

EIRFeature

LAROUCHE WEBCAST

We Are Now At a Turning-Point In History

Lyndon LaRouche gave this presentation to an overflow audience of more than 300 people, in Washington, D.C., on July 2; it was simultaneously broadcast over the Internet. A more than three-hour dialogue with those present, and those listening around the world, followed. The complete four-hour event is available on LaRouche's website, larouchein2004.com.

When I rose this morning at about five o'clock, I had some messages from Europe, plus my usual overnight briefing, and I was reminded that today is a turning-point in world history. First of all, 140 years ago, the fate of the United States was being decided on the battlefield of Gettysburg, on the same date.

Today, or this week, starting Monday [June 30], there's a change in the policies of Europe, which will be a change in world policy. And, whether they know it in Washington, or not, it will be a confrontation with the government in Washington, now. The assumption of the position of leader, for the coming six months of the European Union, by the Prime Minister of Italy, Silvio Berlusconi, and his address which he delivered yesterday, defines a change in the world economic and financial situation, a policy change.

As a result of efforts, which I've been involved in, in Italy and elsewhere, including votes taken by a majority of the Chamber of Deputies of Italy, resolutions coming out of the Senate of Italy, and other things in other parts of the world, and with the initiative of the Minister of Economy and Finance of Italy, Giulio Tremonti, there was presented to the European Union yesterday, by the Prime Minister of Italy, a proposal for the implementation of a large-scale infrastructure program for Europe, as a recovery program, based on what is called the European Investment Bank.

This European Investment Bank will do what many people in many states in the United States wish would happen, under the present economic conditions: And that is, large-scale infrastructure programs, in necessary infrastructure, as in transportation, power, and so forth—water management—in order to stimulate



With the imminent total collapse of the present world monetary-financial system, LaRouche said, “this means we’re at a turning-point in world history, comparable to the crisis periods of the 1930s, but much more severe.” Here, the LaRouche Youth Movement campaigns in California on June 5; LaRouche delivers his webcast speech in Washington on July 2.

employment on long-term projects financed through the European Investment Bank, which will be outside the monetarist control of the European Maastricht agreements, the so-called Stability Pact agreements.

Now, there’ll be a fight about that. Delors, a former minister of France, spoke on this; others spoke on this. This is going.

Not only is this happening, but at the same time, in Asia—especially as result of the recent visit by the Prime Minister of India to China, on an official state visit—there will be an acceleration in infrastructure-building programs throughout Asia: That is, large-scale programs in China are already under way. New programs are being negotiated; major projects, India and China; Southeast Asia, the Mekong development project is a major project under way. There are large-scale projects which will involve Europe, as well as Asia. And this means that Asia is committed to a program of recovery which is not entirely unlike what Franklin Roosevelt did, from 1933 on, from his inauguration as President. That is happening in Europe. It is not adequate, of course. But, it shows the sign of the times.

Similarly, in the United States, despite the government in Washington, despite a lunatic Alan Greenspan, throughout this country, the states of the United States know they’re bankrupt. Forty-six, at least, of the 50 states are in a virtual state of bankruptcy: They can not raise the taxes, to balance

their budgets! And, if they don’t, something is going to collapse inside the state economy.

Some states are moving with small-scale infrastructure proposals, in that direction. But, there is no Federal support for it.

So therefore, under these conditions, and with the imminent total collapse of the present world monetary-financial system—to which I’ll refer a little bit later—this means we’re at a turning-point in world history, comparable to the crisis periods of the 1930s, but much more severe.

The U.S. Today, and Under FDR

Now, what I shall address today, are several points, which are interrelated. First of all, I wish to make clear the similarities and differences, between the problems faced by the United States with the inauguration of President Franklin Roosevelt during the 1930s, and today. That then, as now, the world is dominated by the imminent, general collapse of the existing world financial system. Then, it was the Versailles financial system which was collapsing. Today, it is the floating-exchange-rate monetary system, established between 1971 and 1972. Nothing can prevent these systems, in their present form, from collapsing.

The collapse is more or less immediate. And what Alan Greenspan is doing, is actually criminal. That is, what Alan

Greenspan is doing right now: He's got a hyperinflationary drop of the discount rate. This hyperinflation is a trap, to lure suckers into financial markets, for one last go. Soon, one of these bubbles, or more of these bubbles, will blow out. Credit derivatives bubbles; mortgage-based securities bubbles; similar kinds of bubbles will blow. At that point, the present plan is, to run the interest discount rate up to, say, 6, 7, or 10%; which means that all of those suckers, who have expressed their confidence in the present financial market, will be looted.

We will have businesses collapse, state governments collapse, *everything* collapse, if Alan Greenspan and his crowd have their way. I know what they're up to.

So therefore, this is the kind of situation we face.

We also, of course, as you know, are involved in wars. How did this come about? Compare the two periods: Compare what Roosevelt faced, and what we face today. Then, we had a crisis, a threat of fascism in Europe. There was a conspiracy by a group called the Synarchists, which is a front group for a group of bankers, to establish a fascist dictatorship—a so-called Synarchist dictatorship—involving France, Italy, Germany, Spain, and also the United Kingdom.

At that time, to prevent this from being consolidated, President Franklin Roosevelt had discussions with Winston Churchill, who later became Prime Minister, or was becoming Prime Minister, in this period, to try to prevent those inside the United Kingdom, who intended to cooperate with Hitler, with fascists in France, with the Franco regime, with the Mussolini regime, and with the Hitler regime, especially with Göring. To establish a coalition which would take over Eurasia, and, with the cooperation of the British Navy, challenge the United States and conquer it.

Under those conditions, there developed a cooperation among two gentlemen who didn't like each other at all: Winston Churchill and Franklin Roosevelt. But they recognized, they had to have a coalition of forces to prevent this catastrophe from occurring. Churchill had communicated to Roosevelt, his intention and commitment to take the British Navy to Canada, if England were overrun. It didn't happen. But Roosevelt treated the commitment as serious. And, the United States' policy was oriented in that direction. We stopped it.

But, at a later period, we had a similar situation: We've had, in the recent period, we've had something like the Versailles system, or worse: the floating-exchange-rate monetary system, which is now disintegrating. This system has inspired some people—like the fascists, the Synarchists of the late 1920s and 1930s, who launched the Hitler effort—to launch a similar effort inside the United States. The effort is centered on those we call the “neo-conservatives.” Not only the neo-conservatives inside the Republican Party, gathered around Dick Cheney, the Vice President; but the neo-conservatives, also, who are their buddies, inside the Democratic Leadership Council, and those corresponding sections of the Democratic National Committee.

The Democrats Were ‘Neutralized’

The reason we went to a war in Iraq, was because the Democratic Party was neutralized, by the belief, that Cheney had the evidence, that Iraq was getting nuclear weapons. Cheney *knew* there were no such nuclear weapons. Cheney *knew* the story about Niger “yellow cake” going to Iraq was a fraud. And yet, with that knowledge, he *pushed* that argument, in order to convince the Congress to subside, and to allow the war to go ahead.

The Democratic members of the Senate, who should have stopped the war, *did not do it!* They consented to it. We're now in a war, which is a mess, for which there is no solution. The President of the United States is talking about a long period of occupation, which we can ill afford. There's also the threat of a war against Iran, spreading around the world, because the Democratic leadership in the Congress did not have the honesty and guts to exercise their Constitutional responsibility to prevent this war from occurring! And when they squawk about the war, or squawk about the issues, they're committing a fraud: They didn't stop it when they could have. No one moved against Cheney on his fraud. They all talked about how bad the President was.

You can't impeach this President! You can't convict him of *intent!* He's not smart enough to know what his intent is! You want to stop the war? Get *Cheney* out! Any serious person knows that. And if Cheney goes, Rumsfeld will go, his so-called “chicken-hawks” will go, and we will have a new opportunity to rescramble and reconfigure our national policies.

The point is, this is fascism. What Cheney represents—or, I think Cheney's a dummy; I think his wife is a ventriloquist; she's the smart one in the family—what Cheney represents is the same kind of threat that Adolf Hitler represented in 1933-34, and beyond. If we don't stop it now, we'll find out what happened in Germany, as our own experience, *now*. And therefore, that's the issue on the table.

The issue right now, is *not* who is going to win the November 2004 elections; not who is going to be President in 2005. The issue is: *Are we going to get to that point*, without going to Hell, instead. We have to change the politics of the United States, *now*, on two points. As Roosevelt did then, in a much more serious situation now, we have to deal with the economic crisis, which is destroying our people and threatening the world. We have to deal with the war threat, which can take us down the road, that took Germany under Hitler—or something worse. These are the two questions, which we must deal with *this year*, not next year, not ten months from now, not five months from now. *Now!*

And therefore, we have to change the Democratic Party, at the top, by getting the present right-wing gang out of control of the Democratic Party. If we don't—and those candidates who will not do that, *ain't worth shucks*.

Let's take the case, for example: There's only one of these nine, who are my putative rivals, who is worth mentioning, and that is Senator Kerry. The others are not necessarily bad



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people, but they do not represent a serious proposition of contention for the nomination for the Presidency. Kerry does, in a sense. He has certain points in his favor. Unfortunately, so far, Senator Kerry has played the role of Hamlet.

