

## **EIR**Feature

# After the Collapse of Enron: Next Comes The Cluster-Bust!

by Lyndon H. LaRouche, Jr.

*The following is Mr. LaRouche's keynote speech delivered on Feb. 16 to the Presidents' Day weekend conference of the Schiller Institute and International Caucus of Labor Committees, in Reston, Virginia. The full title is "Is Enron 'Cluster's Last Stand'? Next Comes the Cluster-Bust!"*

We've come to a momentous weekend, as I promised you, when I issued the title for today's remarks: The Enron crisis would be "Cluster's Last Stand." That we are now on the weekend of the Great Cluster-Buster; the day that the walls fall down. Not that the falling is completed today, but, to many people around the world who are paying attention, it's obvious that this financial system, as a whole, is in the process of disintegrating.

Now, the significance of my saying that, is the fact that I've been saying that for some time: that this was inevitable. I said it, in particular, in August of 1971, when a forecast I had made 10 years, or 11 years earlier, came true: that during the second half of the 1960s—as I had forecast—the world financial system would go through a series of monetary crises, which, unless the appropriate response were made, these crises would lead to a breakdown of the post-war Bretton Woods system. And, what happened in mid-August 1971, was a breakdown of the world monetary system, as it existed at that time.

I said, in response to the confirmation of that forecast, that this meant that the United States and the world were faced with a choice: that 1971 would be the beginning of a process of disintegration of the U.S. and world economy, as a whole. And that, unless certain changes were made, from the policies which the Nixon Administration typified at that time, that this would lead to the alternative of *fascism*.

As of Sept. 11th, and looking at the events of Sept. 11th and what's behind them, we are at the edge of fascism, globally, right now. Sept. 11th was an expression of that. It had two aspects to it—actually three: One aspect, there was a coup. As



*LaRouche told the conference, "We are going to Hell. Would you like to survive? Will you join me in surviving? What I need from you, and from many other people, is a simple, 'Yes. We want to do it.'"*

experts know, this coup was not done by Osama bin Laden, or by anybody from that part of the world. It could not have been done; *technically, it could not have happened!* As anybody who knows anything about security systems (as I came to become somewhat of an expert back during the SDI days): *It could not happen in the United States, unless there was calculated, vast negligence, or deliberate orchestration, or a combination of both.*

### **The End of the West Point Tradition**

However, there is something in the United States, which has been heavily operative, since about 1960, which began earlier, inside the U.S. military and other institutions. And this was a movement to overturn the U.S. tradition—including its military tradition; including the military tradition we associate with General of the Armies Douglas MacArthur, during World War II; and what we associate with Eisenhower, as Commander in Chief of U.S. forces in Europe, during World War II. The firing of MacArthur, was one of the first steps toward that; toward a new kind of conception of warfare. Instead of resolving the crisis in Korea, we protracted the Korean War, which, in effect, is continuing, still today; which the present administration is trying to re-activate, today, as a stepping-stone toward a strategic confrontation with China.

What happened in Korea, in the protracted war in Korea, became a model for what's called the Vietnam War, the U.S. war in Indochina—a protracted, no-win war, of the type contrary to all American military doctrine. But, other things were

happening at the same time. What was replacing the Mac-Arthurs, the West Point tradition, and similar kinds of things, which were U.S. military standards, before?

What happened was, there's a group in the United States, partly in the military, and concentrated in certain think-tanks, which have used as their model—of their goal, for the conduct of conflict, is the model of the Nazi Waffen-SS! The Nazi Waffen-SS, in turn, is a copy of the Grande Armée of Napoleon Bonaparte, who was the first modern fascist. The Grande Armée and the Waffen-SS were echoes of the Roman legions, legions drawn from many parts of the world, to herd or eliminate—by genocide and other means—entire peoples, and to control them, as the Waffen-SS did, as Napoleon set out to do, with his Russian campaign of 1812. And we have in the United States, today—especially in the United States, to some degree in Britain, and to a lesser degree in Europe—this tradition, traced from the ancient Roman imperial legions, through the revival of this, by Napoleon Bonaparte, with his Grande Armée; imitated, directly and wittingly, by Adolf Hitler, in the form of the Waffen-SS and what it did. These are called, in military parlance, in the United States, since then: the “utopians.”

These were the people who were moving, in 1960-61, into the Bay of Pigs. These were the people who were deployed in the environment in which President Kennedy was assassinated. These were the people, in France, and in the United States, who were behind the attempted assassination of Charles de Gaulle, in France, as President of France, at that



*Soldiers of the Nazi Waffen-SS, and their commander, Otto “Scarface” Skorzeny. A group in the United States today, partly in the military, but also in certain think-tanks, uses the Waffen-SS as their model for the conduct of warfare.*

time, in 1962. These were the people who were behind the assassination of [Enrico] Mattei, in Italy—the leader there. These were the people behind the assassination of Martin Luther King, and so forth, and so on.

### ‘Universal Fascism’

So, we have, in a sense, a fascist movement, in the United States, which is concentrated in certain sections of the military, which has a policy. The policy comes from a source, which is really fascist; a source which is racist: the so-called Nashville Agrarians. So constituted in 1928, around a group of grandchildren of the founders of the Ku Klux Klan. The leader of this was William Yandell Elliott—the leader of this group. William Yandell Elliott was a British agent, by profession, who taught government at Harvard. At Harvard, William Yandell Elliott created, literally out of mud, creatures such as Henry Kissinger, Zbigniew Brzezinski, and Samuel P. Huntington—and a whole array of other people. You have foundations such as the H. Smith Richardson Foundation, the Mont Pelerin Society, the Heritage Foundation, the American Enterprise Institute, the Olin Foundation, and on and on. These powerful foundations, tied to powerful financier interests in the United States; tied to powerful law firms; tied to powerful accounting firms—which actually run the United States, or at least a good deal of it. And these people are the backing for the policies, which were consolidated under the succession of Henry Kissinger and Zbigniew Brzezinski, as successive National Security Advisers to the Presidents of the United States.

These are the fascists. Their policy is, what? Take the case of a close associate of Henry Kissinger: Michael Ledeen. Michael Ledeen, in Switzerland, studying there, wrote a doctoral dissertation, under the subject of “universal fascism.”

Ledeen is an associate of Kissinger’s. The policy of Brzezinski, the policy of Kissinger, has been consistently that identified by Ledeen, as “universal fascism.” Universal fascism means, instead of thinking as Hitler did, himself—or Mussolini—that fascism was for fascism in one nation, these fellows said, “No. That’s not good enough. We’re going to eliminate *all* nation-states, and have a one-world empire, based on universal fascism; *ruled* by a military force, in imitation of the Roman legions; in imitation of Napoleon Bonaparte’s Grande Armée; and, in fact, in explicit imitation of the Waffen-SS, under the Hitler regime.” They didn’t say “Waffen-SS,” because that was not considered “good taste”; but that’s exactly—if you read the books; if you study the policies; if you see the deployments; if you see the current policies, coming out of circles like Wolfowitz and Richard Perle, or John McCain (the so-called “Manchurian Candidate”), or Joe Lieberman: Here you’re looking at the image of universal fascism, explicitly presented in these policies. And you see two parties, the Democratic and Republican Parties, which are so infiltrated by these kinds of mentalities, that they can do almost *nothing* competently, at this time.

Since John McCain and Joe Lieberman met, in the Spring of this past year, the Democratic Party, which was trying to *do* something, in the first quarter of the year 2001, fell apart. *It has done nothing good since.* And it has done a few things that are bad. The Republican Party is torn apart. It’s got some of the worst of these fascists inside its own party, or their promoters; and the faction associated with Joe Lieberman, the DLC—Al Gore and so forth—*are* the same thing.

