

LAROUCHE WEBCAST

Truth in Economic Forecasting: To Recover America

This is a transcript of Lyndon LaRouche's keynote speech to an Oct. 12, 2005 webcast, delivered in Washington, D.C., along with a selection from the questions and answers. The keynote began with a video segment of LaRouche's press conference at Berlin's Kempinski Bristol Hotel on Oct. 12, 1988. The webcast was moderated by Debra Hanania Freeman.

Freeman: On behalf of the LaRouche Political Action Committee, I'd like to welcome all of you to today's seminar and webcast. I should probably say, in the way of introduction, that the selection of today's date was not accidental: Because, it was in fact, in 1988, on Oct. 12, that Mr. LaRouche, in a press conference that was held at the Kempinski Hotel in Berlin, in the Federal Republic of Germany, announced the impending collapse of the Soviet system. It was a collapse that he said would begin in Poland, and would lead to the restoration of Berlin as the capital of the Federal Republic of Germany.

At that time, no one agreed with Mr. LaRouche. And people did not completely understand where his forecast was coming from. Within a year of that press conference, the world had changed significantly. In fact, it was the case that the Soviet Union fell. It was also the case that Mr. LaRouche was a political prisoner, placed in prison by the Administration of George Bush.

Now, many years later, in a changed world, we're faced with the reality that, in fact, had leading figures around the world heeded Mr. LaRouche's warning in 1988, had we taken measures then, as he recommended, the world would be a very different place today.

But history is as it is: The fact of the matter is that, although we are at a moment of great crisis, a crisis that some have called an existential crisis, there is still tremendous optimism, certainly on our part, that there are still measures that can be taken; measures not only to avoid an impending catastrophe, but measures in fact that would lead to the equivalent of a new era of unprecedented progress for our nation and for the nations of the world, at a time when that really is direly needed.

There are certain things that have to be accomplished for that to take place. There are certain obstacles in the path of that kind of progress. I could say that there



EIRNS/Stuart Lewis

Lyndon LaRouche addresses the Oct. 12, 2005 webcast. "We have to learn to change our way of thinking," he said. "And what I've done in economics is just exactly this: is to define an approach to economics in which I judge money from the standpoint of physical values."

are dykes in the pathway of progress, but I was thinking more in terms of the dyke's spouse. Much of what has to be accomplished, much of the progress that needs to be made, is blocked by the presence of Dick Cheney in the White House, by the presence of George Bush. But I think that we're at a moment, that if we weigh the developments, especially of the past few weeks, people can see that that is an obstacle that could very well be dealt with.

We've been engaged in activity this week, which Mr. LaRouche has identified as "Take Back America Week," where close to 100 members of the LaRouche Youth Movement have stormed the city of Washington, and have essentially conducted a crash education course for our policymakers, on what needs to be done, and how they, as the generation that is about to take leadership, considers it should be done. But there's more that can be said about that during the course of today's discussion.

I think, what is far more compelling, and I know it's why all of you are gathered here, and it's why audiences all over the world are tuned into this webcast, is that, today, on Oct. 12, just as he did in 1988, I think that Mr. LaRouche will deliver what will prove to be an historic address. And therefore, I ask you to join me in welcoming him.

Lyndon H. LaRouche, Jr.

First, we shall begin with a playing of the tape of the address I gave in Berlin 17 years ago. And after that, I'll make a few comments about that, and you will understand from the following time, why it's important to hear the whole tape in

order to understand what I'm about to say, here, today, that is new. Shall we proceed?

[A video of LaRouche's Kempinski-Bristol Hotel address is shown, introduced with a Cold War-era view of the Berlin Wall, and ending with scenes from the fall of the Wall in October 1989. LaRouche's 1988 remarks are transcribed here.]

LaRouche's Oct. 12, 1988 Berlin Address

"Under the proper conditions, many today will agree, that the time has come for early steps toward the reunification of Germany, with the obvious prospect that Berlin might resume its role as the nation's capital.

"For the United States, as for Germans, and for Europe generally, the question is: Will this reunification process be brought about by assimilating the Federal Republic into the East Bloc's economy, or economic range of influence, or can it be accomplished in a different way? In other words, is a united Germany to come into being as a part of a Europe from the Atlantic to the Urals, as President de Gaulle proposed, or, as Mr. Gorbachov has desired, a Europe from the Urals to the Atlantic?

"I see the possibility, that the process of reunification could occur precisely as de Gaulle proposed. I base this possibility on the reality of a terrible worldwide food crisis which has erupted during the past several months, and which will dominate the world's politics in every part of the world for at least two years to come.

"The economy of the Soviet bloc itself is a terrible, and worsening failure. In Western European culture, we have demonstrated that the successes of nations of big industries

depend upon the technologically progressive independent farmer, and what is called here in Germany the *Mittelstand* [Germany's small and medium-sized entrepreneurs]. Soviet culture in its present form is not capable of applying this lesson. Despite all attempts at structural reforms, and despite any amount of credits supplied by the foolish West, the Soviet bloc economy as a whole has reached the critical point, that, in its present form, it will continue to slide downhill from here on, even if the present worldwide food crisis had not come into being.

"I do not foresee the possibility of genuine peace between the United States and Soviet Union earlier than thirty to forty years from now. The best we can do in the meantime, in the name of peace, is to avoid a new general war among the major powers. This war-avoidance must be based partly upon our armed strength, and our political will. It must be based also, on rebuilding the strength of our economies.

"At the same time that we discourage Moscow from dangerous military and similar adventures, we must heed the lesson taught to us by a great military scientist from about 400 years ago, Niccolò Machiavelli: We must also provide our adversary with a safe route of escape. We must rebuild our economies to the level at which we can provide the nations of the Soviet bloc an escape from the terrible and worsening effects of their economic suffering.

"Recently, in response to the food crisis, I sponsored the adoption of an international association, called Food for Peace. This association has just recently held its founding conference in Chicago, Sept. 3-4, and since then, it has been growing rapidly inside the United States and in other nations represented by delegates attending that conference.

"One of the points I have stressed, in supporting this Food for Peace effort, is that the Soviet bloc will require the import of about 80 million tons of grain next year, as a bare minimum for the pressing needs of its population. China is experiencing a similar food crisis. As of now, the food reserves of the world are exhausted. There are no more food reserves in the United States; we have none. And the actions of the European Commission in Brussels have brought the food reserves of Western Europe down to very low levels. Next year, the United States and Western Europe will be cut off from the large and growing amounts of food imports during recent years, because of the collapse of food production in developing nations, or most of them, throughout most of the world.

"During 1988, the world will have produced between 1.4 and 1.7 billion tons of grains, and that is already a disastrous world shortage of grain. To ensure conditions of political and strategic stability during 1989 and 1990, we shall require between 2.4 to 2.5 billion tons of grain worldwide approximately each year. At those levels, we would be able to meet minimal Soviet requirements; without something approaching those levels, we could not.

"If the nations of the West would adopt an emergency agricultural policy, those nations, working together, could ensure that we reach the level of food supply corresponding



EIRNS/Dean Andromidas

Lyndon and Helga LaRouche on the western side of the Berlin Wall, with the Brandenburg Gate behind it, in divided Berlin on Oct. 11, 1988, the day before Lyndon LaRouche gave his press conference forecasting the early reunification of Germany. Nobody believed it was possible.

to about 2.4 billion tons of grain. It would be a major effort. It would mean scrapping the present agricultural policies of many governments and supranational institutions, but it could be accomplished. If we are serious about avoiding the danger of war during the coming two years, we will do just that.

"By adopting these kinds of policies, in food supplies and other crucial economic matters, the West can foster the kind of conditions under which the desirable approach to the reunification of Germany can proceed on the basis a majority of Germans on both sides of the Wall desire it should. I propose that the next government of the United States shall adopt that policy as a part of its foreign policy toward Central Europe.

"I shall propose the following concrete perspective to our next government. We say to Moscow: We will help you. We shall act to establish Food for Peace agreements among the international community, with the included goal that neither the people of the Soviet Union, nor the developing nations shall go hungry. In response to our good faith in doing that for you, let us do something which will set an example of what can be done to help solve the economic crisis throughout the Soviet bloc generally.

"Let us say that the United States and Western Europe will cooperate to accomplish the successful rebuilding of the economy of Poland. There will be no interference with the political system of government in Poland, but only a kind of Marshall Plan aid to rebuild Poland's industry and agriculture. If Germany agrees to this, let a process aimed at the reunification of the economies of Germany begin, and let this process leading toward the reunification, be the *punctum*



EIRNS/Chris Lewis

The Brandenburg Gate in 1990, after the Wall came down.

saliens for Western cooperation in assisting the rebuilding of the economy of Poland.

“We, in the United States and Germany, should say to the Soviet bloc, let us show you what we can do for the peoples of Eastern Europe, by this test in Poland, which costs you really nothing. Then, you judge by the results, whether this is a lesson you wish to try in other cases. . . .

“All of us who are members of that stratum called world-class politicians, know that the world has now entered what most agree is the *end* of the postwar era. The state of the world as we have known it during the postwar period is coming rapidly to an end. The only question is, whether the new era will be better or worse than the era we are leaving.

“The next two years, especially, will be the most dangerous period in modern European history, and that worldwide. Already, in Africa, entire nations, such as Uganda, are in the process of vanishing from the political map, biologically. Madness on a mass scale, of a sort which Central Europe has not known since the New Dark Age of the 14th Century, has already destroyed Cambodia, is threatening to take over the Middle East as a whole, and is on the march, to one degree or another, in every part of this world. As a result of these conditions of crisis, the world has never been closer to a new world war than under the conditions which threaten us during the next four years. What governments do during the coming two years will decide the fate of all humanity for a century or more to come.

“There have been similar, if not identical periods of crisis in history before this time, but, never, to our best knowledge, has such a crisis occurred on a global scale, all at once. . . .

No Place to Hide

“There is no place in the world to which any man or woman can safely run to hide in a crisis-ridden world without food. One can not duck politics, with the idea of taking care of

one’s career and family, until this storm blows over. There is no place, for any man or woman to hide. There is no room for today’s political pragmatists anymore in the leadership of governments. If we as a civilization are to survive, we must make boldly imaginative decisions, on the condition that they are good choices, as well as bold ones.

“The time has come for a bold decision on U.S. policy toward Central Europe. . . .

“We may be certain that the content of my statement here will be examined at the highest level in Moscow before many hours have passed. The Soviet leadership has said in its newspapers and elsewhere, repeatedly, that it considers me as its leading adversary among leading individual public figures

today. Nonetheless, Moscow also regards me with a curious sort of fascination, and, since President Reagan first announced the Strategic Defense Initiative, Moscow considers everything I say on policy matters to be influential, and very credible.

“Moscow will wait, after reading this statement, to see which other circles around the U.S. establishment echo the kind of proposals I have identified. Once they see such a confirming signal from those quarters, Moscow will treat the proposal which I’ve made in the statement today very seriously, and will begin exploring U.S. and European thinking on this.

“As far as I am concerned, it is Germans who must make the sovereign decision on their choice of fate for their nation. My function, as far as Germany is concerned, is to expand the range of choices available to Germans. So, I have come to Berlin, where the delivery of this report will have the maximum impact in Moscow, as well as other places. Or the fact that I’ve delivered it here.

“I conclude my remarks with the following observation.

“Moscow hates me, but in their peculiar way, the Soviets trust me at my word. Moscow will believe, quite rightly, that my intentions toward them are exactly what I’ve described to you. I would therefore hope, that what I am setting into motion here today, will be a helpful contribution to establishing Germany’s sovereign right to choose its own destiny.

“For reasons you can readily recognize from the evidence you see before you, I know my German friends and acquaintances rather well, and share the passions of those who think of Germany with loving memory of Leibniz, Lessing, Beethoven, Humboldt, Schiller, and that great statesman of freedom, Freiherr vom Stein. If I can not predict Germany’s decisions in this matter of which I’ve spoken today. I believe that what I’ve set afoot, if it’s brought to success, will have the included result that a Reichstag building, restored to its original condi-



Bundesbildstelle Bonn

The exuberant celebration of German reunification, Oct. 3, 1990, in front of the Reichstag building, which is today the seat of the Bundestag (parliament), as LaRouche had forecast it would be.

tion, will be the seat of Germany's future parliament, and the beautiful Charlottenburger Schloss, the future seat of the German government.

"If the conditions arise in which that occurs, President de Gaulle's dream of a Europe from the Atlantic to the Urals will be the peaceful outcome of thirty years of patient statecraft, over the years ahead, and that durable peace will come to Europe and the world within the lifetime of those graduating from universities today.

"And therefore, *Heute, ich bin auch ein Berliner.*"
[end of video]

We Stopped a World War

There are two things I should add to that: First of all, the collapse of the Soviet Union is something of which I had warned in February of 1983. At that time, I was conducting a back-channel discussion with the Soviet government on behalf of President Reagan, through representatives of our National Security Council. At that point, we had a discussion about the SDI [Strategic Defense Initiative], with a report-back from Moscow, in which the Soviet representative told me, that the Soviet Union would reject the proposal. They agreed that it was feasible, that it would work, but they said: "We reject it because the United States will benefit more from it economically than we will, because the United States has more advanced technological potentialities. And the Soviet Union has its *own* plan for dealing with the United States." To which I replied. I said: "If your government follows the policy you have just outlined, as I understand its policy and capabilities, the Soviet Union will disintegrate within about

five years." Later that spring, I repeated that statement publicly during the May-June period of that year.

After the Wall fell, the authorities in Germany and in other parts of Europe, had a chance to open the can, so to speak, to see what the military potential and plans of the Soviet system had been. And they looked into what was the evidence, that the East German government, on behalf of the Soviet Union, was at the verge, and capable, of suddenly overrunning West Germany—and they had already designated the individual persons from East Germany, who would occupy the key positions in private industry and government in West Germany.