The ‘Hamlet’ Problem in American Politics

Now, let me just go through this issue of Hamlet, because it’s a typical problem in American politics. We have a lot of Hamlets in politics. I used to accuse Bill Clinton, whom I liked and I still do, of playing the part of Hamlet. Now, as we know, Senator Kerry has a rather distinguished war record. He’s not a coward. Neither was Hamlet. Hamlet was a swordsman. When his father was murdered, he was out slaughtering Poles! A swordsman, and a professional soldier: He ran his sword through a curtain, without even knowing who was standing behind it, and killed poor Polonius. He was a warrior. But, as he says, in this Third Act soliloquy of his, after going through the threats to Denmark, his kingdom at that time, and saying, “But thus, when we shuffle off this mortal coil, what becomes of us? What happens to us after death?” *This thought*, he says, makes cowards of us all. It doesn’t make a coward of me; but it made a coward of Hamlet.

And, in a sense, it made a coward of Senator Kerry. When he had a chance to speak out and say who was responsible for the fraud of the Iraq War, when he could have said “Cheney,” he didn’t. He pointed at that poor President, who can not be convicted of intent: George Bush.

What do you want to do: Get rid of poor George Bush,

and get Cheney as President? Do you want to get the fool out, in order to get the devil in? Not good politics. That’s the kind of situation we face.

The economic situation is similar. We face an immediate crisis. Now, some people say, “Europe’s a problem. Asia’s a problem. Those guys overseas. They’re the problem.” They’re not the problem! They are *a* problem. I know them better than you do. I deal with them. I have been dealing with them. Many of them are my friends, or many of them I talk to. I spend a good deal of my time overseas, or dealing otherwise with leading circles in foreign countries. What any decent Presidential candidate of the United States would do!

Because the main business of the United States, as a world power, is to account for our dealings with foreign nations: to the south of our border; Africa; Eurasia; dealing with China; dealing with the Korea situation; dealing with the Japan crisis; dealing with India; dealing with Russia; dealing with Western Europe. Where are our politicians, on these questions? Nowhere. They’re sitting here talking about how good they’re going to be—saying nothing.

Now, I’ve been dealing with that.

Now, what’s the situation? We have, presently, the most important and largest-scale program of economic expansion ever dreamed of in human history, now beginning, in Eurasia. China, for example: the largest water projects in history; Southeast Asia and China: The Mekong project, one of the largest water projects in history; China is launching one of the largest railroad-building projects in history; India’s now



The potential for large-scale economic development of Asia is demonstrated by this historic June 15 ceremony, linking the railroads of North and South Korea for the first time since the Korean War. The chicken-hawks are trying to sabotage such moves toward reunification.

in discussion with China on one of the largest water projects in the world, the Brahmaputra power project, on the borders of Tibet and Assam.

Europe knows that it's bankrupt, unless it can export to Asia. The biggest export market for Germany, is China. The next largest export market for Germany is India. The survival of Western European economies depends upon increasing their output, largely through export and trade, and chiefly to Southeast Asia.

Africa is subject to genocide: Without a recovery, in the Americas and without a recovery in Eurasia, it will be impossible to reverse the genocide which is going on in Africa.

These are the kinds of things which confront us, which should confront a President.

The System Is Bankrupt

The problem today, is, that everyone is afraid to take on the IMF [International Monetary Fund] directly. In the case of the recent meetings which occurred in Europe this week, with Berlusconi addressing the European Parliament in his new position [as President of the European Union], the problem is: Are these fellows willing to move on good projects, like many states are willing to move ahead with proposing good projects, of infrastructure-building, under present condition? I think about seven of these states have significant projects they're now discussing. They're not willing to bite the bullet on the big question. The point is, the present world monetary and financial system is hopelessly bankrupt. There's no way, by small reforms, within the present world

financial-monetary system, that this world economic can continue to function.

This world banking system is bankrupt! The leading banks of the United States are bankrupt! Now, that means that the Federal Reserve System is bankrupt! We have a similar situation in the banks of Europe, with very few exceptions: They're bankrupt. Outside of China, pretty much, the banking systems of the world's banks are bankrupt. That means the IMF is bankrupt! It means the World Bank is essentially bankrupt! And it's bankrupt because its policies have been bankrupt since 1971-1972.

Now, what do we do, under these conditions? There's no way we can pay off the world's debts. There's no way we can reschedule the world's debts and manage them. It can't happen. *Much of this debt, has to be wiped off the books.* Without that, there's no recovery.

What do we do? We do two things. First of all, we say that the fundamental obligation of government is the general welfare of its people, both the present generations and posterity. The fundamental responsibility of government, is to accomplish this in a sovereign way: to use the sovereignty of government, and the sovereign powers of government, to protect and promote the general welfare, and the welfare of posterity. Therefore, when we're faced with a bankruptcy—for example: The local bank or a local firm is going bankrupt, and that institution is essential to that community; we step in with the power of government, and we put that institution into receivership, for *bankruptcy reorganization*. We keep the institution functioning; we work out a program, under

which the institution will continue to function, and recover from its diseases and problems. We will write off what we have to write off, in terms of paper, but we will keep these institutions functioning, for the benefit of the general welfare.

We will intervene to take measures to increase employment, as Roosevelt did. And the only place that government can do an effective job, in increasing employment, is in basic economic infrastructure: transportation, water projects, reforestation, power generation and distribution—things we need very much these days. These projects, as Roosevelt used these methods, will work, and have worked in the past. That's what Europe is talking about. That's what many states are thinking about, inside the United States today.

So therefore, to bite the bullet means, with the IMF bankrupt, that the governments of the world, the sovereign nations of the world—which are the *owners of the IMF*, politically—as sovereign powers, must put the IMF into bankruptcy reorganization. They must also prepare to put the banking system of the United States into bankruptcy reorganization. We can not have chaos; we can not have people dying, because of a breakdown of the financial system. We must maintain order. And we must have a recovery program, to meet the needs of present and future generations.

Now, therefore, the big problem before the world is the fact that, while many governments, including those of Europe today, or groups of nations in Europe today, are willing to proceed on infrastructure projects which are viable and needed, they are unwilling, so far, to take on the big nut. And, the big nut is: Who is going to reorganize a bankrupt international monetary-financial system?

That is where the United States, which has now been transformed from what it used to be—the greatest productive power on this planet—into a consumer society, which is a parasite, a predatory parasite, upon the world, and upon its own citizens. That's where the United States becomes crucial: Because of our history, and because of the power we represent, a President of the United States, calling leading nations of the world *now*, to put the IMF into bankruptcy reorganization, for a general world effort at general recovery, will work. That's where the United States is indispensable. And that is the kind of leadership the President of the United States must show.

There are certain things, in our position as a world power, where we should use that power, not to become an empire—we have no business becoming an empire—but the fact that we have great power, great influence, means we must *use* that power, not merely for our own advantage, but for the defense of humanity. Because we can call nations together, to make decisions they were otherwise unwilling or lack the courage to make. The same thing is true in Asia. Great projects are going on in Asia. But taking on the IMF system, putting it through bankruptcy reorganization, which is required, is what they're not prepared to do—without the consent or backing of the United States. And, we need a President of the United

States, who will *do* that. We need a candidate for President of the United States, a President in the wings, who will assure them, that that is going to happen. Otherwise we're not going to get through this mess.

Who Are the Synarchists?

Now, let's go back a bit, and say, "Who are these guys, these Synarchists?" And it's literally an organization. Let me just tell you about it. I knew pretty much, back over the '60s and '70s, I knew what this organization was—I knew it descriptively, but I didn't have some of the fine points and details. And, as a by-product of my work with the Reagan Administration, in pushing my project which was known as SDI [Strategic Defense Initiative], certain papers were declassified and made available to me through the National Archives. I was told to get over to the National Archives, and pick up these papers which were being declassified, which were there for my edification.

And, this was a collection of papers, dating from the early 1920s, until 1945, on a subject of investigations by, in the United States, U.S. military intelligence, wartime OSS, and also French intelligence—French military intelligence and other branches of French intelligence. And this concerned a group, which was listed under the category "Synarchist/Nazi-Communist." This is the group which was behind the Hitler project, behind the Mussolini project, and so forth. A group which was assembled in that form, in about 1920, at the end of World War I. This is the group.

Now, this group has two levels: It has a political level of agents, and people like Cheney, the followers of Leo Strauss, the so-called neo-conservatives in the United States, today—whether in the Republican Party *or in the leadership of the Democratic Party*. The DLC [Democratic Leadership Council], for example—are Synarchists, of this category, U.S. official category: "Synarchist/Nazi-Communist," dating from the 1920s, 1930s, 1940s. They still exist.

Behind the people like the Cheneys and so forth, who are the tools of this group, are groups of bankers, financial interests, dating back from the 14th-Century *fondi* of the famous Lombard bankers, that caused the crisis of that period. These small groups of people, faced with a financial crisis, and with great power leverage from behind the scenes, will say, that in a crisis of this type, such as the Versailles system collapse, or the present collapse, that they know that governments, pressed, will tend, under pressure of the people, to take measures which are consistent with the general welfare of the people and the sovereignty of nations. Therefore, they say, "we have to prevent that." And the way to prevent that, is to install a dictatorship, which will control the situation, under those kinds of financial conditions.

That was the case in 1928-1933. That is the case today. Small groups of financier interests—and I know many of them by name, and they're in New York and elsewhere, today—the same groups, that were behind the Hitler campaign then.

And these are the groups whom the neo-cons represent.

