which they refuse to discuss, the bottom line is still this dramatic change in Merkel's position, and she thought, Lyn, that you might want to comment on this.

LaRouche: Yeah. Well, obviously, we know, and Debbie and I know, that this comes from Britain, entirely from Britain. And you can say so. I can be quoted on this, publicly attributed: Yes, this operation was entirely British.

The British, as I said earlier today, the British system is in an existential crisis. And what happened in Wall Street on Thursday is a reflection of that existential crisis of the British system. The British system is intrinsically bankrupt, and the issue here is this: Again, the Inter-Alpha Group of Jacob Rothschild and company—and Jacob Rothschild is nothing but the errand boy for the British monarchy and the British Empire. This group of banks—now this involves, especially, the banks of Spain, Portugal, Ireland, England, and some others.

If the United States were, as it *must*, to support the Glass-Steagall reform, which is being pushed in detail by McCain, Cantwell, and so forth, if that is instituted, *the British Empire goes down—right now*. That's the crisis. That's what it's all about. And under those conditions, the British will kill. They always do. This is an existential crisis for the British Empire. It can not survive a Glass-Steagall system re-installed by the United States. That's the reality.

Freeman: Lyn, the next question is something I discussed with you earlier. It refers to a similar situation, and I know that the person who asked the question, who is a very prominent American economist, and also a strong supporter of the re-adoption of Glass-Steagall, would like your answer, for the record.

Before I ask the question, let me just say, that I learned this morning, that in just the less than 48 hours since the McCain-Cantwell Amendment was introduced—and as some people may know, the body of the amendment had existed in the Senate as a stand-alone measure, which was just sitting there—they did attach it to the Dodd bill as an amendment, and it will soon be debated and voted upon.

The sponsors are quite confident that they have the support for it to pass—so confident in fact, that it is the assessment of just about everyone in Washington, that the only thing that could stop this right now, would be a procedural attempt by Senate leader Reid, to keep the measure from coming up for debate. There are more than 150 amendments pending to the Dodd bill, and there is an arcane procedure by which Reid could simply not call the question.

These sponsors, who represent a very broad bipartisan coalition, have made clear that they will, in fact, filibuster, and stop anything from being passed if, in fact, such a patently outrageous move is made. It is also the case that in the 48 hours since its introduction, a series of polls now shows that 78% of the population supports the re-adoption of Glass-Steagall, and there have been more than 460 newspaper editorials published, also in support. So, that is quite a bit of momentum.

Most Economists Believe in Monetary Systems

Now, the questioner says, “Lyn, I'd really like you to comment on this, because I was completely taken aback by it. I recently had the opportunity to participate in an affair at the London School of Economics. The

details of the affair itself are not important; it was a commemorative ceremony,” she says.

“I happened to be sitting at the table with some officials from the British Finance Ministry, and during the course of our conversation, the issue of Glass-Steagall came up. I was not necessarily surprised that my British friend might oppose it, but I was surprised when he informed me, that any move in the United States to re-adopt a Glass-Steagall framework would, in fact, be viewed as a hostile act by Great Britain and by the nations of Europe. I assured him that we were simply trying to clean up our own banking system, and that, in fact, he was the farthest thing from our mind. But I do, in fact, wonder why they would be so concerned with this. He went so far as to say that someone from the British Foreign Office would be contacting their counterpart in the U.S. State Department to make this position clear.

“So, my question to you, Lyn, is twofold: one, what's going on here? And two, is this view, as expressed by the British Foreign Office, simply their view, or is it in fact the view of the other nations of Europe?”

LaRouche: Well, see, these questions are easier for me, than they are for most economists, because most economists believe in monetary systems, and they believe in monetary systems as statistical systems, and therefore, they're always caught flat-footed when they try to examine a process of this type from the outside. Because statistical methods applied to monetary systems, will never indicate an adequate warning of a development. Because the *real economy* is a *physical economy*, and the actual values of an economy, at bottom, through the process of exchange and production and so forth, are physical. They're not monetary. And the attempt to impose monetary valuations, which are relatively absurd with respect to physical reality, is the basic root of most financial crises and similar crises.

So, if you're an economist who believes in financial economy, you are going to be incompetent and probably worse. Particularly at a crucial point, you'll miss the action at the crucial point. You will see troubles coming up, trends. They're like—they *love* trends; statistical trends. They're trendy people. But they don't understand physical economy!

Now, physical economy operates on the basis of critical values. You're operating on a discrepancy, where what you assume is true, is far from true. But that can go on for a long time because of social inertia. It's

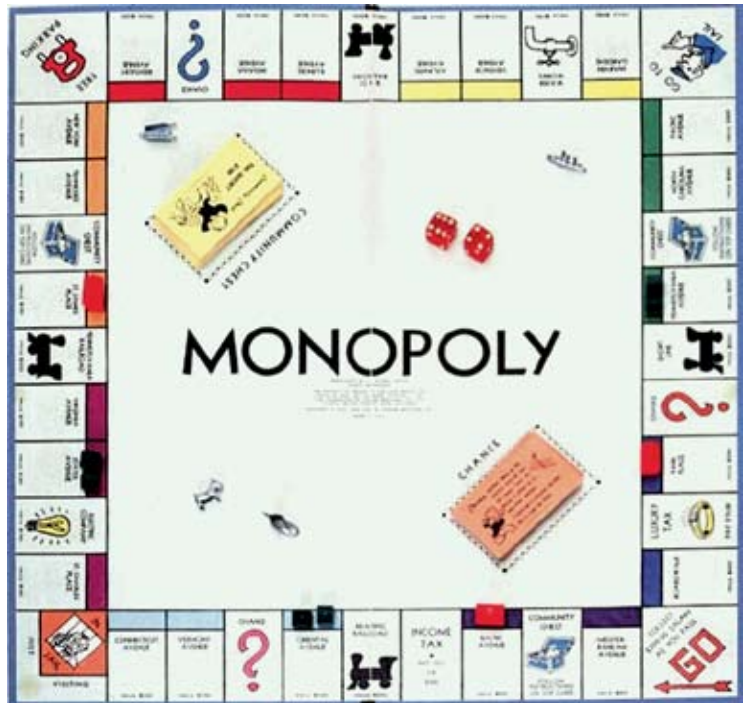
tied into so-called cycles, physical cycles of economic cycles. And usually, when it's a breakdown: for example, the breakdown of the water systems of the municipalities of the eastern United States right now, which is general. The Boston [water crisis] is not exceptional; it's general. They're all going to break down. Why? Because the physical breakdown has come. They reach a point of a coincidence of physical breakdown of the basic water systems of the municipalities of the United States, especially on the East Coast.

So, that's a crisis. You have industries which have disappeared, so that's a crisis, through bankruptcy. Your labor force is no longer educated, so it's stupid, so you can't produce, because you have stupid people who are not capable of producing! School systems break down. First, they break down because of the bad teaching, the bad classroom organization, the textbooks, and so on. But sooner or later, the physical reality of stupidity, as a form of education, mass education, affects the economy *physically*. That's the way things happen.