So, at the point the Wall fell, at that time, the government of East Germany and the Soviet government were prepared for a pre-emptive military strike into Europe, which they trusted the United States would back down from, at that time.

So, we did, in a sense *stop* a world war. We *were* on the verge of it, at that time. And the fall of the Wall, was the end of that threat, and we have entered a new time.

The Question of Forecasting

Now, most people who do forecasting have never been able, in modern times, the past 40 years, to match my performance in long-range forecasts. My forecasts have been as accurate, or more accurate, than the forecast which is implicit in that address I gave at the Kempinski-Bristol Hotel 17 years ago. But, no one else in forecasting, in economic forecasting, in this period of time, the past 30 or 40 years, has matched my public record as a long-range forecaster. And the same thing applies today. What I'm telling you today, has the same kind of authority, and perhaps an even a more ripened and skilled

authority, than I represented at the Kempinski Hotel address 17 years ago.

My function today is to indicate to you, not a forecast exactly in that form, but a forecast in the sense of outlining the conditions and realities which we must take into account, if we are to escape from what is imminently the *greatest financial crash in the modern history of Europe*. This is not a depression. We had a 1929 stock market depression in '87, in October of '87—as I forecast; it happened. What happened is, we've gone to a new type of economy based on financial derivatives, which is funny-money. That funny-money hyper-inflationary economy, is now at a boundary condition, where it must crash. It is not a question mechanically of what day it will crash on: We're in a boundary condition. We don't know the day it will crash. But we know that this economy, if it continues, will crash, and will crash soon. It will not be a depression, if it comes: It will be a disintegration of the entire world economy. Not a depression of the economy, but *the end of an economy*—an economy going out of existence.

And that, I shall indicate some of the things you have to consider, to understand that today.

The Collapse After 1989

Now, first of all, you have to recognize that with the fall of the Wall, and the collapse of the Soviet system entirely over the following two years, that there has been, as a result, a collapse of world economy in the former Soviet Union, in Europe, and throughout the Americas. The economy today, in terms of *physical terms*, has fallen far below the level of what might be called prosperity, which existed in 1989.

Every step we have made, in terms of major policy, in economic policy, in Western Europe, throughout the Americas, in the United States, in particular, has been a *stupid mistake*, with catastrophic results. The condition of life of the lower 80% of our households is far worse today, approaching desperation, than it was then. We have lost industries. We have lost infrastructure. We've lost health care. We've lost everything that we once prized as making our economy strong and beneficial. The same thing has happened in Europe: Every part of Europe today, is operating physically below break-even. Every economy in Europe today, were it to continue its present course, is doomed! In addition to that, unless the present monetary system is changed in the way I shall indicate, then the international monetary-financial system will not merely collapse, *it will disintegrate, in a hyperinflationary disintegration, which is already on the road to happening*.

So now, we have to make certain changes in policy. Not merely to correct the problems we already had in 1988-1989, but we're now at a point where we shall not survive, *unless we abandon the way of thinking, which has governed us, over the past years since 1989*. We shall not exist as a nation!—unless we change our ways radically, and abandon everything that has been considered innovation, changes in policy, since that time to the present.

The question is: Do we as a people still have the moral

fitness to survive? Are we capable of correcting our mistakes? Or are we so determined, not to try to put the toothpaste back in the tube, that we will let the whole system simply disintegrate, and let the world's population collapse from a level today of over 6 billion persons, to a level far less than 1 billion persons, within a generation or so? That's the prospect, that's the choice we have.

On the surface, you would say, knowing politicians as they've behaved, as I know, knowing how governments behave, knowing how elections have gone, knowing how people talk, that this is a civilization which has lost the moral fitness to survive.

However, being a person of greater optimism, and with good reason, I think that possibly Mr. Cheney might go. And a few other improvements of that sort, which might be not only improvements in the personnel of our government, but also a liberation of our government from some insanity, which allowed Cheney to get into that office in the first place.

So, let's look at some of the facts first, about what the United States looks like, relative, especially, to the year 1989. So, let's start with the question of looking at the percentile and numbers of manufacturing workers (**Figure 1**). Now, this is based on a county-by-county measurement, using statistics from the United States official and related sources—county by county, over this period, and this goes back quite earlier than 1989. So, we've got a good picture of how the United States was *being destroyed*, as measured in the ability to produce the goods on which we live. Okay, here we are. It speaks for itself—you see the dates are in there. The bright red, of course, is the optimal, and the blue and darker blue is the worst. You see what's happening. A transformation which accelerates, hmm? And this is a summation of that particular interval. We have lost our industrial capacity.

Now, just look at another thing: Look at our rail transport system (**Figure 2**). You get a picture of a disintegration of a national economy. And don't say, "rail has been replaced." If you've ever been through a traffic jam on a superhighway, which has been turned into a parking lot at rush hour around Washington, D.C., you know better. Again, the same thing. Note the dates.

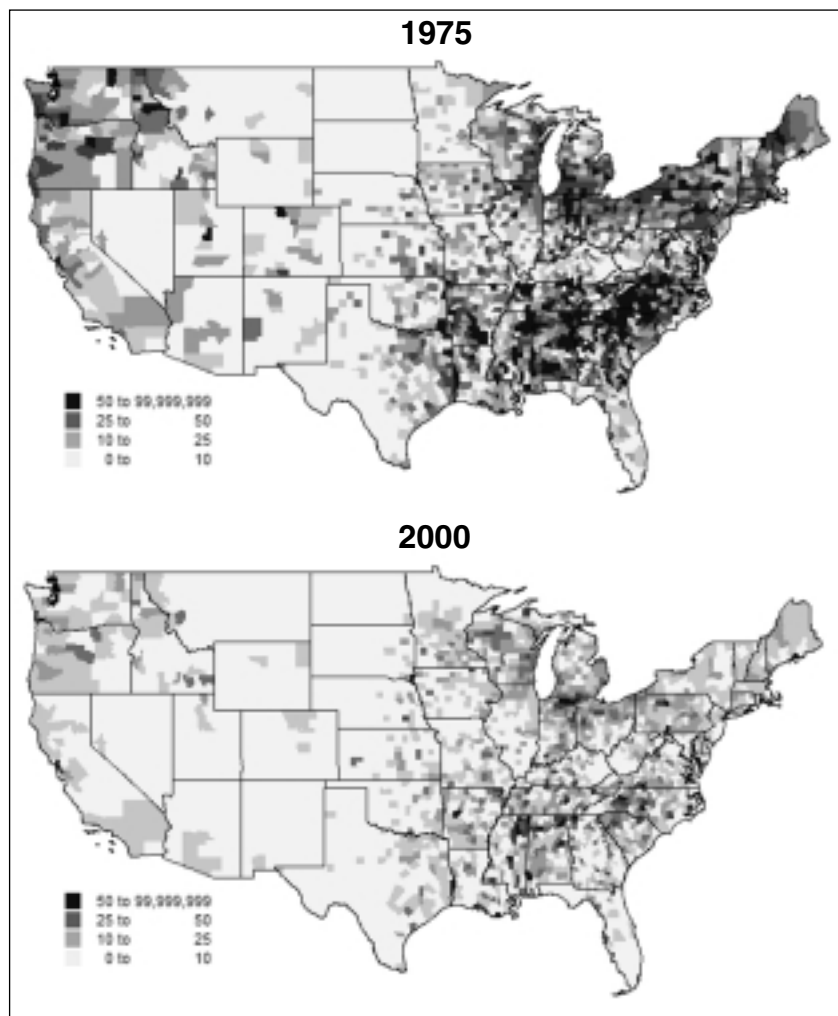
What you're looking at is a nation which is abandoning its own territory. With the present collapse of the airline system, due to deregulation launched under Carter—launched by Brzezinski and the Trilateral Commission under Carter—we no longer, with the collapse of airlines, have a way of taking people from coast to coast! We have struggled since the time of John Quincy Adams's service as Secretary of State, to establish a nation with defined northern and southern borders, as a continental nation, from the Atlantic to the Pacific. And we made that nation a nation, by distributing immigrants and shifts in population, from coast to coast, by opening up new territory for development. Key to that, was the development of railroads and the improvement of river systems and related internal navigation, water navigation.

We have destroyed that! And the fact that we have lost

FIGURE 1

U.S. Manufacturing Workforce Decline, by County, 1975 to 2000

(Percent of County Workforce Engaged in Manufacturing)



Source: Bureau of Labor Statistics. Map produced by MapInfo.

The darkest tone indicates the highest percentage. The data are from the Standard Industrial Classification series of the BLS. The decline of manufacturing from 1975-2000 is evident throughout all geographic concentrations, from textiles in the South, to aluminum in the Northwest, to steel, auto, and machine tools in the Northeast and Upper Midwest. See www.larouchepub.com/animations.

the railroads—we no longer have a continental United States in rail! We no longer have a continental United States in air, as we lose the airlines! You can not go into a booth and buy a ticket for a secured flight from the West Coast to the East Coast, or to the interior of the United States, at your convenience any more. We're at the point, we may *lose that*. You drive by car? We're losing our automobile industry, as we sit here today. We're a disintegrating nation.

Now, look at the question of power, for example (Figure 3). Thirty years is about the age of a power plant, the

mean age of a power plant, before it has to be rebuilt, refurbished.

[Nuclear plants], same thing (Figure 4). Capital cycle of approximately a generation, 30 years, a little more than a generation. We're losing them. We're losing whole parts of the country now, whole sections.

How We Built a Nation

Take a historical view, of how the country was developed as a continental power. We started from the ocean. Civilizations came from the oceans, not from inland. And civilization moved from the oceans inward, first into coastal settlements. You'll find, in archeological records, you see the structures of cities: Civilizations were based on coastal settlements, which were fortified *to the interior*, to protect civilization against the *uncivilized interior*. The culturally inferior interior. And then, as civilization progressed, it moved up rivers, up the large major rivers. And it began to move into the land area, and found ways to move into land areas.

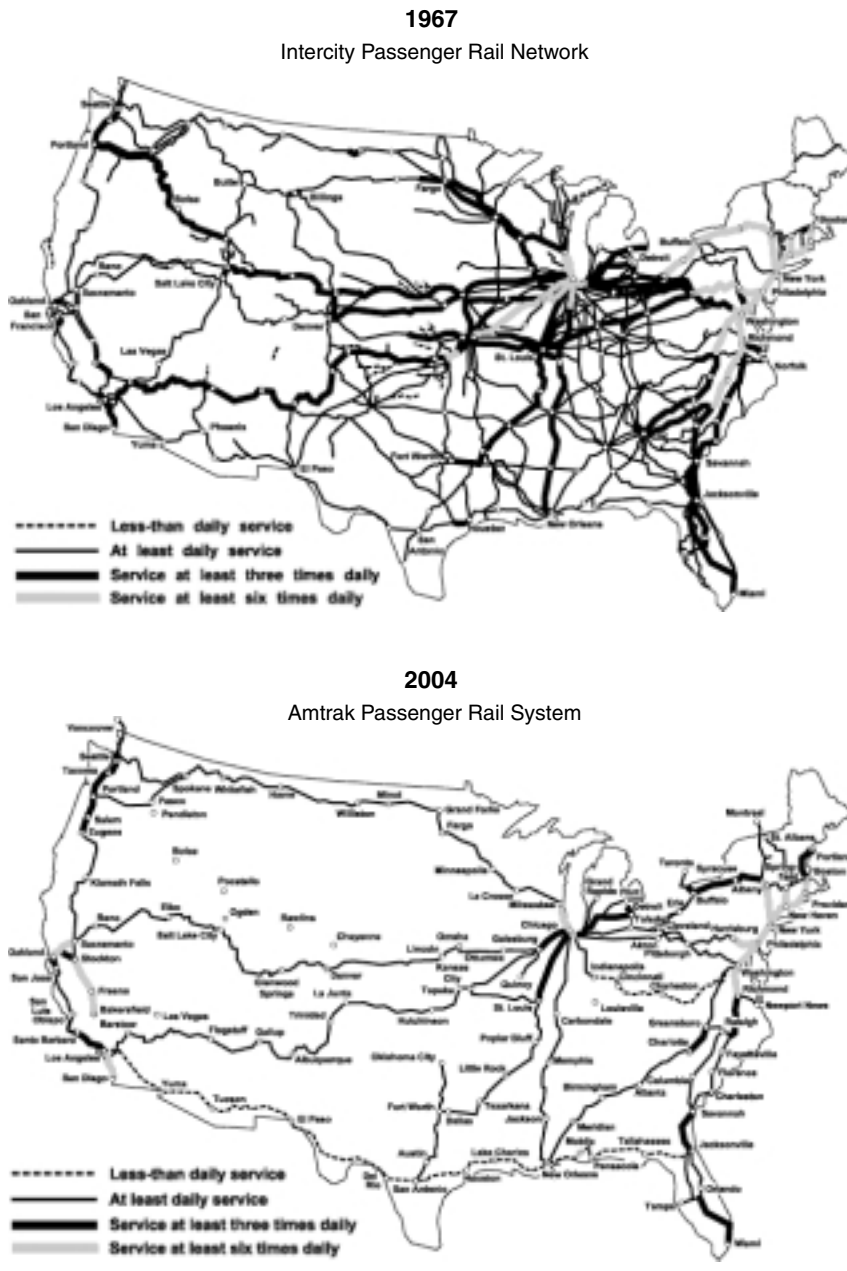
So, in that process, we transformed the character of civilization. And civilization was initially a maritime civilization, because the possibility of advanced human life depended upon the oceans, and navigation of the oceans. The most ancient science came not from the land, it came from the oceans. It came from astrogation, from the use of observations of the stars to locate a position, and to navigate from one place to the other.