So the problem is the issue of this correlation between financial-monetary crisis, and war and fascism, or things like fascism. And every time we get into a crisis, in the 20th Century or now, these groups begin to move in that direction. The idea of setting up a dictatorship and going to war, as a way of controlling a situation, to make sure that governments do not emerge which will make the reforms, which might *hurt* the perceived interests of certain financier groups. And, that's what we face, today.

So, my job is rather simple, at that point: I *do* know what to do. I *do* know who the enemy is. I *do* know what the general remedies are. I *do* have knowledge of what people in various parts of the world are thinking about this. I *do* know what the United States could successfully do, in providing leadership, which is not coming otherwise from the political circles inside the United States. And therefore, my job is to act as if I were President.

And, that's happening. It's happening, with the reception I recently received, for example, in Turkey. Or the reception I have throughout the Arab press. Or, my recent participation at a key conference in Bangalore, India. My meetings in various countries. These are the things I'm discussing with them—these kinds of options.

A Government with a Mission

I am prepared to be President of the United States today—except one problem: I need a government. Now, when I look at these candidates, and I look at other people, I'm looking in a very practical sense, "where's my government?" Now, a government, to me, means several things: It means, obviously, the obvious institutions of government, and we have those institutions. But I'm talking about a team. Remember, when Roosevelt became President in 1933, he went in with a program, called the New Deal, already so-called, and he went in with team. And the first 30 days—not the first 90, or the first 100—but the first 30 days were crucial. What he did in those first 30 days, determined the success of Roosevelt's Administration.

Now, the new government of the United States, must be of that form. It must be a team. I have to have my team. And, there's a second team, I want to talk about, too: the interim team. My team is, picking things like Vice Presidents, key appointees. Appointees who will be selected in the same way that Roosevelt selected his key figures. Each will have a mission. And as a group, they will be a mission-oriented group, to solve the tasks. I'm also looking at people *in* government; I'm looking at people in the military, at other institutions, who I know are trustworthy, and reliable. Trying to find out who they are. And, select them as a team. On the day I walk into the White House, we will go in with a team, prepared to take over, the way Roosevelt did, and solve the problems.

Now, there's a second team that's needed. I'm not President, unfortunately—unfortunately for this nation. What happens if we remove Cheney and the chicken-hawks, the neo-

conservatives? Well, we'll have a new situation in the United States. Remember, the people who took over the government, under George Bush, after Sept. 11, are a small group, relatively small—a few hundred people, at most, with a hard core of a few score. This is a rump government, a dictatorship. A *junta* is running a government for a President who is not really a President. Who operates on the basis of emotions which are not always pleasant, but the poor fellow does not really know what he's doing. He just knows he wants to be re-elected.

And, for example, we want this fellow, who wants to be re-elected, to do a job, about Middle East peace. We want Palestinian-Israeli peace, *now*; we need it now; we don't want this thing running out of control. We want to do something about this mess, which Cheney and Rumsfeld made in Iraq: This is a hopeless sinkhole. This is *worse than Vietnam*, in terms of its potential. It's a desert Vietnam. And, it's going to look more and more like that, as the days pass. This was a piece of stupidity beyond belief.

But going back to government: Who is opposed to this war in Iraq? From what I can tell, most of the retired and serving flag officers of the U.S. Army and Marine Corps; and some in the Navy and Air Force, as well. Everybody of any competence, then and now, said this was a bummer. Under no conditions should the United States become involved in this war. They not only raised objections, they raised *specific* objections!

For example, to take the case of Iraq: Now, suppose there were a legitimate reason to invade Iraq, which there was not. There was no need to do so; it was not legitimate. No reason for it. But, suppose there were: What would this require? This would require *10 corps, plus*. Ten corps. That is, a couple of heavy divisions in each, with auxiliary troops, including medical—all the rest of the stuff. Because, when you invade a territory, you are responsible, the minute you occupy it, to maintain it, and deal with it! The objective is to come out with a success! It is to come out with a pacification, a successful pacification of the territory you've invaded, *and get out!* The way we tried to in Europe. Move in, and get out.

That means you pre-assign a full corps, to each corps area, which is not merely for the purpose of invasion, but it's for purpose of occupation and *getting out*. You organize the institutions which you find on the ground. You don't try to bust them up and start from scratch. You organize them, immediately. Find all the local leaders; get, in each case, get things functioning immediately again! Get the fire system functioning, the water system, the food system functioning, the hospital system functioning. *Get things functioning and get out!*

And, our military leaders who criticized this, spoke of this very clearly. They're still speaking about it, and the nonsense still goes on. You have one of my old enemies, an idiot, Bremer, in there as the czar of the country, making a worse mess of the thing, day by day. One idiotic decision after the other.

So therefore, we have, in our existing institutions, in this case, the military institutions—not only those in uniform, but



Iraq is “a hopeless sinkhole. This is worse than Vietnam, in terms of its potential. It’s a desert Vietnam. And, it’s going to look more and more like that, as the days pass. This was a piece of stupidity beyond belief.” Here, U.S. soldiers in Mosul searched for a person who threw a hand grenade, while a crowd of angry protesters was being dispersed on June 13.

those who are working as civilians, in that division, in the military services—who are competent, and *know how to do the job*. That’s part of what we have. We have people who are senior diplomats, retired or serving, who are competent in these kinds of things. Who serve our government. Who are loyal servants of government, who can be called back in, to advise. They’re there.

So, if we eliminate a few of these junta characters, who are dominating the government today: Send Cheney back to Wyoming to grow potatoes. Find someplace to dump Rumsfeld. Get these fools out. We have, in government, around this poor President, we have people, in the Executive branch, or who are associated with the Executive branch, who represent all the intelligence and capability needed to do an honest job, and keep things functioning—with some kind of policy directive. If we can shake the Congress back into some kind of shape, especially get the Democratic Party into shape, we’ll do fairly well.

You’ve seen the group around Scowcroft, the old Bush crowd: They’ve been behaving themselves on this thing, fairly well. You see people like John Dean, and his crowd: They’re behaving themselves fairly well—not always doing the right thing, but they’re sane. So, we have Republicans, as well as Democrats, who are perfectly sane. And if we remove this junta factor, and we realize what has happened to us, and we hate what has happened to us, and we try to get back to normal, during the next year and half or so—we can *get through* in terms of day-to-day management. We can *restore* our relations with nations in Eurasia; we can restore our relations with nations in Central and South America. So that you have another team; you have a team of capabilities of people who are serving in government, or who were associated with government, who can step in and advise this poor President

what he should do.

And, the poor dummy! I mean, I’m not trying to hurt the man; the man may have hurt himself already enough. He was born dumb! But, he’s the President! And we have to have the minimal crisis of our institutions; therefore, this President, preferably, should sit there. But, he should learn to do as he’s told, by people who are wiser than he is; and rely upon them in one message. You know, how do you handle a dumb President? You say, “Now look, dummy! President Dummy, Mr. Dummy. Our job is to make your Presidency successful, while you have it. If you behave yourself, and listen to us, we guarantee you, you can go out of here clean, and, have a nice retirement. And, be called ‘Mr. President,’ after that, even after you’re out.” That’s the way you handle it.

And, what I propose to do with the poor dummy is to say: “Protect the guy. He’s mean-spirited, he’s difficult to deal with. You may have to talk to his mother about him—what we’re going to do with him.” But, this is the President. We have to protect our Constitutional institutions. And the best way to do it: Get these bums out. And realize that we have a potential team already sitting there: people in government; in the Executive branch; specialist divisions; skilled people, who, when called into action, around a theme, an idea, are capable of keeping this ship afloat.

The ‘Acting President’

Under those circumstances, faced with an international financial crisis, and faced with the opportunities which are presented to the United States now—from Europe, and from Asia, in particular—with these opportunities, I’m sure that these fellows, without the burden of these neo-cons, and seeing the crisis we face, will respond intelligently to our friends abroad. I have an idea what’s happening in France.

I'll find out more in the coming weeks and months. I know something of what's happening in Italy. I know what's happening in China and India. I know certain things about the Arab world, and I'm talking with leading diplomats and others around the world, constantly. I've got a good smell of what the world would like from the United States. I know the "deal," as they call it, we can cut. I know the crisis we face.

We can get through this, quite well, even under this President, if we know how to play it. We'll send him out of office, in January 2005, saying, "Mr. President, you are 'Mr. President.' You will always be 'Mr. President' to us. Now go home and enjoy yourself."

So, in that sense, I have to be the acting President of the United States, because we just don't have one handy at the time. We have a sitting President, and that's what he's best at—when he's not lifting weights or whatever—but, we don't have a *candidate* for President: not on the Republican side; and so far, not on the Democratic Party side. Now, certainly, I would not deprecate Senator Kerry. I have a great deal of regard for him. I think his wife may be better than he is; she may be tougher. But, that's fine. He's a fine fellow. We'll work with him, for what he is. But, we'll not expect from him, what he's not. And, he is *not* a President for these times of crisis. And, the rest of them are poor losers, compared to him.

Now many of them may be useful. They may have useful roles. I mean, Kucinich—he'd never make a President, but he has an interesting constituency, which any political figure in the United States is going to pay attention to. Others of these candidates represent constituencies, which any person in high office is going to pay attention to. It's what you're going to work with. But, none of them come close to being President. And, none of them even come close to being a Kerry.

So therefore, for this period of time, I have to act like an acting President.