You have to look at the *physical* consequences of trends, which seem to be monetary trends, and understand them in physical terms, in order to understand how the breaking points in crises reach economies. And I've been forecasting since 1956, and I've never made a mistake in my forecasts. Nearly everybody else has, all the time. Why? Because they depend on monetary statistics and trend lines of that sort.

And economies don't work that way. They may *seem* to work that way, because monetary systems, like games, seem to be—you know, you're playing Monopoly in the closet. As long as you're playing Monopoly, you're in fine shape, your game can go on and finish. But the minute you order the food sent in, then you run into a problem, because you need real money. And that's the way things work.

So, we've come to that kind of situation. The system as a whole, the British system, which has been going on, on inertia—you see, they believe this, they tell each other they believe. They have agreements, like organized crime. You try to change the system, they'll kill you. That sort of thing. That's why many people in the major banking systems, financial systems of the United States are heavily dominated by organized crime. In many respects, you can not differentiate between the



Is this what our financial system has been reduced to? "Do not pass Go and do not collect \$200. Instead, pay the banks EU1 trillion."

major financial systems in the United States and organized crime.

Now, what happens when somebody in organized crime, or working with organized crime, does something that upsets organized crime? Bang!! Down the elevator shaft with no elevator. That's what happens. So, you have a reign of terror, which is also a controlling factor in economy in this respect. Hits can occur, and often do. So, that's the nature of the problem.

The problem here is, you have to understand physical economy, and understand that physical economy defines the boundary conditions within which monetary systems operate. And the fact that the water systems of the cities of the United States are now breaking down in epidemic proportion, the collapse of educational systems. What are we doing? We're taking children, and we're cutting down the school day. What does that mean? When you cut down the school day, that means you're throwing those kids on the street. What's the condition of the families that have children? Well, both parents usually work. So, you're putting the children out in an environment, and what happens? Drugs and so forth, take over. And you have a non-productive society building up, and this catches up with you.

So, it's the conjunction of *physical* consequences of

policy decisions, or policy decisions of inertia, which are chiefly the determining problem here.

And therefore, we've got to come to a point that the British system, which has an inertia built into its institutions—it's a very unwieldy thing in some respects. And it will continue to act out on its habits, or what appear to be its habits, the habits of leading institutions.

The stupidity of the Queen can be a factor. (She's shrinking all the time, and so she used to be a certain height, and now she's down here. It's having an effect. She can't mount horses any more, and she used to spend a lot of her days on horseback.)

So, the physical conditions of society, the habits of society, which become like physical conditions, built-in habits, like you're programmed—these things have physical consequences. And generally, major crises are a result of a conflict between reality and habits, or conditions produced by habits. That's how things work.

So, the system is finished; the British system, because of its own characteristics, is coming down. Its doom is inevitable. Whatever happens with United States policy, the British system is doomed. Nothing can save it. And it deserves dooming; it deserves it very much.

The question here is: Are we going to fall in with it, or are we going to insist, "Hey, buddy, we're the United States, and you've been bothering us much too long. You just go off there, and get yourself a nice, good bankruptcy, and after you've been humiliated and so forth, we will talk to you, then." In the meantime, we'll go over to your rivals in Europe, especially Germany and France, and so forth, and we will work out things with them on a Glass-Steagall line, and they will be very happy. They may be grumpy about it at first, but they will be happy when they see that's the alternative offered. That's the way you have to think about these things.

But remember, the problem that most people have, they don't believe what I do. They don't believe in physical economy, they believe in monetary systems. And if you believe in monetary systems, the problem is, you'll believe the editorial page, the financial section, you'll believe that stuff, and it seems to work. Why? Because they all agree, it's working. It ain't working, but they agree it's working. As long as they agree, it seems to be working for them. They say, "There's no crisis." Then, *boom!*, the crisis hits.

A Disgusting Greed

Freeman: The next question comes from a Democratic Senator, who's a member of the Senate Banking

Committee. He says, "Mr. LaRouche, at a recent caucus meeting of the Democrats on the Committee, a discussion came up about Glass-Steagall, and it was a discussion that I'd like you to comment on. One of my fellow Senators, Mark Warner, who is a freshman Senator from the state of Virginia, said that, while he personally might have voted against the repeal of Glass-Steagall, when that vote came up, that today, he would oppose its re-imposition.

"And he said that the reason why, is because, the world is a very different place than it was then, and that, the fact is, that the re-imposition of Glass-Steagall would put the entire U.S. financial service industry at a competitive disadvantage versus firms in other nations.

"Given the recent events in Europe, and what happened on the markets on Thursday, I'm not really sure that that should be a concern. But I would like you to address it, because it's not the first time that I have heard that argument made, to counter what those of us, who support Glass-Steagall's re-imposition, have said."

LaRouche: What you have, is you have a kind of disgusting greed. You know, it's like the members of pirates' organizations used to kill each other—like organized crime members, and that sort of thing. And what you have, is that you have a kind of society, which is completely immoral. And this society has become completely immoral.

And therefore, people say, "Well, ah, what you propose sounds good, but I have an interest in maintaining the present system. Look, I got investments over there. I got friends over there, who I do business with. I am not going to go against their interests."

For example, you say, people come in with great alarm: "You say, you're going to apply the Glass-Steagall standard to the banking system? But those banks—I have money in those banks! The people you're trying to bankrupt by liquidating, I have money there! They have rights, too, don't they? You're going to close down them? You're cruel. That's dictatorial."

That's what they do. And thus, you get this sucker game going on: "Go along, to get along. Go along, to get along." Right? Which, if sin weren't invented, that's the way you'd get it automatically delivered to you.

So, that's the problem. It's the fear of going against the grain. That you will not be accepted. You'll be thrown out of your freemasonic lodge or something. Or some other fatal catastrophe of that type, if you go against it.

So the point is, that you have a population which no longer has an efficient moral standard of general conduct. People may say, "I have my own morals. By my moral standards, I would never do that. But they have a right to do that. We have a right to differences, don't we? They have their opinion; I have mine. Why should I try to impose my opinion on them? Don't they have as much right as I do?"

You say: "This is going to kill society."

"Well, that's a different matter. I mean, let's not discuss that!"

That's the way it works. We have our liberals, and you have to get at the gut of what liberalism is. Liberalism and Christianity are not the same thing. Elementary rule. Because, what they call Christianity today is either Aristotle, which is an embalming program. Or on the other side, you have the liberal system, which is based on Paolo Sarpi. And Paolo Sarpi insists, like Adam Smith, that there is no truth known to man in the universe. That all you have, is pragmatic values. And how do you define them? Well, the way Adam Smith does, or Sarpi.

Ultimately, the same thing spills over into physical science. In physical science, there is no notion of a physical principle. It doesn't exist. Sarpi doesn't allow it. The British don't allow it. There is no knowable physical principle. There are formulas which we treat as "acceptable formulations." Like the man on Wall Street, when you question the market's wisdom—he says, "I go by the numbers! Numbers, buddy. I go by the numbers!"