This is particularly true of the past 200,000-odd years of the Ice Age, prior to about 19,000 B.C. or 17,000 B.C. In that period, civilization was largely located in the oceans. Even in India, which was not under ice, the coastlines were, of course, much wider then. The oceans had

dropped, or had dropped to about 300 to 400 feet below the present level. So, people were living largely in cities, or riparian settlements along coastlines, and were cultures which were maritime cultures on the open sea. And populations, which, of course, were not as large today, but the population, or the more advanced population, survived by astrogation, trans-ocean astrogation: by study of the stars for navigation. Just the same way, the Egyptians taught some of the people in the Polynesian islands how to navigate. And when they learned how to navigate, they settled New Zealand, and

FIGURE 2

Passenger Rail Grid Shrinks Drastically Over 40 Years, 1967 to 2004



Source: National Association of Railroad Passengers.

Nationwide passenger rail miles fell from 65,842 in 1967, to 22,453 by 2004, a 66% loss. A map sequence of this decline is available from the National Rail Passengers Association, on www.narprail.org. An animated sequence is posted on www.larouchepub.com/animations.

became Maoris; which is a result of what the Egyptians taught them at about 200 B.C., this sort of thing. So, the ocean civilization.

So, in the case of Europe and the United States, the devel-

opment of inland waterways, which was started in Europe, largely with Charlemagne, where the plan for developing, [was] to use the internal rivers of Europe as a way of connecting all the parts of Europe, to make the interior of Europe economically developable to a higher degree.

The same thing happened in the United States: We tried to find methods of transportation, to develop the economy and the territory that we occupied. This led, of course, to the struggle always to cross the Alleghenies, to get to the other side of the Alleghenies, toward building a continental civilization, into which European immigrants could come. We built up an economy. Then we had—the access points were the Great Lakes, the coasts, and the great rivers. The greatest system was the Mississippi River system, which took the entire territory from the Rocky Mountains to the Alleghenies, from western Pennsylvania on.

You saw the development of heavy industry, in Michigan, in Ohio, in western New York State around Buffalo; in Illinois, Indiana: How did these parts develop? They developed on the basis of the improvement of water systems. They developed on the basis of the emergence of the idea of a transcontinental railway system, which was actually built in the time prior to, but during and following the Lincoln Presidency. So, this vast area of the United States, became accessible, economically, as well as physically. You could have always walked there, if you had the endurance. But to actually move there efficiently in an economic sense, could not be done, until these developments.

We then invited populations from Europe, of skilled farmers, and people who were not skilled, to come into the United States as labor. We moved them into new areas, we gave them land—"Here's the land! Take it! Build a farm. Build an industry, build a community." We provided the transportation system which made this nation an economy. We took Europe-

ans, who had a certain skill, and we brought them into the United States, where they had greater freedom, and their skills enabled them to prosper, and our economy to prosper, as they could not prosper in Europe, under more repressive condi-

FIGURE 3

Of 539 Coal Power Plants (200 MW Capacity or Larger), 296 Are 30 Years or Older (Dark Tone)



Source: Energy Information Administration. Maps produced by MapInfo.

FIGURE 4

Of 104 Nuclear Power Plants, 31 Are Over 30 Years or Older (Darker Tone)



Source: Energy Information Administration. Maps produced by MapInfo.

tions of a medieval tradition which Europe had not freed itself from.

We built a nation! We built a continental nation!—whose very existence, especially after Lincoln's victory over that Confederacy which was a tool of the British, a treasonous tool of a foreign power, trying to destroy us—with slavery: Once we freed ourselves from the yoke of slavery, and established protectionism, we imported the populations of Europe. And they came to the United States, and they were more productive here, than they ever *could have been*, in Europe.

And then, later, after 1876, Europeans, beginning with Germany—1877-1887, revolutionized the economy of

Germany. How? By imitating the United States: The welfare system, the public welfare system of Germany, was installed by Bismarck, who learned the lesson of the principle of the General Welfare, as the basis for building a modern agro-industrial economy. Russia developed the Trans-Siberian Railroad, and began to develop industry on the same basis. Japan was transformed from a feudal society into a modern industrial society *by the United States!* France developed on the inspiration *of the United States!* Italy developed on the inspiration *of the United States!* South and Central America began to grow, on the inspiration *of the United States*, and what we represented.

We Have Destroyed Our Economy

Now, since the middle of the 1960s and the beginning of the 1970s especially, *we have destroyed this nation*. Not some foreigner. Some aliens among us—and they didn't come from outer space, but we wish we could ship them there.

This country has been destroying itself. The worst part of this, is not what has been done to us, as if by an occupying power. *The worst part is, we have done it to ourselves*, as a matter of popular opinion. We are the ones who destroyed the most successful monetary system, which existed up to this time, the Bretton Woods system. We destroyed it! Under the influence of people like Nixon, Kissinger, Shultz, and so forth, we destroyed it.

We destroyed the U.S. economy. We destroyed the regulation, on which our prosperity depended. We went to free trade, which destroyed us. We went to cheap labor, which destroyed us. We went to outsourcing, which destroyed us. We went to globalization, which destroyed us. We said, "technology is bad," which is a lie! And that also helped to destroy us. *We*, by accepting these ideas, which have been the reigning ideas in our government, and among

our leading political constituencies, over the course of this period, *we have destroyed ourselves!*

ANIMATIONS

on these and other topics are displayed

on our website:

www.larouchepub.com/animations

And therefore, the question of the survival of this nation, under condition of the threat now confronting us, depends on our willingness *to change ourselves*. Not to adapt to public opinion, *but to change it!* Because it is public opinion which has destroyed us. What public opinion has become, has been the instrument *by which we have destroyed ourselves*. It's a case of *moral national suicide*. And if we wish to save this nation, we have to go back to the values we had, still—minus Truman, and few other things like that—but the values we had, on which this nation and its growth were maintained: a tradition which we locate essentially, today, as the legacy of President Franklin Roosevelt. Whom most of us in my generation, in particular, and those who have passed on in an earlier generation, remember as the man who saved a United States, which had been ruined by Teddy Roosevelt, by Woodrow Wilson, by Calvin Coolidge, by Herbert Hoover.

Remember, it was not the '29 crash that caused the Depression: It was Herbert Hoover. He used the pretext of the Depression, to *halve* the level of income and employment in the United States *within three years*. And that was the problem of the Depression. It was the Hoover: It sucked!

So, we have destroyed power. People say, "soft technology." That's bunk!

Now, there's a worse part to this thing, and that is, that we have destroyed our ability to think. For example, you had effects of this type—you had, in the 1950s, in particular, under the influence of what was called the Congress for Cultural Freedom, which was a bunch of Marxists and existentialists and others—including some Jews who had left Germany. They had been pro-Nazi, but their birth certificate said this was not a career opportunity. So, they came over here, and they practiced it here. It became known as existentialism, and it became a key part of the Congress for Cultural Freedom. You should look up the pedigree of the people who actually ran the Congress for Cultural Freedom, and what they did. They set out to destroy culture, to destroy Classical culture; to destroy Classical education; to destroy the ability on which the United States had depended, and Europe had depended, for its progress. Where did technology, where did science, where did medicine come from? It came from the tradition of European Classical culture. We set out to destroy it. We set out—

Look at our entertainment industry, look at it from Hollywood. Back then, it was already bad enough. Look how it became worse. Look how we used to entertain children with monsters from outer space, eating them, or something, in the 1950s. This is where the Baby-Boomers got their education: Monsters from outer space coming to eat us. And they wondered who the monster is, and then they went to school and they found out who it was. It was teaching.

We Have Destroyed Our Sense of Humanity

We have destroyed our culture. We have destroyed our sense of humanity.

Now, we also have another problem: It's that, dealing

with an economic crisis, very few people in the United States know what an economy is—especially the economists. The few economists who tend to know something about an economy, are usually over 65 years of age. That is, they are people who were born before 1945. Because, people who were born in 1945 or later, what time did they become adults? Middle 1960s, during the period of the 68ers. What did they learn? They no longer had any intellectual association, coming out of universities, with actual scientific and technological progress. They had no serious association with the Classical culture, upon which a literate population had developed, in Europe and the United States. We educated our people in garbage. We said, "You got a headache? Take LSD." "Your sexual partner doesn't look attractive any more? Take marijuana. Take it with cheap red wine—it helps."

We destroyed our culture! You know this! I mean, those of you who are younger, who are in this 18-to-25 age bracket, you know it better than anyone else. Because, people say, "get an education." You have silly parents, saying to the young people of this age, "get an education." You say, "Hey! Mother! Father! Do you know what tuition costs? Do you know what it costs to attend the following universities? And do you know what kind of garbage they teach there, when you get there? It's worthless and you pay a lot more for it? You mortgage your life! You couldn't pay off your university debt now, in your entire lifetime." Take the debt you get, for paying tuition, and other fees at universities; take the debt you incur to live at the university—and unless your father can steal as much as Vice President Cheney is able to do, you really can't take that hit!

And then, you look at the quality of education you're getting in universities, and there are some relics of the past there, but, in general, you're more poorly educated, than back in the 1950s, when you could get a university education for a tuition of, say, \$400 a year. Or something more than that. Now, you pay thousands, and you get nothing. You get entertainment.

The youth we have in the Youth Movement, especially as we find in areas like California, are getting a better education than they would get in a university! And when, as in Boston, they teach some of the professors at Harvard about the ABCs of science, they realize that that is the case—because they don't know.

The problem is this, on economics: People just don't understand economy. The reason they don't understand economy, is because of what's called "Liberalism." Now Liberalism is not "being nice." Liberal is being very mean. It's like practicing usury: That is not nice!

But, what's happened is, is the old system of Venice in the world, which we've inherited in some form in modern times, was a system of usury: For example, in the medieval period, from about 1000 A.D. until and into the 15th Century, Europe was dominated by an alliance between a Venetian maritime power (which was largely a financier-oligarchy engaged in maritime practices), which entered into a partner-

ship with a bunch of butchers, who were called the Norman chivalry. And through Crusades, such as the Albigensian Crusade or the Norman Crusade, the Norman invasion of England, which killed off the Christians, called Saxons (and nary a Christian's been seen there since), these Crusades were intended to prevent the emergence of representative forms of government, such as nation-state government. And the quarrel that occurred during this period, from about 1000 A.D. until in the 15th Century, was a struggle to *suppress* the emergence of nation-states—as Charlemagne had tried to build a system of nation-states—in favor of a system of usury, in which the Venetian financier-oligarchy, through usury, looted Europe. And used its alliance with the Norman chivalry, as in Crusades, to butcher anybody who objected to the arrangement. As a result of this, of course, European civilization collapsed, in the 14th Century, in what's called the New Dark Age, simply because Europe was looted into a state of virtual nothingness, as a result of this.

The Nation-State vs. Venice

Now, the 15th-Century Renaissance, which was centered, of course, in the great ecumenical Council of Florence, established a new order of the type which had been intended since ancient Greece, since the ancient Greece of Solon and Plato, for example: The idea of the nation-state, in which the state had no authority *over* the people, as such, as an oppressor; but the state had the responsibility and authority, to promote the General Welfare of *all* of the people, and their posterity. This was the idea which distinguished the best aspect of European civilization, which was associated with the Classical movement in ancient Greece, associated with names such as Solon and Plato. It was on the basis of Solon's letter, and Plato's dialogues and letters, on which European civilization has been based, from then to the present time. And the struggle was, to do that.

But, Europe always maintained this idea. Christianity, in the Apostle Paul and so forth, is based on this idea.

But as a *state idea*, the idea of the *state*, was that the state was an imperial state, in which some tyrant would have the power to make law, to declare what was law, what was the principle of law. And everybody else was subject to the law issued by this tyrant—who would have such names as “emperor” in honor of the Caesars. This was the system: It was a system of usury, a system of financial usury, of the use of money, controlled by a minority, money as a weapon of looting the population. Backed up by a mafia, called the Crusaders, the Norman chivalry.

And the 15th-Century Renaissance changed that. Because it established as a principle, that the nation-state must exist, because man must be governed by a government which is itself *morally accountable* to be the instrument of promoting the General Welfare of the all of the people and their posterity, their cultural development, their welfare, the improvement of the land.

The first such nation-states of that form created, were

Louis XI's France. And then, you had a fellow, Richmond, who attended the court of Louis XI, who went back to England and he overthrew Richard III, and established a Commonwealth form of society in England, which was ruined by his son, Henry VIII, but nonetheless, the society was formed. So, that was the modern nation-state, which was something which did *not exist* in any part of the world, until the 15th-Century Europe! And that is the core of European political civilization.

However, the Venetians did not give up. They had been defeated by their own dirty-work, in the great Dark Age. But they came back. And through the Fall of Constantinople and other things, they began to get power again. They launched the Inquisition in Spain. They were responsible in 1492 for the Expulsion of Jews from Spain, which was the beginning of a period of religious warfare, which continued till 1648 when the Peace of Westphalia ended religious warfare. Then Europe began to develop.

Venice Returns As Anglo-Dutch Liberalism

But then, the Venetians came back in a new form. They came back in the form of—Venetians would change their identity, and move up to the north, into England and into the Netherlands. And there, they would adopt Dutch names and Dutch peculiarities—dykes and so forth. They would also do the same thing in England. The Cecils of England, for example, were essentially a Venetian family, controlled by the New Faction of Venice, which was that of Paolo Sarpi.

So, this faction of Anglo-Dutch Liberals came out of the middle of the 17th Century, as Anglo-Dutch Liberalism, which spread in its organized form through the Dutch India Companies into England itself, especially through the 1688-89 takeover of England by the occupation. And then, in 1763, as a result of the Anglo-Dutch Liberals organizing warfare throughout Europe, the Anglo-Dutch financial interest became dominant in Europe, and you had the establishment in 1763, at the February Treaty of Paris, of the hegemony of the British East India Company over the world. That is, the trade of the world, the trade and organization of the world, was dominated in international trade, by a maritime power: The British East India Company. This was an empire.