A couple days ago, this past Sunday, I gave a presentation at a meeting in New York City, to a few hundred people, which was videotaped and will be on the website soon. You can compare that with what I've said here, so far, today. It's a little bit different, but it's the same thing, essentially. It's complementary. So, you get an idea of exactly what I stand for, where I'm going, what I think. And I think the best thing at this point, is to let you go at me, because what I've done, is given you an outline. And you may have some pungent questions to throw in, which fill the gaps.

Dialogue With LaRouche

Following are excerpts of the three-hour discussion with LaRouche, by both Internet listeners and the live audience at his July 2 webcast. Many questions were asked by or on behalf of present and former state, local, and some national elected officials; and dealing in particular with the threat of Synarchist fascist reactions to the economic depression, and the

qualities of leadership required of a President.

Moderator Dr. Debra Hanania-Freeman, a national campaign spokesman for LaRouche, relayed many of the questions to the candidate. The final hour of questions, from members of the LaRouche Youth Movement, was moderated by David Nance, a leader of the Youth Movement from Baltimore.

An 'Economic 9/11'

Q: One question that has been submitted, has come from a gentleman in New York, who is currently on the staff of someone who served in a previous Democratic administration, who currently serves on the board of a major U.S. bank. And I know that this question is the product of some discussion that they have had, and they want Mr. LaRouche's comments on it. The question is the following:

"On the subject of what we've come to refer to here as a potential financial '9/11,' there's very little doubt that the state of the international financial system, and in fact the state of international banking, is fragile. We are dealing with a system that is, without question, in a state of near collapse. However, even conceding that, the actions of this Administration cannot be explained as policy due to mere incompetence. Nobody is that incompetent. In fact, upon reflection of how, indeed, the policy toward the dollar is being conducted, as well as other related policies, including the setting of interest rates, it would seem that there is a conscious drive to exact maximum chaos, and to provoke the equivalent of a national state of emergency in the midst of financial collapse. This certainly would serve to abrogate any commitment to constitutional rule in the United States. This is something that is very hard to conceptualize—we don't see anything like that in the history of our nation—but it's very hard to ignore it as a possibility in the current circumstance. Would you please comment?"

LaRouche: This is one of those 64 billion, or 64 trillion-dollar questions—which I shall answer. I think it's extremely appropriate. I've referred to it already.

The point is this. And I've been discussing this with leading bankers in Europe, and some in the United States recently, who ask me this same question, and I've given a qualified answer. Today, I shall give the same answer I gave them, but I shall add some names.

First of all, the way in which Alan Greenspan and the bankers associated with him are operating, makes no sense to people who are knowledgeable, unless you can prove that they're absolutely insane; that is, their brains don't function anymore, or unless they have some criminal intent, which may not be quite so obvious. Those of us who have discussed this—and this includes international financial circles as well as those in the United States—agreed with me that these fellows know exactly what they're doing, and that their intent is criminal beyond the belief of most citizens and politicians in the United States.



“The way in which Alan Greenspan and the bankers associated with him are operating, makes no sense to people who are knowledgeable, unless you can prove that they’re absolutely insane . . . or unless they have some criminal intent, which may not be quite so obvious.”

Who are these people? Well, without going into who I suspect—which little interesting group I know is involved—I would simply say it’s a banking group, a private financial banking group, which was involved in France in setting up of the Banque Worms operation, which gave us the Vichy government and those who invented Hitler, and those who were plotting the Nazi takeover of Europe during the 1940s. The same group—exactly the same group.

Who is behind it? Well, again, your neo-conservatives. Which neo-conservatives? Did you ever hear of [Robert] Mundell? Did you ever hear of the Siena bank, which is having a meeting right now? Did you ever hear of [editor] Robert Bartley of the *Wall Street Journal*? He’s a stooge for these guys, has been since 1971 at least, a long-standing enemy of mine. These are the guys to look at.

Look, you drop the interest—this is what they’re referring to—you drop the discount rate, the way Greenspan is doing now; you’re pumping up hyperinflation, which we’re in right now. Don’t believe anyone who tells you differently. That’s the problem.

For example, the mortgage-backed security bubble, the credit insurance bubble, and so forth and so on. As well as the usual Wall Street bubbles, various kinds of bubbles. These are all being pumped up as hyperinflationary bubbles. The way they’re being sustained is by dropping the discount rate, Japan-style, toward a zero overnight lending rate, which was used in Japan as a way of propping up the U.S. dollar and market for a long period of time. Now this means that you’re coming to an end game, where at this point, we’re close to the barrier at which there’s a general blowout of the financial

system. That’s the day that your bank actually closes, that your firm shuts down, that the state government no longer pays salaries, the city government no longer pays: a breakdown.

How does that happen? The breakdown starts when Alan Greenspan sends the discount rate *up*, and all the suckers are wiped out! So, everybody who is buying into the financial markets now, being suckered by the promises of a recovery or a bounce-back, is being set up for the chop.

Now, the precedent for this is 1931. The collapse of the Versailles banking system, in about 1931, resulted in the meeting of a group of financiers who set up the Bank for International Settlements (BIS), which is based in Basel, Switzerland to the present day. This locked up international credit. To get credit, you had to go to the Basel BIS group. When Hitler was brought into power, when Schacht was made the economics minister again, Schacht started the Nazi rearmament because he was able to get cooperation from the Bank for International Settlements to finance Germany, for its arms buildup, whereas Germany was previously collapsed from 1931 on, by being shut off from credit by the BIS group. So, this is one of those tricks.

And look at Mundell, among others, and the group associated with him, which is an integral part of the neo-con group. And you can look at various other officials, who could be agents of this type of thing inside government. But this is not a possibility, this is presently ongoing. This is a conspiracy against the United States, against the world! But especially the United States. And what the question reflects—those in high places inside the United States, who know the game, who say, “Tell us it ain’t so,” to me. I say, “You’re right, it *is* so. I know exactly how it’s being done.”

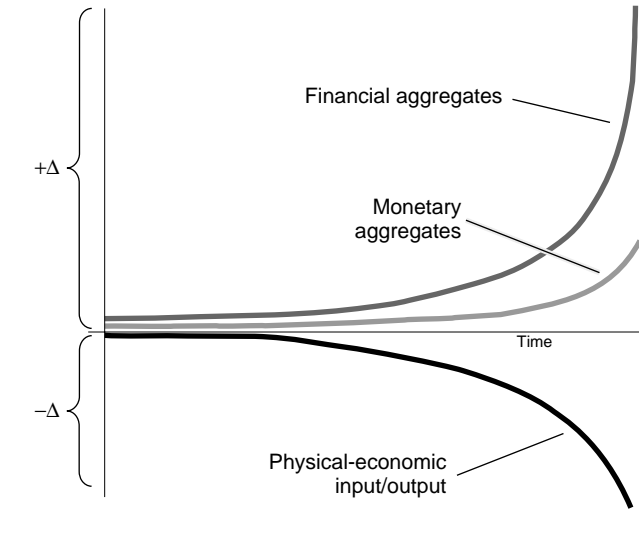
So, therefore, my saying it today, in the way I’m saying it—I may get shot for this, but nonetheless, the message is out. There is a game, and tell Robert Mundell and his friends, “We don’t want ’em to do it.” And some others. They know who I’m referring to, whom I didn’t name.

Is the Fed Incompetent or Criminal?

Q: Along the same lines, [Florida State] Senator [Daryl] Jones has submitted two questions. The first question is: “Mr. LaRouche, you stated that the IMF and most of the American and European banking institutions are bankrupt due to failing policies. What specifically are those policies, and how shall we change them? The second question is: You indicated that actions by Alan Greenspan and others could be construed as either criminal or incompetent. Assuming that they do know what they’re doing, what do you believe is the motivation behind these actions, and what ultimately is their goal?”

LaRouche: Well, the game is very simple. You see, it’s a big game. The problem that people have with this kind of question, and I think our questioner in New York had no problem understanding it, is that money is not real. That’s the key.

A Typical Collapse Function



Money is paper. Did you ever talk to a dollar bill? What kind of a conversation did you have? Money is what? At best, under our laws, which are no longer obeyed, money is currency issued by the Federal government, with the consent of Congress, by the Executive branch with the consent of Congress, by the Treasurer especially, but under the President.

So, what is it? Why do we circulate money? What's its value? The value is the ability of the Federal government to control its value, by management. One of the main functions of the Treasury Department of the U.S. government, is to manage the currency: to manage its circulation, to manage it through taxation, to manage it through preferential interest rates, to manage it through legislation which is enacted by the Congress, and so forth and so on. And to get the money flowing in such a way, to do what?

Take what has happened, say, since 1966, in the U.S. economy, as opposed to what should have happened. You have three curves that tell you what the monetary system of the U.S. economy is. One is the so-called growth of financial assets; second, you have the rate of monetary emission; third, you have the growth or shrinking of the physical assets per capita and per square kilometer, net physical assets.

Over this period, since 1966, you have not a uniform, but a steady trend. Financial assets were running up, leading, until 1999. Monetary expansion was pumping the financial markets, but the physical value of U.S. output per capita, of consumption and output, was collapsing. Look at our families. Look at the lower 80% of family households, income. They've been collapsing. The lower 80% of family income brackets in the United States have been collapsing. Look at the conditions of life. Look at latch-key children. Look at

schools. Look at health care. Look at everything. Look at basic economic infrastructure. All of these things that affect the typical person, in the lower 80% of family income brackets, are collapsing, including employment, factories, everything, places of employment.