That is, they use statistical methods. And you'll find that, in physical science and in other fields, that what is used as a standard of scientific truth, is *statistical method*, which has no veracity whatsoever in it! It's a matter of opinion. "I go by the numbers!"

And that's how this stuff happens. When you have a society which has a principle, when it has goals, then you judge the role of an issue *by the goals it serves*. You calculate the goals. What should be the goals of society? Rather than the opinions. What's your mission? What's your principle?

Let's take the case of energy flux-density. The most important rule-of-thumb calculation in economy—in physical economy, in particular—is energy flux-density.

If I use up the rich iron ore, then my productivity collapses. If, however, I invent a better technology—usually employing a higher energy flux-density of func-

tion—now, I no longer suffer as a result of the depletion of the relatively richer ore. Because my productivity, my cost of production, is based on the energy flux-density, of this method I employ.

So, in a sane world, that's the way it works. But if you're simply a pirate, looting other people's territory and property, you go around stealing their property. And the fellow who does the best stealing, comes out on top, and says, "Well, I'll be fine," even if the population around him is starving.

So, when you get away from the idea that society has to have moral objectives, moral imperatives—and the moral imperative is generally to increase the productive powers of people, per capita and per square kilometer, general effect. And the policy is to increase the productivity of mankind, faster than we are depleting so-called concentrations of resources. And as long as we do that, we can get along.

But we have to know what it is, that we have to produce. We have to set prices, and price ratios, which are based on the relative significance and cost of things we must produce. We're now going into a completely new kind of physics. And that is going to determine what the truth is.

But, if you go by money, or you go by what people feel, what they like, and so forth, then you don't have truth, you have opinion. And what has happened is, a society of opinion is a society of an immoral, or amoral lack of direction. And that's what you have today. That's what's taught in the schools. Look at the textbooks. Go into a school. Look at the textbooks. Look at what's taught, especially in the "social science" categories.

We have a demoralized population, with no moral purpose whatsoever, or fragments of it, that's all. We say, "Who's got the votes?" We don't say, "What's right?" But, "Who's got the votes?"

We've got to bring the idea of what's right, or what the votes should be, into conformity with the truth. But we have an economy now, where we say, "We have to do what people want. They want drugs! You have no right to interfere with their drugs." Even if the drug users are killing people left and right. "You have no right. They have as much right as you do. They have their opinion. Don't they have a right to their opinion?"

That's the kind of liberal society we live in. We no longer have moral objectives. That is, moral objectives, translated and expressible, in terms of what is beneficial for humanity and humanity's future, as opposed to the opposite. That's where the problem lies.



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Niall Ferguson, an ideologue for British imperialism, says that Glass-Steagall, even if it had not been repealed in 1999, would have been totally irrelevant to the current crisis. LaRouche replied: “The problem here is, someone assumes that it’s all a game. Like the playing fields of Eton.”

They Don’t Give a Damn for Humanity

Freeman: The next question is interesting, and it comes from somebody who is clearly trying to make some trouble, but I’m going to let him do it. He is not someone who we normally hear from. He is the editor of a major national magazine, that does not normally deal with economic issues. But, he says, “Mr. LaRouche, you may be pleased, or displeased to know, that you were a hot topic of conversation at a dinner party I attended last night. And one of the participants in that dinner party, was someone, who I believe you are familiar with, one Mr. Niall Ferguson. He obviously won’t ask you this question. But I’ve decided to ask you the question, on his behalf. And he will know that it was me, because I was sitting next to him.

“We discussed many things at dinner, but one of the things we discussed was Glass-Steagall. And, although you and I do not often agree on many things, we do agree on this. And I pointed out to him, that Glass-Steagall has now an excellent chance of being re-enacted, and that I thought that this was an excellent thing.

“I also pointed out to him, that during the 70-some-odd years that Glass-Steagall was in effect, the U.S. banking system never suffered a single crisis due to speculation.

“He, in his manner, pooh-poohed me, and said that I was wrong. And that, he was quite surprised, and found

it very strange, that I would adopt a position that you had attached yourself to. He said that, surely, I must know, even if you do not, that the preservation of Glass-Steagall would have done absolutely nothing to alter the behavior of those individuals who are running Bear Stearns, Lehman Brothers, and AIG, that it would have done nothing to prevent the crisis caused by these institutions, and therefore, is totally irrelevant.

“So, I’d like your comments.”

LaRouche: Well, these institutions were parasites, which should never have existed. They had no useful function whatsoever, as far as society is concerned. But rather, had negative influence. One could never mourn the departure of any of these institutions, on behalf of society. Whether they live or die—one prefers that they would die.

And the problem here is, someone assumes that it’s all a game. Like the playing fields of Eton, or something. Or those who are eaten, or something. Anyway. They don’t have any sense of what reality is. And they don’t care about reality. They want to play a game! And they would like to *win* at it, whatever the terms of the game are!

They don’t give a *damn* for humanity. You can’t understand them, if you don’t understand that they don’t give a *damn* about humanity. They want to win their game. It’s called the corporate game. You’ll often find they’ll talk about politics and countries, as corporations. “Well, you have your corporation, and we have ours. Isn’t it really what’s important, is which corporation wins? And what tactics caused this corporation to win—even by aid of murder—as opposed to any other procedure?”

So they’re playing a game. You know, you have the epitome of this in a real idiot—and he was a real idiot—John von Neumann, who wrote a book, co-authored, on the theory of games and economics. And the man was really a pathological case. What he was is, essentially, he is an *idiot-savant*.

By the way, he was thrown out of the University at Göttingen, for both incompetence, and also for corruption.

Norbert Wiener, his closest relative, intellectually at that time, was thrown out of the same Göttingen for incompetence. Both of these creatures—I say “creatures” advisedly, avoiding other debates that way—by noting they were both products of the education of Bertrand

Russell. They're Russell ideologues. They were the most extreme case of absolutely absurd contributions to mathematics and physical science that the planet has known, since approximately the beginning of the last century. And still today. Most incompetence today is traced to them.

For example, Russia. I think it is one of the best examples of this: Now the Soviet Union had all its problems it had. But Stalin, in the course of World War II, and after that, was very much attached to the idea of cooperation with the United States. The Soviet Union, prior to the death of Roosevelt, never had any intention of a strategic conflict with the United States; quite the contrary. Stalin's regime was looking forward to a Roosevelt-style, post-war recovery in Russia. And looked upon the United States as an ally.

Roosevelt died. And then Truman, who was a part of the Wall Street gang, he was one of the assets of the Wall Street gang, got in as President, and he turned the world over to the British, to Winston Churchill.

Now Roosevelt's post-war program had been one of the United Nations program. The United Nations' purpose was, as conceived by Roosevelt, to free the captive peoples of the world, to establish their own independent nation-states. And to assist these freed nations with U.S. economic support in development, to become fully qualified as independent nation-states, to get many of the attributes they lacked, to become functioning nation-states.

Truman changed it directly. At the end of the war, we had the greatest productive power of any nation on this planet. Most of this was locked up in our war industry. We went through severe shortages during the war, in order to conduct the war. We saved the world.