This is what the American Revolution was fought against. The American Revolution was a fight to establish the idea of the republic, as understood by Solon, as understood by Plato, as understood by the 15th-Century Renaissance, and as understood by the Treaty of Westphalia and so forth—to establish a republic, in opposition to the Venetian-style imperium, which ruled through its control over the power of international money, and money rates. That is the British System.

Now, the United States is the only nation, the only national system, which, with the so-called American System of political economy, has ever successfully challenged the British System. But the British System today, is still the system of usury.

The Idiocy of Money

Now, therefore, the way we run our economy is a form of idiocy. The form of idiocy is simply, we say, that the performance of the physical economy will be measured by *money*. Whereas, in a republic, we say, the performance of money will be measured by physical economy. The performance of economy was measured by, what does it mean in terms of the standard of living? The development of territory, per capita and per square kilometer? The improvement of productivity? The education and culture and improvement of people, through the opportunities for development. Then, we look at money, and we say: How do we run the money system, which is a necessary thing to have—how do we run the money system and manage it, in such a way that the money system does not suck our blood, but the money system is used as a convenience in trade, in order to promote trade and to promote investment?

Now, this form of dealing with an international system, which was dominated by the Anglo-Dutch Liberal philosophy, was what we lived under. We didn't defeat it entirely, with the American Revolution. We set a precedent against it: It's called protectionism. How do we regulate money? By protectionism. How do we protect our production, against cheap trade? We protect it. We encourage things, investments that are good, by being more generous in our tax rates on things that are useful to society, and taxing more highly those things that are less useful. We promote investment in things we need: For example, 50% of a modern economy should be, and is, basic economic infrastructure. Which has nothing to do with the market, as such, directly; indirectly, yes, but directly, no. What is it? It's public utilities. It's public education. It's water systems. It's public transportation—these kinds of things. Fifty percent of a national economy that is healthy is based on infrastructure, which is largely long-term investment in improvement of territory and conditions of life. The other 50% is production, or services relative to production, which is private.

So, what you do, is you regulate the economy to make sure that capital is flowing in, through taxation and other mechanisms, to provide the production and maintenance of 50% of the economy which is in the public sector. It is in the public sector of the Federal government, or the public sector of the state government, the public sector of the county government, or the municipal government: like your local water system, your local police services, your educational system—all these things. *These are things which should be public expenditure.*

Now, some of these things can be franchised to private expenditure, which we do. For example, in a state, we used to create public utilities. A public utility would be, say, a power plant. Now, you want the power plant: So, the Federal government or the state government intervenes, creates a facility, builds the power plant. Now it forms a corporation which is a regulated corporation, as a public utility. And people can invest their savings in these public utilities, which have a

generally guaranteed rate of stable return. So, the public utility becomes an advantageous way of direct savings, by people who buy bonds in public utilities, or indirect savings through the banking system. So, the banks depend upon public utilities, under a good system, for a good part of their deposit base. So, you invest in the bank, or you put your money in the bank; the bank, in turn, uses part of this money which you deposit, to invest in public utilities, which have certain guaranteed protections. Therefore, this is the most secure kind of local investment you could have, under the old regulated system.

We destroyed this! We said, "We want free trade. We want to cut out things that are not essential to a local employer!" Which means, no school system—we privatize the school system! We don't care about our population as a whole, we privatize the school system. We take elements which used to be public education, we privatize them!

You want to get an education in machine-tool practice. You used to get that in secondary school. They took that away. Now, you pay for it, whether you have the money or not. In the old days, we understood: We took a young kid out of the school population, whose family had no money, to speak of—just getting by, couldn't afford anything—and we take this young guy, and we put him in a machinist training program as part of his secondary education, and he came out of high school as a person with a skill, and could go on to college with the basis of that skill under his belt. And probably would try to get into engineering or something like that, based on that.

So, we understood, the importance was to take people who may not have any money, in terms of families, and to upgrade their productive potential. We *invest* in that. And, we were rewarded for that, because they developed skills. They make our industries possible. You want to somebody to teach you how to put a bulb in socket? You have to have an educated person these days—and that's difficult to find. But that's what we did.

So therefore, in a sane economy, the way you measure the performance of money, is the way the money system works, or does not work, to meet *physical objectives*. The physical objective is the improvement of the land area, the improvement of the condition and the health and welfare of the population—things like that. Say: Is the money system working? If it's not working, we have to re-regulate it or adjust it.

For example, we're now in a situation where we have a collapse of the U.S. economy. We're operating currently below breakeven. There's no possible way, we can succeed on purely private, free-enterprise basis. Couldn't happen. We're ruined. If we stick to a free enterprise basis as such, as opposed to what Brzezinski destroyed with deregulation—if we stick to that, we're doomed, we're finished. Not only depressed, but we're finished as a nation.

Government Must Provide Capital To Rebuild

Therefore, we have to rebuild industries. Where's the money going to come from, to build industries? Well, we



EIRNS/Philip Ulanowsky

Education in the machine-tool principle used to be part of the secondary school curriculum, preparing skilled employees, engineers, and scientists for the workforce of the future. Here, a girl learns to operate a lathe.

have one thing, under our Constitution: The provision of the Federal government, with the permission of the House of Representatives, to create debt, create debt in the sense of printing or issuing currency. What we do, as Roosevelt did, is, we create debt through the Federal government, which is the only place that can *utter money* under our system. The Federal Reserve System cheats, and Greenspan cheats especially on that, but we may put him out of circulation pretty soon, anyway.

But, the point is, so, the Federal government uses its power to create debt, prudently, to provide capital in the form of means of employment of people who are otherwise not properly employed, to produce things we need: such as hospitals, health care systems, power systems, and so forth. So, now you put people to work, productively, in things we need, as a capital investment in the future. For example, as we saw here, a power station is generally—we're talking about a 30-year investment. So, you are building a power station, say, within five years, which may be the time it takes to build a new power utility; and this thing is going to, we're going to write this off as an investment over 30 years.

Fine. So now, using this, we build up the level of productivity per capita, by employing people who otherwise would not be employed in these kinds of things. When we employ people to build a power utility, the project of building the utility, now requires private contractors and skilled people to come in from the outside, as small businesses and otherwise, to contribute their skills to this effort. So now, you've stimulated the productive economy around the project, as well as the project itself. And by that means, we build up an economy.

The key thing, is, physically, *you must get the U.S. economy above breakeven*. You do that, by using public credit, which is going to be repaid—it's government credit, essentially—to expand the level of production of useful production, which we're going to write off over periods of 25 to 50 years; use that to bring the economy up above breakeven, and get back to prosperity. That's the only way it's going to work. It's not going to work on the basis of investment. What's called private investment now, used to be called "stealing." And you look at the [New Jersey Senator Frank] Lautenberg report upon the way Cheney's making his money, through Halliburton, you know what stealing is. It's the "steal business"—the new kind.

So, the point is, therefore: We have to understand, we have to look at an economy not in terms of money. Don't ask your accountant how an economy works—don't even bother to try to explain it to him, he wouldn't understand. Proceed from the standpoint of a physical economy, and how we must control money, so we don't create inflation, but, on the other hand, we create actual, physical growth, and increase the productive powers of labor, per capita and per square kilometer—and make a better life for society in the process.

Now, that's what a good forecast is based on.

We're now in a hopeless system. The present system, the present monetary system, is hopeless. The debts we have, the financial debts we have as a result of Greenspan's operation in the Federal Reserve System since 1987, has created a mountain of debt, of financial derivatives, so-called hedge-fund debt and things like that—which could never be paid. We're talking about an economy, which is in the order of



U.S. Atomic Energy Commission

The Enrico Fermi fast-breeder nuclear power plant in Michigan (now closed, due to environmentalist hysteria). A breeder reactor produces more atomic fuel than it uses, as it produces electricity. A power plant is a 30-year investment; the Federal government properly uses its power to create debt, prudently, to finance such projects for the General Welfare.

magnitude of not more than \$60 trillion in total, in world economy. We're now having quadrillions, or perhaps even hundreds of quadrillions of obligations of out there, tied to financial derivatives, which could never be paid, and never will be paid! What do you do? You're going to keep this system going? You can *never* pay for this stuff! The hedge funds should never be paid—they're only gambling debts! They're only gambling side-bet debts which Greenspan has legalized. In former times, we would consider this a criminal activity; the person would go to jail directly, rather than he does now when he gets caught. We head it off at the pass, so to speak.

Bankruptcy Reorganization

Therefore, we're going to have to put the United States' economy and the banking system through *bankruptcy reorganization*. The world is going to have to go through the same kind of thing: *a general bankruptcy reorganization*. That is, governments—the banks are about to close their doors. Every leading bank in the United States is hopelessly bankrupt. It is on the verge of a situation, as a result of what is happening now with Delphi—and other things like that, and the housing bubble—it's on the verge of a point, not quite predictable in terms of exact time, but inevitable, if it goes on, in the short term. This entire financial system is about to disintegrate.

What are we going to do? Sit back and weep? Or, are we going to do something about it? What we would do, normally, under our law, our Constitution, is—and, forget what some Supreme Court Justices think about this, because their think-

ing is not too clear, either; especially, poor Thomas, he's a problem case—we're going to put the banking system into bankruptcy. What does that mean? It means that the Federal government walks in and takes the Federal Reserve System over, directly; takes it over, in bankruptcy! In order to make sure that the banks don't close their doors. Because, all of the major banks are bankrupt! But, we can't have them close their doors: Because we must keep the doors open, because people have their savings there. Because businesses depend upon the capital and financial flow, through the banks, and through those facilities for functioning. Everything depends now, in this system, on the banking system. Therefore, we say, "No, you keep the doors open."

You now go into general receivership, as in any bankruptcy reorganization. The Federal government takes over the Federal Reserve System, under the Constitution, because it's bankrupt. And the responsible agency, when the Federal Reserve System is bankrupt, is the Federal government. There's no other legal agency that can deal with a bankruptcy of the Federal Reserve System, and the Federal Reserve System is now—if anybody catches it—is bankrupt! That's where we stand.

So therefore, what do we do? We ensure that it keeps operating. How do we do that? Well, do the same thing you do in any bankruptcy: Put it into receivership. And you sort out what will be paid, and what will not be paid. And we know what isn't going to be paid: It's financial derivatives. Obligations attributable to financial derivatives will not be paid at all. Otherwise, we don't make it.



Transrapid

Maglev rail technology can provide the basis for a modernized, integrated air-rail transport system, to rebuild the cross-country transportation capabilities that have been destroyed by deregulation. Shown here is an artist's conception: Maglev exists in China, but not in the United States.

Now, eliminate that piece of parasitism, and we have a chance. Then, what do you do? You must try to protect savings. You don't want to move into people's private lives a great deal, particularly ordinary people's private lives. You want to make sure their savings are protected, up to at least a certain limit, immediately. You want to maintain local business functioning the way it was functioning before. You want a continual flow of credit into the community for useful purposes, to make things function. You want local government to function, local states to function. They don't have money: They can not utter money. Therefore, the Federal government's responsible. Who regulates? The Federal government does it, with the consent of the House of Representatives. That's how it's done.

Now you create credit, the way Roosevelt understood, and you create credit to bring the U.S. economy *above breakeven*. That is, the number of people working productively, and the amount they're producing, *exceeds* the current operating costs of the country. That's your requirement. Once you do that, you now can manage.

Now, what you must do, in addition to bringing the economy above breakeven, you must now have new projects,

which are frontiers in scientific and technological progress, at the same time they are capital improvements. We need power systems—do you know how much we need, in terms of power systems to replace? That will keep a lot of people working, and will stimulate a lot of growth. Do you know what we need, in terms of a national transportation system, with an integrated air-rail transport system, so goods and people can get from coast to coast, as required, in a free flow in the economy? We've got to rebuild that. That's a big project. We can not get safe drinking water out of a faucet any more, in most parts of the Eastern part of the United States. We're going to have to rebuild water systems, and water purification systems: So you can turn on a faucet and get drinkable water out of it, again, as we used to be able to do, in most parts of the Eastern part of the United States.

We're going to have to rebuild the health-care system. We had one. It worked, under the old system, the postwar system, until it was taken down by the Nixon Administration, with the modern health-care system, which doesn't work.

So, we have plenty of investment to make, in urgently required investments. We can pack into those investments, technological and scientific improvements, which are productivity-increasing factors. We can restore the composition of employment of our labor force, so we have fewer pencil-pushers, and more producers. What we need are people who produce physical wealth, useful physical wealth or related services, skilled services. We have to shift the composition of employment into skilled production, and the ratio of people who are in skilled production, of high-gain production, as opposed to those who are in make-work jobs. You know, getting a job as a maid in somebody else's house, and then you employ a maid in your house to take care of your house while you're working as a maid in somebody else's house, is not exactly a good economy! It used to be said, "taking in each other's laundry." That's the kind of economy we're getting today.

So, that's what we do.

Launching a Recovery

Now. So therefore, we have a number of objectives which have to be the basis of forecasting where we *should* go,



Cincinnati Milacron

"We have to shift the composition of employment into skilled production, and the ratio of people in skilled production, of high-gain production, as opposed to those who are in make-work jobs." Here, workers at the Cincinnati Milacron machine-tool company were producing jet engine components. But today, the airlines are shutting down.

because, if we just stand still, where we're going to go is no place you want to be! Therefore, you have to now choose, not what money tells you to do, physically, but you're going to have to control money, to force it to behave, the way it must, in order that we can do *physically* what needs to be done.

Now, the first thing we have to do, which I've already indicated: We have to halt the collapse. We have to halt it in the United States. We have the same problem in Europe, the same problem worldwide. We have to launch a recovery. That is, actually get back above a losing level we're at now, a bankrupt level; we have to get above breakeven, in terms of current operations. This requires largely state credit, in our case, Federal government credit: to increase the level of useful employment, up the levels at which we are operating, producing more than it's costing on current account. At that point, we now have maneuvering room to go on to bigger and better things. But you must get to a breakeven point, first.