So, what's wrong? It's—money is growing in nominal value, but the value actually received is collapsing. Now, one of the purposes of government in managing money, is to make sure that the value of things in prices does not go in one direction, contrary to the value of real goods, say income, and so forth. Standard of living, productivity. So, what has happened is that we've gone into a post-industrial, consumerist-oriented society, which is predatory, which lives by sucking on the rest of the world, like a blood-sucker, like Dracula. We have used our power, our control over the IMF system, to dictate the relative values of currencies. We've dictated the conditions of life in the world, and we loot the world for their cheap labor and their products for things we consume, and we don't even pay for what we import anymore, as our current account deficit shows.

What *should* be the case is, money should be regulated in such a way that the financial prices do not rise relative to physical values. In other words, an anti-inflationary policy. We do that in various ways. For example, we used to have an investment cash-credit program under Kennedy. The idea is, if a citizen will invest, instead of taking the profit out of a firm and distributing it, as per stockholder, shareholder values, will invest in improving the production of that firm by investing that capital back in the firm, better machine tools and so forth, or making a contribution to the community in donations to the community, for community benefits, that that person should get a benefit in tax treatment by the government, by state, Federal or local government, on that basis. And that's the way we normally manage the currency. It's by legislation, taxation, and so forth, with the purpose of saying, we are going to have a strong dollar policy. A strong dollar policy means the content of the dollar will be such that the person who saves the dollar, by saving it, will find that the dollar is worth more in purchasing power next year than it was this past year. That is a sane dollar policy.

The problem in this case: What they've done is they've run the dollar up. Now you know that when Bob Rubin and Bill Clinton were faced with the crisis in August-September of 1998, the so-called GKO crisis, the second major international crisis, Bill went to Wall Street, went to the Council of Foreign Relations, and made a speech about market reform. And then something came out of the basement of the White House, and threatened Bill with impeachment at about the time he talked about monetary reform. At that point, with the October Washington conferences on monetary policy, the United States moved with other nations towards what was called a "wall of money" policy, in which the drug-pusher George Soros played a key part. George Soros was one of the advisors in this. They were looking immediately at a February

1999 threat of a Brazil crisis. So what they did to try to avert a Brazil crisis, was flood Brazil with George Soros' money, and George Soros' control over the Treasury of Brazil.

At that point, in the Spring of 1999 through the Spring of 2000, it became apparent to us that the amount of money being poured out, to try to keep the dollar system from collapsing, exceeded the amount of financial values being rolled over: In other words, a hyperinflationary trend was already in place. It was obvious to us by Spring of the year 2000 that the hyperinflationary trend was systemic, not episodic. It was not a one-time shot, it was a systemic problem.

So, since that time, the U.S. has been bankrupt, which is how I made my forecast at the beginning, before Bush was actually inaugurated, of what would happen under Bush. I said, the man is stupid, therefore he will continue to follow these economic policies, therefore the economy is going to sink, and I'm afraid somebody's going to pull a "Reichstag Fire" to try to get a dictatorship in this country. And that's exactly what happened on Sept. 11, 2001. That's been the trend.

Now we're at the point that the whole hyperinflationary system is about ready to disintegrate. These guys are not thinking about money. They're thinking, if you can control the world, if you're the world dictator, you can determine who has money, and what the value of it is. It's an old game. This is the same game that was played in Europe in the 14th Century, which led to the collapse of the Lombard banking system, and led to the so-called New Dark Age of the 14th Century. This kind of policy. This is what is the game now. These fellows are out to play a Hitler-like policy in economics and finance, the way they are in military policy, in nuclear weapons against the world. You just have to understand their wormy little minds, as I know them. This is exactly the way they think, and that's exactly the way they do it.

The point is: The citizen says, often, well, how do we deal with it? Very simple. Eliminate their power. If you're not ready to act, to eliminate the power of somebody who's about to destroy civilization, don't say, what's the solution? Eliminate their power! That's the power of representative government. Make it work. Use the power of government, mobilize to get government to use its legitimate authority to put these guys out of this business. Otherwise, you're going to get the worst.

How To Throw Out the DLC

Q: Senator [Hank] Wilkins [of Arkansas] asks, "What can those of us in small population states, do to reverse this trend of the Trojan Horse takeover of the Democratic Party? If we launch an effective response in our state, won't the national party people who seek to keep you on the sidelines, simply write us off and write our state off as a loss?"

LaRouche: Of course they'll try. That's the way they behave. They're thugs, they're Nazis. What do you expect from them? Once you understand that they're gangsters,

no problem.

How do you defeat a gangster? Gang up on him. That's what we have to do. That's what *I'm* doing.

Yes, I stick my neck out. I have to. Somebody has to. If somebody doesn't stick their neck out and take the leadership, how are you going to get people together? You've got people who represent constituencies, who represent a smaller state, or a group in a smaller state, and you want them to take national leadership? No. Maybe one of them wants to. That's fine. But, in general, someone has to take this cause which involves a number of states, or most of the states, and take this cause and bring people together and spearhead the thing.

Someone has to take the lead. It's as in war. Someone has to take the lead. I'm taking the lead. It's the only way I know how to do it. It's the only way it's ever been done in history.

Politics is risk. Life is a risk. We're all mortal. What the problem of the Hamlet is, as I've emphasized repeatedly, is, people worry about the risk to their life.

You know, true religiosity has somehow gone out of the population, because they cannot cope with the idea that they're mortal. They have no sense of immortality. The person who has a sense of immortality, is worried not about how long their life is, but they're worried most of all about how they spend that life while they have it, and what comes out of it. People used to think about what they leave behind for their children and grandchildren, their community, and others. The Baby Boomer doesn't. Today's Baby Boomer doesn't do that. He thinks about his next change of lifestyle. The fact, if they have children, they say, "What did we do that for? It was a bad lifestyle. I want a different lifestyle."

So, we have, in the Baby Boomer generation, people who are now in their fifties and sixties, people who are now running the United States in most institutions, are people who don't have intrinsic courage. Because in older generations, our dedication was to what came out of our living for our grandchildren's generation. We thought about our grandparents' generation, and we thought about our grandchildren's generation. We said, "What does our life mean?" We said, "Can we be proud of being what we are? Are we pleased and happy to be what we are? Are we doing what we think we should do with our life, this mortal life we have?"

Most people today, in this culture, don't have that sense of commitment to previous and coming generations. That's the problem with youth. That's why I'm organizing a youth movement, because they know that their parents' generation really doesn't want them. And therefore, they know they are the no-future generation. Therefore, they're willing to fight for a future, for themselves and for coming generations. And maybe inspire their parents' generation to get back in the act, of mobilizing

The American people need a shake-up, also in Western Europe. They need a shake-up. They need to face the fact that there has been an economic crisis, there has been this kind of crisis, but there's been a moral crisis. Not a crisis of morals

the way that some crazy fundamentalist would say, but a moral crisis in the sense of, what is the difference between man and a beast, between man and an animal? “Why am I different than an animal? What do I do, therefore, as a person who knows he’s mortal? How do I spend that mortal life I have?” And that sense of mortality, that sense of immortality, is lacking, as a result of the pleasure-seeking generation, which came out of the post-1964 rock-drug-sex counterculture, and similar kinds of things. And that’s our problem.

So in this circumstance, those of us who have the courage to fight, have the responsibility, because only we have the willingness to lead. The others might wish to consider themselves leaders, but they don’t have the guts to do the job.

Q: Delegate [Lionell] Spruill [of Virginia] asks, “Number one: Why have you not taken the DNC to court to challenge your exclusion from the debates; and two, what can we do to actually get you into these debates?”

LaRouche: I really don’t want to get into the debate. I mean, none of them can talk! They can’t, there’s nothing to debate. They’re under constraints; they’re not supposed to say anything. These guys are cowards! I mean, how can a person run, and say, “I want to be the next President of the United States,” and be a stinking coward who’s intimidated by Donna Brazile? That’s not a leader. And, therefore, I’d like to talk to these guys under a circumstance where they’re free to talk, not where their mouths are controlled by some Gestapo zombie sitting on their back. So, I wouldn’t sue, any way. I don’t need to.

My policy is very simple: The crisis is coming on fast; and fortunately so far, I’ve made no mistakes in forecasting or indications of what’s happening. So, I’ve got the best credibility in the world. None of these guys is noticed by any foreign government. Nobody pays any attention to them. They’re considered nothing. They consider the re-election of Bush virtually inevitable in the United States at this present time. These things don’t amount to a hill of beans, as we used to say. So, I would like to have them become better than they behaved, but I wouldn’t bother to waste my time and effort going to court over this kind of thing, to get into a fool’s paradise.

What I’m doing instead, I’m organizing a youth movement. I’m putting most of my effort into organizing a youth movement. I guarantee you, a youth movement will take over the politics of this country in the coming six months to nine months. That’s what’s going to happen.

If you want life, go where life is.

The Impeachment of Cheney

Q: OK. Rep. [Joe] Towns [of Tennessee] says, “Mr. LaRouche, what do we need to do to accelerate the impeachment of Dick Cheney?”

LaRouche: Well, I’m doing it; I think more of what I’m doing, would do it. I’m doing it all over the world. And,

we’ve got a fairly good audience for it, and a high degree of receptivity, because the world is very much concerned about these various things, like the spread of the worsening of the situation in Iraq. The spread of war to Iran. The nuclear bombing of North Korea, which some people would like to do real quick; things of that sort. They’re concerned; in Europe especially, extreme concern about this kind of thing. In the United Nations circles, extreme concern about this thing. I mean, senior United Nations groups are concerned about it.