Against the Nazis, for example: Where the Nazis had a few hundred pounds, we had tons, in logistics.

We did not win the war through great strategies, that is, great, particular battlefield strategies—though



Library of Congress

"We won the war," said LaRouche, because we overpowered the enemy with our productive power! We had the tonnage." Shown: construction of B-25 bombers in Inglewood, Calif., 1942.

there were some, as in the case of MacArthur, and some in Europe. But, we won the war, because we *overpowered* the enemy with our productive power! We had the tonnage. You should have seen the tonnage we left on the beaches in the South Pacific. We out-produced them. And where the Nazi forces had—I don't know—a few hundred pounds, we had tons. That's how we won. The sheer tonnage of our capability.

All right: Roosevelt's intention was, use that power of production, which is now freed from these military obligations, and use that to invest, with credit, in what we looked forward to, as rebuilding the post-war world, including *the independence of all colonies to become nation-states*. And our point was, if we turned loose the productive power which we had accumulated, in building up—in the period before our participation in the war, and during the war—if we used that power for civilian purposes, we could change the world for the better, and eliminate empire entirely.

The minute Roosevelt died, that policy changed. Truman went with Churchill. What we had done—for example, we had freed Indo-China. It was done by neighbors of mine—I was in Myitkyina, they were in Indo-China—and the United States assisted Ho Chi Minh in liberating Indo-China. Truman came in, the

British representative went in and gave orders to the government: “Well, uh, you’re going to free those Japanese prisoners of war, and you’re going to give them back their guns. And they’re going to re-occupy the country, until the French army can re-organize and bring the occupation forces back there.” That’s a little bit of history.

The same thing happened in Indonesia. The same thing happened elsewhere. Either the old form of British imperialism was established, or new forms—the new kinds of quasi-freedom of captive states.

So what we did, is we destroyed that section of our productive capacity, which would have been dedicated to this purpose. We, then, went to war with the Soviet Union. We went to war on the Soviet Union in 1946—officially in September 1946—when Bertrand Russell published the proposal for a preventive nuclear attack on the Soviet Union. That’s how it happened.

So, from that point on, we destroyed our capability for civilian production. Eventually, it became an effect on our military production as well, during the course of the Indo-China War.

A Revolution in Science

This is the problem. And we should look at things in these terms: Our job, our way to look at these things, is that we should be committed to an American policy of the type that Franklin Roosevelt represented, and in the appropriate form for today, as opposed to what it would have been then. And that is, we have to build up our capacity, first of all, in our own countries, as much as others, to rebuild the infrastructure—the basic economic infrastructure, on which industry and agriculture development depends. We have to build up power systems. We need nuclear power galore! Anybody who is proposing *not* nuclear power—anyone who is proposing, you know, carbon caps, is an enemy of humanity, an enemy of civilization.

We have to build up the productive powers of labor. The first place we have to go, is infrastructure—public infrastructure, in particular. Then we have to use the infrastructure development as the prompting for the development of industries, where the industries are developed on the basis of the market provided by the building of infrastructure.

We have to have a banking system, a commercial banking system, through which the United States can use credit, supplied to qualified borrowers, to develop these industries, whose market will be either infrastruc-

ture or development of industries which infrastructure creates the market for.

We are going to have to take our labor force, which is totally unskilled in many respects today, and we’re going to have to put it through a process where it becomes skilled. Give us a generation, and we’ll be a nation again. Give us two generations, and we’ll be a power like the world has never seen before. And we’ll not only be a power on this planet, we will have begun to be, by the end of this century, a power on some other planets, as well. We are going to do that! And Sky [Shields, a young scientist of the Basement Team] is going to help me do it.

We’ve got a crew down there—and it’s an expandable crew—which is prepared to undertake exactly this operation. So, the point is, as I referred to the science program earlier, we have to give mankind a perspective. Our approach is not, “what you make money at.” Not these things. Our approach is, we can now reach the point that we understand what it means to make a commitment to development, of our people and our resources, which will enable us to colonize the galaxy! Because in that way, we can secure the meaning of your life today, in terms of its outcome a thousand, or a million years, or a billion years ahead.

That has to be the moral motivation which guides us in the way we look at these things. Anything that doesn’t give us that, there’s something wrong with it. Anything that gives us that, is good. And that means a *lot* of science. It means revolutions in science. And I *love* revolutions in science! They are better than the other kind.

A Master Plan

Freeman: This question, is from—he’s not an economist; he’s asked questions before—he is principally an economic historian and an expert on the FDR period. He works very closely with the Stanford Group, and he raises a very particular question.

He says, “Lyn, as I am sure that you are aware: In the Fall of 1933, Harry Hopkins was very worried about the onset of Winter. Since May of that year, he had served in FDR’s administration as head of the new, and in fact, the first program that had ever existed, to distribute funds to the unemployed. As you know, at that time, neither unemployment insurance, nor food stamps, nor welfare, had yet come into existence. Only a small handful of states had relief programs, and they were all broke. And certainly, private charity was in even worse shape.



Library of Congress

Harry Hopkins, head of the Works Progress Administration, urges expansion of the Federal Works Program and Social Security Aids in testimony to the Senate Unemployment and Relief Committee, April 8, 1938. He reported that in the Winter of 1933-34, 27 million Americans were receiving public assistance; now the figure was 18 million. But he warned the Senators that the country must plan a permanent security plan.

“Hopkins feared that millions of Americans would be without food or shelter in the coming cold months. In October, he met with President Roosevelt, and he proposed something very new: a Federal jobs program that he said would be temporary, that would see the nation through the Winter. It would employ 4 million people, and at the time, he said it would last for four months.

“Roosevelt did a very quick calculation and figured that it would cost about \$400 million. He decided to take that money from the budget of the Public Works Administration, run by the Secretary of the Interior Harold Ickes. In time, the PWA would build what could only be called enduring monuments, like the Bonneville and Boulder Dams, the Triborough and Oakland Bay bridges, and the carriers *Enterprise* and *Yorktown*, which ended Japan’s advance across the Pacific, at the Battle of Midway.

“But, the problem was, that the PWA was slow to get up and running. As Roosevelt himself later wrote, the delay was the result of what were the unavoidable, time-consuming processes of planning, designing, and

reviewing projects, and then clearing up legal matters, advertising for bids, and getting contracts.

“Hopkins, as Roosevelt was fully aware, intended to short-circuit those processes. In fact, he skipped them altogether. Nobody could say that it was an example of Management 101, but as Hopkins frequently pointed out, hunger is not debatable. Obviously, what happened in that period, both by the standards of 1933, and for that matter, by the standards of 2010, were absolutely astounding. Hopkins’ initiative and his ambition, I believe, should be a model for our response to today’s crisis. Certainly, things are easily as bad, and are in danger of getting worse.

“My question to you, is that, on the one hand, we, as a group, are working very hard on large-scale projects, along the lines of the kind of projects that were pursued by the PWA. However, there are certain immediate needs, that would seem to require a Harry Hopkins-type approach.