### The Purpose Behind Sept. 11

Now, this operation, that happened on Sept. 11th, what was it? Well, what was its purpose? When you see a military

operation, or a quasi-military operation, you say, “What is the mission?” How do you understand a military operation? By looking at the mechanics? By counting the corporals? By seeing what the sergeants are drinking? No, you understand a military operation, in terms of *the mission to which it is dedicated!* It is a force in motion! What is the motion? Where is it going? Well, it’s obvious: the fight on the streets, right now. The question is: Is the United States going to get a legion from the United States and other countries, recruited to invade Iraq, to invade Somalia, to invade Iran, to invade Korea, perhaps to invade China? Is that what the United States is doing? Well, that’s the policy of Wolfowitz! That’s the policy of many people pushing this “Iraq policy.” This is the policy of Zbigniew Brzezinski: the policy of “Clash of Civilizations.”

This is the same kind of policy we ran into in European history, between 1511 and 1648. In 1511, Venice, which was trying to turn back the progress made by humanity during the previous century, the progress which had been effected, in France, by Louis XI—and actually, there were echoes of Jeanne d’Arc—the progress which had been realized in England, with the overthrow of Richard III, by Henry VII; the England which had been beautified by the personality of Sir Thomas More; the England of Shakespeare, later: That England, that France, that Italy, again, were to be destroyed! The instrument was Venice. The power of Venice, which was still, at that time, an international, imperial-style of financier maritime power; which controlled Spain; which controlled the Habsburgs, in Central Europe; which controlled Portugal; which had its agents in control, in every one of these countries.

So, the Venetians orchestrated religious warfare, from 1511 to 1648, throughout Europe. And plunged all of Europe, which had just come out of a Dark Age in the 14th Century, *plunged it back* into what has been described by Trevor-Roper and other historians, as a “new, little Dark Age.” Bloodshed and horror, nightmare, Inquisitions, witchcraft, terror—sheer terror and mass murder.

In 1648, Venice was defeated, by the Treaty of Westphalia, which reestablished the principle of the modern, sovereign nation-state. And, declared that warfare, heretofore, must be in the service of the promotion, and security, of the sovereign nation-state. And, defined a clear rule between justified and unjustified warfare. Despite all the difficulties, that has remained up until a recent time, up until developments of the 20th Century; when the Treaty of Westphalia, the 1648 treaty ending the Thirty Years’ War, and actually ending a hideous period, a “dark age” in European civilization, from 1511 to 1648—the *Habsburg horror of religious war*—was finally brought to an end.

Someone wants to return to that: to destroy the nation-state; to globalize, to eliminate the nation-state; to substitute for the General Welfare, the principle of our Constitution, with the notion of “shareholder value,” and that sort of thing.

And, that’s what has happened. That’s what’s brought us to this point—Sept. 11th.

Why did it occur? Well, it occurred, obviously, because the system was disintegrating. Take the case of what happened to poor President George W. Bush. George W. Bush was down in Florida, when Sept. 11th struck. He, obviously, and others, were targetted for potential *death*—not just people in New York City and the Pentagon, but elsewhere, were targetted for *death*—by a military coup, operated by a faction, inside the United States, of the utopian model. Now, he had what’s called “an epiphany.” Down in Florida, one day, he knows he’s the President of the United States, and for a poor boy from Texas, that’s *glory* itself. “I got all the power, now.” One day, he feels like *nothing*—the next moment! He flies to a base in Louisiana; he flies to “doomsday headquarters,” Offutt, Nebraska. And, during the trip to Nebraska, he gets a telephone call from the President of Russia; they have a conversation, to which President Bush has referred on a number of occasions, publicly—once with Putin, just standing beside him, as he recited the account. And, George Bush had an epiphany. The President of Russia, the only other credible, thermonuclear power on this planet, was backing up the President of the United States, and saving his butt. Now, that caused an epiphany in the other, unlikely, case of President George W. Bush.

And, for that moment, things began to go a little bit better. Bush went along with the policy—he was scared stiff. His advisers obviously pushed him into this Afghan war, which never should have been started; this myth of Osama bin Laden, which is a complete fraud: No fact has ever been presented, publicly, in any forum in the world, to give any backing whatsoever, for the allegation that al-Qaeda and Osama bin Laden caused the events of Sept. 11th, in the United States! *Not a single bit of evidence, was ever presented, publicly!* People said they *had* the evidence, and they believed it; but they couldn’t present it. “*You mean, you’re going to decimate half the world, and you can’t tell ‘em why?!’*”

So, the President was talked into that.

But, then, they had the cute idea, that by having a war in Afghanistan—. Since the United States has not got the ability to fight one and a half wars, if it’s all tied up in bombing Afghanistan—which is sort of a free target; almost no one’s there. It’s very difficult to find targets—in mountains, and hills, and fields; you might kill a few people in the process, but it’s not much of a target. We lost every bomb we had, practically. We began to run out of these missiles, these precision missiles. We were really crippled in our ability to conduct war anyplace else.

## Global Religious War

So, that postponed what the people behind Sept. 11th *wanted*. What was the continued motion that came out, immediately? The United States must join, with the IDF and Sharon of Israel, *to launch a global religious war!* How were they going to launch the war? Very clear: from before Sharon

## ICLC Conference: Continue The American Revolution!

The International Caucus of Labor Committees (ICLC) and Schiller Institute convened for their biannual conference in Reston, Virginia on Feb. 16-17, under the theme, "Continue the American Revolution!" Some 900 people attended, from many countries and walks of life, including a large contingent of youth, a number of representatives of foreign embassies, and a dozen American elected officials.

Before the first panel, Lyndon LaRouche's keynote, world-renowned baritone William Warfield, accompanied by Margaret Scialdone, sang "O Tod" ("O Death"), one of Johannes Brahms' "Four Serious Songs." Civil rights heroine Amelia Boynton Robinson then introduced LaRouche, whom she called "one of the greatest leaders,

ordained by God . . . endowed by God with a unique yearning to save the world." Zimbabwean Ambassador to the United States Dr. Simbi Mubako's address to this panel, is published elsewhere in this issue.

The evening session on Feb. 16 opened with a musical offering by the Schiller Institute Chorus. The panel, led by *EIR*'s Jeffrey Steinberg, was titled "Brzezinski and Huntington's Universal Fascism: The Special Case of Sharon's Israel." Harley Schlanger also spoke.

On the morning of Feb. 17, Helga Zepp-LaRouche gave the second conference keynote speech, on "The Dialogue of Cultures."

Following an afternoon of extended questions and answers between Mr. LaRouche and members of the audience, the closing panel was "The American Intellectual Tradition: Key to Economic Recovery." Chaired by Nancy Spannaus, the session included speakers H. Graham Lowry, Anton Chaitkin, and Richard Freeman.

became Prime Minister. This time, Sharon authorized an attack on the third holiest place of Islam—al-Haram al-Sharif. Now, if you start desecrating one of the sacred places of one of the major religions of the world, at the same time that you're killing Palestinian Arabs, en masse, in butchery, and launching attacks on other people, saying that Islam is the menace; if you conduct that kind of idiocy—which Europe has seen before, in the Middle Ages and earlier, and saw between 1511 and 1648—if you start that kind of fascist horror, again, you're going to have a global religious war.

Now, religious war has the peculiarity, that it *never really stops*. Remember, religious war in Europe, which was launched again, in modern times, between 1511 and 1648, *went on, during all that period*; with a few interruptions, but it kept on going! The characteristic of European civilization, for almost a century and a half, was religious war. The horror that happened in the Thirty Years' War, between 1618 and 1648; the example of religious war: When you start religious war, you're setting fire to civilization!

