

‘This World Monetary System Is On the Way to the Burial Grounds’

Presidential candidate Lyndon LaRouche addressed 40 Australian recruits of his International LaRouche Youth Movement on March 5, at a weekend “cadre school” near Melbourne. LaRouche’s speech to the group by telephone conference was followed by two hours of questions and discussion, not published here, but available at www.larouchein2004.com.

Okay, now we have a very interesting day, today, in Europe and the United States. It’s been building up over the past days, but it hit today, that in the wake of the Super Tuesday, that’s this past week, primary elections, there has been a significant phase-shift, not only in the election process in the United States, where John Kerry, the Senator, and I are the only leading candidates who are still in the race. There are some others, who are in there for delegates; not for nomination.

There is also some tremendous turmoil, in other issues: For example, you take the case which has caused much comment in Germany. You have the head of the IMF, who is sitting on top of the poor Argentines. And he was suddenly called back, in a sense, to Germany. That is, he was notified, that he was being appointed the President of Germany, to succeed the present President. And the fellow got on his plane, and left there, dropped the IMF, left his IMF post, and went back to Germany! The comment in Germany is, that Horst Köhler was getting out of the IMF, when the getting was good!

We have similar things like that: We have, Greenspan is mooted to be on the ropes; that Bush wants him fired. Gordon Brown, of the United Kingdom, is mooted as a possible successor for Köhler; and similar kinds of things are going on.

What you have is a general turmoil, around the world, which indicates that we’re on the edge of a phase-change. You have the gyrations in the relationship between the valuation of the dollar and the euro, and other things of that sort. In terms of my own experience, the response to me is suddenly greatly improved inside the United States, in the media, and so forth, in terms of contacts, people I’m talking to, and that sort of thing.

So, there is a phase-shift in world affairs. And this obviously reflects one thing, among others: And that is, that this shebang, this present world monetary system is on the way to the burial grounds. Exactly which direction it will take, where

the undertakers will lead it, and so forth, is not yet certain. But, it’s obvious, it’s a phase-change.

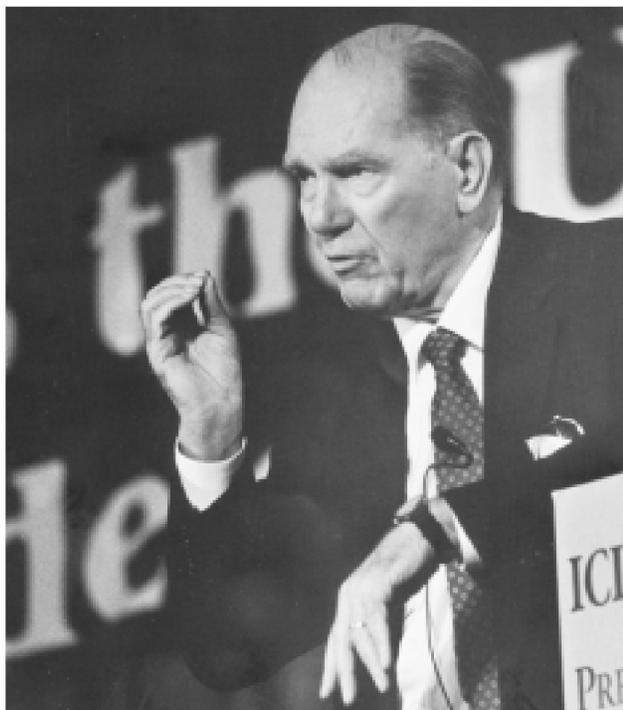
Neo-Cons Being Pushed Aside?

You’ve got two things that are going on politically, internationally — especially, in the United States, but not just there. You have the neo-conservatives — these are the extreme right-wing animals, like Richard Perle and so forth — and contrary to the statements by some that Richard Perle is not out, the fact of Richard Perle’s withdrawing from his position with the Bush Administration is a part of the same process as the withdrawal of Conrad Black — the man who was the moneybags for a lot of the neo-conservatives — who is in trouble all over the place, because they’re sort of tired of his sort of funding of neo-conservatives.

This coincides with something else: Not only is the Bush neo-conservative phenomenon in trouble — and I probably must take the blame for a great deal of the suffering around the Bush camp, and others — but, the perception is that the Bush sort of right wing is not really going to work. It is not going to “carry the day,” so to speak. And therefore, the right wing of importance right now, in the United States, is situated in the Democratic Party, on the Democratic side!