My question to you, is, how do we balance the two, and what is it that you think we could do immediately, versus the kind of longer-range projects that we all agree on?”

LaRouche: Well, first of all, we have to have some immediate reversal of the social trends, economic-social trends, inside the United States. We’re now in the process of a breakdown crisis, if this is allowed to continue. So, therefore, we’re going to have to be very pragmatic, but also very systematic at the same time. And, I don’t think there’s really a conflict caused by that. From my experience in management and so forth, you can do that.

What you do, is you make an inventory of what your desires might be, and what your options are. And our concern is to have—well, you know, what we used to do in the post-war period: the Eisenhower highway program is an example of this. The Eisenhower highway program was to develop—actually, it was also a national defense program. Because the assumption was that under conditions of nuclear war, any major war would result in the railroad system being easily dis-

Roosevelt Mobilized for Jobs, Infrastructure, Economic Recovery

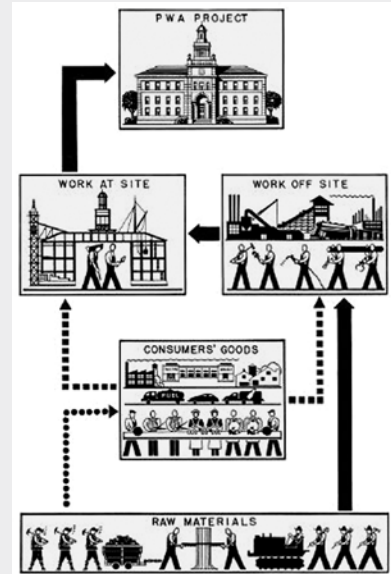


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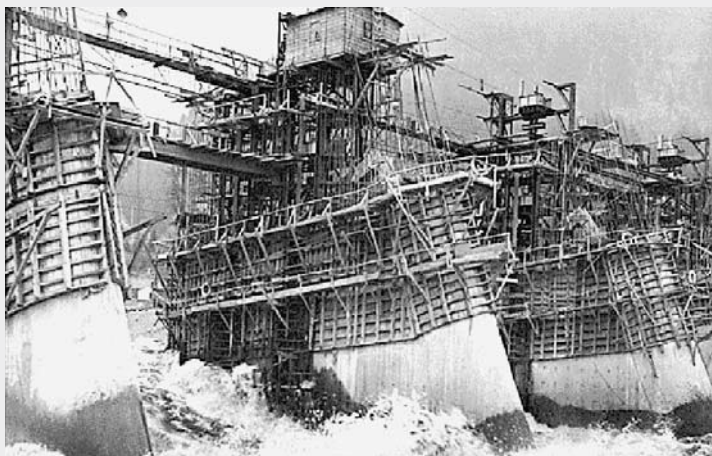
Above and right: workers at an electric phosphate smelting furnace at a Tennessee Valley Authority (TVA) chemical plant in the Muscle Shoals area of Alabama, 1942. The plant's phosphate fertilizers were shipped abroad under Lend-Lease.



FDR Library/Palmer



The Public Works Administration issued a booklet, *America Builds: The Record of the PWA (1939)*, including this graphic. Its caption reads: "The 'multiplier effect,' as \$1,000 of new federal money is spent over and over."



FDR Library

The Bonneville Dam in Oregon was a PWA project. The photo here was originally titled, "Rushing Work on Spillway Piers to Keep Ahead of Expected Crest of Flood," 1936.



FDR Library

A TVA test field shows the results of using fertilizer, 1942. Not all farmers knew this at the time.

rupted, and therefore, the idea was to get a lot of highways out there, and a highway system which could substitute for a rail system, which would be in jeopardy under wartime conditions.

So, they got the idea of building this new highway system. And somebody got the bright idea of adding to that, the suburban system. You began to get mushrooms, especially outside of Philadelphia—mushrooms would grow up of whole new communities, so-called communities, which we rue today—it's an absolute disaster! A social disaster, intellectual disaster, moral disaster, everything else.

So, but what it demonstrates, is that if you can be intelligent enough to use resources for things that are actually needed, and can find applications of these in areas where you can do the job, then do it. And put it there. But what you have to do, is integrate the plan for where you intend to go, which is I think what the Roosevelt Administration really did: You have a plan—as I saw it back then—for where you intend to go; and this continued into the post-war period. Then you fit your allocation of resources to deal with the social crisis.

For example: We had a policy for some time in the United States, of designing a new step on the completion of the highway system, in an area or county, where there was high unemployment. And we would do it that way. This was very satisfactory to the local politicians, who were glad to see this thing coming in to their territory. And we, in a sense, minimized the number of areas which were in distressed conditions, because the stimulus of something going in those areas would help.

So, what we need is a master plan, of what the overall objectives are, for our economy. In other words, don't say we're going to "grow the economy": That thing makes me sick every time I hear the term. What we're going to do is increase the *relative productive population potential*, through advances in technology, or infrastructure, and industries. We're going to concentrate on areas where we can increase the energy flux-density, particularly in modes of production, and where we need it, essentially.

And you're going to do this, as your general policy. You're going to take a map of where we want to go as a nation, for the next two generations, and you have to think in two generations. Then you make your map, your commitments, which are flexible; you can add to it as you go along. And then you take your money, your financial resources, and your skills, and you try match the two. "This is the project; we want to complete this

project. But here's a place in which we would prefer to advance the project, because here's where we need the economic stimulus." And the same thing applies not only to areas, it applies to types of things.

Today, what we need, the thing we can succeed in, because of the poor quality of the labor force today, that is, the labor force we intend to bring in, as a factor, is so poor, we have to go to large-scale projects, like basic economic infrastructure, and recruit into those. And use that as the basic way to stimulate employment and relief in these communities.

See, we have to build up a system, that we had before; we have to build up a system: a national system, a state system, and a local and county system. You have to build these things up. So, therefore, that's your map. Now, you define the map as intersecting something that is necessary in terms of projects. Now, you allocate priorities in areas where you have a social effect that you need. And it'll work. Because the benefits will spill over.

And if you are increasing the amount of trade, of useful trade inside the national economy, and regional economies, you'll find it will generally intend to work. The labor is somewhat flexible. People will go, will move temporarily, or permanently, to areas where the opportunities exist. If the housing prices are not too high, as they are today, because of the speculative factor.

But that's the way to do it. Make the map. Decide what the technological—which is not done too much—decide on the technological objectives. Decide what the programs are of infrastructure: Power. We want a lot of nuclear power. Let's get that clear. No carbon-cap nonsense. That will kill people. Plants contain *carbon*. Plants, green plants, convert sunlight into plants, and things that human beings need. *Life* is promoted by carbon!

Of course, you've got the carbon-head called the former Vice President, Gore, carbon-head. You can put all the excess carbon in his head—it'd probably do him some good.

But anyway, we're doing the wrong things right now. That's one of our problems in seeing how to solve these problems. What we need is high energy flux-density. We need nuclear power for many reasons. Nothing less than nuclear power! We will use things in an emergency for other ways, but we are going, as Russia is going, as China is going, as India is going—we're going to nuclear power, and thermonuclear power!

