

EIRFeature

LaRouche's First 2002 Webcast: 'And Now, A Year Later'

On Jan. 24, Presidential candidate Lyndon LaRouche's first Washington webcast in six months was attended live by 200 people—including embassy representatives of 15 nations—and by missions of a dozen other nations at a satellite meeting in New York City. LaRouche's presentation, and the international question-and-answer dialogue which followed it, were broadcast live on his campaign website, www.larouchecampaign.org, as well as on www.larouchepub.com, and are archived for access on those sites.

LaRouche began by reference to his extraordinary series of four international webcasts during the post-Presidential election crisis in the United States, between Nov. 12, 2000 and Jan. 27, 2001, wherein he forecast the economic crisis which has hit the Bush Administration and the targetting of Washington by international terrorism, and declared war on Enron and the "Southern Strategy" it represented.

Lyndon LaRouche

It's important in what we're doing here today, to recognize that we have to say what we think is going to happen, or could happen, sometime ahead, and we have to ask ourselves: How do we know we're right? Therefore, my record in forecasting is on the table, as an integral part of any discussion of this question.

For example, between the middle of November and the end of January of the previous year, between the process of the breakdown in the election itself, and the inauguration of President Bush, I made a number of statements and forecasts and characterizations on economic and related questions, and also on strategic issues of crises which we could expect. A year later, it would appear that what I said, what I forecast, is correct. And I think it's fair to say that my forecasts on all of these points were somewhat unique, and in totality, were uniquely accurate. And therefore, I ask you to consider that, in considering what I warn you about, and propose, now.



Lyndon H. LaRouche, Jr. addresses the Washington webcast seminar by teleconference on Jan. 24. "I am leading the fight for what is a continuation of the principle of the American Revolution, against a fascist gang, typified by Brzezinski, by Kissinger, by Huntington. . . . Because if we don't fight them . . . we're not going to have a country, and we probably will have a dark age throughout this planet."

We can understand the future. We can not understand always, or predict, what *events* will occur, but we can foresee the conditions into which we're heading. And we can discuss the conditions, what they mean, how we should deal with them, and what the likely response is to these various proposed actions. And that's what I shall do today.

No Way To Save the Present System

Now, there are two major categories—actually three, but two on the table for forecasting. One is the economic issue. As I forecast, and had forecast earlier, but forecast in particular for this year—this past year—the world's present monetary-financial system is in the process of disintegration. Despite all efforts at denial, there is *no* way that any present mode of IMF policy can prevent a disintegration of Argentina. Only a repudiation of the policies of the IMF—of Freddie Krueger's sister Annie Krueger—could save Argentina.

We're now in the middle of a crisis in Japan, in which a virtual default is in progress, at the same time the government is *denying* the existence of a default—that is, the present Prime Minister's government. But it is a default. Poland is on the edge. The zloty's about to go. The enactment and implementation of the euro in Europe, a united currency, and the spread of that into countries in Eastern Europe, ensures a major crisis. Inflation and tax rises are already on the way in Europe, as a result of the euro. It *can not* work, and *will not* work. I can safely forecast that the euro, in its present form, will be a great disaster for all of Europe. Because under the

present Stability Pact, and under the Maastricht agreements, it is *impossible* for the governments of Europe—or unlawful under the present conditions—to attempt to generate the state-backed credit necessary, in any case, to revive a collapsed economy from a collapse.

The remedy for a collapse is not to cut, cut, cut. The remedy is not to cut credit. It is rather to *increase* credit, especially state credit, but to channel it, under strict regulation, and strict conditionalities, to ensure that the credit goes into no place but increase of production, and other useful things—such as more employment in infrastructure, reactivating idle capacity of industry, meeting obligations in health care, meeting pension obligations, meeting other obligations which are essential for the political and social stability of society, as well as the basis of the recovery.

Under the present Maastricht agreements, this is impossible.

The Sept. 11 Coup d'État

The rest of the world is in a crisis of another type, typified by the Sept. 11 events.

Now, let me say flatly: There are some people, even at a high level, whom I respect, who are desperately trying to say there's some alternative to my assessment of what happened on Sept. 11. But nonetheless, they will be frustrated, and they'll find out—and they're serious people—as they conduct their investigation, they'll find out I was absolutely correct. *There is no other possible explanation than what I gave.* The



President George W. Bush at the Pentagon, with (left to right) National Security Adviser Condoleezza Rice, Defense Secretary Donald Rumsfeld, and Vice President Dick Cheney. The military coup plotters failed in their attempt to wipe out the nation's top leadership, which kept the situation following Sept. 11 from going totally out of control.

facts are all there.

The essential facts I presented in that radio broadcast on the 11th of September, in the morning, are the essential facts. Other facts have been disclosed since then, but the facts I stated, are sufficient to prove the case, *if* you take into account the circumstances under which these events occurred.

What happened was this: Three things happened simultaneously on the 11th.

First, there was a military coup attempt against the Bush Administration, Bush government, by a faction in the U.S. military. And I'll talk some more about that, and I've addressed that in other locations.

Secondly, this attack, which was not fully successful—a couple of things went wrong from the standpoint of the coup plotters, so it was not as deadly as it should have been. The President is not dead; Vice President Cheney is not dead; Donald Rumsfeld did not die in the Pentagon. And these were obvious indicated targets of the military coup plotters, who ran the operation.

Also, there was an escalation, a thermonuclear security alert, which went up automatically on the basis of these attacks, especially the attack on the Pentagon. When somebody attacks the Pentagon in that fashion, which threatens to wipe out the military command in Washington, that is the alarm signal which automatically guarantees that the United States

goes on a full-scale thermonuclear alert. That's the only thing that happens.

Now, that *did* happen. It was referred to by President Bush on several occasions later, including his address in Crawford, Texas, where Putin was standing beside him: stating that while he was on the phone to a thermonuclear second-strike base, Offutt, in Nebraska, that he had a conversation with President Putin of Russia, and that President Putin in effect said to him, "I know you're in trouble. I know the United States has put up its thermonuclear alert system. I'm taking down ours"—that is, the Russians', which was doing a practice alert—"in order to help you get out of this mess."

So the President, of course, in that circumstance, under these kinds of conditions, was the only person who had the authority to shut down, or order the shutdown, of the alert. And he was alive and able to do it. That prevented the crisis from going totally out of control. The fact that Cheney wasn't killed, the fact that Rumsfeld wasn't killed, were factors which also helped in keeping the situation from going totally out of control.

The 'Clash of Civilizations' War

But that was only one part. That is not the coup. Trying to find out what Sept. 11 was about, *as such*, will not tell you *why* it was done. What's the motive? What's the outcome?

Well, the outcome became immediately obvious. The obvious thing was to implement, immediately, a state of global warfare, which is described many times by Huntington, by Brzezinski, and their associates, as a "Clash of Civilizations" war. This had the central feature of a plan of a religious war against Islam, which was intended to throw the entire world into chaos, and bring about certain utopian goals, which are the goals of the crowd with which Brzezinski and Huntington are merely puppets and lackeys.