And, that's what these people are out to do.

So, you had a partnership, between those forces which launched Sept. 11th (that is, the actual action); those forces which *used* Sept. 11th, as continued motion to push for global religious warfare—Clash of Civilizations; and those in Israel, who—*admittedly*, now—copied the methods of the Nazi SS in Warsaw against the Jewish Ghetto, against the Palestinians in the Middle East! A war of genocide against Palestinians, launched, and mobilized with *witting use* of exactly the same methods, used by Stroop, the Nazi commander in Warsaw, in murdering and butchering the Warsaw Ghetto.

This gives you a sense of the morality of the situation. And these three things go together; they're all of one piece. There is not one element to Sept. 11th: There is the coup, the

military operation, which is the detonator; there is the bomb, which is the Clash of Civilizations war, which was being pushed from then, to the present time; third, there's the crucial role of a fascist dictatorship in Israel, nominally headed by Sharon, which Israelis are now revolting against—in Israel; a fascist coup, in Israel.

### Disintegration of the System

And these three things are all coming together. Why'd they come together? Because of the urgency of the economic and financial crisis. The present monetary and financial system is doomed. In its present form, it could never be saved. And, what has happened during the past week, or the past ten days approximately, as the Enron case began to unfold, you found (as I shall describe this, shortly) a process in which the *entire world financial system is unraveling*.

What is involved in Enron, and Enron's counterparties, according to the best estimates of leading experts in various parts of the world, is this: *More than \$100 trillion of notional value of financial derivatives are in the process of imploding!* We're not talking about a \$35 billion collapse; we're talking about a *potential* notional collapse in financial derivatives, of *over \$100 trillion*, just because of the connections of the Enron collapse.

And that has been developing. When did it develop? Well, back in 1995-96, I did something, which I'll refer to shortly. I made a forecast: that we're entering a new phase of collapse of the post-1991 phase of the international monetary system. We're now heading to a chain-reaction collapse—not tomorrow morning, but as a continuing process.

This was the theme of my 1996 campaign for the Presidential nomination of the Democratic Party. The Democratic Party said, "No. It couldn't happen." From Clinton on down,

they said, “It’s not going to happen.” Well, it happened. It’s called the 1997 “Asia Crisis,” which was not an Asia crisis. It was a crisis of the entire system; a crisis in the hedge-fund system of the entire system. Then, they said, when that was over, this was a result of Asian mistakes, it would never happen again. Then, in August to September 1998, we had the GKO crisis; the Long Term Credit Management crisis, which almost brought down the entire U.S. system. They said, “No, this is only temporary. It’s a blip. We can fix it.”

So, they got the Treasury Secretary of the United States, and others, together, and they decided they were going to run a “Plunge Protection Committee.” They were going to prevent this from ever happening again; and they began throwing money, at rates never heard of before. They began making money—inventing it—at rates never dreamed of before, in order to try to paper over a collapse of a financial bubble.

So, what happened, in the year 2000, coinciding with the collapse of the so-called “New Economy” bubble—. Remember, the New Economy was set into motion in 1995, and it collapsed in the year 2000, and it is disintegrating now. It collapsed in the Spring of the year 2000. It was then pumped up, by Plunge Protection money, but it collapsed again, in 2001, and it was the collapse of the New Economy bubble, *before* Sept. 11th, which caused the present financial collapse, leading to the Enron collapse, and what’s coming out of that.

So, now we have come to a point that the entire system, from the top down, is in a process of self-disintegration. This is a situation, very much like, as I shall indicate, what happened in Weimar Germany in 1923, when a system of bubble-building, which had existed in Weimar Germany for more than a year—almost two years before then—which had not caused *hyperinflation*, suddenly, in the June-July period of 1923, began to become hyperinflationary. And, within less than five months from that point, the German reichsmark ceased, virtually, to exist; and was re-created by U.S. gold at a later point, under the Dawes Plan.

We’re in a period like that, in which the system is in the process of coming down.

## The Science of Economic Forecasting

Now, let me shift gears, having said that much, and indicate what *you have to know*. I can tell you what the situation is. I can tell you what *we*, in the world and the United States, must *do*, about the situation. *You*, individually, will have to decide what you’re going to do about this, for yourself. All I can do, is describe the situation, and you have to decide how you’re going to respond to it. Now, that’s all that any economic forecaster could ever do.

Now, most people don’t understand forecasting. They think that somebody’s going to predict an event, like a gypsy tea-leaf forecaster, who tells you when you’re going to meet this mate, on a certain day, and how it will happen to you. Well, I don’t do that kind of forecasting, and never did. And people criticize me, and say, “But didn’t you forecast—?” I

said, “No, I didn’t forecast that. I didn’t forecast that Hillary Clinton is going to marry Bill Clinton. That’s a condition that existed of Bill Clinton, but I didn’t forecast Hillary.”

You see, we live in a world of human beings, and the problem posed by forecasting, is: The way events go in the world (apart from astrophysical events, and things of that sort), what happens in the world is predetermined by, what? By the free will of human beings! So, therefore, how do you forecast, if human beings have what is called “free will”? So, you do not forecast events; you forecast the *conditions* which will arise as a result of choices already made; conditions which will strike, unless those choices are changed. You forecast a *condition*. You can, then, also say, what your response to that condition should be. Not on a particular date, but in a time frame. And, you can also forecast what will happen to you (or them), if they don’t respond to that condition.

It’s like when the accountant says to Joe, the owner of the company, “Look, you keep this up, Joe, you’re going to go bankrupt.” Now, the accountant is not telling Joe when he’s going to go bankrupt. He might be able to, in some cases. It might be tomorrow morning—that would be an easy forecast to make. He knows the sheriff is already coming! But, generally, you can forecast a *condition*, and you can forecast what that condition implies, in terms of the response you must make, knowing that that condition is coming, or has happened. That’s all a forecaster can do, that’s competent. Anybody else, who tries to tell you anything else, is not a forecaster, they’re a fake. Because we’re dealing with free will.

And therefore, people can change their destiny, by will. They can not change it arbitrarily, because there’s a lawful process going on. They have to change, by understanding the process in which they’re *gripped*. And understanding what their choices are, under those conditions. They can even invent new choices; but those new choices they may invent will have to fit the condition, which can be understood. And, that’s what I’ve done.

In point of fact, in the past 35 years—actually 40, but I began to publicize my forecasts more generally beyond a few, certain narrow circles, only about the 1966-68 period, in which they became rather celebrated in certain quarters. So that, when 1971 hit, a lot of people knew, that I had forecast what was going to happen; and it happened. And nobody else had. Every other economist, who had forecast anything, in the United States or Europe, had said—especially in the United States—had said, that something like August 1971 *never could happen*. The textbooks: Take the case of Economics 101, taught in most universities, including MIT, which said that the “built-in stabilizers” would prevent a crisis of that nature *from ever happening again*. And, virtually everyone said so.

So, for about 35 years, at least, in a fairly broad, and increasingly public domain, I’ve been forecasting. And, I have never made a mistake. I have never made a forecast, which was not confirmed by events. *Never*. Not a single case. There’re some people, who try to say, “But, didn’t you

*COLLAGE TO COME*

grmble, mrrmble myah?” I said, “No. I didn’t say that. *Read what I said.* I put it in writing, repeatedly. *Read it!* What did I forecast?”

And I never made a mistake, in forecasting, because I understand how to do it. And, very few economists do.