That's the way we're going to go, or that's the way

we're going *to die*, if we don't do it. So, since we intend to live, we're going to have nuclear power. We're going to have thermonuclear power. We're also going to have a higher-order form of power, in space, in particular. We're going to develop it.

So, we're going in this direction. Higher energy flux-density, *more* green, through carbon. The chlorophyll process, which gives you the carbon cycle. And we want chlorophyll! We don't want Gores—we want chlorophyll. And within those kinds of parameters are what are the general, what we call the dynamic characteristics of growth in society, we take that: Make a national plan on infrastructure, intention on infrastructure, intention on industries, intention on technologies, and let it fly. And then apply what we have as resources to the best thing on the plate, available to us at the time.

You can do it. But you have to have an energy-flux-density conception, of what the objectives are. If you have the right energy flux-density, you can do it.

Solution to the Euro Crisis: Global Glass-Steagall

Freeman: We have some more breaking developments from Germany. This is in two parts. One, is following Helga's call earlier, an article broke in *Handelsblatt*. And what the *Handelsblatt* article indicates, is that what Merkel agreed to, was not only to underwrite the bailout of Greece, but that, in fact, what they are going to do, is establish a fund, of which Germany will be the primary financier, to bail out everybody. That they would not announce the details of this scheme until after the North Rhine-Westphalia elections [May 9], but again, that they do want to announce it before the opening of the markets [May 10].

This comes at the same time, that the German Constitutional Court, which I believe issued its decision before this story broke, but the Supreme Court in Germany has rejected the urgency petition by the four professors who had filed for a temporary restraining order against the bailout. The court responded by saying that, if the petition was dealt with now in detail, then it would endanger the entire bailout program.

So, in fact, it seems that extraordinary pressure is being applied all around, not only to expedite what is an insane bailout, that is unlikely to work, but which could very well result in the utter destruction of the German economy.

And again, your comments are asked for.

LaRouche: There's only one thing to do with this

thing. Obviously the operation in Germany is British-run. It's entirely run from London. It's not a German policy, it's a British policy.

Now, what we do is we, in the United States, mobilize to the extreme for this reform which we're pushing: Back to Glass-Steagall! The Glass-Steagall reform will crash the British system. When we have crashed the British system, by re-establishing the Glass-Steagall, by doing that we're going to create a situation where the British will no longer be able to impose these things.

If you go into Germany now, and you try to find a solution which can be worked out from inside Germany per se, you're not going to succeed. You have to have a global factor. This is a global empire we're dealing with. The British Empire *is a global empire!* We are the only nation which is capable at this point, of destroying that global empire!

We require, of course, cooperation with China, which under the right conditions, we will get. Under the right conditions, we'll get Russia's cooperation, and other nations. We can have cooperation from—well, I could name Iran, for example. These countries are looking for cooperation with the United States. And we're not giving it to them.

If we push this—which admittedly, Obama will fight to the death—if we do that, we can break this up! You have to think strategically, not in terms of a specific medicine for a specific symptom. You have to get to the thrust of the disease itself.

The way to do that is go with this Glass-Steagall reform, now! Push it through, ruthlessly.

And on these other cases she mentioned, that if we do it, we can win. The potential is there. But we have to do it. We have to insist that *everybody* goes and supports this. As far as we're concerned, *every patriotic American will support this Glass-Steagall reform*. If they don't do it, if they're not full-bent on doing it, then they're not really patriots. Because we need this strategically, to save the United States! We need this to save the world. If we are *saved* by this action, we will save the world. As poor and miserable as we are, as a factor in world history, when the other side is much poorer than we are, in terms of resources and capability, we can win. So, let's go out there and *win*. And beat these bastards.

Why Not Crash Wall Street?

Freeman: We have a number of questions that have come in, from both Capitol Hill and from a couple of

the economic policy think-tanks in Washington, on the question of the Federal Reserve. And what they all refer to, is the fact that, certainly the move to reinstitute a Glass-Steagall framework, coupled with another resolution, which is aimed at controlling the derivatives trade, would fix a lot of what is wrong, and put us in a position to proceed with a real economic recovery.

But they all raise one very specific question, and that is the question of how to deal with the Federal Reserve. And most specifically, what two individuals—one, a magazine editor, and the other, a member of the Senate professional staff that's trying to deal with this—ask the same thing. They say that during the course of the meltdown last year, the Fed basically acquired about, by their estimate, \$2.3 trillion in what are called “assets,” which the Fed would very much like to get rid of. They say the Fed wants to get all of this junk off of its balance sheet, and return to the situation in which it has no more than about \$1 trillion in such quote/unquote “assets.”

My question to you is, can the Fed unload all of this, without crashing Wall Street again?

LaRouche: Why not crash Wall Street? We don't need it! We never needed it.

There's a very specific thing that we must do, however. The Federal Reserve System is going to prove to be bankrupt. Geithner has done his job. It's now bankrupt. And so, what we're going to have to do: How are we going to bail out the Federal Reserve System, which is no longer God?

What we're going to have to do, is absorb the Federal Reserve System into a Third National Bank of the United States. A Hamiltonian National Bank. Get this garbage in there—we'll sort it out there.

The key thing is, by cutting and slashing and destroying the mass of fraudulent claims in the name of the U.S. dollar, we free the Federal government, under a Glass-Steagall standard, *to utter credit for productive purposes*, and to save the nation. Once we have done that, against a British system which is not worth living—it's a species that should been extinct a long time ago, even before it was created—and we beat that system, we are now going to be in a tough situation, but a manageable one.

By the way, one thing I'll comment on this, that came up in an earlier discussion here. Why is it—this is very serious, that's why I mention it now: Why is it that many otherwise disreputable entities of the financial community, are now coming over to Glass-Steagall?

The very same organizations which have been deadly opposed to it, just a few weeks ago—why are they coming around? Against what seems to be their bestial instinct?

What they're reacting to is the knowledge that the entire system is going down, the world system is going down. And what happened on Thursday is an expression of that. Since they know that, they are faced with a situation, which commands them to seem to become *respectable*. They, of all people, the least to be suspected, have now come around, because they're fairly well informed: They're informed *the British system is coming down*.

Therefore, they know that, they, too, are going into the graveyard, unless they get a safe distance from the collapse of the British system. *They know the British system, the European system, is coming down! That the Greek bailout process was the trigger that caused the failure of the entire British system, which is coming on then, already.*

So now, anybody in the United States who is not an idiot, or an outright ignoramus, wants to line up as a support for the patriotic factions of the United States, against the British Empire. We do not want to die with the British Empire! Therefore, we suddenly become “patriots.” They, of all people, suddenly become honest men and patriots. “Honest John, the Patriot,”

So, that's what the issue is. They're joining the cause which they see as the winning cause, and they're being *told* it's the winning cause! That's what's lining them up.

They're on our side. Isn't that an embarrassment for us?