There's going to be a change in the world, under these

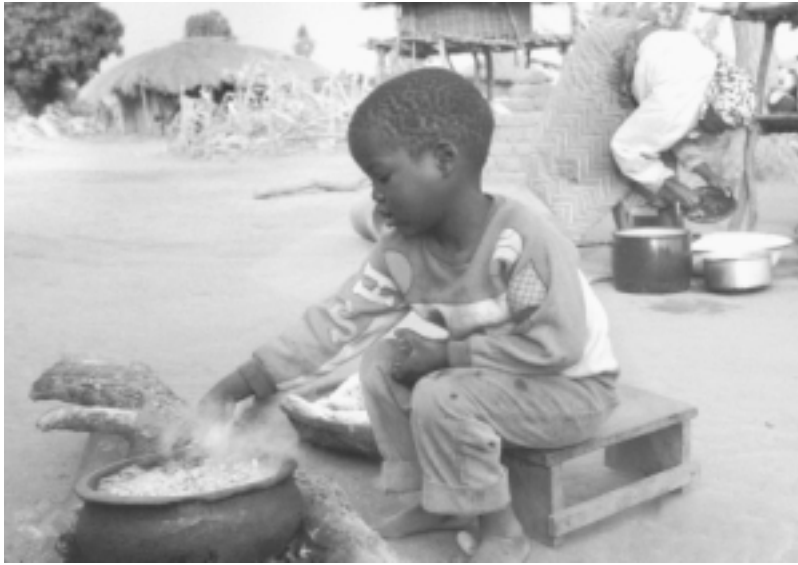
conditions. Not only a general improvement of technology, but a more general change. Since the 15th Century, approximately, but especially since the 17th Century, world history has been based on Europe, on European civilization. It includes the United States, the Americas generally, and so forth. The rest of the world has never had an efficient system of government, based on the principle of the General Welfare. There's been the struggle for the improvement of the welfare of people, in various countries. But the concept of a form of government which is conceptually committed to promote the General Welfare for present and future generations, doesn't exist. For example: India is considered to be a prosperous economy; it is not. Seventy percent of the Indian population is living in terrible conditions. The terrible conditions under which they're living are a part of the reason why they are exporting to the United States—because they're not paying their population enough to live. And 70% of the population is suffering, at the prices at which India exports services and goods to the United States and Europe. China has a similar situation. China's character of problem is different than it is in India. But they're similar, in the sense that they're both reflections of Asian culture, which do not have, in general, an understanding of the concept of the General Welfare, as an economic policy concept of statecraft. That has been the unique achievement, in known world history, of European civilization since Solon of Athens and since Plato, and especially since the 15th-Century Renaissance in Europe.

So, we now come to a point, that we have vast and growing populations in Asia, in particular—apart from, even forget Africa for a moment, which is a case of deliberate genocide, by the United States and Europe. We also have, throughout the Americas generally, we have the same problem. It's a part of European civilization, it has European civilization's values: That is, the idea of the General Welfare, or the Common Good, is a characteristic feature of the morality of Classical European civilization, and is a characteristic feature of natural law, in modern European society. It is not the case, in other parts of the planet.

A New Conception of a Eurasian Planet

But we've now entered into a period, in which the population of Asia, in particular, is growing. So therefore, the first thing we have to deal with, after looking at the mere fact of getting above breakeven, we have to face the challenge of a Eurasian culture: That is, the task of integrating our recovery and European countries, or countries of European civilization, with the aspirations and needs, of a growing population of Asia. Therefore, there has to be a commonality of understanding developed, between European countries, and those of Asian culture, which creates a new conception of culture from a European-dominated planet, to a new conception of a Eurasian planet.

If we do that, then we can turn to Africa. And sub-Saharan Africa is a case of pure genocide, out of a policy of genocide



UNAIDS



EIRNS/Philip Ulanowsky

In 1974, Secretary of State Henry Kissinger commissioned National Security Study Memorandum 200, which denounced population growth in the developing sector as a threat to U.S. national security. In the 30 years since Kissinger's paper was written, we have destroyed sub-Saharan Africa, which is now ravaged by AIDS and poverty. Here, an AIDS orphan in Malawi.

which was launched from Spain in 1492, essentially by that regime, by the Inquisition, in which the rule was, that Africans are not human. And therefore, you can hunt them down, and capture them, and cull the herd, the way you do wild cattle. And herd the cattle you want to keep, as the ones you think you can control, as you do cattle. And the racism in the United States in particular, is a legacy of those who follow that Spanish tradition, that Africans can be considered as not human; as cattle. You have an approximation of that also, in Hispanic culture in the Americas, where the argument was made, that the indigenous population of the Americas, which had been occupied and conquered by the Spanish and Portuguese, were not *fully* human—they were not cattle. They were not animals. But they were not fully human—they had animal characteristics, sort of like the Yahoos of Jonathan Swift's story of the Houyhnhnms. And therefore, you had to herd them, like cattle, which became the system of peonage, which is the social conflict within Mexico, for example.

Mexico was one of the two countries emerging from this area, from the Spanish conquest, in which there was a large, and rather vigorous population in Mexico at the time that the Spanish, with the help of the Indians, got rid of the Aztec tyrants. And then the Aztec tyrants were replaced by Spanish tyrants. And the Spanish tyrants said the peons were semi-animals. And the social division within Mexico to the present day, is based on a legacy of this thing, of seeing that the Mexican indigenous population are not really *fully human*, and therefore they must be dominated by an elite of the purely Spanish type. And I've never seen a pure Spaniard, yet.

Same thing: you had a similar thing in Peru, where you had a fairly large population of the indigenous population,

which was, in a sense, a well-organized population, as a social culture, and a similar thing was attempted there.

So, in the case of Africa, we had since the 1970s, it was U.S. and British policy in particular, as enunciated by Henry Kissinger, that Africa must be de-Africanized, sub-Saharan Africa. That a policy of genocide against the people of the southern part of Africa, sub-Saharan Africa must be policy. And since the middle of the 1970s, that policy of genocide, as enunciated by Kissinger, has been the policy of the Anglo-Dutch-American interests in Africa.

Repair the Damage of a Genocide Policy

Now, therefore, what we have done so far, in those recent 30 years, since Kissinger wrote that paper, we have so much destroyed sub-Saharan Africa, that it has no inherent capability of recovering from its present condition, on its present internal resources. And therefore, we, as a global conscience, must repair that damage. We must create the conditions, under which the standards of European civilization are available, and efficiently available, throughout sub-Saharan Africa. This means the promotion of large—

Let's take one case, we have a case right here, in nearby Baltimore. You have an area which we call "the Blob." It's called the "Blob," because it's a case in which the principles of Dirichlet's Principle of Riemann applies to epidemiology. You have a section of a city—remember, Baltimore once had a certain degree of prosperity during World War II: It was an industrial city; you had the Bethlehem Steel works, shipping, and so forth, were all centered there. And you had an indigenous population of largely African descent, which was becoming prosperous, developing homes, normal lives.



Baltimore was formerly a thriving hub of industry and transport, with its port and rail system. Now the waterfront has been “gentrified,” and the population of the inner city left to die of AIDS and other diseases.

EIRNS/Suzanne Klebe

In the course of the past period, especially the 1970s, this characteristic of Baltimore was destroyed. Baltimore has been transformed. It’s been transformed in two ways. In one sense, it’s been gentrified—which is really a horrible thing to do to anybody—at high prices, along the waterfront. What used to be a prosperous waterfront is now an area of gentrification, of useless people thinking they’re important. But then, to maintain this population in Baltimore, you also require a slave quarter: A population which services the menial work of maintaining the gentrified part of the population.

Now, such a population is not one which, on the average, is raised on a certain level of productivity—no! It is a “process” population, which is dying at the same time it’s used! It’s just like what you saw on the beaches when the tsunami hit on the coasts in Asia, in the recent tsunami. People who were considered useless, are running the errands and providing the sexual entertainment, for European and American visitors who are there as tourists, in tourist and entertainment centers! So therefore, in order to be convenient to these crazy Americans and Europeans, who want to have sex on the beaches, or by the beaches, you have a population of very poor people who live in shacks in this area. And in very poor conditions, and high rate of disease!

And when we look through some of the things in this area, and you look at things like HIV, and you start to make the dots of the cofactors, in some of these areas, you find that instead of having an area, where you have many dots of cofactors, the whole thing is almost solidly black with cofactors: which is the kind of cesspool, in which AIDS spreads fantastically. Because everybody transmits everything to everybody out of this area. And usually, the center of this thing, is some-

thing like a prison system. You go into the prison system, you’ll find the concentration of disease of the populations coming in and out of the prison, in a *dynamic model*—not your normal statistical model. But a dynamic analysis of this, will show you a process, where you have an area in a city, which has this function: Of people who are in the process of dying, who are all black in terms of dots of disease-sharing, and who often spread AIDS, tuberculosis, and everything else at a high rate, because everybody who kisses everybody, spreads all the diseases.

Some people are looking for a specific agent: They’re not looking at the totality of the problem. They’re looking at the *disease of poverty! The disease of filth! The disease of terrible conditions!* And every other disease imaginable. And it’s all in this area.

And then, you can find an area, you can demark precisely: *It’s where the people who are part of this operation live.*

Now, you want to find out, a part of the world where you find this commonly? It’s called Africa.

This is genocide: *To condone this kind of condition of humanity*, where you create a dynamic condition—not one disease—a dynamic condition: nutrition, sanitation, diseases, infectious agents, all these things together, this brew! You’re committing genocide! And that’s what we have to deal with in Africa.

So therefore, we, because we are human, as a human race, if we get our act together with a conception of Eurasian development, Eurasian culture as an emergent development—we, combined, *must deal with this great crime against humanity, in sub-Saharan Africa.* We have to go into an area where disease is of this character; conditions of life of this character;

where the death rates are such that you don't have family structure; all these kinds of conditions. That is what a Eurasian policy means to me.

First of all, we've got to take this world and *come back out* of what we've known before, and finally begin to consider, as nation-states, cooperating nation-states, the condition of the planet as a whole. We have to therefore develop a concept of Eurasian culture, as a process of extending the benefits of European experience, including technologies, into this kind of development in Eurasia generally. We then, jointly, through Eurasian culture, we must attack this great sin, this *great evil*, that's been done in sub-Saharan Africa: And we must say, that is a mission to make this planet self-respecting, once again.

Vernadsky's Biosphere and Noösphere

Now, there also has to be qualitative change in thinking, a qualitative change which must come now. Because we can no longer run the world the way textbooks taught people, or tradition taught people, or various conferences taught people before. We've now come to a point, which I've described and addressed frequently on this subject of Vernadsky, and Vernadsky's implications, the concept of Biosphere and Noösphere.

Our planet has four features to it. Three are recognized by competent scientists today: One is those processes which we call abiotic, in which we think we can account for these processes without considering the action of living principles. The abiotic planet: What we presume to be, which is not quite true, but it's a good working assumption, that up to a certain point there was no significant life activity on the planet; but the planet was—to any passer-by who happened to be in the neighborhood—was simply one, abiotic thing, with no life.

But then, you find that most of the planet, increasingly, over the thousands of millions of years, has been transformed. It has now more and more, what we call a "fossil layer." What do I mean by fossil? I mean the atmosphere. The atmosphere is a by-product of life. Water! The presence of water, in the form of lakes and so forth, and oceans, it's a by-product of living activity. You look at the crust of the Earth, from the surface of the solid crust of the Earth, down. Most of what you reach, and where we do most of our mining for minerals and things like that, is the crust. It's in the fossil area. And the reason you find, say, potassium concentrated in a certain way, is because little living organisms died there, and they happened to concentrate potassium. So, now you have a potassium mine. You find iron, because some little living creatures concentrated iron; iron is not distributed in an abiotic way throughout the planet. Iron is deposited, where we get it, where living processes have died and left their skeletons behind, which are the iron. And so forth and so on.

Then, you have a third layer. That's called the Biosphere: The living processes and the fossil areas which they have produced, which could not be produced by the action of

abiotic processes, as we know abiotic processes. We have the third area: the Noösphere. We are doing the same thing, as man, as creative thinking man, making scientific discoveries—we are now transforming the planet. And this is not just something that's happening—"I saw a guy do it yesterday," or something. This is something that's ongoing. We have a cumulative transformation of the planet. The crust of the planet is being changed. It's being changed, not by living processes as such. It's being changed by the mental activities of human beings, the creative mental activities of human beings, as typified by technology.

So now, you have a fossil crust of the Earth, in addition to the Biosphere, of fossils which are created by human intellectual activity. And by the human beings who are performing this activity.

The common feature of the Biosphere and Noösphere, which distinguishes them from what we are taught about abiotic physical processes in school, is that they are characterized, each case, by a *distinctive creative principle*. We call it creative, because it does not occur "normally," in non-living processes; even though non-living processes are much more complicated than the textbooks would indicate. But, these are dynamically distinguished, a dynamic principle.

For example: In a living process, as Vernadsky puts it, there is nothing in the living process happening, except the living process is assimilating material from the environment. It is now processing this living material in a way which does not occur outside living processes. It then deposits, as product of its existence, back into the environment, something which is produced only by a living process—just like the iron deposit, which is created by the animals which died and left their skeletons behind as the iron ore.

Now, all of these processes are interactive. The living process is selective. It selects what it uses, it spits out what it doesn't like, takes what it likes, and so forth—transforms it according to its peculiarities, and throws it out again, in a different form than it came in! But what you have in there, in between, just like a human body, it absorbs from the environment and it dies. In the process of death, it goes back, disintegrates, no longer behaves as a living process, but leaves its deposits, which wither, wither away. But the human being, the principle which has occupied the living body was never *in* the living body, as such. It was a principle which acted on the process, as in all living processes, to select and change the way the abiotic processes around it functioned.