In the Democratic Party, we have a major conflict, between two views, in which my view lies in there, somewhere. You have one view, which is typified by the circles around the former Treasury Secretary Robert Rubin, which recognizes the severity of the present international monetary-financial crisis, as very few others of that generation do. (Oh, he’s not actually a Baby Boomer; he’s a little too old for that.) But then you have, on the opposite side, you have the group around Lazard Frères, who has a pro-Schachtian position. And if you haven’t been told this already, Hjalmar Schacht was the man who — for the Bank of England chief — put Hitler in power in Germany in 1933. And [Schacht] is famous, not only for that, but as the Economics Minister of the Nazi system. And his policies, his economic austerity policies, are those which are associated with Nazism the way Hitler came to power. These policies are not only popular with the outright fascists, or the obvious fascists — like the neo-conservatives around the Bush camp; like the Richard Perles and the Conrad Blacks, and so forth.

But, there is also another variety of fascist, as there was



LaRouche and Lazard Frères banker Felix Rohatyn (left) battle for the Democratic Party, over whether the response to collapse will be Rooseveltian led by LaRouche, or Schactian, fascist. “Not only is the Bush neo-conservative phenomenon in trouble—and I probably must probably take the blame for a great deal of the suffering around the Bush camp, and others—but, the perception is that the Bush sort of right wing is not really going to work. . . . And therefore, the right wing of importance right now, in the United States, is situated in the Democratic Party, on the Democratic side!”

during the 1922-1945 period of the fascist heyday in Europe: These are the left-wing fascists, and they are typified by the Lazard Frères crowd, which was—during that period in European history—was very fascist, indeed. It’s a hard-core Synarchist organization. Its typical expression in the United States, of that group, is Felix Rohatyn, an alumnus of Middlebury College in Vermont, where I had a funny experience some months ago. And he represents the pro-fascist economic policy alternative inside the United States. His group, inside the Democratic Party, is moving to replace George Bush as President, because they say he’s hopeless. But they have their own brand of fascism: And their commitment is to keep me out, at all costs.

What has happened now, is there’s a shift in the situation, and some people in Europe have put it this way: Felix Rohatyn’s crowd is incompetent. What they intend to do, what they’re willing to do, will not fly under the conditions of the present world international financial crisis. It just won’t fly. For example, one thing that Rohatyn and so forth will be dead against, is capital controls. Now, what is going to happen, of course, as the crisis hits with fuller force—and that can be in days; we’re on the edge of it now: It can be weeks. It can be days. It can even be a couple of months or more. But, we’re on the edge now. It is going to happen. What is keeping the system alive, is a hyperinflationary bubble of money-printing. In other words, a hyperinflationary process is keeping this

bubble going, as long as the system will keep accepting the outpouring of this mass of money into the system, especially dollars and so forth.

The Schachtian Threat

It’s going to come down: When it comes down, and if the world is not going to go “On the Beach” so to speak (in line with your discussion yesterday), then, there’re going to have to be some changes. First of all, we’re going to have to put the IMF system into bankruptcy reorganization. That is, governments will have to take over, as they did during the immediate post-war period, with the founding the original Bretton Woods system, governments took over, and the banks had to behave themselves, at that time. At a later time, up through 1989, there were changes. The Bretton Woods system was cancelled in ’71-72. And in 1992, essentially—the Maastricht agreements and so forth—Europe gave up sanity, in terms of monetary policy.

But, we’re going to have to go back to that. We’re going to have go back to what was changed. We’re going to have to put the IMF system into bankruptcy. Central banking systems are going to be taken into receivership, for bankruptcy reorganization. Governments are going to have to take control, of the business of generating and managing credit, credit of states. Under these circumstances, we’re going to have to go back to a regulated system, of international trade and finance. We’re

going to have to go to capital controls: That is, governments are going to take responsibility for what are lawful priorities, in the flow of capital funds, and in what is allowable in the movement of capital funds. Because, in a crisis, we must manage, as you do in any bankruptcy.

Now, the Felix Rohatyn crowd, the Lazard Frères types, and similar types, are dead set against capital controls, or anything like that. They're dead set against protectionist measures. And protectionist measures are absolutely indispensable, for getting through the crisis that's coming on us now.

I represent that: But other people recognize that this kind of measure, which I represent, must be used—they may not agree with the way I want to use it, or the way I want to do it—but they agree it must be used, under conditions of this kind of crisis. And, they can see this kind of crisis coming on, now. And they see that the magnitude of the potential blowout is far beyond anything that would permit Felix Rohatyn's policies to be applied to the present situation.