The third element of the coup, was in Israel. You have an IDF [Israeli Defense Forces] crowd, under military control, which has a favorite puppet, who's called the Prime Minister, Ariel Sharon: a known killer, but he's not really a fanatic, he's just a killer. He's just a thug. He's got a record as a thug. He's a thief, and a thug, and a political animal. He's not an ideologue. But some of the people in the IDF, and behind them, are fanatics, they're ideologues. They're determined to set off a religious war. How? By conducting a war against Islamic peoples, beginning with the Palestinian population and beyond; attacking Iraq, attacking Iran, and other countries, to set forth the basis for a religious war throughout Eurasia.

The other thing they intended to do, and they've intended to do that, is to go to the top of a hill in Jerusalem, on which is located the [third]-holiest place in Islam, and to *tear it down*, to put up what's called the Third Temple. That is the sufficient pretext for launching a religious war, on a global scale, comparable to what happened in Europe generally in religious wars between 1511 and 1648, and specifically, the Thirty



The Nazis came to power thanks to a coup d'état, backed by Anglo-American interests, that ousted Chancellor Kurt von Schleicher. A similar danger is arising today. "The danger is, when people who have obsessions, and who have great power, see that power threatened, they are likely to go, as they say, 'ape'..."

Years' War of 1618-1648. Religious war, and wars like religious wars, once started, *can not be stopped*. They are self-inflammatory. They lead humanity into Dark Ages.

So, the implication of the three events—the attack on the government of President George W. Bush; the launching of the continuing escalation of demands for extended war, Clash of Civilizations war, by the friends of Brzezinski, Huntington, Richard Perle, etc., etc., etc., and Democrats such as Lieberman and Gore's friends, and so forth; this kind of thing is part of the operation. The third part is the role of the present Israeli dictatorship—and it is a dictatorship—over the objections and warnings of sane Israelis, such as the martyr Rabin, who understood that Israel can not survive unless it reaches peace agreements with its Arab neighbors, especially the Palestinians.

So, every sane Israeli *knows*, you must have a peace agreement with the Palestinian people, and the Arab neighbors in general. Otherwise, the future of Israel is non-existent. But these are madmen who are determined to do it anyway. Religious fanatics, or worse.

So, those are our essential problems. The three problems go together. This is our problem.

The Nazi Precedent

Now, this comes at a time which reminds me, as I've said before, of the events of January through March of 1933 in Germany—and also, then, of course, a year later, in the Summer of 1934.

The Nazis had been defeated in their aspirations for power, in the Autumn of 1932. A new government had come into place, a ministerial government, headed by Kurt von Schleicher. Behind the Kurt von Schleicher government were policies which were like those which were actually implemented by Franklin Roosevelt, once he was inaugurated President. Remember, Franklin Roosevelt *was* elected President, in November of 1932. In the same period, the forces behind Adolf Hitler, from the United States and Britain (more than Germany), were defeated in support of their Nazi puppet.

What happened was, that British interests, headed by the former head of the Bank of England, supported by the Harri-man interests of New York—that these interests planned to put Hitler in power. They pulled a coup d'état, which, on the 28th of January of 1933, resulted in the retirement of the Chancellor of Germany, Kurt von Schleicher. On the 30th of January, a good-for-nothing tyrant, a Nazi, Adolf Hitler, was appointed Chancellor of Germany by the President of Germany.

This was not the end of it. People said, "This is a bad joke, because Hitler does not have the base to hold power." But then they fixed it: Less than a month later, the Reichstag [fire] occurred. The Nazi regime declared emergency rule, and established a dictatorship, and started the concentration camp system. The following month, in March, [Hjalmar] Schacht, who was one of the key plotters behind putting Hitler into power, for Anglo-American interests, became the president of the Reichsbank of Germany. And U.S. and British bankers,

and others, poured the credit into the hands of Schacht, for the purpose of Germany's being rearmed to start a war with the Soviet Union.

A year later, in 1934, von Schleicher had been murdered by the Nazis. Hindenburg, the President, was dead. Hitler declared himself the eternal dictator of Germany, and World War II was inevitable. Maybe it turned out differently than it might have turned out, but the war itself was then inevitable.

And the danger is, we're getting to a point like that. It's not exactly identical. But here we come to a point that the international financial system in its present form is doomed; the IMF system as we know it, is doomed. Nobody could save it in its present form, except a lunatic—and they couldn't succeed. But the danger is, when people who have obsessions, and who have great power, see that power threatened, they are likely to go, as they say, "ape." They are likely to make coups, coups d'état, to establish dictatorships, to commit mass murder, all kinds of crimes, in a desperate attempt to hold on to their power, hell come or not. And that's the situation that we face.

The Political Parties Are Worthless

Now, there are solutions to the economic and related problems we face. The problem is, that we don't have, in Western Europe or in the Americas, anywhere today, a government which is worth a hill of beans. The political parties, the political parliamentary parties of Europe, and of the Americas, are worthless, just like our own Democratic and Republican parties. They both, right now, are absolutely worthless. There are people *in* these parties, who are perfectly capable of doing useful things, as individuals. Combinations of such persons, from each of the parties, or a combination of both, could represent a competent, intelligent leadership for this nation, on the parliamentary side, or the Congressional side, and as public figures.

But the parties in their present organization, particularly the Democratic Party under the influence of the DLC [Democratic Leadership Council], *can not possibly play any useful function.*

We've seen, since March-April of this past year, we've seen the Democratic Party, once it had a grip on the majority in the Senate, has been incapable of doing anything useful. And if you look at what's being said from those quarters today, and the performance of leading Democrats, who represent that Democratic Party, on both the House and Senate side, they just are not capable of doing anything useful in response to this kind of situation we face today.

The government—that is, the government of George Bush—is not much better. Bush responded in a wrong way, but also, in a sense, in a responsible way, to the attack on *him*, on the attack on his government. The bombing of Afghanistan was a mistake. Anybody who's studied military science, and has studied the history of the wars in Afghanistan, knows that's absurd. *Bombing mountains in mountain warfare is the*

most idiotic thing that anybody ever dreamed up. The Soviets got wind of doing that sort of thing when they got desperate, and it didn't do any good, it just made everything worse. We're not doing anything in Afghanistan that is going to do us any good.

The significance of Afghanistan, was that as long as the United States was attacking Afghanistan, and *tied up* in Afghanistan, then the pressure on the White House to go for an attack on Iraq, and Iran, and so forth, could be held back. So, what Afghanistan has been, is a sacrifice, a human sacrifice, a throwaway, in order to tie up the resources of the United States—and I understand we're running out of bombs—to tie up the resources of the United States, in fighting a phony war in Afghanistan—it's a nasty one, but a phony one—as a way of not going to an attack on Iraq, and Iran, as people in the Democratic Party, and in the Republican Party, and in the Bush Administration itself, are demanding.