Now, therefore, I mention that now, because I’m going to pull rank. Since all of you can have access, or should be able to get access, outside these doors, to documentation, which indicates this fact, to be a fact: that I never made a mistake, in an economic forecast. How can we understand how to deal with the present world problem, from the standpoint of my expertise, in forecasting? Because your ability to analyze the situation, is not some gypsy tea-leaf-reader’s version. You analyze the situation, by defining the process, in which, what you’re studying, occurs. In other words, if you’re trying to psychoanalyze a rock, you’re in trouble. So, you have to know what you’re investigating, the nature of what it is you’re investigating, and then you are able to make reasonable forecasts. And, you’re able to make reasonable decisions, knowledgeable decisions. And that’s what I’m going to get at.

### The Roosevelt Legacy—and Its Betrayal

Now, the problem we have today, as I’ve already implied, is that we are living in a tragedy. Here we are, in the United States—the United States, which, at the close of World War II, was almost all-powerful, but, we made a few mistakes. Roosevelt died, and his body was not yet fully cold, before Truman connived with Churchill, to dump many of Roosevelt’s intended policies. For example: Roosevelt had intended, that at the conclusion of the war, colonialism would come to a screeching halt. Not only would we *end* colonialism, globally—that meant the Portuguese, the Spanish, the Dutch, the British, and the French colonies. Not only the vestiges of colonialism, but that the United States, with the great power it had accumulated during the course of the war, would use that power, as a leading force, not only to rebuild the shattered economies of continental Europe, but to launch great infrastructure development programs in places such as Africa! To give people in these areas, which had been subjects of colonialism, to give them the *right* to have the kind of economy, that we had. The right to have access—*real* access—to the technology they needed.

Well, that didn’t happen.

Truman immediately gave U.S. support to the British. And Truman and the British immediately, in that period, *reestablished colonialism* in areas of the world which had been destroyed: among the Portuguese colonies, the French colonies, the Belgian colonies, the British colonies. Immediately, colonialism was *reenforced, at the point of bayonets!* The Japanese Army was taken out of prisoner of war camps, in Indochina, given back its weapons, and told to reoccupy Indochina, until the British could take over, and the French could come in and take over from the British. In Indonesia, which had won its freedom with the defeat of the Japanese, the



*President Franklin D. Roosevelt showed that it is possible to put a desperate nation back to work, with results that will be beneficial for the nation. “Did we lose money on the New Deal?” LaRouche asks. “No, the conditions of life of the American people and the economy were improved by the New Deal. The nation was saved.”*

Dutch, supported by the United States and Britain, went in and conducted a bloody war, to recolonize Indonesia. And, so forth and so on. This was the policy.

But, there were some good things done. The good thing was, the post-war monetary system as it affected Japan, as it affected the Americas, as it affected Western Europe. Under the post-war monetary system designed by Roosevelt, as presented at Bretton Woods—not Keynes! Roosevelt. Keynes did not design the post-war monetary system. Franklin Delano Roosevelt did. There’s a fundamental reason for it: Keynes did not believe in national banking; Roosevelt did. We didn’t have national banking, but we had a national banking *policy*, which we used, and intended to use.

Under the post-war system, from 1945 to 1963 and slightly beyond, the United States and its partners, in this post-war system, this Bretton Woods fixed monetary system, with the gold-reserve-based fixed currency rate, this system resulted in general improvements, in the conditions of life of the nations and their populations, in every part of the world which was a full participant. This was the benefit. From the



middle of the 1960s, especially from 1971, the conditions of life of the people on the planet, who had benefitted from the post-war reconstruction, prior to 1964—their conditions of life began to reverse. From 1971 on, there was a reversal, a significant one. *There's been no net physical economic growth, in the United States economy per capita, since 1971-72.* We've been using up infrastructure and similar kinds of things. We've been living on the fat off our own backs!

The worst catastrophe, that happened to us, was called Jimmy Carter. Brzezinski's creation. And, you have to know Brzezinski's crazy, and that he created Carter—not God, but Brzezinski. Carter did more damage to the U.S. economy in four years, than all other malicious Presidents have done in the entire post-war period to date. Deregulation; the Volcker measures—“controlled disintegration of the economy”—all policies designed under the direction of Brzezinski! Ruined the economy of the United States! We've been going downhill.

Then: 1989-1991, the Soviet system was disintegrating. So, the Anglo-American interests, which were behind these anti-Roosevelt policies, decided they're going to build a world empire. They're going to eliminate the nation-state as an institution. They're going to use universal free trade, globalization, deregulation, New Economy, and similar kinds of swindles, in order to create a worldwide, permanent empire, run by an Anglo-American force, which would be essentially military in nature, like the Roman legions, or like what the Waffen-SS was intended to become under the Nazis. This has been the policy.

Under these conditions, from 1977 to the present, there has been a catastrophic collapse in the living standard, in the share of national income, of the lower 80% of the family-income brackets of the United States. There has been a similar destruction, which has occurred in Europe, especially since 1989. There have been countries, which we said are the “newly emerging markets.” They were not; they are in essentially a new form of colonialism, where some people are employed in industries in runaway shops—running away from Europe and the United States; shipping back to the United States. And we don't pay for it. We borrow money from the world, to pay for things that we consume, that we no longer produce. In the process, a vast bubble was set up, a financial bubble, and that's what has exploded right now.

Now, the point is this: We had a system that did work. It was neither just, nor perfect. The post-war system, from 1945 to 1963-64. It was not a perfect system; it was not a just system, but it worked from an economic standpoint. There was an improvement in the living standard, per capita, of the people. There was hope; there was hope that this could be continued; that the benefit could be extended, to include those who had been left behind, in the process. But it worked.

With Nixon's meeting with the Ku Klux Klan in Mississippi in 1966, in starting his campaign, based on a pro-neo-Confederacy campaign for the President, the Nixon campaign

of 1966 became a determining factor in the policy-shaping of the United States. And we began to go to Hell. And, Nixon's decision of 1971 was an inflection-point in this. And we've been going to Hell, ever since. And the institutions which I mentioned before, such as the Mont Pelerin Society and the Heritage Foundation, the American Enterprise Institute, the H. Smith Richardson Foundation, the Olin Foundation, and so forth—these institutions, have controlled U.S. policy, in the way I've indicated, and they destroyed the U.S. economy.

So, therefore, the problem today, is how do we reverse that? How do we get back to a policy which worked, without necessarily replicating the injustices or the other shortcomings in the system? How do we extend the policy to include the entire world, not merely some parts of the world, while leaving the others in the vestiges of neo-colonialism and colonialism?

## Two Types of Forecasting

Now, just to give you an indication of this: Forecasting. How do we forecast? You have two kinds of economic forecasts—competent forecasts. One, are called “long-range forecasts.” By long-range forecasts, I mean forecasts of usually more than 10 to 15 years, and usually 25 to 50 years. That is, you take the conditions under which an economy is operating—a nation is operating—and, by extrapolating from those conditions, you can see what the trends are with that economy: its ups and its threatened downside, down the line. We talk about long-range forecasting, talk about a generation: 25 years. What's 25 years? Twenty-five years is the period from the birth of a child, until the biological maturity of that child at about 25, which coincides, in a society which is well developed, with a good educational system, to the professional maturation of a future professional. It takes about 25 years investment, in a child, to bring that child to the kind of maturity, which we should expect for *every* child in the United States, from here on out.

That's a cycle: You have to invest in that child, for 25 years! Maybe the child makes a contribution along the line. But net, *you must continue to invest!* The family must invest. The nation must invest, in the form of schools, in the form of educational systems, in the form of health-care systems, mass transportation systems—all these things. These are investments, which are necessary to carry our next generation of children, from birth to about 25 years, before they can begin to pay back. To realize the investment in that child, once reaching 25, takes another 30-40 years of work, by that adult, to *replicate* what society's investment in them was! And to bring society to a higher level.