For example, if the policies of Schacht are applied—and that's what you're looking at, in terms of the debt collection operation against Argentina—this is pure fascism in economic policy: The IMF is practicing pure fascism in its support for these collection policies. But, that's the policy that would be applied, to the interior of every country in the world—including Australia, of course—if these policies were continued. These are Schachtian, pro-Nazi policies. They may not call them pro-Nazi, but that's what they are.

So, there's a big fight about that. And the general opinion, among informed people, is that the Nazi-like policies, the Schachtian policies, which are associated with Felix Rohatyn's proposals will not fly, in this period, unless you want to have a general collapse of world civilization: a new dark age.

So, today, in the past couple of days, especially today, there's a rumbling, a rumbling, like the pre-shock of an earthquake. And that's what I was experiencing, during the course of the day, and overnight. There's a big change coming. And, I don't know what's coming. I think the monotremes of Australia will survive, but I wonder if some of the still more primitive animals, such as your local breed of neo-conservative, will also come out of this thing intact.

So, that's the nature of the situation.

A Youth Movement Against 'No Future' Society

Now, otherwise, on the subject of the youth movement: The key thing to understand this youth movement phenomenon—and this is something that's become empirically significant around the world, as in the United States, during the recent four years. About 40 years ago, in the United States, and in the United Kingdom, following the assassination of President Kennedy and the ouster of Macmillan in the United Kingdom, as Prime Minister—it was a coup—with the first Harold Wilson government in the United Kingdom coming along shortly after the ouster of Macmillan; and what happened with the United States, after Kennedy was killed, and

President Johnson was terrified (at least on these questions); we went into the Vietnam War, Indo-China War.

At that point, there was a cultural paradigm-shift in the generation of university age, those particularly who were going into universities at that time. This represented a cultural paradigm-shift away from an idea of a producer society—which the United States had been the leading example of, up to that point—and against technology; an anti-technology, post-industrial movement, of which the most colorful form was the rock-drug-sex counterculture. But the rock-drug-sex counterculture was only the most extreme, the most radical, the most carnival-tent-show-type part of this process of cultural change.

During the past 40 years, the culture of the United States has changed, and of the United Kingdom. And this has spilled over into continental Europe, especially with the 68ers. It spilled into Central and South America. So, around this part of the world, and other parts of the world, the generation now in their fifties or early sixties, the so-called Baby-Boomer generation, all around the world, are dominated by a generational phenomenon: In other words, even if people are not smoking pot, and having sex with strange animals, they are still Baby Boomers, in the sense that most of them accept the values which are common to that generation. And the values which are common to that generation, are acceptance of the leading role of cultural policy-changes, which have occurred during this 40-year period.

Now, what has happened as a result of this, over 40 years: The culture of Europe, Australia, New Zealand, and of the United States, the Americas generally, has changed: to a post-industrial policy. As a result of that change, and what goes with it, the present world monetary-financial economic system is finished! It's gone, to the point, it can no longer stand on its own legs. It is about to collapse.

Now, younger people, who were entering adulthood during the recent four years—that is, going from adolescence to adulthood—looked around them and said, "What we are going through is a no-future society. That is, what our parents' generation has done to us, is give us a no-future society in which to live—and not live it very well, and perhaps, not at all." So therefore, you had a conflict between young adults—that is, people who are young, but who think like adults; they don't think like adolescents or children. They think about their responsibility for being "mama" and "papa"; not being the children of the household, but being the parents in the household, or thinking in that direction. So therefore, they tend to be somewhat independent, and say, "Well, I'm not going to accept—I'm not going to Hell! I don't care what my parents tell me to do, I'm not going there. I don't want the place. I'm going to change things, if possible. I'm not going to accept no-future, as a perspective."

What you have, therefore, is you have a conflict between the parents' generation, and the younger generation, the young adults. This is not a conflict of prejudice: this is a conflict of reality. The older generation is still clinging to

those values and habits of behavior and belief, which mean no future for humanity. The younger generation's conflict with its parents' generation, is not the usual kind of thing, of the young people quarreling with the parents. It's not "leaving the egg," so to speak. This is real.

The younger generation represents a potentially healthy generation, for turning society back, away from a no-future society perspective. Whereas the older generation is imbedded with habits—habits of thinking, prejudices, knee-jerk reactions, emotional reflexes—all these things which would prevent a future for the younger generation, and their children. So, this is the nature of the conflict.