Powell is to be given credit for what he's done on this thing. *We have not yet gone to that war*—the Clash of Civilizations war they want. But the problem is, if you look at the subcontinent of Asia and elsewhere, what the United States government is doing in Afghanistan, is actually *contributing* to the environment in which a war of that type becomes more likely.

The Monetary-Financial Problem

You look at Europe, as I say, the parties in Europe. There's not a parliamentary party in Europe in government, which is capable of addressing any of these problems. The problems are soluble. But we now have a crisis of government, a crisis of leadership, in which solutions exist, but in which there's no one *in charge* to deliver the solutions. We would hope, with the peculiarities of the American System—that is, our Constitutional system—that even a President that may not be *much*, but under our system, because he represents an institution, may do his job for the institution, in carrying the ball to get us through this crisis.

I'll indicate some of the things that are involved here.

First, what are the solutions, which these parties are in the way of? The DLC crowd, the Democratic DLC crowd of Al From and company, is having a session right now, at this time. They're a pure waste of time. There's nothing they're going to do, there's nothing Al Gore could have done, or would do, to help this country, or help the world. These people are a *problem*, they are not part of the solution.

The problem is, we don't have—. We have people in this country who *could* be part of the solution, including seasoned political figures, if they were brought together as a force. But we don't have them together at this time, and one of the things I'm trying to do today, is to *shame* them into moving in that direction. Step forward, and begin to show the kind of leadership this country needs for this crisis. Bypass the two parties. Just give some leadership outside the two-party framework, and then come back and reorganize the party system on the

basis of a show of leadership, by showing a leadership which can rally the American people in support for this kind of alternative.

What are the matters?

What we have are two crises, apart from this military crisis.

First of all, we have a monetary-financial crisis. Now, this is an old crisis. When Nixon, in 1971, took a system that had *worked*—the post-war system, the old Bretton Woods system, based on fixed exchange rates—a system which had worked very well, with imperfections and so forth, but you get that; it worked well: *We destroyed it*. We destroyed it partly with racism, with President Nixon's racist campaign for the Presidency, when he met with the Ku Klux Klan down in Mississippi, in 1966, to get his Presidential campaign going. And that taint of racism has stuck with Nixon throughout, and other policies as well.

Nineteen-seventy-one destroyed the system.

Carter came in. Carter was *worse than Nixon* for the economy. Nixon was bad, but Carter was worse. Or maybe it wasn't Carter; maybe it was the guy who controlled him, Brzezinski, who's a real certifiable madman.

Carter did more to destroy the U.S. economy than anybody in the 20th Century, in just four years in office. This death of Cyrus Vance recently, the former Secretary of State, speaking of his quarrels with his—people referring in his obituary to his quarrels with Brzezinski—typifies that situation.

So, what we have is, we have a financial-monetary system, which was started, essentially, by Nixon's actions of mid-August 1971, the so-called floating-exchange-rate system, which has destroyed our neighbors in the hemisphere, has destroyed much of the world—Africa, and so forth. Since 1971, there has been *no hope* for black Africa—none. Why? Because of that system. Because Africa policy is dictated by that system. And until you've changed the policy, there's no hope for Africa. So, don't talk about Africa! If you don't want to *change* that system, there is *no hope for Africa!* We should have learned that lesson.

All right. So, we have an economy which we have collapsed. A perfect example of that was in 1979, toward the end of the Carter Administration, I studied the matter, and determined that we could *no longer* have built the space shot, the Moon landing, of 1969, by the end of the 1970s. That is, we had *destroyed* the potential for that kind of accomplishment. That typified a general destruction of infrastructure, of everything, in this nation, in this economy. So, the new monetary system, and the philosophy that has gone with it, has destroyed the economic potential of the United States.

For example, take the case, since 1977, since Carter became President: Look at the lower 80% of family income-brackets in the United States. They used to represent the whopping majority of the total income of the nation. Now, the lower 80% of family income-brackets are a shameful mi-

nority of the total income of the United States. We have destroyed our people. We have destroyed our industries. We have destroyed *everything* in our economy, all for the sake of this crazy, ideologically ridden monetary and financial system.

So, we could solve the problem. There are several things we would have to do.

Think Like FDR

We would have to think a little bit like Franklin Roosevelt, and we should look back to some of the things that he did, back in the 1930s—between 1932, when he was running for President, and 1933, as coming in as President. The actions that he took, within the framework of our Constitution, without ever violating the Constitutional system, to mobilize this nation in an emergency, to save it from pure hell—those are lessons which deserve to be learned afresh today. We could do those kinds of things.

Here's what we could do: We are still, despite all the bad things we've become—we are still the leading nation of the world. We, the United States, through our President, have the ability to call together leading nations of the world, and say, "We're going to put this crazy, bankrupt monetary, financial system into reorganization." The IMF is not an independent authority; the IMF was created by governments, chiefly the government of the United States. And if the United States government says, "You're bankrupt, we're going to shut you down and reorganize you," then they shut down, it's over. The party's over.

The United States has the authority, with the agreement of other nations, to put this stinking monetary system into emergency financial reorganization, and get this economy moving again. *That must happen*.

And it is a matter of the will. Are we willing to save our nation, and civilization, or are we not? Are we going to say, "No, we have to stick to the IMF system"? Are we going to sit in hell, saying, "We came to hell. Why? Because we had to go along to get along!"?

No, we're not! We're going to say, "We're going to save the nation; we're going to save the other nations of the world." And governments around the world tell me, that "if you can convince the G-8, or the G-7, to make this reform, we'll support it!"

Now, if the government of the United States will support my policy, I guarantee you this reform will occur. The nations will assemble; they will create, in a very short period of time, a new monetary system, based on the best features of our experience in the 1945-1963/64 system—and it will work.

We also have to have an economic recovery program, not only for ourselves, but for the planet in general. We also have come to the point that we recognize: This world needs a new conception of the order of affairs among nations. Well, this conception is not itself new. It was proposed by a famous man in the 15th Century, the man who was responsible for



Supreme Allied Commander Gen. Douglas MacArthur signs the Japanese surrender document, Sept. 2, 1945. Contrary to the utopian faction in the U.S. military, MacArthur understood that the purpose of warfare, among civilized nations, is not perpetual war, but is to establish a just peace, to make possible the emergence of a community of principle.

designing what became the modern nation-state. His name was Nicholas of Cusa, Cardinal Nicholas of Cusa at a later point. He wrote a book, called *Concordantia Catholica*, which set forth the basis for a system of perfectly sovereign nation-states, bound together by a community of shared principle. Now, today, you would call that a “[multi]-polar world.”

The same proposal was made for the Americas by U.S. Secretary of State John Quincy Adams, in 1823, to say that we didn’t have the power to kick the British out of the Western Hemisphere at that time, but when we did, we should: in order to set up a community of perfectly sovereign nation-states in the Americas, as a community of common principle.