Therefore, the basic element in policy-shaping, starting with things like education, and health care, which begin with the birth of a child (or even before), is the cycle—the long cycle. In fact, we find that, in most cases, in the development of nations, it takes *two* generations, not one, to realize a long-term, fundamental objective of improvement. One generation



*The Tennessee Valley Authority (TVA), the greatest project of the Roosevelt era, transformed that whole section of the southern United States. Here, the Wheeler Dam Navigation Lock in 1942.*

is developed. Its development enables it to contribute to the development of the next generation. So you have a cycle of essentially 50 years, as a time you must think ahead, in economics. And, the shortest period you must think in terms of, is 25 years: one generation. But, to really think ahead, long-term thinking, is two generations.

Now, we can predict, to a great degree of relevance, what the conditions, or changes in conditions will be, as a result of policies we are adopting today, on a well-organized society, 25 years ahead. That, we can know. Therefore, when we look at what we're doing today, don't look at what we are doing from moment to moment; look at what the effect is, of what we decided to do, on what the conditions will be, up to 25 years ahead. So, you're thinking in terms of, basically, 25 years, 50 years; you're thinking in terms of medium-term effects, like investments in a machine tool, or investments in buying a house, or other kinds of investments. These take, say, five to ten years. You're also thinking about how you manage in the two- to three-year, short-term period, as well. This is the way the economist, who is competent, thinks.

Now, the economist does not think in money terms. An economist thinks in physical terms. Don't tell me what the price of a railroad ticket is; tell me, "Does the train work? Can I get there? Will I be able to board it, when I need to?" And, what is it going to cost, in terms of the available resources of society, to maintain that railroad? I don't want to know what the prices are—I'll get to the prices later. I want to know, if

we've got a system that works! If it works, we'll pay the prices, and we'll set the wages and so forth, accordingly, to meet these prices.

So, that's the way you think about an economy.

Now, what happens in an economy, which is important—we'll come to that next. But, first, you get to this question of the short term. In the short term, since the conditions we're going to reach, will be chiefly the result of long-term cycles, you have to locate the possibilities you're going to face—the opportunities and challenges you're going to face, in the short term—you have to look it from a long-term standpoint. Where are we going?

Take, for example—as Richie Freeman will deal with, in a paper he's working on—the TVA, the Tennessee Valley Authority. The Tennessee Valley Authority was one of the greatest jobs ever done in the United States. It transformed that whole section of the United States—all the tributaries. It was the basis for a lot of things that happened during World War II, in terms of industrial capability. It is of benefit, still today. Al Gore would never have crawled out of the mud, if his father hadn't benefitted from the TVA. He'd still be down there, as a mud-worm, or something.

So, these kinds of projects, are the long-term investments, which determine the future possibilities—or lack of possibilities—for the conditions of life of a population. That's the long-term.

So, therefore, you try to situate: What is the relationship,

FIGURE 1

### A Typical Collapse Function

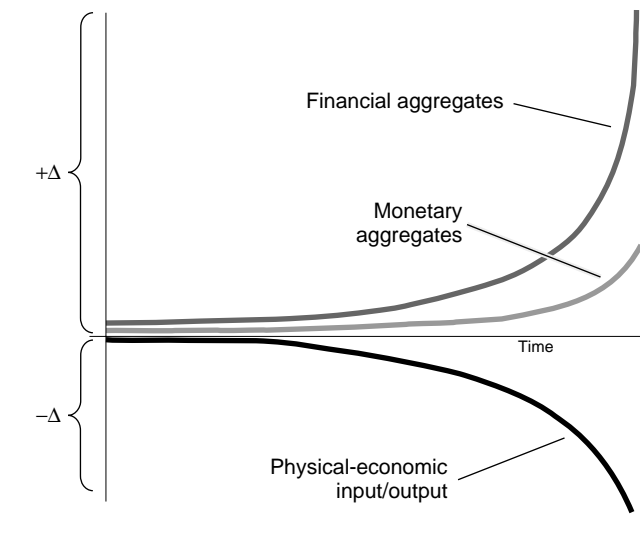
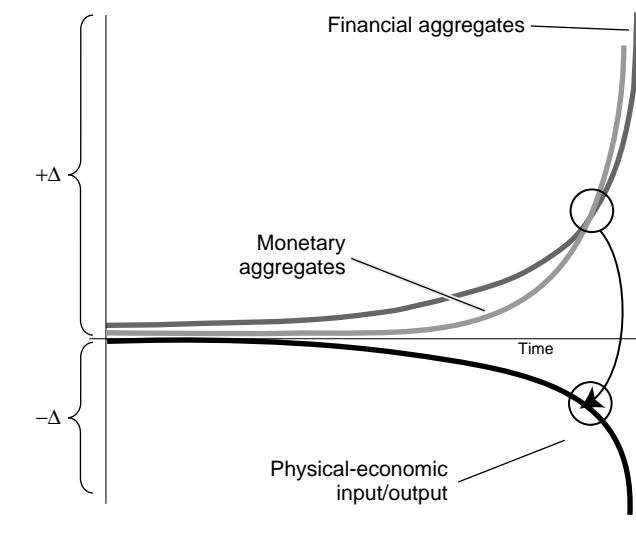


FIGURE 2

### The Collapse Reaches a Critical Point of Instability



of your short-term behavior (or somebody else’s behavior) in terms of this cycle? Now, in that case, you can not exactly predict what’s going to happen, because what Joe Blow decides to do, within the cycle, is going to determine exactly what happens. I mean, a corporation goes crazy, and they fire all their employees; well, you don’t know that’s going to happen. But you can understand the event; you can understand how to respond to it. So, therefore, you have to make a distinction between *long-term* forecasting, in which you can be very precise, at least within economic policymaking decisions; and *short-term*, in which you can not be precise, in terms of events, or what’s going to happen, but you can be precise, in defining the conditions to which you must be prepared to respond.

### A Case Study: The U.S. Economy

Now, what happened is this. Give an example of this—the first chart [Figure 1], just to get an indication of this. I had an appearance, an invitation, in the Autumn of 1995, to participate in a Vatican conference on health care. And, as my contribution to my hosts, I submitted a paper, and I said, “This is something I’m going to present, anyway. Let me present it, here; it may be useful to them,” to indicate what was going on with the world economy.

Now, very simply, this is the state of affairs in which the United States has been operating, during this period. That we have been on a downslide, in physical terms. That is, measured in physical quantities, as anybody who happens to be inhabiting the lower 80% of family-income brackets, knows: This is the way things have been going. The family standard of living, in *physical* terms, such as health care, for example, *has been going down*. So, this [lower] curve is not only going down, but it’s accelerating; it’s actually hyperbolic.

At the same time, the so-called “market values”—Wall

Street market values—have been galloping up, up until recently. The financial aggregates are growing, how? By stealing from people! That is, a corporation does a “cost reduction”: It pays people less; it steals. Or, it imports from a foreign country, from cheap labor, and steals. Therefore, the physical economy, per capita, of the United States, has been decaying, especially for the lower 80% of family-income brackets. While the financial value, per capita, of monetary aggregate, and financial aggregate, has been increasing, per capita. The stock market has been going up! “Everybody knows the stock market has been going up! It’s great! The economy’s fine!” So: The patient is dying, but the fever is rising!

Now, how this is done, in part, is by an increasing reliance on *pumping*—and printing—money, directly and indirectly, into the economy. Through the Federal Reserve System, for example. Or, by borrowing Japanese yen, at 0% interest rate. So, this has been feeding the growth of financial aggregates, which are growing, because of the looting of the physical economy, which is then turned into profit. And, by the leverage on growth in financial values, by monetary pumping.