The Universal Principle of Human Reason

In the case of the human being, you find something else: You find a principle which does not exist in any other living creature, which transforms human beings, so the human population, rather than having a fixed population density-potential, has a variable population density-potential, based on creativity, typified by scientific discoveries and things of that sort. This also is a transformation process, which is not found in

the animal aspect of the human being! It's not found in animal life. It's a higher form, called human reason, which exists only among people who don't think like accountants. And this principle does not die, with the death of the human being: It's a principle in the universe.

Now, we've come to the point that the rate at which we are tapping into the fossil areas of the Biosphere and Noösphere, are such, that with present technology, we have to think not of unlimited resources; we have to think of creating and developing resources. For example, the simplest level is, you go into an area which is desert; you transform the desert into an area of rich growth—a very simple principle. Now, we have to think about applying that principle in a more extensive and systematic way, to the future: We must now create the conditions on Earth which are required to sustain the kind of population we intend to have, with growth and with the needs it has, increasing, as it goes along.

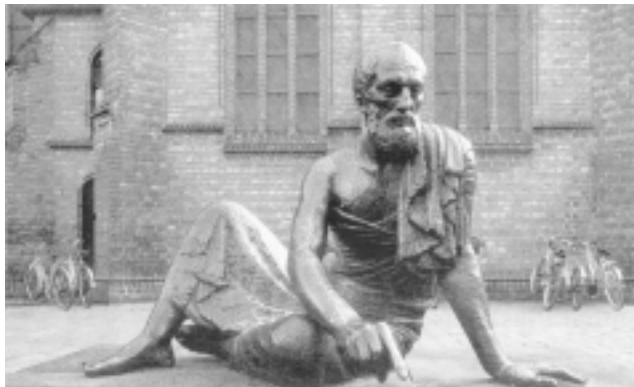
We also have to think more about the nature of man. Don't think about man as just existing—how does a biological human being get by? That's no good. I mean, there's a certain anxiety about that kind—an existentialist anxiety about that kind of idea of life. What are you, you're trying to get by, like Cheney or something? A parasite, living on society, seeking your advantage in life—then you're going to die? Where are you ending up? (I've got an idea where Cheney might end up, but that's a different story, huh?)

Doesn't human life have a purpose—a purpose which transcends life and death as such. And you look at what our culture is, look in particular inside European civilization—trace it from the development of the application of Egyptian concept of sphaerics, in developing Greek civilization. What we are, is, we are the fruit of the transfer, including with language and everything else; we are the result of the transfer of *principles of discovery*, sometimes called scientific principles. The very existence of language and so forth is a heritage which is transferred from one person to a next. So that, if you live as I do, and I have about 3,000 years of European history embedded inside me at all times (I carry it in my pockets), we never die! The body dies; we never die. We are in communication with ancient discoverers, such as, for example, Archimedes; you relive a discovery he made, it's a unique discovery. It's unique, you relive it: You are reliving the inside of the mind of Archimedes. You're reliving him, as a person, not as a biological entity.

The Fourth Dimension: Human Creativity

We live and we progress, by reliving, and transmitting from one generation to another, from one person to another, the ideas on which the development of mankind progresses. This is the fourth dimension, above the Noösphere: the dimension of human creativity, the dimension of immortality of man. And that must be the conception which the world adopts as the organizing principle of economy, for the time to come.

The motive must not be, "How do you achieve prosper-



Institut für Mathematik und Informatik

"Be immortal!" Relive the discoveries of the great thinkers of the past, such as Archimedes. "You are reliving the inside of the mind of Archimedes. You're reliving him, as a person, not as a biological entity."

ity?" "How do you become wealthy?" "How do you get this—?" Buddy, it doesn't mean anything! You're going to die anyway, sooner or later! Now, pick me something that has enduring value! What do you want that has *durable value*, that doesn't die within a lifetime? *Do something!* Develop the opportunity to do something, which has the quality of immortality in it. Like the great scientists who generate and transmit the ideas; or the great artists, who create the works, transmitted from one generation to another.

Be immortal!

The function of human society, and the quality of change in thinking about man, must be that the understanding, the *quality of understanding of what man must be, what society must be, it must be the promotion of the immortality of the human being*, as expressed in this way.

So therefore, we have to learn to change our way of thinking. And what I've done in economics is just exactly this: Is to define an approach to economics in which I judge money from the standpoint of physical values. And by physical values, I mean, all four of them: I mean, the abiotic, I mean the living, I mean the quality of the living human being, and I mean the potential immortality of every human being. These are the four levels of physical reality. Because they have physical effects, and therefore they are physical reality.

And it's those four things which must govern the way we shape our policy. And the kind of monetary systems, financial systems, and recovery programs which we generate. This is our duty. This is our future.

And I believe this, also: I think, that, knowing people as I know them, today, which ain't much—given as they are, as they are generally accepted, as they describe themselves—they're not going to survive. Humanity as we know it today, is not morally fit to survive. Because it is incapable—and look at the Congress, which is not the worst institution by any means; look at the Senate, which is probably one of the best

institutions of the country. Look at it! What is it unwilling to do? What change is it unwilling to dare to make? *Changes which it must make* if this nation is to survive! Are they willing to make those changes?

If not, where's the fitness to survive? What could cause them to choose to undertake those decisions on which the survival of civilization depends? They have to proceed *not* from the sense of physical advantage, of financial advantage, of gain, of their own gain or the gain of their constituents, or the physical satisfaction of their constituents. They have to think about *the future of humanity!*

They have to think: *Are they worthy of being considered immortal?* Because, if you know anything about life, and you try to do something good, you go against Cheney, your mortality is immediately threatened. And therefore, if you want to change the world that Cheney dominates, you better give up the idea, about automatic immortality. You better start earning it.

And that is good forecasting.

Dialogue with LaRouche

What Should Democrats Do Next?

Freeman: As part of the questions which have been submitted, these webcasts in Washington have been principally characterized by an ongoing dialogue between Mr. LaRouche and leading institutions attached to the Federal government, and that will continue today. And in some cases, what I will do, because we get a lot of questions on the same topic, where necessary, and where it's convenient, I'll group those questions together.

Lyn, the first question is this, it's a simple one, really. It comes from a Democratic policymaker, who has the task of figuring out strategy for the party as a whole nationally. And what he says, is:

"Mr. LaRouche, in the aftermath of John Kerry's concession to George Bush, we were in a state of what might diplomatically be called 'disarray.' We were fighting over what we'd done wrong, and what we needed to do next. At that time, you defined a clear focus and direction. Your proposal was that we take up two principal issues: One was the question of voter suppression. And the other was the question of stopping the privatization of Social Security.

"To be honest, I really didn't think it would work. But for lack of any better idea, we went with it. And as the events that followed showed, you were right.

"Right now, the situation is more complicated, but it is the case that we need an order of battle. Can you define, in the way that you did then, a couple of issues, a couple of principal issues that we should be proceeding on? And let me just ask you, in advance, if you would identify dealing with the Dick Cheney question as a similar proposal?"

LaRouche: Well, the problem we have is one of gutlessness of a certain kind. The gutlessness is—for example, the case of dealing with the Democratic challenge of Bush, was easy. You had a fraudulent process of election. It had different elements, so you could not easily pin down one element, such as the vote count as a way of showing the fraud. That vote suppression, you had other factors in there, all of which combined to the *intent*, by various devices to defraud the American people of the knowledge and the ability to discriminate in the way they wanted to, in vote selection.

So, this was a gut issue which was obvious, and it had a lot of pent-up anger behind it. So, when people heard that, as I had warned, Bush was going to come on with an attempt to steal Social Security, a lot of Democrats realized I had been right, and our campaign essentially was, to change the Democratic Party *back* from an *anti*-Franklin Roosevelt party, to a *pro*-Franklin Roosevelt party.

Now, in certain degree we succeeded. And it's a little bit dangerous now, to run around and say you hate FDR in the Democratic Party. Republicans won't trust you if you say that. They figure that you're some kind of a crook; they'll start seizing their pockets and things like that.

Today, the problem is still the same, but now it expresses itself as a broader principle: The enemy has to be defined properly. Who is the enemy? Well, Cheney is ready for the rubbish bin. He could go quickly—he's earned it. I mean, the Lautenberg-Waxman report on the way he's ripped off the American budget, the American till with aid of his Halliburton associates, and how he has profited by what Halliburton has done by way of the "steal business," really puts him in jeopardy. He's not a popular guy. He's hated. Unfortunately, he's also feared. And cowards fear him.

But the enemy is not Cheney. Cheney is only a tool (as his wife describes him). The enemy is the Venetian faction.

The problem today, is economy, which has to be addressed—and this is where Democrats lose their nerve, in the Senate and elsewhere, they lose their nerve. It is not that they don't lack inspiring causes to go to. But when they know, and they are informed, by people like Felix Rohatyn, that they are treading in dangerous waters which they might not like to find themselves in—they *win*.

The biggest support we have, is the defection of Republicans from the Republican cause. Not the Republican Party as such, but from what the neo-cons represent in the Republican Party. So you have a mass defection of Republicans, who can not support what stinks. But you don't have Democrats, with a few exceptions, who are stepping up to the plate, as is said, on issues: Because they're afraid—of what? They're afraid of the financial interests. We have to realize that the enemy of humanity today, is the same enemy that Franklin Roosevelt had when he was alive, which sometimes are called the "bankers," but he didn't think of the "bankers." He had it right: He understood that the financial oligarchy, including the grandfather of the present President, Prescott Bush, had been the



Felix Rohatyn and Donald Rumsfeld at a meeting of the National Economic Council in 1988. Rohatyn represents the financier-oligarchy, "which says clusters of these bankers are going to run the world, and no government will challenge the authority of these bankers, or their money."

EIRNS/Stuart Lewis

authors of funding Hitler's being put into power in Germany. That these people in the American oligarchy—the Wall Street oligarchy—the backers of Coolidge, the controllers of Hoover: These were the people who had put Hitler into power, and Mussolini before him, and Franco afterward. These were the people, who were prepared to support Hitler all the way, and his system, if he had only gone East first, against the Soviet Union, rather than against France and England.

They turned against Hitler—many of them didn't turn until 1940. But they began to turn against Hitler, when it was learned, that the German military was prepared to strike westward first, before striking eastward. So, they became *anti*-Hitler, because they didn't like his direction. They liked his methods, but not his direction. And they supported him, by bringing fascism, Nazism, into power in Germany; and fascism into power throughout Continental Europe.

Now, you understand then—you have to go back deeper: That fascism, Nazism, which is largely a product of a group known as the Synarchist International, it's a group of bankers, in the Venetian tradition. These are independent family banks, family financial interests, which cluster like a slime-mold together, and have individuality, but they also are a slime. This is the problem.

These guys have come to the point, where since 1989, since there was no longer a Soviet Union as a contender, they felt free to destroy Western Europe and the Americas. Because they no longer needed Western Europe and the Americas as economic and military strength, to *control the Soviet Union*. Once the Soviet Union was gone, they said, "history has ended," as Francis Fukuyama put it. History is now at an end: Now the empire can return.

Now, the empire means the Venetian model. Which means the British model. It means the Anglo-Dutch Liberal

model, under which, in their view, the nation-state either should not exist—and they intend to eliminate most nation-states, which was what the real purpose was in Iraq, not to defeat Saddam Hussein. It was to destroy Iraq, which they're doing! Their intent is to destroy Syria; their intent is to destroy Iran; their intent is to destroy Israel: The intent is to destroy *every part* of that region of the world—and beyond. And they called them "failed states." Why has it failed? 'Cause it got killed. That's why it failed.

What about the other states? They *do not want to tolerate* in Europe, or in the United States, a government which does not submit to the power of a financial oligarchy!

Now, what these guys are up against, which Felix Rohatyn merely typifies, is, they represent a financier-oligarchy, which says clusters of these bankers are going to run the world, and no government will challenge the authority of these bankers, or their money. That's what the issue is. And they not only use the threat of financial campaigns against politicians and their constituencies. They also kill! They commit murders. They murder officials! They murdered Kennedy. They murdered McKinley. They murdered other people—*en masse*. They are killers. They don't do it personally, generally. They give the orders. And they can find Nazi types, like the Pinochet types and so forth, who will go out and carry out those orders. That's the way it's done.

So there is a genuine fear of these bankers, or these financier interests, among people who know that they hire killers. Most of the assassinations of the world are run, orchestrated by these financial agencies. They kill! They are poisonous cockroaches in our system, inhabiting the pores of our system. And that's what the problem is. People are afraid of them.

Again: The answer is what I said just a while ago. The answer is, *if you don't have a sense of immortality, of an*

immortal interest in your life, you don't have the source of courage to make the kinds of decisions to challenge power, evil like that. What they represent, what Felix Rohatyn typifies, in his own small way, is *Satan*. You want a figure for Satan? That's him. Not him personally, as such, but he typifies what is Satanic in society today. This is the evil.

And people are afraid to stand up against evil. They say, "Look, I'm willing to do whatever is possible to reform the society for the better. But, look! Don't get me in trouble!"

How Can We Deal With the Pension Crisis?

Freeman: The next question comes from the senior economists at a Democratic Party-affiliated think-tank.

"Mr. LaRouche, it seems to be a pervasive trend in the airline industry, and it may be extending to other industries as well, but as you know, Northwest Airlines and Delta Airlines have followed USAirways and United into bankruptcy protection, raising again the issue of the pension promises that companies have made to their employees. The growing concern comes with very good reason. USAirways and United have already terminated some or all of their obligations. Beneficiaries who had counted on and worked for these promised benefits, can now expect substantially less retirement income than originally anticipated. At the same time, the government's insurance company for defined benefit pensions, the Pension Benefit Guaranty Corporation, has had to absorb billions of dollars in unfunded pension promises, contributing to a total loss of approximately \$23 billion in 2004 alone. These new bankruptcies raise crucial questions about the security of airline pensions, which we are currently studying and being asked to answer. Can airlines maintain their promised obligations to their employees and retirees? What will happen to beneficiaries if the pensions are terminated? Can the existing insurance system for defined benefit pensions absorb more terminations? Will taxpayers have to foot the bill? What does this mean for the airline industry, for airline employees, and for consumers?"