What we have to do at this time, is give up all these ideas of Anglo-American empire, and other kinds of silliness, and say we are going to launch what will become in fact, a [multi]-polar world, a community of perfectly sovereign nation-states, which will agree on certain common principles, which correspond to the idea of the General Welfare, which is the basis for our government, actually, at least Constitutionally. And we will do, for each of our nations, what is good for the common welfare of that nation. We will also work with other nations to serve what is in the general interest, the common welfare of nations as a whole. We should use a monetary reform, of the type I’ve indicated, as the way to do that.

The ‘Military-Industrial Complex’

Now, let’s look at the enemy. No, don’t look at all of it; let me just summarize some of the things that are most

important for you to know.

As some of you recall, in the course of the 1950s, and spilling over into the 1960s, there were a number of voices of senior figures in the United States, who warned against what some called a “military-industrial complex.” Among these were President Eisenhower, who spoke from knowledge, and he spoke correctly, though often people said silly things about what he had said. The same point was made by MacArthur, Gen. Douglas MacArthur, General of the Army MacArthur: the most efficient warrior of the 20th Century! The man who won more territory, and lost fewer lives, and killed fewer people, in a shorter period of time, over a greater area, than any other man in history. (And there was no need to drop bombs on Japan, because Japan was about ready to surrender.)

And, as anybody who understands military science, who has learned the great lessons from the Classics, [knows]: *You never invade and attack an enemy who is already defeated.* You may force him to fight again. Never attack a defeated enemy. Negotiate peace. The purpose of warfare, among civilized nations, is not *war*. It is not perpetual war. The purpose of warfare, if it is justified, is to establish *peace*, including a peace satisfactory to the defeated nation, thus rebuilding the foundations for future collaboration, the emergence of a community of principle. The function of war is to *end* war, not by perpetuating war, but by fighting for durable forms of peace, and not overlooking those things that have to be decided upon to bring about durable peace. This was our tradition. This is what Eisenhower, with all the criticism made of him, during World War II, represented. This is what MacArthur repre-

sented. This is what the best of the American military tradition represented: *the tradition based on the citizen-soldier*. You had great professional leaders, military-trained leaders. But the gut of our fighting capability was that of the citizen-soldier, the citizen who volunteered to fight in wartime. And the citizen-soldier *fought* as a citizen, not as a killer, but as a citizen, and fought for a purpose, for a justified purpose. The principle of military policy was *not* the kind of thing that you're hearing lately—that, Eisenhower attacked, and MacArthur attacked.

All the great commanders in modern warfare: Lazare Carnot, the greatest genius of French military science—who was the inventor of the *levée en masse*, one of the most brilliant commanders in history; who took the leadership of a French army that was about to be defeated—defeated by hordes of armies coming from all of Europe to cut up and dissect France. And starting with virtually nothing, he organized the force that defeated and expelled all of those enemies within a period of two years. He advocated the policy of *defense*, not aggression. When Napoleon was going to march on Russia, he said, “Napoleon’s a fool. Don’t do it. You don’t fight wars, except in defense.” The founder of the German military system, Gerhard Scharnhorst, a man who was educated under the influence of Moses Mendelssohn, at a school set up by a fellow called Wilhelm von Schaumberg-Lippe: the same thing. It was Scharnhorst and his friends who set up the idea of the citizen-soldier system, as opposed to the perpetual army.

So, all the great commanders in modern civilization have fought for the idea that military science should be based on these principles: We fight only justified war; we fight to establish peace; we fight to establish a durable peace, in the interests of ourselves and the defeated adversary; we fight as a nation, and for national goals.

The Opposition: A Utopian Military Policy

Now, let’s look at the opposite side.

You have a group in the United States, which have gathered around large institutions, powerful financial institutions, such as the H. Smith Richardson Foundation, the Olin Institute, the Foreign Policy Research Institute, based in Philadelphia, the Mellon Scaife Institute, and so forth and so on, the Rand Corporation, up and down, which have gathered around people like Henry Kissinger, Zbigniew Brzezinski, Samuel P. Huntington, and others. These people, with certain military figures included, set forth a policy in the 1950s, which is what Eisenhower and MacArthur warned against. It was called, in that time, a “utopian” military policy. The idea was to set up an American-dominated, Anglo-American world empire, like the Roman Empire, based on the so-called professional soldier.

Now, if you read the books and articles and discussions that these crumb-bums (if you want to give them the right name) have written, their policy is to eliminate the nation-

state, set up a Roman-style world empire, under their rule, and create a military force, which, in point of fact, is modelled immediately on the Nazi Waffen-SS from the end of World War II: that is, troops recruited from all kinds of nations into a force, as a killer-force, to conduct perpetual war, just like the Waffen-SS. So, these guys are *real Nazis*. These are the utopians. These people are associated, as the H. Smith Richardson Foundation, and the Olin Institute and so forth, the American Enterprise Institute, and so on and so on—they are associated with wealthy financier institutions of the same type, from the United States, and from London, who put Hitler into power in Germany in 1933-1934, who made World War II inevitable. *This is the enemy!* It is the enemy *within*, and the enemy without is of minor significance compared to the enemy within.

Now, what I’m saying makes some people with strong nerves, who understand exactly what I’m saying, makes them shake and tremble a bit. Because the people who conducted the coup, the military agencies, the military faction of Utopians, of people who think like Brzezinski, who think like Kissinger—these people have not been arrested! These people, who organized the military coup against the United States government, have not been arrested! They’re still at their posts! They’re still in power! They still have international influence.

People are *terrified* of them, and they won’t fight. They’re afraid. And they’re not afraid because they’re scared bunnies; they’re afraid because they know what this is. They know it’s a killer. But I say: I have to lead the fight against it, because *somebody* has to lead the fight against it. And my qualification for leading the fight, is I understand it: These are the people who’ve been my enemies in the United States, in the courts, and in the press, and everything else, for over 30 years. So, I’m entitled to fight them.

But, these guys—if we don’t defeat these guys, we don’t have a nation, and we don’t have a civilization. *Somebody has to stand up and take the leadership, and say: We are not going to give this country to these people!* We are going to restore this nation to the sense of purpose *entrusted to it* by people in Europe and elsewhere, in the 18th Century and later: the hope that the United States would be a republic, which was described by Lafayette as a beacon of hope and a temple of liberty; to inspire the rest of the world to reach the kind of society which we aspire to build here in our own nation. As Lincoln said in his Gettysburg Address: What is at stake here, is a form of government, a form of civilization—just as he expressed in that address.

Some of us *must lead the fight*. I am leading the fight. I’m leading the fight for what is a continuation of the principle of the American Revolution, against a fascist gang, typified by Brzezinski, by Kissinger, by Huntington, by the H. Smith Richardson Foundation, the Olin Institute, and so forth and so on. Because if we don’t fight, even though their military flunkies are still in positions of power—if we don’t fight them,

we're not going to have a country, and we probably will have a dark age throughout this planet. *We have to fight.*

The Courage To Fight

Now, the problem here is: How are we going to find the courage to fight?