Dynamics and the Parmenides Paradox

Freeman: This question comes from someone you will recognize. He is a political consultant, and he says: “Lyn, as you know, I'm a Democrat, although I've certainly worked for both Democrats and Republicans. Although what I see now going on in Washington, is something which I find to be really very interesting, and I'd like you to comment on it.

“As you know, one of the things that Barack Obama promised during the Presidential campaign, is that he would restore bipartisanship to Washington. This may be the only promise that Barack Obama will keep. And I raise this specifically in relation to what is currently going on, in the arena of financial reform. Because what we are seeing, is the coming together, in fact, of Demo-

crats and Republicans, who, in the past, have not had all that much in common, except their opposition to Wall Street. We see this certainly in the Cantwell-McCain amendment. We also see it in the efforts by [GOP Senator] Dick Shelby and some Democrats to try to pull together (he notes Shelby used to be a Democrat) some kind of control mechanism for the derivatives monstrosity.

“But, in fact, we saw agreement between unusual and unlikely layers during the course of the fight around health care.

“It seems to me that what is going on right now, is far more significant than simple bipartisan cooperation, but in fact, may represent a whole new direction in constituent politics in the United States, although I’m not sure about that. And I was wondering if you would comment on it?”

LaRouche: This is a nice technical question, of the type I specialize in.

The way that mass behavior is organized, was identified by a famous poet, Percy Bysshe Shelley, and especially emphasized in the latter paragraphs of his *In Defence of Poetry*. And what Shelley identified as a principle, is the same principle which was brought back into European knowledge, in the 1690s, by Gottfried Leibniz: the term “dynamics.”

Now, the usual way the term dynamics is used today, is used by stupid people who don’t know any better. It’s used as a synonym for percussive, or something. Now, dynamics simply means the same thing, as Leibniz said, the same term as the Classical Greek concept of *dynamis*—the Pythagorean concept! That’s what it means.

This is a little bit delicate and complicated for understanding in the short term. But there are two aspects to what we call human thinking, as distinct from animal thinking—and also liberals. But human thinking operates on one level, as you might call the brain level, an extended, reflexive view of the brain, as the center of a nervous-system complex, with all the other things that go with nerves, in terms of making this function, including enzymes, and all these things.

But you have in humanity, something that is very little known, which is properly called creativity, which has nothing to do with what most people call creativity. Creativity is telling lies, to most people. “I got caught and I had to give an answer. And I lied, I got by with it. I fooled the judge, I got off the case.” You know, that’s called “creativity”—right?

But what it significantly means, is, that the human

mind—our conception of ourself, as a physical thing—is not entirely real. It’s functionally reliable, up to a certain point, but it doesn’t explain everything. For example, our sense organs do not show us reality. Our sense organs are like the scientific instruments we develop for experimental monitoring. We look for a certain factor, which can be detected, and we use a combination of such factors of detection, as a way of trying to understand what is happening out there.

In other words, sense perception never shows you the object of the cause. It shows you an effect of the cause, or a set of effects.

Now, there are two ways that the human mind tries to cope with this. One is from the brain’s standpoint. You take what the whole nervous system represents in terms of the brain-centered function, and what you have is a complex of reflexive, or shall we say, sense perceptions which look at each other. And from this you get a sense of personal identity. In other words, an integration of these experiences into you, as your sense of what your identity is, as opposed to something outside you. And when you say “I,” you often mean that.

Now, when you get into a creative mental process, you mean something different. Mind now operates on a higher level. It’s *not* subordinated to the idea of sense perception. *This is where creativity, actual human creativity occurs.* And people who are specifically creative, that is, their personality is a distinctively creative personality: All human beings can tend to be creative, but you have also the phenomenon of the creative personality, which looks at the object that the brain sees, or what you see with the brain, and looks down at it. They compare different kinds of world systems together, and you have a sense of what the human mind can be, the creative mind. And this is very poorly developed in society today. It’s relatively rare: You have some people you call sort of freaks, who really get onto this quicker than others. But generally, people in society today are not conditioned to be creative. They’re conditioned to call many things creative, *except creativity*, which they don’t even know exists.

But some of us do know what creativity is, and it’s on this level that you experience the kind of dynamics that Leibniz referred to in the 1690s, and that Shelley referred to in the early part of the 19th Century, in the *A Defence of Poetry*. That the mind, the true mind, which does exist, is not located in the sense of a brain function; it’s a higher order function, because the brain itself is a sense object. So there is this higher function.

Now, you are part of a process, a social process which is society, or sections of society. And you find that there are certain impulses which are changeable, which take over as moods of a population, or seemingly as moods, as Shelley defines that in the closing paragraphs of his *A Defence of Poetry*. This is sometimes called the “mass-strike phenomenon,” as by Rosa Luxemburg: There is a mood in the population under certain conditions, where the population seems to perceive something and be controlled by something that they themselves do not clearly understand.

But sometimes the greatest poets, the greatest musicians, for example, the greatest musical composers, the greatest scientists, a person like Albert Einstein, have this quality of creativity which is not commonplace, as an experience to most people, because they have not developed that capacity. It’s there in them. It’s a potential for all human beings. But it expresses itself even to people who can’t detect it as a phenomenon. They experience it. And this is what Shelley refers to, as *mass movements*, the mystery of mass movements.

What has happened in the United States recently, is a change in dynamics, using dynamics in the sense of Shelley’s article, and the definition supplied by Leibniz. And the Classical Greek conception, which is expressed by the famous dialogue of Plato on this thing, the *Parmenides* dialogue. The *Parmenides* dialogue is a typification of the stupidity, relative stupidity that most people experience. They can not make the connection among things. Whereas, what Plato was saying, “Look at all these silly people, like Parmenides, and you can describe one thing after another, they never get the point. And yet, they are affected by that which they do not understand!” And that’s the way society works.

What has happened right now, in the past two weeks, and observed within Germany, and observed within the United States, is a change in political dynamics, of which I warned some of you back in August of last year: with a phenomenon of dynamics shown by the protests against the Administration of Obama, by people mass

‘A Defence of Poetry’

From the essay by Percy Bysshe Shelley (1792-1822):

[W]e live among such philosophers and poets as surpass beyond comparison any who have appeared since the last national struggle for civil and religious liberty. The most unfailing herald, companion, and follower of the awakening of a great people to work a beneficial change in opinion or institution, is poetry. At such periods, there is an accumulation of the power of communicating and receiving profound and impassioned conceptions respecting man and nature. The persons in whom this power resides, may often, as far as regards many portions of their nature, have little apparent correspondence with that spirit of good of which they are the ministers. But even whilst they deny and abjure, they are yet compelled to serve, the power which is seated upon the throne of their own soul. It is impossible to read the compositions of the most celebrated writers of the present day without being startled with the electric life which burns within their words. They measure the circumference and sound the depths of human nature with a comprehensive and all-penetrating spirit, and they are themselves perhaps the most sincerely astonished at its manifestations: for it is less their spirit than the spirit of the age. Poets are the hierophants of an unapprehended inspiration; the mirrors of the gigantic shadows which futurity casts upon the present; the words which express what they understand not; the trumpets which sing to battle, and feel not what they inspire; the influence which is moved not, but moves. Poets are the unacknowledged legislators of the world.



protesting against their own representatives. Dynamics! What has happened in the past two weeks has been a shift in dynamics. The thing that controls the shape of thinking of people, a control which is exerted without their understanding what has happened to them, their world outlook, the so-called *Weltanschauung*, has suddenly changed in character.