While I don't expect you to answer each question specifically, please be as specific as you can."

LaRouche: Okay. I'll take that.

The problem here is, again, what I just said: it's the slime-mold. It's the financiers.

But it's also the people. The shock of what has happened has to be made clear to the people, brought home to them. *They said they would go along with deregulation.* They voted for it! They voted for it in Carter. The Carter vote was for deregulation. Deregulation was the policy of the Reagan Administration, despite Reagan himself, who had divided views on that. On one side, he was a traditional Democrat of the Roosevelt type. On the other side, he'd been brainwashed by GE and others, and he was crazy on the question of economy. But, in effect, the Reagan-Bush Administration, every administration since 1971-72, especially since 1977—has been *for deregulation!*

And deregulation has been a form of stealing, of looting.

Look, look at the stealing. People have been collecting profits. How? By letting the public utilities decay. Look at the public utilities we had in 1971-72; look at what we have today. Look at all the long-term capital investment. What happened to it? We didn't maintain it! We used it up! We burnt it up, like firewood! We don't *have* much of it, any more.

Now, what you're looking at in terms of the airline industry is exactly that. We burnt it up! We burnt it up, with deregulation, under Carter. Which was under Brzezinski. I don't think Carter ever understood economics. But we did it! And nobody changed it.

The Democratic Party adopted that policy, of deregulation. It adopted the policy of so-called environmentalism, which is largely insane, it's fraudulent—but it's popular. People believe it. It's destroying us. How many people adopted the idea of a change from a producer society to a services economy? Who accepts that? Who says we have to live with that? How many leading politicians in the Democratic Party, as well as Republicans, say that? *This is the price!* This is the problem!

Give me the power as with the Presidency of Franklin Roosevelt; I could fix this, in the way I indicated. This system has to go into bankruptcy reorganization. We're going to keep the airlines. We're going to pay pensions. We're going to keep things going. And we're going to grow, at a rate that we can pay for it. And it has to be done by the Federal government, chiefly.

Which means: Don't tell me you want to "fix this." Tell me: *Are you willing to repeal deregulation?* Huh? Are you willing to go to a fair-trade policy, not a free-trade policy? Are you willing to overthrow pro-free-trade agreements, international agreements—repudiate them? Are you willing to reverse the mistakes you've made, since the middle of the 1960s, alone? To reverse those policies, which you now deem sacred, policies construed *to destroy* our economy, policies construed to destroy our people and their institutions.

Look at our health-care system. Look at everything! You guys (I say to the American people), you did it, you idiots! You did it to yourselves! You decided to go along with popular opinion.

Let me go back one deeper, on this thing. Because I've said this, on other occasions, let me say it here. It'll come up again in different form. But:

How were we changed? All right, the minute that Roosevelt died, Harry Truman, who was not a good guy—he was never a good guy. He was a Missouri racist, and he never changed. He was also a bad guy in other ways. He was shoved on Roosevelt, because Roosevelt wanted to maintain the continuity of government into the postwar period, even though he was already virtually dying. So he ran for a fourth term, to keep the mission going, because he knew the sharks were out there, just waiting for the war to end, to eat up everything he tried to do. So, under those conditions, under pressure, he

took this swine Truman. And I say “swine,” advisedly. (I checked with the pigs, and they agree.)

Now, what Truman did—remember, at the end of the war, we’re now at the close of the war, just before the war had ended. And many people like Patton—George Patton. George Patton was not a nice guy; he was a killer, but not a nice guy. He was hired to be a killer, that he did well. Nice guy—he was not hired for that. He never accepted that job.

What happened was, Winston Churchill, who knew—as then, Truman did not—that the United States had developed a prototype, three prototypes of a nuclear weapon. One was tested at Los Alamos. Two were remaining. They were not production-line weapons. They were laboratory-test operational prototypes. One was a uranium bomb; the other was a plutonium bomb. The intention of Winston Churchill was to drop one or both of these bombs, when completed, on Berlin. But, as luck would have it, Hitler was gone! Couldn’t do it any more.

We now had, at that time, a peace agreement, negotiated through the Extraordinary Affairs Department of the Vatican Foreign Office, with then-Monsignor Montini; who later was Paul VI, the Pope. And there was an agreement, which was the agreement under which the occupation peace treaty with Japan *was signed*, involving MacArthur. What Truman did, was postpone the recognition of Emperor Hirohito, which was the condition on which the signing would occur, which the Emperor said he would have the authority to tell the military to shut down. They postponed it *in order to drop the two prototype nuclear weapons* on Hiroshima and Nagasaki—which were largely civilian population centers—in order to launch a policy, which the British had organized, and associated with Bertrand Russell, who was the author of the policy. Many people call Bertrand Russell a peacenik. Well, if you kill everybody, you’re going to have peace, of course. And Bertrand Russell was a nuclear bomber: He was the one who put out the Cheney policy, of *preventive nuclear warfare*, pre-emptive nuclear warfare.

And it was the Russell policy of pre-emptive nuclear warfare which was implemented on Hiroshima and Nagasaki by Truman! The intent was to crank up a production arsenal of nuclear weapons, to launch a pre-emptive nuclear attack on the Soviet Union.

All right: Now, the United States went through Hell under Truman. We went far to the right. We went in the direction of a fascist outlook, and people returning from war, as I did, in 1945-46—I came back in ’46—had returned to a United States which was turning fascist. In which the *same financial interests which had backed Hitler, in 1930-33*, the same financial interests, from Washington and London, were now running the Truman policy and the policy of the United States! And this, was the so-called “right turn.” A tendency toward fascist dictatorship, under Truman, in the United States.

What happened is, in the course of time, you had a development, such as the Soviet Union developed nuclear weap-

ons. Ar-r-gh! It’s a different thing to attack a nation which has no nuclear, and one which has one. They can shoot back.

They got nervous. The Korean War didn’t work too well; they got nervous. It was a stalemate war. They got nervous. Quagmire war. And then, the word came back: The Soviet Union had developed a *thermonuclear weapon*, and we didn’t have one. Pre-emptive nuclear warfare was off the table for the time being.

Somebody told Truman, in language he could understand: “Git!” And he “git”! And Eisenhower came in, and Eisenhower saved the United States from nuclear warfare. And did a lot of other good things, both as President and after being President, up through 1968. Many of the things that Eisen-

*Don’t tell me you want to “fix this.”
Tell me: Are you willing to repeal
deregulation? Huh? Are you willing
to go to a fair-trade policy, not a
free-trade policy? Are you willing
to overthrow pro-free-trade
agreements, international
agreements—repudiate them?
Are you willing to reverse the
mistakes you’ve made, since the
middle of the 1960s, alone?
To reverse those policies, which
you now deem sacred, policies
construed to destroy our economy,
policies construed to destroy our
people and their institutions.*

hower and his team were working on, in the 1960s, were excellent projects, such as Middle East peace, things like that. Atoms for Peace was a great idea, an Eisenhower idea. But he had a thing like [John Foster] Dulles on his back, and he had a thing like Arthur Burns on his back on economic policy. They were limitations.

Kennedy came in. Now, Kennedy had, of course, a fascist background in his father: Joe Kennedy was a friend of Hermann Goering, and an opportunist who would not intervene to save a single Jewish life. So, Kennedy originally started out in the postwar period, like his brother Bobby, as a right-wing fanatic. And then, as John decided to run for President, he changed his line, and he went to Mrs. Roosevelt, and said he was going to try to be like Franklin Roosevelt, and he changed his profile. But he had trouble getting his

gears meshed on that one—and about the time he began to get his gears meshed, he got killed, by this same crowd, in order to get the Vietnam War started. He was killed, by the usual crowd, the banker crowd, the crowd I referred to.

We went through a transformation in the meantime. Because, people who were born in 1945, or slightly after that, were not the same people who were born before then. People born after that time, were subjected to, first in their parents' families, the terror of "McCarthyism," as it was called. It was actually Trumanism.

Then, they formed the league of fascist-Marxists and existentialists: They were called the Congress for Cultural Freedom. And whether you know it or not, the school system, and the institutions of the United States and Western Europe, were taken over culturally, by this fascist gang of Marxists—like Sidney Hook and company. They were the people who directed the *cultural transformation* of the culture of the United States, through many things. For example: You couldn't hear Beethoven any more. You had to have some "Chopsticks" in there in the middle. You couldn't have any kind of decent entertainment, you had to screw it up in some way, Bertholt Brecht style, piggish style.

You couldn't get decent education any more—it got worse and worse. And you had a generation of people born around 1945 or later, their parents had capitulated to fascism, like the cowards they were, or had become. But the children were the victims of it! They didn't know any better! They were born into it! They were born into a fascist culture, that of Truman and what followed, through the Congress for Cultural Freedom. They were brainwashed in the schools; they were brainwashed on television.

They were frightened. "Don't get your father into trouble! Your father will lose his job—be careful what you say!" They were children who were raised *not to tell the truth*, but to "be careful what you say." They were children of the Delphi code, the Apollo Cult of Delphi, which created Sophistry in Greece, to destroy Greek culture, and succeeded with the Peloponnesian War and other things, beginning of the 5th Century B.C.

This is what's happened to these people! The people who are called the Baby Boomer generation, those born shortly after 1945, are a lost generation! And their children, today, know it! Young people today, now between 18 and 25, are experiencing the brainwashing of their parents' generation by these circumstances. And that's what makes their parents tick. They were brainwashed into becoming Sophists. And we, the United States, are being destroyed the same way Greece, which had been a great culture, was destroyed—and destroyed *itself*—in the Peloponnesian War, through the influence of Sophistry.

We are a nation of Sophists. And the problem with our government today, is that the Sophists, or the Sophists' generation, those who were born, who have lived between the interval-bookends of 1945 to the present time, who are now in their 60s or approaching their 60s—that is the generation

which has been brainwashed. They don't know any better! They don't know what truth is. They were educated, you have to look at the program they were taught: They were taught *there is no truth*, there's only opinion. There is no truth, there's only sensitivity. If you try to tell the truth, then you're an authoritarian.

The way we got the right wing today, among the right-wing Republicans around these nuts—this 30% of the American population which is absolutely *nuts*—religious fanatics—we got them, because of a reaction against the 68ers! The 68ers were the ones who were used to destroy the U.S. economy. They were the ones who were out to destroy industry, to destroy technology, to eliminate nuclear energy, to eliminate infrastructure, to eliminate high technology, to transform the society from a producer society to a services economy! They did it!

And the reaction by my generation, to *this*, was the Reagan phenomenon: the hatred of the 68ers! And it was a legitimate hatred, because the 68ers were destroying the United States.

The reason Carter was rejected, the reason Bush lost to Reagan in New Hampshire, was that reason. I was in the center of it. Bush represented the Trilateral Commission. He represented the no-future society. He represented all these funny things that Brzezinski represented. And the voters in New Hampshire hated his guts! And Reagan won the nomination because of that. The Reagan Democrat, was a Democrat who *hated* the 68er! Because the 68er was destroying the country, destroying the nation—and he was right.

The 68ers are now running the country, in the highest positions of business. The immorality, Enron, is created by the 68ers! The people who are running, and ruining General Motors, and the auto industry, were created by the 68ers. That's the secret of politics in this country.

And that's what we have to understand, is that issue.

Now, when you look at the airline industry: *It was deliberately destroyed!* It was not some accident, it was not mismanagement: *It was deliberately destroyed as a matter of policy!* Tell me: What happened to Pan American Airways? What happened to all the leading airlines of that period, or virtually all of them—what happened to them? They went quick. What's happened to all of them? The same thing: *It was deliberate!*

What happened to our industries: *It was deliberate!*

Why the mismanagement of the automobile industry: It was deliberate!

And it was two things: It was this intention, behind this, of this banking crowd—the guys who were actually Nazis, Nazis in the sense of followers of those who put Hitler into power in Germany in the first place! In our own country, like Prescott Bush, the grandfather of the present stupid President: *These* are the guys, who intended to do this, to destroy the United States. Why? *Because the United States, and what the United States represented from its creation, its inception, was the alternative to the Anglo-Dutch Liberal system.* And they



EIRNS/Stuart Lewis

The religious fanatics emerged as a reaction against the 68ers, and today represent the core of the right wing in the United States. Here, a Washington for Jesus rally in Washington.

wanted to destroy it.

And they couldn't destroy it from the outside, so they destroyed *from the inside*.

And if we recognize that we have been betrayed, and are being destroyed in this way, for that reason, and that we once had a great country with a great promise, and decide to take it back, under *its* Constitution: then we can win. If we're not willing to do that, we won't win. We'll lose.

Don't We Have to Tackle Fraud in Government?

Freeman: The next question is from the Senate Judiciary Committee: "Mr. LaRouche, the sudden discovery of *New York Times* reporter Judith Miller's notes, which, as you know, detail a conversation she had with Dick Cheney's chief of staff, Louis Libby, on June 23, 2003, would seem to establish that the White House started targetting Joe Wilson and his wife weeks before Wilson publicly accused the Bush Administration of twisting intelligence on Iraq, to promote their war. The fact that this meeting has heretofore gone undisclosed, would seem to add charges of conspiracy, perjury, and obstruction of justice to the original charges that the White House knowingly revealed the identity of an undercover CIA operative.

Now, some argue that this is the business of special prosecutor Fitzgerald, and not the business of the United States Congress. They say that the more compelling issue for Congress to consider, is the fraud that was perpetrated to get us into the war in the first place. There is yet a third argument that is batting around, which is that Congress shouldn't concern itself with either of those two questions, but should instead deal with the current situation. But the simple fact that

there doesn't seem to be a way out of Iraq, without first dealing with the fraud, especially since that fraud was perpetrated under the direct command of the Vice President, with the complicity of the President himself, is an issue that troubles me.