Well, as you get older, you may realize that some of the ideas about your self-interest you had when you were younger, are rather foolish—shall we say, “adolescent.” That you thought that your immediate family and community interests are what's important. You thought that your savings are what's important; you thought your ownership of a house was what's important, the mortgage; you thought your pension was what was important. But you're all going to die. Therefore, what is the meaning of your self-interest, if you look at yourself from outside that interval between birth and death? What does your life mean? What is your self-interest? Your self-interest is what you as a human being represent, what makes your birth and your living of importance to humanity, your purpose in existing, your purpose in having a mortal existence. That's what's important to us all—if we know it.

And therefore, we see everything which is important to humanity in jeopardy. We find in ourselves *then*, the strength and the courage to fight, because you can say, “You can kill me, but you can't take away my purpose in living, or the dedication I have to it.” And if we can get people to understand things that way, we can win. And my hope is—and I can say much more, but let's leave that to the questions and discussion you want to raise.

But that's what I have to say. We've gone through this crisis. I can offer you the credibility of my success as a forecaster, which is—I can promise you, I can assure you—is unmatched. I can offer you my dedication to what I've told you I'm dedicated to. I can offer you my knowledge and commitment to try to attempt to use the influence of the United States, to bring about a reorganization of a worthless, bankrupt monetary system. I can promise you the use of my knowledge, and that of others I can rally to me, to bring about the economic mobilization to restore this nation, and other nations, to what they should be. I can promise you that I am committed to not an empire, but to what some people call a [multi]-polar world: a community of principle among perfectly sovereign nation-states, which I think is the only way this planet can be managed. And I can promise you that I'll fight now, and I'll fight until I die. I will not quit.

Thank you.

Dialogue With LaRouche

We publish here excerpts of a two-hour question-and-answer dialogue between Lyndon LaRouche and the webcast audience, moderated by Debra Hanania-Freeman, spokeswoman for LaRouche's Presidential campaign.

Freeman: I'd like to start with some questions that were submitted by Dr. Mustafa Ali. He is the economics editor of *Al-Arab International*, which is a newspaper that is published in London. He says, “First and foremost, that he would like to send greetings and express the admiration of his Arab readers of Mr. LaRouche's daring and courageous positions. And also his thoughts, especially as they relate to the Palestinian cause, and all other issues regarding the Arab world.” He says, “First, Mr. LaRouche, you talked about the September 11th events, and their political-economic-strategic and historical background. But the question is still: What would have been the reaction of a Democratic U.S. Administration, rather than a Republican one? Would it have taken the same path against terrorism, that you now call a suicidal policy?”

LaRouche: I think that if Al Gore had been President, the reaction would have been far worse than it has been under Bush. The DLC crowd, Lieberman and so forth, on record, would have gone whole-hog where Bush has hesitated and dragged his feet, and resisted. We would probably have today, a full-scale clash of civilizations war in progress.

Now, the problem with that, is there's another side. If Bill Clinton had been President—but he wasn't eligible; he couldn't run for a third term, because of that amendment that was made, the anti-Roosevelt amendment made at the end of World War II. Bill Clinton, I think, would have been a different proposition, and would have been useful.

There are other—as I said, in the Democratic Party, there are many good people in it. The trouble is, they keep going along to get along, and that's the way you get along to hell. And Clinton's mistakes were, he kept capitulating. You know, Bill Clinton was probably among the most intelligent Presidents the United States has ever had. And that's not a statement of admiration; that's a statement of protest, because he never lived up to what I thought was his potential. He would compromise at points I thought he shouldn't compromise.

Power or Principle

As you may suspect, I'm strong on principle. Some people would like to do something with power for the good: I think Bill's one of them, but they would struggle to keep the power first, and serve the principle second. And I'm the kind of guy who would probably give up the power, risk the power for the sake of the principle. And I think that's what was needed. . . .

I think it's moot now. I think the thing to learn from this, is that the Democratic Party was a disaster. The reason that Bush was elected was that the Democratic Party candidate, and the coalition around him, was an unmitigated disaster. And people were not attracted. . . . The fact that people voted at all for the Democratic Party was because they somehow wished that maybe that would mean that Bill Clinton would still be there in Washington on the day after the next inauguration. But if Bill Clinton had not been, in a sense, behind the ticket of Al Gore, I think that Al Gore would have made [Alf] Landon look like a winner.

So, I think that's . . .—the Democratic Party is a mess. And I wouldn't put any confidence in the Democratic Party at this time, except by scolding it. As I scold it. And say, "If you're any good at all, change your ways! And do it now! Because you are the laziest, most good-for-nothing bums, collection of bums, I've seen in a long time." Unless I look over at DeLay and the other part of the Republican side—you've got a bigger bunch of bums over there. But these Democrats, by pretending to be something nice, they're worse than the worst Republicans. The worst Republicans at least admit they're dinosaurs! The Democrats pretend to be nice guys, and they're more evil than the dinosaurs.

So, I think my answer to the question is implicitly clear. It's not going to be a choice of existing institutions—on the *Al Arab* question. The question is: Can we in the United States and other countries organize a force to replace what is now that worthless collection of fools called the Democratic Party leadership? A bunch of fools among whom there are many good people, but as long as they continue to work with one another the way that they do, they act like a bunch of fools. And it's terrible. So, I think if the Democratic Party were to come to power now, under what is called the present leadership of the party, with people like Lieberman and Gore as leading contenders—and people who don't agree with them, but who are opportunists, supporting them—the Democratic Party would rush into war, where Bush and Powell and others would hesitate.

Freeman: A follow-up from Dr. Ali. He says, "Mr. LaRouche, you always emphasize that the American violent policies have British political minds behind them. Do you expect that there will be American independence soon, from the British intellectual and political pressure?"

LaRouche: Well, that's what the fight is about in the United States. Now, I represent not something unique or really strange, from the American standpoint. I represent probably one of the last, important representatives, intellectually, of the American Intellectual Tradition. And on the other side, the people who disagreed with me in high places—like the major news media and so forth, the entertainment media, much of the banking community and so forth—they represent something which I call, which President Roosevelt, Franklin Roosevelt, called, the "American Tories." So, we have a treasonous pack of American Tories, which dominate our mass media, which dominate our financial system, which dominate now, through the utopians, the military arm of our power. But that group—that American Tory policy—has carried the United States down to destruction, through the crazy economic policies we've adopted, especially over the past 35 years.

So, we've come to a breaking point, where one of two things is going to happen: Either the United States is going to destroy itself, or it's going to dump that American Tory policy. Now, I can not guarantee either result. I can only guarantee that, if we don't get rid of the American Tory policy,

we're not going to have the United States to worry about. So therefore, I would say that if the United States is going to survive, it's going to change. And my function is to try to bring about that change by setting an example and setting a pace for other people to join in on.

What Japan Must Do

Freeman: We have a question that was submitted by a retired Finance Ministry official from the nation of Japan. He says: "Japan has severe problems with its own economy. However, it also appears to be under political attack from external forces, located at places like the American Enterprise Institute and Goldman Sachs, who are trying to organize a run on our banking system. Some people in Tokyo are beginning to realize that such a foreign political attack cannot be defended against using domestic monetary measures. We were alarmed to read in the interview by Dr. Makin of the American Enterprise Institute, that the 'Washington consensus' assumes that Japan has no guts. What are the measures that you recommend to Japan to resist this attack, both in the short term, and in the longer term?"