Thus, under these circumstances, what is needed, is that the younger generation, while it may not know everything it needs to know, is instinctively right, in sensing that their parents' generation's values—the people in their fifties and early sixties—are wrong. They may not know exactly why they're wrong, but they know they're wrong, because the parents' generation is living in a no-future fantasy. And they know, that they've got to find their way out of this no-future end-game. That's the nature of the conflict.

Therefore, at this time, the kind of youth movement which we've organized in the United States, spread into Europe; and we have some seeds down there in Australia. This is absolutely essential—not to stage a generational quarrel, per se. The problem is, the older generation is habituated to those habits, those ways of behaving, which mean a no-future society. And therefore, young people must have the independence, which is their independence of the Baby-Boomer ideology. Because, if we don't get the world freed of the grip of Baby-Boomer ideology, the world is not going to make it, except plunging into a new dark age. Therefore, the development of a young generation, which will lead their parents' generation out of madness, is the key to civilization.

Facing a Dark Age

This is not entirely uncommon in human history: Often cultures go down, not because they didn't have the magic elixir, or something of that sort; but, because they got into cultural habits, which in practice, led to acceptance of, or caused, a collapse of civilization. The Roman Empire is an example of a long process of decadence. Medieval European society, the so-called "ultramontane society," of the Welf faction, and similar people, is an example of that: That these cultural trends destroy civilization. They may not destroy everybody in it, but they put us into a dark age or a relative dark age, repeatedly.

So therefore, when you come to a dark age, the problem is not that a dark age is natural—except for accidents, natural accidents, which are beyond our reach—every catastrophe mankind faces, is imposed by mankind itself. It is not imposed by one or two leaders, usually—very rarely: It is imposed by the fact, that the majority of the population has become culturally addicted to habits of behavior and thinking, which have led, over the course of time, to a collapse of civilization.

That's what we face now, a collapse-of-civilization crisis. Not a mistake, which has to be fixed. Not a gimmick. You don't go to the store and buy a new costume, and solve this problem. You have to go to a store, and get a new mind! A mind free of these cultural habits, which were developed with the Baby-Boomer generation, as the post-industrial, pleasure-society ideology which has come to dominate Europe and the Americas in the recent period. And, of course, it has had not pleasant affects on the possibilities in Australia.

And therefore, the younger generation—those of us who are wise enough, will support the younger generation's efforts to get out of this mess, and to lead their parents' generation, and others, under the pressure of crisis, into going back to ideas which worked. And building the future, by going back to the fork in the road where they made the wrong turn. And make the proper turn this time, and get their reluctant parents' generation, to go along with the journey. Under those circumstances, there is no reason we should not come out of this crisis quite well, with a little suffering and hard work. But, if we don't make that change, there's no chance.

And therefore, in times like this, it is sometimes a generation of young adults which makes the turn. Take the case of the history of the United States: If you look at the age of the people who became the leaders of the United States—those who formed the Declaration of Independence; those who created the Constitution, and so forth—these people were recruited around a fellow, a scientist, a leading world scientist at the time, Benjamin Franklin, who was influenced from Europe. Influenced by, in part, people like Priestley, in England; Watt, who was recruited by Franklin and Priestley, who developed the famous Watt steam engine—in France; with the assistance of a great Frenchman, Lavoisier, who was killed by the French Revolution; by Leibniz's influence, directly, through his writings.

The Secrets of Rebuilding Nations

So, these young people, around the best ideas from Europe, grouped around Franklin, from the middle of the 1770s on, became a leadership which created the United States. They were, with few exceptions, a youth movement. George Washington was not exactly a youth at that time; nor, of course, was Franklin, who died at a ripe old age. But, these guys—the Hamiltons, the Madisons, the Jeffersons, and so forth—these were part of a youth movement.

Now, you have to think of yourself, today, as being typical of youth who are making this kind of turn. You have to think of yourselves as people who are reaching out to find the so-called secrets of society—sometimes, the lost secrets of society—which are needed to rebuild nations, to rebuild civilization. And, you are acting in that way, and in that degree, as the conscience of your nation, and the conscience of civilization, to turn the world back to where we made the wrong turn, especially the wrong turn of the 1960s: In that way, we shall come out all right. Not perfect, but all right.

And, that's, I think, what you are implicitly doing.