All right, now let’s go to the second case [Figure 2], and see what the point is, here. Now, this is the condition, which the United States economy reached during the Spring of the year 2000. At this point, the amount of financial aggregate, which had to be poured into the economy, under the Clinton program of Plunge Protection—the amount of aggregate that had to be poured in, to keep the stock market, and related financial markets from collapsing—exceeded the amount of endangered financial assets, which needed to be rolled over. This is exactly what happened to Germany, in June-July of 1923, in which the German bank had to print money, more rapidly, than was accounted for by the amount of assets it was

rolling over. And that led to hyperinflation.

So, at this point, the U.S. financial system, in the Spring and Summer of 2000, went into a *hyperinflationary mode*. The real economy was collapsing at an accelerating rate. Look at the layoffs; look at the shutdowns, now ongoing. The physical economy is collapsing at an accelerating rate. The financial aggregate system—the market—is not. It is now collapsing. That is, the rate of expansion of financial market values, on stock markets and similar exchanges, is not *rising*, at the rate it was. And, since the value of these so-called “assets,” was based on the rate of growth, a slowing of the rate of growth, means an inevitable slowing, dropping, of the yield on these investments. At the same time, to *maintain* these levels of these investments, by cutting Federal Reserve interest rates, for example, the amount of money that has to be poured in, is *greater* than the amount of financial assets being supported, subsidized, by money-printing.

Now, the money-printing is both U.S., and it comes from places like Japan. The U.S. dollar hangs on the Japanese yen! The Japan government, and banking system, has been printing money, for the *benefit of the United States!* It has been loaning that money, at 0%, or nearly 0% borrowing cost. Can you borrow at 0%? This money is then issued as yen, alone; the yen, are then used to buy dollars, euros, and so forth. This money then comes back *into* the United States, into the U.S. financial market, and pumps up the U.S. financial market. So, *what happens, if the yen collapses?* What happens if the yen collapses? Argentina’s bankrupt, and so forth, and so on. What happens if Turkey collapses? It’s already as bankrupt as Argentina, it’s just being supported for military purposes, as in the case of Iraq operations, in Central Asia. What happens? The entire system, then goes into a chain-reaction collapse.

Now, that’s not the end of it.

### ‘The Cluster-Buster’

Now we get back to “Cluster-Buster.” Now, this whole system, of Enron and what it typifies, is one, gigantic swindle. There was never any merit to it; it was pure theft. And it had another aspect of pumping to it. Enron, and similar kinds of firms, were giving contributions, to finance election campaigns and party finances. So this money was going in, to buy Congressmen! And, as the value of the Congressmen went lower and lower, the price went up! So, how did they maintain the system? There was never any value in this system. It was pure theft and swindle, and there is nothing but *criminality* in this whole thing! Leading accounting firms? Can you trust an accounting firm? Would you trust a leading accounting firm? Would you trust a banker? Would you trust a Congressman? What they invested in, is what’s called “hedgies.” What they would do is, they would take a stream of money, and make a deal with each other—a bunch of people. And these hedgies became more and more complicated, and more and more of the world—especially in the funny-money area—became involved in deals with each other.

Now, the security for all of these notional values on financial derivatives, is not based on real assets. It’s based on the assumption that Joe Dokes is going to be able to pay Joe Schmoe. And if Joe Dokes commits suicide, then Joe Schmoe goes bankrupt. Now, if you have a system of this type, in which all of these characters are in these derivatives partnership deals—counterparty relationships—and they’re entangled, like the biggest, dirtiest spider web you ever imagined—what happens is, when it starts to collapse, the whole thing comes down in a chain-reaction collapse. What we’re dealing with now, is over *\$100 trillion of notional values* in derivatives, sitting on top of a bubble, in which there’s Global Crossing, and so forth. Many of these things like that, are in Bermuda or the Jersey Islands, or so forth. They’re purely shell operations.

Many companies in the United States, have become entangled in energy deals, and also derivatives agreements—including one in Pennsylvania, recently, that just went under: A power company, which was not engaged in derivatives, as such, became involved and entangled in these contracts with Enron—they weren’t going under! So, what you have now, is, we’re at the verge of a chain-reaction.

### ‘This Is a Slime Mold’

Now, I’ll tell you what this is like, to give an image. There’s a critter, in nature, a very interesting critter, which sometimes acts like an animal, and sometimes acts like a plant—sort of like an Enron executive. It’s called a “slime mold.” There’re many kinds of slime molds, and you’re going to see a picture on the Internet of this; at this point, in this address I’m making, we’re going to stick it in on the web, so people can see what I’m talking about, about a slime mold. What happens, is: This thing, which you find in swamp waters and things like that, in one phase of its existence, it’s running around like individuals, and behaving like an animal; and, in another point, all these animals come together in a cluster, and they form a real piece of *slime*. *Ugly slime*. And, this is what’s called a “slime mold”; it goes through these two phases, back and forth: “Well, it’s only us individual partners, here, at Enron,” right? Then you start looking at the partnerships, and you say, “Wait a minute! This is a slime mold!” Then you look at the counterparty relationships which Enron has, through these financial derivatives markets, with this totality, and you say, “We’ve got a \$100 trillion notional value slime mold, which is sitting on top of the world and suffocating it!” Did you ever see a slime mold die? They do, sometimes.

And, that’s the problem we’re faced with, right now. That’s what I mean by the “Cluster-Buster” and “Cluster’s Last Stand.” We’re at that point. There is nothing left to support this: Production is down; the system is collapsing—it’s finished. And, this is what I’ve foreseen. That’s what I presented with this in 1995-1996, and again, with the second phase in 2000, on the question of this Triple Curve.

*This is the nature of the situation. We’re at the end.*

## The Lessons of Classical Tragedy

Now, what is this? This is a Classical tragedy. Now, contrary to what many of you may have had, who still had an education, in days when they used to teach Shakespeare, and things, in universities and high schools, when people knew something: In those days, you were mis-taught about a tragedy. And you had the usual Romantic interpretation of tragedy. The explanation was, that *Hamlet failed*. Hamlet made a mistake, and that caused Denmark to get wiped out in that period. Not true! Hamlet didn't make a mistake. The only thing that could have saved Denmark, was, if Hamlet *would* have made a mistake.

What Hamlet did—and this is summed up in two locations: in the famous Third Act soliloquy (“To be or not to be”); and then, again, in the closing scene of the play, where you have this peculiar, skewed dialogue, between the Norwegian prince and Horatio. In which the prince is saying, “Let’s go on, and do more of this!” They carry Hamlet off-stage, dead, and a lot of other corpses are being carried off-stage, dead. And here, Fortinbras is saying, “Let’s have more of this!” Horatio says: “Let’s *stop*. And think, now, on what has happened, so we don’t do this some more.”

Then, you go back to the Third Act soliloquy. Fernando—uh, Hamlet—I thought you’d like that!). And Hamlet is saying, “I know what to do, but I gotta think about, what if I die? What if it doesn’t work? So, I’m gonna go back, and conduct myself the way I was trained to act.”

Now, in every tragedy, it’s the same thing. Every true tragedy, the death of a nation is caused, not by its leader, or the failure of its leader, as such. The failure of the nation, is caused by the people. And the failure of the leader, is: He does not go against the will of the people. In point of fact, in real history, the failure of all pragmatists—every pragmatist is a potential, walking tragedy! Because no culture, no civilization was ever destroyed by itself, except by its own opinion; except by adapting to its own popular opinion. The leader who fails, the tragic figure, is the leader, who does exactly as popular opinion demands. And, people that fail, are those who choose leaders, who are slaves to popular opinion.