LaRouche: Well, Japan has to—I think there are senior people who would understand this. I think the problem is among the younger leaders in Japan—under 65, under 70, under 55—the younger leaders, because they've been educated in U.S. universities, have assimilated these ways of thinking, these Americanized ways of thinking, don't think the same way; and have a Japan version of the same kind of problem that we find commonly in the U.S. age groups, of the same type. . . .

That here you have—Japan faces an existential crisis. Japan's existence is on the edge, just as much as Argentina's is right now. Japan has been, for a long period of time—especially since the period of Kissinger, on the issue of Japan's Iran policy; Brzezinski on the issue of Japan's Mexico policy, and so forth—Japan has been destroyed in what had been its rich potential emerging in the 1960s, when Japan was engaged in exporting technology to developing countries, and actually making a very important contribution.

As for example: You have Professor Nakajima of the Mitsubishi Research Institute, [who] exemplified an entire stratum in Japan that I knew in the 1980s, who still had those values. That Japan's mission was to find—especially among its neighbors in Asia—was to find the possibility of doing good, and going into these countries and working with these countries to develop them: not simply as markets for Japan exports, but as Japan's defeat in World War II exemplifies this—Japan is an island-nation, with very limited natural resources, which has developed an excellent industrial potential—or had. Japan, therefore, depends upon finding ways of securing the raw materials and so forth, that it requires from outside, by exporting to countries things that they need that Japan can produce.

Now, Japan has available to it a vast amount of potential

in northern Asia, in Russia. Japan has, throughout Eurasia, all kinds of opportunities to engage in long-term agreements of technology, or processed raw materials and so forth. So, Japan could have a future. Japan's major role is actually, properly, in Eurasia. And of course there are historical difficulties—a history of conflicts with neighboring countries, dating especially from 1894 on, as with China, Korea, and so forth. But these problems can be overcome; they should be overcome.

Defending Dollar System Has Bankrupted Japan

Now, the system is coming down. Japan has been used, during the 1980s—especially since the middle of the 1980s, and beyond—has been used as a towel-boy for Wall Street and London. Japan has been printing money, and doing all the things that the United States and Britain told it to do, in order to subsidize the Anglo-American system. Now, when the pumping system occurred, that is, the financial pumping system occurred, in the 1990s, Japan began using the creation of its currency to subsidize the U.S. financial markets. This is their big problem!

Japan has now reached the point that it is technically bankrupt. The banking system of Japan: technically bankrupt. It is implicitly in the same kind of situation as Argentina. If Japan goes under—and it can go under momentarily. It is in default, which may not be declared, but is there. Don't wait for the official declaration of a default in Japan. The default is now in process. It is now inevitable. It is not something that might happen. It *will* happen, unless there's a fundamental reorganization of the world financial system quickly.

So, Japan has really *nothing to lose*. Really. By facing that reality. *There is no possibility for recovery or survival of Japan under present conditions*. When Japan goes, the U.S. dollar goes, because without the support of Japan, the U.S. dollar would collapse very soon. Whether in weeks or months is not important. It would collapse. It would be doomed. And you get two or three more countries, like Japan and Argentina, going under—such as Poland or Turkey, a few others that are highly eligible on the list—they go under: *The whole system is gone!* . . .

I think the only solution is, we have to have, outside of, and parallel to government relations, we have to reach a closer understanding among people of influence in various countries, who can then jointly operate to bring their nations that they also represent, together around these things. See, the problem is: The people in the United States don't understand Japan. They don't understand Japan's problem as I just summarized it. They don't understand the problems of China; they don't understand the problems of Korea; they don't understand the problems of Southeast Asia; they don't understand what happened to Indonesia; they don't understand it at all. They have no understanding! They sit there; they copy opinions from these fools like the American Enterprise Institute and others—these babblers, these idiots, the State Depart-

ment mouthpieces, mimeograph machines! They don't understand anything about it.

We have to make clear to the American people what the problem is. Because, I'll tell you—and there are others who can tell you: If Japan goes down, as it's on the edge of doing, right now, with these idiots like the American Enterprise Institute pushing it—if it goes down, tell me how many major banks in the United States are going to go down, and right away. And who's going to fix that, with O'Neill at Treasury, and an ideologue like Lindsey as the economic adviser to the President—and the Democratic Party, the pack of fools that it is in the Senate, and the pack of fools that is, largely, in the House of Representatives. . . .

More of us must say it jointly together, what the problem is. And maybe some of my foolish fellow Americans will wake up to realize that what we're saying is real: You keep pushing Japan the way it's being pushed now, with no discussion about options for avoiding this catastrophe, and you're going to find out—somebody sitting in New York or Washington saying: “Look Mama, America has, not no pants, but no banks”—and it might be no pants, too.

Clinton Impeachment, and Sept. 11 Coup

Freeman: I have a question from a former member of the Clinton Administration. This is a question from Washington, D.C.: “Mr. LaRouche, shortly after President Clinton began a discussion of a new financial architecture, his Presidency was destabilized. Was the apparatus that you've identified as behind the ongoing coup d'état against the Presidency, the same apparatus that was involved in the assault on the Clinton Presidency? What are your thoughts on this?”

LaRouche: Yeah, sure. There's no question of that. For example, the major operations against President Clinton, from even before he was President—I think it dates from about August of 1992—but he was immediately targeted by circles associated with the Mellon Scaife Foundation. Now, the Mellon Scaife Foundation is the same thing as the H. Smith Richardson Foundation, which is on record as one of my enemies; the Olin Institute, and so forth and so on. So this pack—and also, if you look at the Israeli side, the same people on the Israeli side, who are operating against the President, are also an integral part, and allies of the same crowd that Smith Richardson, Olin, etc., Mellon Scaife, are part of. So, there's no question of that.

Look, what happened? Take the sequence of events: 1996, I warned, we're in the end-phase of the system—the collapse I've been talking about—we're in the end-phase, the last period. And there was a lot of talk in the Democratic Party, at the time, about what I said. And people said, “Well, no. Maybe you're exaggerating.” Or they were saying, “Maybe there are ways to fix it. Maybe we don't have to do it your way. Maybe we can do it our way.”

Then, you had what was falsely called the “Asia crisis,” which was not an Asia crisis: When somebody comes up and

shoots a guy with a bullet, the crisis is not caused by the guy who's taken the bullet, but rather by the guy who shot the bullet. And that was the nature of the Asia crisis. The Asians didn't cause it. The people like George Soros caused it. . . .

So then you had a follow-on: You had a swindle which was pulled by friends of Al Gore, which is the [Russian] GKO crisis of 1998, or the LTCM crisis, which almost blew out the entire U.S. financial system right then and there with the hedge-fund collapse.