So, it’s obvious that if you want to stop this, there is no way you can, in the short run, stop it, except by focussing so intensely on Cheney, that he has to resign, or the fact that he has not resigned becomes itself the big issue of the day. Because he’s impeachable.

Remember, the evidence is very clear. In the forming of the U.S. Constitution, we gave great executive power to the Executive branch, in the sense that no other Constitutional government on this planet has that kind of power, that we concentrate in the Executive branch. The Founders were concerned and expressed this concern, that would such power be used by an executive to carry the nation to war, in the manner that George III had carried the war against the American colonies. And therefore, checks and balances were built in among a number of places on the executive power, but especially on the issue of war; the power to make war.

As many of you know, there are two categories of major fraud against the government. One is the fraud by a citizen against the government, which can be five years for each count. Another is a fraud by a government official against the government. The kind of fraud, for example, which was charged by the Nixon Administration.

The highest degree of fraud, short of absolute treason, explicit treason as defined by the Constitution, are high crimes involving fraud to cause the United States to go to war. We have the precedent of this in Lincoln’s famous address on the question of the Spot Resolution in 1848 on Polk’s going to war against Mexico, where this thing was made explicit. That when an official of government uses their influence to lie, to induce the government to go to war, and it’s shown that the war occurred, a wrong war on a false pretense, occurred because of that lie, this is a crime tantamount to treason. At this point, it is absolutely clear that Cheney committed *that crime*. And that his whole pack of accomplices, all the worms with him, belong in the same package. And that Rumsfeld and his dentures were equally guilty.

So, therefore, we have to, the key thing here, first of all, is to establish the principle of law. Do we think the Founders were right? Do we think the relevant law is correct, in saying that a high official of government who uses his influence improperly, fraudulently, to induce the government to go to war, is guilty of high crime and misdemeanors? Our first job is to make that point.

It’s not to say, how do we get Cheney impeached. *That’s* the way to go about getting Cheney impeached. In due pro-

cess, it's how you go *about* due process, which is even more important than the process itself. Because people who care about Constitutional government, will always fight to preserve the integrity of the process of Constitutional government. Therefore, our first responsibility is not to say what would work, or might not work; that's not the point. Our first responsibility is to uphold the principle of Constitutional government.

When we know, that an official of government has committed a fraud, tantamount to high crimes on the issue of the powers of war of the United States, we must speak. We must speak persistently; we must demand the enforcement of the law, and say the least that can happen to this poor, unfortunate is, he simply resigns, and we're so happy to get rid of him that we don't do anything more to him. Just "git, git." That's what we did with Nixon. We said, "Nixon, git!" And he got. And this is much worse than anything that Nixon actually did, what Cheney did.

Therefore, our problem is not to say, is it going to work? That's Baby Boomer talk. Our problem is to say, what should we do? How should we act to preserve the Constitutional principle of government? And that's what I'm doing.

And I believe that acting according to principle will work, because in the political process, what is needed most of all is to get our people in the United States, back into thinking in terms of the principles of government; to act according to principles of government. To act according to principle, not expediency, not opportunism. Because when we win by fighting for principle, we win more than just the fight; we win government. The kind of government we want to leave to our posterity. And also, really, it's the best way to fight, the best way to win.

The Crisis of the States

Q: I have a question for you from Sen. Joe Neal [of Nevada]: "Lyn, many states are having special sessions right now to fund the simple operations in their states. At last count, we have up to 16 states who are currently in special session. In your judgment, what's happening? And why do we have so many states, at the same time, with apparently the same problem?"

LaRouche: Well, you look at things the way I look at it: Look at the state budget, as a total state budget, not just a state budget, but the total income of the state. Look at it from a physical standpoint, first, rather than money first. And say, on the basis of assigning prices to the physical shares of income and expenses of that state, can you find a way to tax enough to pay the bills, without lowering the income of the state, so that you were defeating your own purpose?

So now you're in a situation where you can not possibly balance the budget of these states. It can't be done. And I think probably, about 46 to 47 of the states are actually in that condition. Take the case of California: It's way beyond that. And that's one of the largest states in the Union.

So, what does it amount to? How do you deal with it? There's only one way to deal with it. The Federal government has the power to create credit. No other agency in the United States has the legal, Constitutional power to create credit; that is, you can not manufacture credit, except by the consent of Congress, through the Executive. It cannot be done.

Therefore, what is needed, is Federal funding, which would then—the states would participate in for infrastructure projects, just like the European Investment Bank that I mentioned today, earlier. A special fund outside the regular budget, which is a source of funding, for infrastructure projects: water projects, transportation projects, things of that sort, which are long term—15-, 25-year investments. Which will create employment; which will create production. So the trick here is to increase the total employment level, to the level that the income of the population is now able to pay the bills of the state.

So what people are doing: They're going into these sessions. They're faced with an impossible situation, as the California situation is an impossible situation. Believe me, the would-be governor of California—Superman—will not solve the problem that's around Gray Davis's neck! He may think he's Superman, but he's on a high! He can't do it. He may be a good weight-lifter, but he's not a good accountant.

They can't do it without Federal intervention. That's our problem. What Roosevelt did—we could create, with the Federal government; we could do what Roosevelt did with reforming the Reconstruction Finance Corporation, but it will require Federal credit, Federal backing to do it. We can get the money out; we can make an allocation—one Federal bill would do it. One Federal bill on financing, by listing the types of projects which are either Federal projects, or state projects. And what the Federal government can deal with essentially, is Federal projects or state projects. The Federal government can not officially deal with municipal projects. It's too remote. But they can deal through the state, with a statewide project—the financing, credit, security, for say, a 25-year period. Water projects—look, we've got the whole NAWAPA scheme, from the Arctic Ocean, down between the—in the upper plateau, between the two Sierra Madres, and northern Mexico. This is one big area of project: The whole section of the Western states can all go in one thing.

California needs water projects. The land is sinking because the aquifers are being drained, and it won't work any more. They need the projects.

We need power distribution, power-generation and distribution, throughout the country. We've lost it! California's crisis was largely caused by this Enron operation, and similar kinds of operations. That's what rose the debt so big. Therefore, we need to rebuild our transportation system; we need to rebuild our power generation and distribution system; we need to expand our water management, our water projects. We need—we have a loss of hospitals, hospital care in the United States. We need to put the system back in place; we

need to repeal the HMO bill; go back to Hill-Burton; get the thing working again. We have plenty of things to spend on, from the Federal government, which are sound investments, over a 25-year period. The Federal government can create the credit. We can create the employment; we can give out the contracts; we can stimulate growth, so the total income of the states is above the break-even point. At that point the problem is soluable.

What we see now, is states are simply begging, desperately saying, “We’ve got to do something.” And most of the projects that I’ve seen that they list, are projects which, by type, are legitimate projects. But there’s no funding agency to get the funds in place, on the long term, to do the job. Therefore, it’s a Federal government responsibility. And it would take one thing; one good imitation of what Roosevelt did with the Reconstruction Finance Corporation, with a mission orientation, and Federal legislation behind it: I think a five-page piece of legislation, through the Congress, signed by the President, would be enough to get the job done.

The Role of the LaRouche Youth Movement

Q: [from members of the LaRouche Youth Movement]. Lyn, we have one question that was submitted from Los Angeles, and then a related question that was asked by Heather Detwiller from Philadelphia, who is here. I’ll ask them together, because we have so many questions, I think

we have to start coupling them.

From the West Coast: “Hi, Lyn. This is Brendan. I’m a member of your third team, the Youth Movement. We, here in Los Angeles, and really throughout the United States, have a very good sense of what our mission is, and we want our country back. My question is the following: You said many times that the current crisis can only be avoided and addressed with a movement from within the United States. What role does the international youth movement play within the current political situation, given this context, and what’s our special role here in America in relationship to our friends overseas? (P.S. The weather in L.A. is wonderful, it’s a good time for a visit.)”


Heather says, similarly—I think, with a sense of knowing what the mission of the Youth Movement is right now—she says, “Lyn, you’ve talked about putting together your government. My question is, what’s the role of the Youth Movement after you win the White House?”

LaRouche: Let me take them in reverse order, because the answers follow better and more quickly in that order. First of all, the youth movement—I don’t think all of you know what it is. The youth movement is based on a group of people, largely, 18-25 years of age, which means that they are emotionally adults, young adults, not adolescents. It means they are of university age, and by being under 27, they have not yet gone brain-dead.

This is a very significant phenomenon, because the youth movement is based on a certain kind of educational program, and in our university life today—there is a famous fellow, [Lawrence] Kubie, I referred to back years ago, who did a study of this. And it’s my experience also in management consulting, and so forth, where I did similar studies. There’s a tendency in the United States for people in their last years of university life, or professional life, or slightly afterward, to go brain-dead. That is, they continue to mouth what they’ve been trained in, and add new techniques to what they know, but their creativity is finished. They no longer really make profound discoveries. Kubie referred to this as “the neurotic distortion of the creative process,” and it hits scientific productivity, especially. If people are not creative by the time they’re 27, 28, they’ll never make it, scientifically, typically.