That is the tragedy of the United States today. That is why none of the two major parties work. That is why they’re failures. Because, as long as people go by popular opinion in the United States, the United States is, to that degree, *doomed*. Only a sudden, and revolutionary, change in popular opinion, can save the United States from Hell, at this point. And, Hell is looking at us, in the form of this Clash of Civilizations war. Europe is about to distance itself from the United States; it may not do it, but it’s at the threshold of threatening to do something that it has not threatened to do, in more than five decades: break from the power of the United States. Because Europe knows the United States is *doomed*, and wonders if it has the guts to break from that doom.

That’s the reality.

Because, all the solutions, would mean a violation of popular opinion. It would mean, saying that your friend, who

believed in the New Economy, was a suicidal idiot. That your friend, who believed in free trade, was a tragic idiot. That your friend who believed in globalization, was a tragic idiot. Your friend, who believed that you had to go by popular opinion polls, was a tragic idiot. When you find the whole nation, is behaving like a horde of mythical lemmings, about to go over the cliff, you don’t want to follow lemming opinion! If you care about lemmings, you’re going to try to get them to change their opinion, and you’re going to be very rude, when it comes to discussing their present opinions. That’s the challenge that faces us.

I’ve watched us. I’ve been around for a fairly long time. I’m still frisky, along with a couple of other people, like Bill [Warfield], who are still frisky. We’re still able to do our job! But a lot of other people have passed on. And, we’re among the survivors—people like me, in my position. We know what happened to this country: in the 1920s, the 1930s, during the war, the immediate post-war period, the 1950s, and the 1960s; and we know what happened since.

## The Failure of the Baby-Boomer Generation

Most people in positions of power, today, who are members of the Baby-Boomer generation, that is, who were born during or after World War II, *have not a clue*, as to what has been going on in the world, in this period. Because they were raised as children, under the influence of what we called then, “McCarthyism”—it was actually “Trumanism,” but somebody decided to call it “McCarthyism”; they couldn’t pronounce “Truman.” And, under this thing, parents would tell their children, “Get out of the cities. Get out into the suburbs. Get a white-collar job. Get away from those blue-collar jobs. Get out there, and get behind a desk—not a machine tool. Don’t get your hands dirty, there’s no future in that. That’s for poor people—not for *you*. Go to the right schools. Be careful what you say. Never say things that might get back, and get our family into trouble. Don’t say something, that might result in your father being fired, as an engineer at that plant. Learn to go along, to get along.”

And, so, it’s not the Baby Boomers’ fault, in a sense: They were *raised* that way! They don’t *know* any better. They were never educated any better. When they’re faced with something they don’t want to face, they say, “I don’t go there!” “Don’t tell me about that, I don’t want to hear it!” “I’m not going there!” “I don’t go there.” “I don’t believe in that.” “Don’t tell me about Dead White European Males”—for example. “That’s not allowed in our university.”

And, therefore, what’s happened, is, we have a deprived population. You could not do this to my generation, while we were running the show. You couldn’t do it. Our generation was not that stupid. My generation committed a lot of crimes—and they’re actual crimes; there were moral crimes. They submitted to things they should not have tolerated. They capitulated to public opinion, or what they thought was public opinion, which generally was manufactured by a billionaire mass media—not to their own consciences. But, you couldn’t

have fooled us, the way this Baby-Boomer generation has been fooled.

Now, our problem—and my problem in particular—is to speak like an old prophet, who comes from my generation, which is about as close as we get to sanity, these days. And, my job is to tell you, who predominantly represent a younger generation, that once upon a time, we knew better than what you believe, today. We would never have accepted globalization; we would never have accepted shipping our jobs overseas, and taking them away from us; we would never have accepted these ideas of destroying infrastructure—this sort of thing. We wouldn't have tolerated it. But, you, the younger generation, have. You've now considered the toothpaste, that you can't put back in the tube. You go along with it.

And, some of us, who are older and wiser, and have the benefit of experience, and have a tendency to look back to our ancestors, too, and think about our situation, in respect to people who came before us—people who were born in the last century (the 19th Century, that is). I can go back about 200 years, in terms of my family experience, in terms of dinner table personalities—cultural contacts. I had an ancestor, who was a dinner table topic, who was born at the same time as Abraham Lincoln. There are many people of my generation, who think in those terms; who can think in terms of family background, back to the 18th Century and the early 19th Century. They have a sense of the present, in terms of things that have happened over these intervening generations. They compare things, *in the long term*. They think of where we came from, and ask, where are we going?

## An Opportunity for Change

Now, we have before us, an opportunity. If folks of the younger generation will come to their senses, and realize the present political parties in the United States—neither of them work. There are some decent people in those parties; decent leading people. But the parties, as organized institutions, now under their present conditions—of “getting along” with each other: They just don't work. The Republican Party and the Democratic Party are equally stupid and incompetent. You would think there is no chance of saving this nation, if you think ahead, and think that, if *these* parties, in their present constitution, their present state of mind, if they are going to run the future, even the immediate future, there is no chance for this nation or this civilization.

But there are things we can do, if people will come to their senses. If they have an epiphany—maybe the majority of Americans will be better at taking an epiphany than George Bush was, after Sept. 11th. Maybe they'll take one that sticks. And realize they came close to destruction of everything they'd fought for. And, maybe they will change their ways, or be willing to change their ways, because they find that certain values are more important to them, than sticking to their old habits. They might want to change.

The first thing they might want to do, is, go back to—as I said, at the outset, here—go back to what the United States

once represented, under Franklin Roosevelt; and continued to represent, in a certain, significant degree, during the first 20 years after his death. And say, “That was a better way of doing things. Why don't we take that, as a point of reference?” And tell the Baby Boomers: “Look, it was better under those conditions. That's how you were able to get to college—because of *us*, and because of these policies.” If you've been like the children today, who've had almost no chance—they can get to a college, but they can't get anything out of it; there's nothing in there, to take. We can change.

We have to change, in the way we think about the world. Unfortunately, we live under a British monarchical cultural influence, a Hobbesian influence. We think the secret of everything, is: How do you get ahead, at the expense of the other fellow? People say, “Well, don't our interests compete with those of other nations? Don't they conflict? How can we beat these other nations?” Idiots talk about a conflict between Europe and the United States, on the question of economy: There is no such conflict! Except in the mind of idiots! There's no conflict between the euro and the dollar! The euro's bankrupt and the dollar's bankrupt: What's the conflict?

We have to think in terms of humanity. And we have to understand, that the nation-state is the necessary institution, because it's only through references to a national culture, that a people can deliberate together efficiently, on highly sensitive questions. But, at the same time, the nations must deliberate, as a family of nations. And the nations must agree upon policies *among nations*, as we, in a nation, must agree upon policies among ourselves, based on *our* language-culture; *our* traditions; the things we can share with our neighbors, and friends and family; so that we can make references, which people understand, which is more difficult for people who live in different countries, with different cultures.

But, we're all human, and we all have essentially the same interests as human beings. We have the same distinction from the animals, that every other human being has. We are *human*: We have access to immortality; to *ideas*, which no animal has, except as they're adopted by a human being. An animal dies; where does it go? Nowhere, unless some human being loved it. Where does a human being go when they die? If they were a person of ideas, a person who contributed to the development of a person with ideas, they have an immortality, in the transmission of these cognitive discoveries and ideas, which they transmit. What they have done, as living human beings, becomes a permanent part of humanity; a permanent legacy. They live forever, in that legacy! They have immortality, in that legacy! When they look back to their ancestors, in the cultures that came before them, and think of the struggles which we have behind us, in earlier generations, we try to think about bringing justice to those who are departed. We try to think about the injustices, that were done, and to do something now, which is an act of justice, for those who suffered injustice before: And, thus, the living must provide justice for the dead, and the living must provide a future for the coming generations.