And thus you have a *mass movement*, for what? *For the Glass-Steagall reform!* The Glass-Steagall princi-

ple, has suddenly gripped the population, in Germany in the past two weeks, and *in the United States in the past two weeks*. It's an international phenomenon of response and reaction—to what? A perception that the whole damned world is doomed to catastrophe, unless we do something different. The perception that you have to escape the fire in the forest, the forest fire, which is trying to envelop you. And you have a smell, as an animal does, in the air, that the forest fire is coming. The animals start running before they even experience the fire—the sense of it. Or the sense of an earthquake when it's begun, and your normal approach doesn't appreciate it, but you have a sense there's something. And you later identify that you felt the oncoming of the earthquake before you had a signal of any perceptual significant degree first.

The most important thing about human beings, in understanding mass behavior of human beings, is this concept of dynamics, that works in this way, and it works as Plato understood and showed, by what he had to say about poor, old stupid Parmenides, which he demonstrated in that way. So, it's the inverse of the Parmenides principle. It's the fact that Plato understood it, that he could laugh at Parmenides, as a ridiculous character.

And what's happened then, is that a change in the mood of the population has occurred, internationally, at least in Europe and the United States, simultaneously, *within the past two weeks*. It's a verification of Plato's opinion about the subject of the Parmenides paradox.

That's what's happened. Isn't it wonderful?

A Strange Kind of Instinct

Freeman: A number of people have sent in questions, and this includes some institutional people here in Washington; but it's also a question we've gotten from a number of LPAC members around the country, who say that, while in fact, there are obvious things that have to be done to remedy the current crisis, and many of these are things that we are well on the way to doing, what they are asking you to comment on, is what they perceive as a persistent problem. And one questioner, in particular, says:

"I talk to people all the time, who now are opposed to derivatives trading, they are opposed to the deregulation craze, but the fact is, that 10 or 15 years ago, those same people supported it, as long as it was making money for them. I'm not sure," the questioner asks, "if they've really experienced a shift in their understand-

ing of the problem, or if they're just responding out of self-interest. My question is, does it make a difference? And if it does, how do we change the way people think?"

LaRouche: The answer is the same I just gave on the Parmenides question. There is a faculty in mankind to receive, and Shelley emphasized, "to impart and receive"—there is a capacity in man to impart and receive, which often, in ordinary people, far exceeds their insight into what is happening. But they sense it, and they respond to it. It's as if it were a different—as if there was no ear to hear: They hear as if there were no ear to hear. And the mind functions that way.

And when you're dealing with mass behavior—this is, in the case of movements in music, in art, these kinds of things correspond to mass behavior, which affects the human being through an organ which can not be identified by indexing sense perception. You think, in art, for example, you suspect and you feel what the reasons are why you react in a certain way to art and its performance. But you never, very rarely, unless you are attuned to thinking in that way, you never really see that yourself.

For example, the best psychoanalysts, and there used to be a few, will function that way. They will see it, they will act on what's called "insight," as the term insight was used by Wolfgang Köhler, the student of Max Planck. That's the way it works.

So, you have two levels which are very important to understand. The function of art lies in this. Art, Classical art—other kind of art is crap—Classical art, which has been perfected as Classical artistic composition, as in Classical music, or the great Classical paintings, or some of the principles of architecture, which are both physically efficient, and also have other functions which are more subtle, but nonetheless real.

This is where it lies. And this is what of course, my whole devotion is in general in practice: is to get people to develop in themselves, a perfectly accessible sensibility, which generally starts with children. Some children tend to this kind of insight. But it's an organ which the human being has; it's not the ear, it's not the eyes, it's not the feel of touch, but it's there. And it's something which will be explained when we understand better one day, why our sense impressions are not reality, but only the shadows cast by reality.

And yet, the human mind, which has a higher function than we can attribute to the nerve system, is capable of feeling and communicating these kinds of ideas,



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The essence of Classical art, whether painting, music, or drama, is not sense perception, but creative insight. Leonardo da Vinci's "Portrait of a Musician" (1490) beautifully evokes that intangible quality.

for which there is no physical, measurable account, and yet, some of us can identify. It's what I operate on; I depend upon this. I depend upon this for indications of what direction in which to look for answers, and even for the names of problems. And if you don't have this capacity, you can not be an effective physical scientist, for example, not an effective one.

You have to go by what seems to be a strange kind of instinct. It's never fixed. It's always affected by your experience in your development. It's affected by the environment in which you are living, the social environment and so forth. But there's a certain point, at which you get not a faculty like an organ, but a resonance. You sense a resonance. This is exactly what the greatest poets, and the greatest composers have always understood. And the greatest painters.

You talk about insight, and the term "insight" is used very crudely often. But insight is the most important

aspect of human relations. The ability to, as I say: The best psychoanalysts always have insight, otherwise, they're no damned good anyway, without it. Without insight, they can not smell, what they can not see, or touch, or hear; they're no damned good. Because the practice of psychoanalysis depends upon insight into what is otherwise inaccessible.

You then turn around and see if you can confirm that. Can you confirm it? And you don't say it's true, until you can confirm it. But the important thing, is the access to the act of *insight*, which then leads you, to know what kinds of evidence you need to test, to determine, whether this is a ghost, or a fantasy, or not. And that's the thing.

And our young people, because we're stimulating them in this thing, in this way about these questions—especially because we're combining the musical education, Classical drama, in this significant degree, physical science, and the different aspects, all at the same time, so that our recruits in LPAC, are generally getting the cross-effect of these different kinds of experience, which transcend any particular kind of experience.

The average person who doesn't understand science, thinks that science is mathematics. The person who does understand science, who demonstrates that by being creative, demonstrates insight. The function of experiment, of physical experiment, is to demonstrate that the insight is valid. By experiences of insight, and testing and maturing, and the use of insight like any other organ, like any other sense organ, you come to know that your sense organ, this kind of sense organ, is reliable. You don't know it's perfect, you could still be fooled, but you now understand its nature, how it works.

And our young people, because we're giving them so much intensity, a cross-fertilization of that type, they tend to be more sensible of this kind of problem. When they're going from choral work, musical rehearsal in one time, poetry and drama another time, physical science at another time, and so forth. The tendency for evoking insight, and the kinds of young people who are able to stay with our organization, except as a short fluke, like a flirtation or something, are people who have that tendency toward insight, which is associated with this kind of phenomenon.

But this is general in society, and it is a factor which controls mass behavior, even when the people who are being controlled don't know what's happening to them. And it's exactly what Shelley describes in those last paragraphs of his *A Defence of Poetry*.