Now, the educational program I’ve worked on with the youth, is based on principles of what I know to this effect. And therefore I started with a particular work by Carl Gauss, which has pregnant implications for education; with the idea that with their engaging largely in self-education, like a university on wheels, in this way, they would develop, more rapidly, intellectual powers far superior to the typical guy in university today. It worked. And don’t worry. The Democratic Party’s all upset about it, because these hacks find that our youth, who’ve just come into politics for, within two years, say, or more recently, are more intelligent than the Democratic Party officials, on practically any subject.

So, what I’m trying to do, is not only to have a youth



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The Roosevelt era offers a model of how unskilled, uneducated people can be quickly upgraded in a national mobilization. Here, both men and women were trained to run the machines that turned out parts for America's bomber planes at a plant in Willow Run, Michigan, in 1942.

movement, but it has a purpose. I'm trying to revive the United States, and revive the world. I'm trying to reverse the Baby Boomer syndrome, of the decadence which took over the population of the United States, especially from 1964 until the recent time. Because we don't have, as you see with the leadership of industry, politics, and so forth today, these guys—we have to work with them, but I'm telling you, relative to my generation, they aren't there. They're stumblebums when it comes to managing things. And most of you who are older, know it. They're not worth much. Sometimes they *try* to do well, but they simply don't have the ability to judge a situation effectively, to provide good leadership.

What I'm concerned about is the future leadership of the United States. People who are now in the 18-25 age group, ten years from now will be the new leaders, the new layer of leadership in the United States and other parts of the world. And therefore what we're dealing with here, we're dealing with a process of regenerating the people of the United States, regenerating the political process again, by putting some new blood into it. Because these young people, if they continue to do what they're doing, will be sharp. They will be the new leadership of the United States. They're not going to take the other people and put them into a concentration camp, or something, or retirement home or something, but they will be the new vitality. They will be the people who will take responsibility for leadership.

For example, look in the Congress, or the state legislatures

today. You look at the aides of the Congressmen. How old are the Congressmen's aides, typically? How old are the legislative aides? They're under 25, under 27. So that's the generation which is the normal political future, of the Democratic Party in particular. And my concern is to create, or have them create *themselves*, the new leadership which the political process needs. Not only in politics, but also in other spheres. Some of them are gifted as potential future scientists. I'm very pleased with that. So, this is a movement to regenerate the people of the United States, to get back to becoming good again.

How To Help the Unemployed

Q: A number of the members of the youth movement have submitted a very similar question. This question is from Brad McCoy, who is originally from West Virginia and organizing in Baltimore right now. He says, "Lyn, I'd like to know: If we actually do achieve the Land-Bridge policy, what comes next; or what comes after for the U.S. economy? How do we deal with the people in the United States right now, who have no homes or who have been in jail, and are completely unemployable? What about those people? I know you're about the people, but please tell me what you think, because they seem to be otherwise ignored."

LaRouche: I've got a couple of programs, one of which is—like Charlie Rangel, I'm going to bring the draft back. Selective service, bring it back.

About this employment question, what do we have? Now look, I was training troops, inductees, for a time during World War II. And we were scraping people up from the back alleys and the bushes, where we didn't even know there were bushes, and putting them into 16 weeks [training]. And as I've said many times, when they're lined up on the company street, I'd try to line them up—a platoon-worth of these guys, inductees—and I would think to myself, "We've just lost the war."

But what happened is we didn't lose the war. We took people from destitute conditions, who we were scraping out of the streets of a poverty-stricken America, and we turned them into an effective force, who not only did their job in the war—they weren't too skilled, but they did their job. And afterward, they fit into society as a more-or-less normal part of society, as functioning citizens. We actually upgraded the quality of the population, through this aspect of the war.

Now, we have now a lot of people we've destroyed, or semi-destroyed, uneducated and so forth. What do we have to offer these guys quickly, quickly? Well, we had the CCC back during the 1930s. We had the military at a later point. Obviously, there are major projects, whose characteristic is essentially engineering, civil and other engineering, which are required for large-scale projects throughout the United States. We can, in a sense, by having that kind of program, as we did with the CCC, as we did also in a sense with the military, with selective service, we can assimilate a lot of people under the name of selective service, or volunteer programs, like a Peace Corps-type of program. We could assimilate a lot of people into that, who otherwise are not generally employable. We can organize people to provide the special circumstances which they require, to adapt to a track to a future.

We can also review, through the court system, we can review many of the cases of people who were convicted and imprisoned. We can, in a sense, set up a way of rehabilitating their status in society. And we're going to have to do it.

So, therefore, we need a program, which is going to take a large section of the unemployed, especially young unemployed, or people under 40; we're going to have to assimilate them into large-scale programs, engineering programs, and use them not only for engineering, but for upgrading, for qualifying them for an upgraded place in the normal course of life. We don't know how many, or how large a part of the present population fits in that category of people who need that kind of opportunity. We know it's very large. We're talking probably about 5-10 million people in the United States, at least, who desperately need that kind of opportunity, so let's provide it for them. It's not really going to cost us anything. It's going to cost us something if we don't. So we're going to do it. Therefore, let's get the programs going, but let's get them going under sane conditions.

You see, the long-term function of the military—we shouldn't be thinking about wars. There's no reason for us to

have wars. We might be forced into some military action. All right, we're going to have a strategic defense capability, bar none. But, the function of a military under strategic defense is that laid down essentially by Lazard Carnot, who was the author, essentially, of modern strategic defense, with his 1792-1794 defense of France. And then, secondly, in a sense his follower Gerhard Scharnhorst in Germany, with the Landwehr program, that we can use engineering programs, of the type which are relevant to logistics in warfare. We can use those programs for civil work, as we used to, with the Civil Corps of Engineers.

Take the case right now in Iraq. We have a few Corps of Engineers people in Iraq. What are they doing with them? Traffic cops! Here you're occupying a country, the place is falling apart. We're not fighting people in a war, as a result of an invasion. No, the invasion's over. We did the invasion. Now, we're making a new issue. It's not the invasion that's now the issue. It's the continued occupation which is the issue. And now they're shooting back because of the occupation.

Why? Because we're not doing our job. We're not taking care of them. When you're in charge of somebody, you control their lives, and you're not taking care of them, they say, "What good are you? Let's get you out of here. We don't like you anyway." So therefore, what we needed was a Corps of Engineers capability to fix things that are broken. To get the Iraqis to organize themselves to fix things that were broken. To get the water working, to get the power working, to get things functioning that have to function. And to get the country functioning on its own feet. We're not doing that.

So, therefore, this kind of capability in the military, and in something like a CCC, or some kind of a civil engineering program—which is educational as well as work, that kind of thing—is what we've got to go for with this. Otherwise, we have plenty of things beyond the Land-Bridge. The Land-Bridge will give us working, in the United States, will keep us going for 50 years. So 50 years from now, ask me the question, if I'm still around.

On FDR and Churchill

Q: This is a question that came up in terms of remarks that you made regarding the alliance between Winston Churchill and FDR. It was raised, actually, shortly after your speech in New York City on Sunday, and was submitted again when you referenced it in today's presentation. It's actually from a former member of the Clinton Administration.

He says: "In New York City, you said that Churchill approached FDR for help in countering the establishment of a fascist dictatorship in Europe, and that it was, in fact, that approach that led to an alliance between these two men to fight World War II. We face a different situation today. The situation today is not that these forces are operating in Europe, but that they're operating here in the United States, and that seems to me to create a very different situation. Could you

please comment on this a little bit more, both from the standpoint of FDR and Churchill, and from the standpoint of the shift in the situation we face today?"

LaRouche: Well, really, it's the same. . . . There are two aspects to this thing, from military policy. First of all, the initial intent of those in Britain who were associated with King Edward VIII, who was sort of one of the pigs in the question. And one of the reasons that Edward VIII resigned, had nothing to do with Wallace Windsor; it had to do with the fact that he was too close to Hitler. And the British needed the help of the United States, and the United States Jewish community was not too happy with Adolf Hitler at the time. Others were not too happy with Adolf Hitler. Bernard Baruch was a key figure in this operation. Remember Baruch was the guy who bailed out Winston Churchill. Winston Churchill went bankrupt in 1929, and Baruch bailed him out. And Baruch was very key in the relationship, later, between Roosevelt and Churchill.

But in any case, so. . . Initially, the intent was to have— if a war was fought in Europe—to have the United States excluded from that war. So therefore, the British and others organized the peace movement in the United States against war, for that reason. Because the conclusion was, in Europe, that if a war broke out in Europe, say, between Britain and France on the one side, and Germany, and the United States were drawn in, the United States would dominate the world at the end of the war. So therefore, the initial intent was, the United States to be kept *out* of the war, and let whoever predominated in Europe, take over Eurasia as a base, and then challenge the power of the United States; because the objective was, to bring down the power of the United States, in that form that existed then.

When they found out what was happening, the shift occurred when Halifax and company in Britain, and Edward VIII and the whole group—like a guy I once knew, Kenneth De-Courcy, now dead, was part of this—they cut a deal with the Synarchists, with Goering and others, through Banque Worms, they cut a deal with the Vichy French—also the French opposition to Vichy—and with British circles, to unite Germany, France, and Britain, together with Italy and Spain, as a united force against Russia, and against the United States.



Franklin D. Roosevelt with Sir Winston Churchill at Casablanca, January 1943. Their wartime alliance was a very difficult one. Churchill saw the threat from the Synarchist/fascists, and appealed to the United States for help; but here, at Casablanca, Roosevelt told the outraged Churchill that he intended to free the colonies after the war—including Britain's colonies.