Now, at that point, is the point that the President [Clinton] had indicated in September [1998] in New York, his indications about looking at a new financial architecture for the international system. And I believed at the time that he meant it. I believed that his Secretary of the Treasury was capable of dealing with that kind of issue in his official capacity. That that was the way to go. That simply, the U.S. Treasury Department, under the authority of its President, incumbent President, meeting with people in other countries, should enter into the kind of discussion which had been avoided in the 1975 meeting of the international leadership, G-7 group. And that something—we could start something then.

The President backed down. I don't know why he backed down. I rather suspect that he was frightened by some of the information he had about how serious the LTCM crisis really was. Then when it came to October, the President, after walking into Wall Street—the jungle, where lions and snakes and things roam—had gone in there and said, "Gentlemen, I'm going to change your system." And then he walked away and said, "I didn't mean it." That is the worst thing you can do in the face of that kind of enemy. If you threaten them, and then run away scared, they're gonna come and kill you! Particularly, if you're in a powerful position.

The Camp David Negotiations

And they did. They had the operation already set up, already in place, and they went ahead with this Lewinsky scandal. And the reason they did that, and the people who did that—. Look at the agency in the White House which controlled the White House internal communications. Who is that agency? What foreign power controls it? And what is the political interest behind that foreign power? And there's your answer.

Then you take the same thing with the question of the President's dealing with the Camp David negotiations. Now, that was a good idea. I think the President made a mistake in the way he handled the concluding part of the thing. I was afraid of the way the thing was going, because if you don't have an economic angle to this, the Oslo Accords could not work. And then, when Barak came in with his threat: "You give me," in effect, "you give Israel the [third] holiest place in Islam, as a place for a new temple, or else!" Arafat had no choice but to say "No, I can't buy that." I think the rest of the package was a good package. It was a good negotiation. It may not have been adequate, but it was a good negotiation,

and could have been a step toward another, a follow-up implementation which might have provided the real solution.

But then, remember, what happened? You had, in the period of the Clinton Administration, you had Rabin, who had been key in the Oslo Accords—he was assassinated and nobody did anything about it. President Clinton tries to do this now with Barak, which I think turned out to be a mistake, but I wasn't really aware of how much of a mistake that was, so I can't take credit for that. But then, he was suckered by Barak. And then he said—he made a mistake. The President should have said, "We had a good agreement, but the Israelis made an unreasonable demand, and therefore, that's why it sunk." If the President had said that, I think we would have been able to manage the situation, and we would not have the present Sharon phenomenon in the Middle East.

But this Sharon phenomenon, and the friends of Sharon in New York, who are the financial angels behind Amdocs [Corp.], are part of the same thing. Exactly the same thing as this Sept. 11, the same thing as this present Israeli operation in the Middle East, and the clash of civilizations warfare. Look at the list of people who want a bombing of Iraq, who want a bombing of Iran, who want to go into Somalia, who want to do this, who want to do that, who want a clash of civilizations. So, what the President was faced with is the fact that he constituted a potential threat to these utopians' scheme, for their utopian future.

And as I know them—I've been there—remember, I did a couple of things in my life, on the SDI and so forth. I stuck my neck out on that and a few other questions, against exactly the same enemy: Smith Richardson, Mellon Scaife, Heritage Foundation, Mont Pelerin Society, Henry Kissinger, Brzezinski—the same mob. And the same mob came after me that went after Clinton. And they'll always do it. They were going to kill me. They didn't kill me; they threw me into prison instead. But that's the way the American political system works under the influence of these thugs. And under our present mass media. And they did the same thing to Clinton. And I was happy that I was able to make some contribution to prevent them succeeding in the impeachment effort they planned. They wanted to get Gore in there real quick. If they'd gotten Gore in there real quick in 1999, then you would have had hell on earth right away. . . .

Freeman: Lyn, we have a question from Wall Street. The question is: "Mr. LaRouche: Today, Alan Greenspan said that the U.S. economy is no longer in decline" [laughter]. "Mr. Greenspan said, that although unemployment is increasing, the rate of increase in unemployment is decreasing. Therefore, the Federal Reserve will no longer decrease interest rates. Nokia has reported earnings increases. My question is: Is the economy on the mend? Is Alan Greenspan lying? Or is he incompetent? Or both?"

LaRouche: Well, I think Alan Greenspan is, frankly, insane! But, he also is lying, and he's also telling the truth. But, this is what you expect from an insane person, this combina-

tion of things; you have to sort it out. In terms of, is he going to stop the decline in interest rates? I think that's true. I think the statement was issued, as a package, in order to make that announcement. Why? Well, you know what happened in Germany? What happened in Europe? On the first of the year, the German deutschemark went out of existence—according to law, permanently. Germany no longer has a currency. It has a share—or maybe so—in a currency called the “euro,” or in Germany the *euro* [using German pronunciation]. The thing is sinking in value, by the day. The taxes have gone up, and prices are shooting up throughout Germany, simply as a coincidence of this change in the currency. If this process continues, Germany's going to be destroyed.

Now, recently, another fact: in the case of the German budget. The Eichel cut in the German government budget, was reported as causing a greater loss of tax revenue, than the amount conserved by the cuts in the budget.

We are in a situation, globally, since the Summer of the year 2000, approximately—2000-2001; 2000, in which the use of monetary aggregate to try to pump up financial markets, has reached a critical crossover point, corresponding to that reached in Weimar Germany in June-July of 1923: the point at which the attempt to bail out a financial market, by monetary pumping, costs more money in monetary emission, than you conserve in the debt you're protecting, by that bailout. Now, that's the situation the U.S. is in. What has been demonstrated, is that the Greenspan policy, of monetary pumping, to bail out a sinking U.S. economy, with this succession of cuts, has *utterly failed*. Not only has it utterly failed, but we're now entering a period of a potential hyperinflation—monetary hyperinflation—and a demand for increased tax rates, contrary to previous trends.

So, what we're looking at, is a point at which the interest rates will tend *not* to be cut, not because Greenspan had a stroke of genius, but because, his fault, his policy of *cutting* interest rates, has proven itself cumulatively, to be a disaster! It's also a period, in which the pressure will be on, in a period of *tax cuts*, to increase taxes greatly.

I have answers for that, but that goes into a longer kind of question, as to what *should* be done. But, the point is, I think the answer is: No, the economy *is* collapsing. That's a lie: It's not rebounding back. It will never bounce—dead bankers don't bounce. The Federal Reserve decision on interest rates, not to cut them any more? I think that's understandable; it's understandable, because we're now entering a period in which the hyperinflationary danger—monetary hyperinflation—is now a very major danger. Is there any sign of growth, in the economy? *None whatsoever*. . .

So, we're in a situation, where the policies—there *are* possibilities for reviving the U.S. economy. But, *none* have been proposed so far, by government, or by Alan Greenspan. And, Alan Greenspan is, as I say—he's an interesting kind of nut; he's a follower, a disciple of Ayn Rand, and you know what kind of a nut that means. But, what is true, is that he's

made a decision not to cut interest rates any more, because it was a bunch of foolishness in the first place.