We have that kind of immortality. And, therefore, let us think of the human family, in those terms: as the families of sovereign nation-states, of people who are based on that conception of themselves.

### **We Can Get Out of This Crisis**

And, look at the world: What's the situation? Can we get out of this financial crisis? Yes! We can. It'll be hard work; it will be satisfying work, but hard work.

We have vast unemployment, now, of two kinds: We have the actual unemployment, of people who are unemployed, or underemployed. We have people who are not counted. Or, people, also, who are employed, but they're employed in useless things! We have too many white-collar workers, who are unskilled. They should be able to do something productive, not something unskilled, which they find difficult to justify as human beings. We have a vast labor pool of unemployed people. We have vast needs, in infrastructure. Look at our cities. Look at our power systems. Look at our water management. Look at our environment, in general. Look at our educational systems. Look at the buildings. Look at the conditions of life, the basic infrastructure. Look at our health-care system, which is almost broken down. Look at these things! *We need these things fixed!* And fixing them will be useful—worth being paid for.

We can put the American people back to work, in the sense that Franklin Roosevelt showed: You can put people back to work, and the result will be useful, and beneficial, for the nation. Did we lose money on the New Deal? No, the conditions of life of the American people and the economy were improved by the New Deal. The nation was saved. The standard of living was increased; the economic power and profitability of the nation was improved—by the New Deal! That was not make-work! That was not useless. We put people, who were idle, or wasted, into employment, *to build a future. And they did build the future!* Maybe not perfectly, but they built it.

We have before us, great opportunities, in terms of technological progress. We can make revolutions in technology. We can't do it all at once, because we don't have the people with the skills needed to that, that rapidly. But, we can crank up the space-mission program! We can crank up other things, that will put juice back into this economy.

### **Build Up the World Economy**

But, we also have several great tasks before us: We have the Americas, for example, and that's simple: All you have to do, is, put the system back, under a just mode, and the Americas can come back quite nicely. There are a lot of messes down there, in Central and South America, but the way it was once supposed to work, *will work*, if we put our minds to it. We have also, two other areas of the world, that are most important to us—and I'm not ignoring Australia, but the Australians can speak for themselves. They're known to

be able to do so.

We have Eurasia: The vast Eurasian continent, which is the greatest source of mineral resources on this planet—most of these untapped, or virtually untapped. This includes Western Europe, which used to be a concentration of technological progress. This includes Japan, which *was*, until it was ruined by Brzezinski, was also a fountain of technological progress—until Brzezinski ruined it, back when he was National Security Adviser, controlling Carter.

We have China, which is emerging, but, which is not, by itself, doing too well: because China has well over a billion people, and it's not going to deal with that problem of population, merely by the means it's applying now. It needs help. You have India, which is approaching a billion people: It also is a strong nation, in some respects, but it needs help. You have Southeast Asia, in general. You have Central and North Asia. You have the Middle East. These are areas of potential development, which require large infusions of modern technology; capital-intensive investments, in the life-period of 15-25 years—like big water projects, and things like that; transportation projects.

Therefore, we can rebuild Eurasia, by combining those centers of Eurasia, including centers in China and in India, which have a technological potential, for producing capital goods and technologies, needed, desperately, by the vast masses of Asia, which are underdeveloped, and by areas of Asia, such as Central and North Asia, which have never been adequately developed, but which could be developed, with programs, which we have specified. Therefore, we have the means in this area. If we get an economic recovery program, of the type that Roosevelt envisaged for the United States, in the 1930s, for Eurasia, we can combine the idled potential of Japan, of Western Europe, and other locations, and parts of China and India; we can take that potential, and mobilize it to deliver in the long-term credit, the technology required by the vast masses of Asia—including the masses of people, and the masses of areas, such as Central and North Asia, which are areas of largely *untapped* resources, which can not be tapped, without development.

We have, also, the case of Africa, which is a different case, in some respects: Africa is a looted and destroyed continent, especially sub-Saharan Africa. Roosevelt intended to change that, but, with Truman's accession—who didn't understand the problems of African people—that was dropped. Africa is now looted; it is being looted, largely, as an area of raw materials. The South African Shield, is one of the richest sources of mineral resources in this planet. It also has other "natural," so-called, potentials. The Anglo-Americans and their Israeli partners, have been looting that part of the world, massively. Looting it, and destroying what remained of nation-states; to loot the people; to set forth wars, fratricidal wars, and things of that sort, in that part of the world. The people are destroyed. They're looted to death.

We have to bring justice to Africa. Africa has tremendous



*Huge areas of Central and North Asia are underdeveloped, and require inputs of capital goods from the United States and Europe, to achieve their vast potential. Here, an official of China's Lianyungang city government, in November 1998, gives a briefing to foreign delegations, on the route of the Eurasian Land-Bridge, linking his city to Europe.*

potential: It has large mineral resources, which it could develop—not simply to export raw materials, but to export finished materials, and semi-finished materials, of its own production. To develop its own towns and industries. What it needs, to do this, is a very rapid injection of a large-scale major trunk, infrastructural system. But, this is an old story: In the 1890s, the British planned to build a railway system, from Cape Town to Cairo. Never was built! The French, until 1898, had planned to build a railroad, across the sub-Sahel region from Dakar, in Senegal, to Djibouti, on the Indian Ocean—never built. There's a need for combined water systems, power systems, and transportation systems, and also new urban areas, throughout Africa, as a precondition for the development of Africa.

Under the conditions provided by such infrastructure development, Africa has one of the great food-producing potentials of the world: its active farms. But the farms are not productive, for reason of diseases, for lack of technology, to make these areas fertile and productive. We have a vast market, a requirement for food, in the burgeoning populations of South and East Asia. So, therefore, there *is* a future for Africa: *We* have to give them that future. We have to give them, as Roosevelt projected, the basic economic infrastructure; the aid to develop that; the ability of them to maintain their own system, and build their own system. That we have to do.

### **A Question of Leadership and Vision**

So, therefore, we can say, that over the next quarter-century, we, as Americans, if we come to our senses—and we still are a political power in the world; if we could do things

*right*, the world would listen to us. Africa would listen to us. I think Africa would trust *me*. I think Central and South America would trust me, and would probably not trust any other candidate in the United States—and for good reason, too! They're not dumb. Europe and Asia would probably trust me, where they would trust no other figure in the United States.

If the United States, as *I* understand it, were to offer this option, to the people of the Americas, Africa, and Eurasia, we could say, that we can adopt a 25-year *mission*, not for some kind of imperialism; not some kind of hegemonic system. We can organize a *partnership*, among perfectly sovereign nation-states, which might be called a “multi-polar world”: a multi-polar world of cooperation among nation-states.

All it requires, at this point, is leadership of *vision*, under conditions of great crisis, as Roosevelt reacted in 1932-33, to the Depression in the United States. A leader of vision and understanding, who's willing to break glass, the glass imprisonment of popular opinion, and say: “We are going to Hell. Would you *like to survive*? Will you *join me* in surviving?”

And, what I need from you, and from many other people, is a simple, “Yes. We want to do it.” We have a great vision before us: Twenty-five years of coming out of Hell, to a future. And we, who are not going to live to see it, can think 50 years ahead—two generations—and say, “At last, we have within our reach, the possibility of establishing an order on this planet, which is fit for the human beings, and *all* of the human beings who live in it.”

Thank you.