Churchill disagreed with this, and in the process, went the other way and appealed to the United States, for various reasons.

The alliance between Roosevelt and Churchill was a very difficult one. For example, I give the case of Egypt. The British were about to win the war against Rommel in Egypt. Oh, Churchill couldn't have that! He didn't want the war over too soon. So therefore, he put in Montgomery, an incompetent. Montgomery stopped the attack on Rommel, who would have been defeated and routed immediately if the attack had come. So the attack was held off while this stupid Montgomery lined up everything that looked like artillery, from El Alamein to the Qattara Depression, and just a few roadways in between. And when he had that thing packed with everything, including anti-aircraft rifles as artillery, lined up: Boom! everybody shot at once and Rommel git, right then, gone!

Again, in Normandy, the conclusion of the war was postponed for probably six months because of what Montgomery did. So, Churchill was playing a game against Roosevelt and company, at the same time he was an ally. So it was a very difficult alliance. It was an alliance based on considerations, larger, higher considerations. It was not really a buddy-buddy kind of relationship.

And the key thing are the Synarchists. The Synarchists are the same. Lazard Brothers in France was part of the Nazi operation during World War II. Lazard Brothers in New York today is related to the operation inside the United States. Same kind of thing. Mundell, etc., etc., all the same kind of crap.

So therefore, the enemy is the same. The difference is that in the post-war period, these guys immediately, because of U.S. supremacy at the end of World War II, moved in with Bertrand Russell and H.G. Wells, to take over the United States, which they did through RAND Corporation and similar operations which are called the preventive war freaks. Truman was practically a fascist! People think Truman was a great Democrat. Eisenhower saved the United States from Trumanism! Truman represented the problem.

What do you think happened, 1945-46, after Roosevelt died, until Eisenhower got in? Truman brought in the right wing. Truman brought in terror into the United States. Truman turned J. Edgar Hoover loose. Truman created McCarthy. Who got rid of it? Eisenhower. So things are not always quite what they seem.

So, they took over the United States. Once Eisenhower was gone—Eisenhower said very clearly, in his own language, he called it the “military-industrial complex.” Eisenhower fought that. Eisenhower was a military traditionalist, as MacArthur was. These represented the American military tradition. They were opposed to Truman; they were opposed to this guy. That’s why Truman got rid of MacArthur. It was a fight between the funny-funny guys, the pro-Nazi types today, and the traditionalists. The traditionalists didn’t believe in killing! Yes, they shoot. MacArthur fought some hard battles. But the American military does not believe the purpose of war is killing. The purpose of war is winning peace. The purpose of war-fighting is strategic defense, to defend the nation in ways which will lead to peace, and to avoidance of war.

Look at what MacArthur did, for example. Look at the case of the Pacific war, the most efficient war imaginable. Yes, there were hard fights in a couple of locations. The Navy did go for Iwo Jima and other unnecessary battles, because they wanted the stripes, and they wasted a lot of Marines in the process. But MacArthur said, we take the territory, we control the logistics. We have the power, the logistical power. They can’t move, why go in and fight them? They’re sitting on those islands, they’re not going to go anywhere. We control the territory.

How did we win the war against Japan? By shooting Japanese? No. Yeah, there was a lot of shooting, but that was not how we won the war. We won the war by a naval and aerial blockade which was effective, which brought Japan economically to its knees. And that’s the way we fight wars. We use a total effect, of total economy, to try to achieve the necessary effect, with a great economy of loss of life, to bring the war to an end as quickly as possible, and to make the former enemy a partner, through the effort of peace. That was U.S. policy.

Eisenhower represented that tradition, whatever vacillation he had, and he was tied to Bernie Baruch also.

So, when Eisenhower’s gone, what do you have? You had the Bay of Pigs, an operation by the funny-funny boys. You had the Missile Crisis of 1962. You had a whole series of things. You had the 1963 assassination of Kennedy, other things like that. Johnson was terrified, and you had the starting of the Vietnam War at the end of 1964, and from there on, it’s been all downhill, with a few—Clinton did a good job in postponing hell. He didn’t exactly get rid of it, but he postponed it a little bit, for which people may be grateful to him, today.

So, this is the situation. The situation has shifted. But the problem is still the same. There’s no difference between now and then, in one sense. The problem is, the objective of the United States, from the beginning, at least in the mind of people who understood what we were doing, was to build in this nation a republic, a true republic, which when it was created, was the only one in the world. The purpose of this republic, in the minds of Europeans and the minds of our leaders here, the Europeans who helped us create this republic, was to create a model for similar republics throughout the world, especially throughout Europe. It didn’t work, because of what happened in France in 1789 and thereafter. But the purpose was to create nation-states, which were republics, based on the same kind of principle that our nation is based on. And to bring about a world which is free of the old types of problems, a world, a fraternity, a community of sovereign nation-states, which would work out common principles and common objectives, and solve common problems. That was our objective.

This should still be our objective today. What I have now in my hands, in the world, in India, in China, in South Korea, in the Arab world, where people are looking to me to help get them out of the mess—in the Islamic world, or Turkey, where they wanted me to help get them out of the mess, when I was just there. In Europe, where key figures in Europe are counting upon me as a U.S. candidate here, to somehow be the lever that brings the United States into cooperation with them, for this kind of cooperation among sovereign nation-states.

That’s our purpose. The purpose is not to play a game, to win a game. Our purpose should be—as it always was and should be—our purpose should be to create a world in which nation-states are sovereign, where people through their own culture, can express their will, which can only be done through their own culture. We may come to the same end result in policy, but each people has to work through its own culture, otherwise it cannot be represented.

And you can not have republics without representative government. To have representative government, you must use the culture that people have. You may help develop it, but you have to use the culture they have. Otherwise how can they participate?

And therefore, we must have participation of people, in

confidence, in their own states. They must understand the agreements their governments have to make. On that basis, and *only* that basis, can we bring governments together to collaborate. Because they can not collaborate with us, unless our people and theirs can come to an understanding of a common interest. And that's our objective.

The problem is, the enemy is determined to prevent that from happening. Whether the enemy is in the United States, or outside the United States, makes no difference: It's the same enemy. And we all have to fight it together. We just each have to recognize what terrain we're fighting on.

We in the United States are responsible for our terrain. We're fighting the battle on our terrain. Others will fight it on theirs. Our friends in Europe, our friends in Asia, our friends in South and Central America, *they're our friends. They're my friends. In many cases, personally my friends.*

We can work together to solve these problems. And the idea of a playing a smart game? No, forget the smart games. Does sophisticated work? Yes. Smart games? No, they don't work. We have too many smart games.

LaRouche's 'First 30 Days'

Q: Hi, Lyn. My name is Travis. I'm from southern Indiana. And first off, I'd like to say thank you for launching this Renaissance. And you've changed the lives and the minds of people all over the world. And for that, I would like to thank you for giving us that opportunity.

Down to business. You referenced the first 30 days after a President is inaugurated, and how important and crucial it is. My question to you is, what specific thing are you going to be doing first, after you are inaugurated as President? And what programs are at the top of the list to be done first? Thank you.

LaRouche: Okay. It's a fair question. Well, what I have is, essentially, first of all, I intend to do as much of my program now, before I'm elected, as possible. As I said, we have this two-phase kind of government. That is, there are people who are in government now, or in various positions where they should be in government or influencing government.

And my venture is: We get Cheney and Company out, and hope that institutions like the military and others are able to influence the existing government, and take care of the poor child called the President, eh? And keep him from mischief, and keep him from danger, right? Mr. President, who is about to leave.

So that we would manage certain things, the crises that come up, and have a response to crises which would be positive.

Now, the first thing, of course, in my mind, is that since the system is collapsing, is we need to call an international monetary conference under which the governments will agree to put the existing IMF system into bankruptcy reorganization. Once we've done that, we have—we've crossed the first bridge. That's the most important bridge.

Because if we can organize credit in sufficient volumes, in the right way, to begin to move the world upward so that the world is not bankrupt any more—that is, the amount that is being generated in the world, is more or less sufficient to meet current needs—we've solved the first major problem. We're now moving upward.

So my first concern is to move upward. I would hope we can do as much as possible immediately. The news from this week, from Europe, from yesterday, and what's going on today, I would hope that the Berlusconi initiative, which is something that's already been worked on, that this will begin to move, and move in that specific direction.

Look. Concretely, I have responses from all over the world on this issue. People in Russia, in other parts of the world, are studying exactly what I'm saying and considering very seriously what I'm proposing. So I'm not waiting until January of 2005 to make that measure. I'm trying to push it through now.

Then, you know what I've said in general, about infrastructure projects, about these kinds of changes, to get them into place as fast as possible.

What I need, is to build the team, the prospective government, the team of people inside and outside of government, who represent a leading force who will make these things happen once they're given the power to do it.

And so, it won't be much different. It won't be much different once I'm in, except I probably will have by that time—if we do a good job—I'll probably have some new objectives.

I also have a big space exploration program, you know. I have things of that nature which I'm dedicated to. Lots of things. I'm full of things I would like to have done. I don't have enough lifetimes—I can't even imagine enough lifetimes to do all the things I wish to do. So I'll never run out of chores.

But in the meantime, that, I think, is the answer.

On this now, I have two sets of people who are available now, who are in positions of government or influence, who I try to make them into a team, a national team, international teamwork—try to get teams of people working on common solutions to common problems, and just do it.

And the transition to the actual process of governing as a President, will come naturally.

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