My question to you, really, is what are your thoughts on this? What is the appropriate course for us to take in considering this overriding problem?

LaRouche: The complicating problem is one addressed by the former First Lady, and now Senator, Hilary Clinton, in a recent press conference this past week. And that was, that there's a certain kind of a creature, a crawling creature, that works for the *Washington Post*, called April Witt. And she's half a wit. I don't know which half, but anyway. There was a feature published in the *Washington Post*, under her name, which was a really disgusting re-warming of an operation, in which the FBI used, among other things, a complicit member of the extended Kennedy family, to set up the Clintons for a scam against them, or against their fund-raiser, in a Hollywood fund-raiser. Now, she ran the story in spades and in color, which was actually run by the *Washington Post*, which is not a center of purity in these vicinities. It was run as an operation against Bill Clinton and Hilary, because that's all in the past, in the former Clinton Administration, when Hilary was the First Lady. And it was run by an FBI sting, scam operation, against the President of the United States! Now, where's the morality there? And a member of the extended Kennedy family was complicit in assisting an FBI sting operation, run by the FBI against the President of the United States!

That's to begin with. But then, take how these things develop: You've got to get the total picture of what we're up against. You've got to get the dynamics of this, not just the



The 68ers, who destroyed the economy, technology, and industry, are now running the country. Here, a New York City "Pot Parade" in 1981.

detail, one detail or the other. It's come to, what is our policy on this question? To answer the question: What is the policy? I think that's the intent of the question. So, anyway, naturally, at the first occasion, the customary press—which is really like a pack of locusts, most of the time, in the cornfield, you know?—she came out at the press conference, and they began to pounce on her about this reported scandal against the Clinton family, in connection with his fund-raising this time—which was a sting operation against the President of the United States. They're not shocked by that. They want to go along with the *Washington Post*, which has published a piece of filth, using a filthy mouth to get it out of—April Witt, a notorious piece of filth.

Now, Hilary's answer to this pounding of her, to demand a response on this question about this *Post* article, was, "Well, Judith Miller is not the only government agent in the press corps"! The press corps went wild, because—you have no idea, or perhaps you do, of what percentile of the so-called

leading members of the press, are agents of government agencies of some kind, as in the case of Judith Miller. Judith Miller is not a reporter. She operates out of the cover of being a reporter. It's like a beetle wearing a suit and saying, "I'm your cousin"! Now, one of the things to answer is the holier-than-thou U.S. press corps, is an essential part of the corruption.

Now, there's another aspect of this thing, which is mentioned in the question, which is crucial, and which goes to the great irony of the thing. Now, how would Cheney-ac know to try to set up Joe Wilson and his wife, before Wilson had published his article? How would they know? Well, because Wilson made his report *to whom*? The report on the yellow cake operation from Niger—who did he report to? The CIA! Now, how would anyone in government find out what Wilson had said to the CIA? Because his report to the CIA actually discredited Cheney's story on Iraq. So obviously, the inception of the fraud against, and the violation of law, against Wilson's wife, had to come through some kind of a security leak. Who had access to that security information? Who would go to visit the CIA headquarters? What does the former head of the CIA have to say about this! Did he give out this information? Did this information come out of his office, into Cheney's hands? Into whose hands was it delivered? How did they know they had the problem, unless somebody told them?

So, the point is, the question is, the direct question: Was there corruption inside the Bush Administration which generated this thing in the first place? It was not, did the information leak, information that should not, which was entrusted to a reporter? That's a phony story! Because the operation was in place before Wilson was disposed, and Wilson was breaking this story only because it had *not* broken. He thought it was important to get it out. And the other side was the gutlessness of members of the Congress, especially the Senate, in failing to take this into account. He had said that what Cheney was saying was a lie, and the members of the Senate were afraid of Cheney, and they wouldn't buck him, even though the evidence was available to them. They didn't do a damn thing about it. Why didn't they? Because Cheney said he swore, and it was a question—to challenge this information was to challenge Cheney personally. Not Bush. Bush doesn't know where Iraq is yet. Sometimes he can't find Cheney.

The Issue Is Constitutional Law

So, we have to look at this from that standpoint. We have to look at these things, not from the standpoint of legalisms in the narrow sense. When you're in a crisis, the law has to be the conception, which is our constitutional law as such. This is not British law. This is our constitutional law, and our constitutional law is specified essentially in the Preamble of the Constitution, and by the powers and responsibilities assigned to the Executive Branch, and the Congress, and the Supreme Court, by the Preamble of the Constitution, which is the overriding authority on all of them, when it comes to matters of law.

When a thing like this occurs, the Federal government is responsible to enforce the law, not the law as such, but especially the Executive Branch and the Congress, especially the Senate, are responsible in a case like this, or there may be no law. They can't sit back and say, "We don't have a law that covers the situation." Yes, they do have a law that covers the situation. The Preamble of the Constitution. That's the law! The general welfare. Their obligation to defend and promote the general welfare, for ourselves and our posterity. So whenever the security of the United States is at stake, the Constitution specifies that the Executive Branch and the Senate, in particular, are responsible for making a finding, and to get a community of agreement among the houses of the Congress and the Presidency, a finding of agreement of what is required in due process. You don't need a new law. That *is* a law! A declaration of war is a law. You don't have to have a special law to make war! It's in the Constitution: The powers to make war, the checks and balances. In this case, the power to make war, or the power to *prevent* an unnecessary war, are constitutional matters, not matters of positive law.

See, the Constitution as such has to be understood. The Constitution has to be understood historically, not on the basis of some British advisor. The British don't have law. They never did have a Constitution. They have habits. Sometimes they wear them, sometimes they use them. Sometimes the habits use them. But we are a nation under constitutional law, in the tradition of Solon and Plato's Republic. We have a Constitution which reflects that. That is our law. Our Declaration of Independence is still our law. It's the intention under which this nation was founded. The establishment of the Federal government is an implementation of the intention of the Declaration of Independence. You have the Leibniz clause in the Declaration of Independence, which is against slavery. The pursuit of happiness is Leibniz's denunciation of John Locke. So any argument in law which is based on John Locke, is unconstitutional. It's against the founding principle of the United States. The idea of property right as such, is unconstitutional. The highest authority of law is the pursuit of happiness, which is reflected in the Constitution as the realization of the mechanism by which the pursuit of happiness would be promoted.

And therefore, when we get into a situation like this, you're not dealing from the bottom up with a violation of trying to figure out where you carry it. You go from the top down, because what is at stake here is, the United States was put into an unlawful war by fraud. Various mechanisms were used. There are various dynamic aspects, elements, to this process. And therefore, things should come from the top down. Any agency, in my view, any agency of government, authorized government, has the responsibility and right to proceed with its responsibility in the matter.

And the question is—for example, is Judith Miller really a reporter? Her fellows at the *New York Times* didn't want to

cosign any articles with her. Is she really a reporter? Is she an agent of [John] Bolton? Is she an agent of some intelligence service, operating out of the cover of a reporter? Will the *Times* tell us that? Will the *Times* tell us whether she's really a reporter or not, or whether she's an agent they had planted? These are the kinds of questions which are posed, and I say we go back to the essential thing here: The first thing to look at is, where was the actual genesis of this operation against Valerie Plame? Didn't it come prior to the fact that Joe Wilson had published an article? Didn't it come through his report to the intelligence community? Isn't that where the genesis was? Wasn't somebody angry, like Cheney, because Cheney was the author of this war in Iraq—it wasn't Bush, it was Cheney. Was Cheney very angry that Joe Wilson, by saying the yellow cake story was a fake, had jeopardized Cheney's private interests? And wasn't Cheney already putting the machinery into play to get Joe Wilson for this, and to silence the CIA by this kind of process?

The Bankruptcy of Delphi

Freeman: We are very close to being out of time, but we have an overwhelming number of questions on General Motors and the recent bankruptcy filing of Delphi. I am going to ask Lyn a question that was submitted by the Manufacturing Caucus, which touches on various of the questions that folks here have submitted. And, Lyn will answer it as he sees fit. You will certainly have the opportunity later on, to ask him more about this. This question is:

"Mr. LaRouche, earlier this year you warned that General Motors was moving toward bankruptcy. We were visited by delegations representing you who demanded that emergency action be taken to protect the auto sector in various ways. Some of your critics here on Capital Hill argued that what you were essentially doing was calling for the nationalization of the auto industry. Now, some months later, GM is still with us, but Delphi, the largest manufacturer of auto parts in the nation, has indeed filed for bankruptcy protection and GM is in big trouble. So, in your view, where are we right now, and where do we go? And please, since it did emerge as such a point of controversy, are you recommending the nationalization of the auto industry?"

LaRouche: In the past we have, in situations like this, we have put an entity or a group of entities under Federal protection, not with the intent of privatizing them, but of re-constituting them. I don't think you'd get many people enthusiastic about bailing out some of the management of General Motors, or Delphi. As I said, what's happened, what the management of those two entities have done, means that the U.S. government owes Martha Stewart an apology!

This management is evil. Just this question of the pensions. Here they are, with the bankruptcy law coming up, what are they concerned about? They're not concerned about the entity. They are concerned about increasing their pensions, their withdrawal rights, while they are stealing everybody

else's! And, if the bankruptcy went through later, then they'd come under the new bankruptcy law and they wouldn't be able to steal quite as much from these special withdrawal funds. So they wanted to bankrupt the things *now*, in order to run away with large pensions which they can do now, but they won't be able to do when the new bankruptcy law kicks in. Now for this kind of scoundrel, I have very little sympathy. For the stockholders of these companies, that's another question. They should take their licks like everybody else in the industry. But, from our standpoint, we have to look at this as a government, from a standpoint of national interest, national strategic interest.

Now, the problem in the Congress is, that there is a lack of understanding of the ABC's of economics. And, that's because they are Baby Boomers. They are part of this generation of the '68ers. They are people who have been conditioned to believe in the mysteries of *service economy*. Free maids, for example, eh? Or, changing your sex, and wives, and husbands, and so forth. Marry a turtle, whatever, eh? So, these fellas have a little confusion about things about the general welfare question. And, therefore it's going to take a lot of effort to get them to understand this problem.

But, *we need machine-tool capability*. We need the means to implement machine-tool capability. We have tremendous needs in this country for a railway system, for a magnetic levitation system, for improved, many kinds of systems. We do not need to save the capabilities of GM, Delphi and so forth for the specific business of automobiles! We need to save the *capacity* for producing the kind of product this combination can produce. And, producing it in the areas in which people are presently employed, because, the other side of the thing is, you don't really have people working in some *place*. You have people who have families imbedded in communities. There are several generations, in communities. These are family-related communities. There are all kinds of complexes, stores, other industries, all kinds of things tied together.

So, you want to take an area like western Pennsylvania, Ohio, Michigan, Indiana, Illinois, for example, which are prime areas; the Ohio River basin, the Great Lakes, Ohio River basin. You want to take that area and make sure you stabilize that. You stabilize that by keeping people where they are. So, now you keep people where they are and you come up with some new work for them to do. Work we need. Do we need a national railway hookup? Yes, we do. Do we need to increase employment? Yes. Do we need to get the other employment which will come as a spinoff of maintaining these firms in operation? Yes. Does it have to be automobiles? No. It has to be the combination of machine-tool capability, science driven, machine-tool capability, which turns design of a product and the tools of the production of that product into a product which is produced by masses of people working in that industry, the way we did in World War II. We broke the job down to fit the skills of the people. We got things

designed and produced that worked. The case was the same as [Henry J.] Kaiser's work about building ships, by building the victory ships and so forth, these kinds of things. This was done as a machine-tool job. What Kaiser did was a miracle, with this stuff.

We can do that again. And, you don't need to have everybody know how to do it. If you have a cadre of people, just like a military cadre, you have a cadre of people, an inside team, the hard core of the design engineers. That's the hard core. You design the basic product around that. Now, you have a cadre around them of machine-tool engineers and skilled people who now break the job down as designed, and are trained and know how to do that. Now you take your design and now you put it out into a production line. And, you'd be surprised how rapidly, as we learned from World War II experience how rapidly, from almost zero, we can go into a large-scale production, if you are willing to accept a high rate of errors, a high rate of scrap in your initial stages. We can produce almost anything. We can change this economy quickly.

Now, what we need is, we need a mass transit system. Preferably we need a maglev system, because, with a maglev system we can get people from a railroad station on the West Coast to a railroad station on the East Coast about as fast as you can get there by plane, when you think of all this stuff about going through the ticketing and all the moving back and forth to airports and so forth. You can certainly do that with that kind of system; your intercity connections become highly efficient. You would never use short haul air flights as a way of transportation between urban centers, because you can do it more cheaply and quickly by maglev. You even have high-speed rail, which is a compromise in many cases. We have improved qualities in high-speed rail which we are using in some parts of Europe, for example, that work.

We could do that. We could produce plants. By breaking the job down, we could produce power plants; new ways of making power plants. Now it takes a number of years, three, five years to build a power plant. We can speed that up by redesigning the job. We know how to make the thing work, we just have to design the way that we put it together, eh? Like this whole curing of concrete, and so forth, in some cases.

So, therefore, we need the increased production. We have to change from a services economy to a producer economy, *now*. If we don't maintain the integrity of our machine-tool sector, our machine-tool industrial sector, *we can't do it*. We become a Third World country. And, I think some people want to destroy us.

So, we are talking about saving the nation. And, if we have to put the industry under Federal protection to keep it running, in order to maintain the capacity and keep these communities functioning, the tax-paying communities, maybe that will get through to some of the Congressmen, eh? Then we should do it. It's not a question of nationalizing! This is stupid propaganda by some idiot advisor.