Freeman: We have a question from Sen. Joe Neal, who is a senior member of the Nevada State Legislature; he is a Democrat. “Mr. LaRouche: How does the collapse of Enron display the position that you've taken on the U.S. economy and what should be done about it? Could you talk a little bit about what we face, as a result of the crash of Enron, and what caused it?”

LaRouche: I would go backwards, and go from the end-result of the crash of Enron, rather than trying to, say, re-write the history of what Enron's history should have been. First of all, we face a major energy crisis in the United States. The severity of this crisis is hidden by the fact of the collapse of our industries. . . . People don't realize that we have been exporting our industries: In shutting down whole sections of the functions of our economy, we have *lowered* the requirement of energy! If we were to try to *restore* the economy, to what it was at, say, 1980 or earlier, we would have to have a large amount of new energy.

So, therefore, we have the need for a national energy recovery program, which would cover, inclusively, the problems which are illustrated by and posed by Enron, and similar institutions. That means that we have to repeal deregulation; go back to the system of regulation we used to have. I think we'd just go back to that; that's adequate, because it would *work*: There are precedents; the machinery is all understood—it would work; just do it.

But, set, also, into motion—See, President Bush is trying to find out ways of *stimulating* the economy, and he doesn't know how to do it. Well, this is one of the ways of doing it. If you take Federal money, and use it, not just as Federal printed money, but Federal credit; and you put it into a national *energy* program, which is going to fix the national energy grid system, to make it more usable and to improve its performance: That, in itself, is a good way to make the economy grow. And, it's typical of the various measures which government *can* take, which are largely in the area of infrastructure and special projects; not in the private sector, as such, but in those areas alone, which will cause the economy to grow.

And, therefore, I think that what we need, at this point, is a conception, of going back—. Let me just shift gear, Joe, on this one. Look, one of the problems here, is this word “capitalism,” which was almost invented by Karl Marx, ironically. Now, the United States is not, in inception, a capitalist economy. The United States was founded as the kind of economy described by the first Treasury Secretary, Alexander Hamilton, in a series of reports, on credit, debt, banking, and on manufactures. And, the model of the U.S. economy, as intended under our Constitution, is that described by Hamilton, in his *Report on the Subject of Manufactures*. That kind of economy defines a relationship between a public sector, which includes—today, in modern times, a government-backed sector, which is *infrastructure*; basic economic infra-

structure, soft and hard: transportation, power generation and distribution, water management, education, health-care systems in support of the general health care. One area.

The other area, is the relationship between the urban and rural areas; the development, through the aid of infrastructure, of the means of promoting entrepreneurship in ingenuity of people—he called it, “artificial labor,” essentially. This is the American System. It is not a *capitalist* system—that’s a British idea; that’s Marx’s idea—that’s not ours. The *American* System, as an American System: the conception that, we’re a nation. We’re committed to the promotion of the General Welfare, which requires several things: We promote public infrastructure, as necessary to develop and maintain the land-area and the population. At the same time, we promote and encourage entrepreneurial investment in applied ingenuities, to give us greater productivity and greater benefit in progress.

That’s the American System. We construct laws, protectionist measures, which *protect* and support that policy.

So, if we look at it from that standpoint, we say, “We’re going away from capitalism, as Marx defined it, back to the American System.” And, I think, if Americans get that idea, of *what the American System is*, what the United States represents, historically, in terms of the way it was created; what its achievements were; what its betrayal of its own character has been; and how, every time we betrayed our natural inclination as a nation, we’ve suffered. And how we’ve come out of these crises, by returning to our national inclination, as typified by what Alexander Hamilton described as the “American System of political-economy.”

So, I would say that, probably, what is needed, philosophically, is a discussion, of the distinction between capitalism, as defined by Karl Marx; and the American System of political-economy, as described by, among others, Alexander Hamilton.

Freeman: . . . A question from a group of college students, [listening at] the University of Rochester: “Mr. LaRouche, as students preparing for careers in our respective fields, and as citizens of the world, concerned for the economic downturn our own nation is facing, how can the United States become a consistent world force in economics and politics, if everything around us is so terrible?”

LaRouche: Anyone who’s a student today, in a university, knows that the greatest problem in the university, today, is getting the university itself, to accept the idea of truth. Or the idea of truthfulness. That, people take courses, and pass them, on the basis of trying to pass a multiple-choice examination or the equivalent. They do not consider themselves morally responsible for knowing what they’re talking about, and knowing the answer. But, only giving a learned answer, which will win them approval, and give them certain opportunities in the future.

Therefore, the issue of the fight for a better world, by a student today, has to be a fight *within* the student, and among

the students—to begin with—to establish a standard of truthfulness, for themselves, and *in* themselves. Not to believe, or act upon things, that they don’t know to be true. And to discover what the methods are of determining truth from falsehood. That’s the basic question! If you got out in life, and you know, inside you—the little man inside you knows—that you really don’t know a damned thing you’re talking about; you’re just saying it, because you learned it, and you passed your multiple-choice examination; or because you picked up the information from some guy on the street corner! People who do that, *know* they’re doing it! They know that they’re essentially dishonest! *Can they really believe in themselves?* Who is going to tell them the truth? Who is the little guy, inside them, who is going to tell them the truth? . . .

How can they have any hope, for themselves? They’re going to inherit the Earth. They’re going to run this Earth, if there’s anybody around to run it, in the time to come. Will they do a better job, than the clowns that are teaching them now? The world that’s running it now? There’s no guarantee. The key thing, is: *Everybody likes to gossip about everybody else!* They should gossip about *themselves* once in a while! And that would do a lot more good—I mean: How often do you lie? How often do you insist you know something, you don’t know a damned thing you’re saying? How often do you say something, simply because somebody told you, that you will be approved of, if you said it? How many times do you say, “Well, I read it in the *Washington Post*, and therefore, it must be true!” unless you prove it otherwise? That’s a liar for you. That’s a man who has no self-respect!

So, the problem we have in the American population, is a kind of syphilis, known, not as *pox populi*, but *vox populi*. A syphilis of the mass media! Of popular opinion! Everybody wants to be on the inside, with popular opinion! They want to know the guy, who’s got the *inside dope* on what popular opinion is today! And, whatever it is, they want to find it; and the minute they find out this information, they’re going to rush out, and assert: They got the latest scoop, is on what popular opinion is really thinking.

How can you have any morality, when you’re like that? The essence of this life, is that people are not believable to themselves, because they did not establish a commitment to *truthfulness*, in the sense that Plato, with his dialogues, defines truthfulness. And, therefore, they can’t trust themselves. And, since other people who share their opinions, also are not trustworthy, then how can they trust anybody? How can they have confidence in anyone? The result is, utter pragmatism. It’s the “Now Generation.” What do you get your “kicks” out of, today? Who puts the cash in your pocket, this morning? Truth and morality vanish. . . . That is the American way of life.

That’s the answer. It’s to recognize the corruption, and stupidity, in the individual members of this society; and stop gossiping about other people, and start gossiping about yourself.