

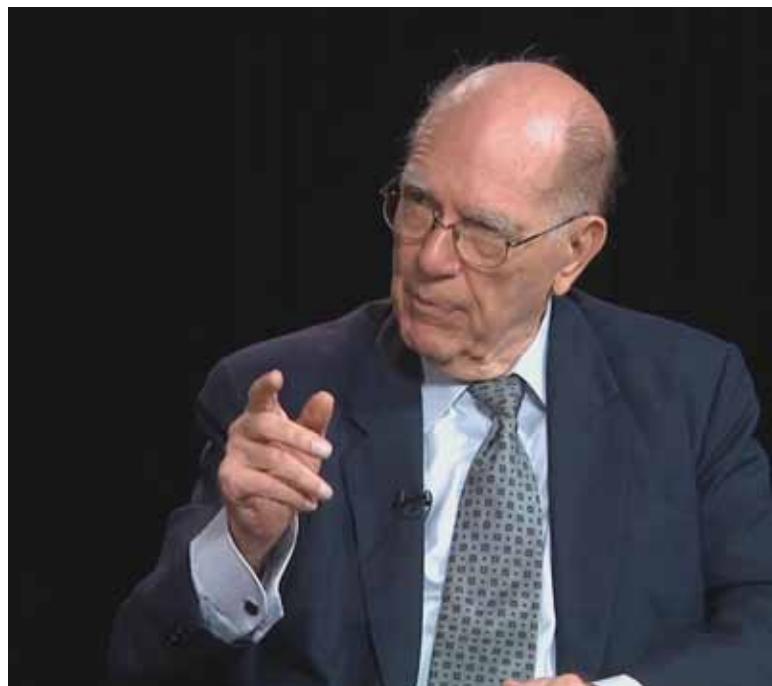
THE PATH TO SURVIVAL

# LaRouche's Seven Necessary Points for a Real Recovery

*On Aug. 24, Lyndon LaRouche delivered the following urgent message on LaRouchePAC-TV, a seven-point program for addressing the general breakdown crisis now engulfing the North Atlantic region. Elaboration of each of these points is being presented on LPAC-TV, and will appear in EIR over the coming weeks.*

The subject today is the discussion of the imminent crash of the trans-Atlantic part of the world system, and the implications of that for this time. Now, first, the crash itself: We're on the verge of a crash, all except the last piece where somebody pulls a piece out, and the whole thing comes tumbling down. Or else, there's an alternative, which might be enacted in the meantime. The meantime is in any case a fairly short meantime, and everything is set, right now, to go.

Now, in addition to this point, there are seven other points, which have to be covered, and I'll cover them in summary form for the purpose of discussion, but these seven points are crucial, and are probably the *only possible* solution for the present threat of a general breakdown crisis of, first of all, the trans-Atlantic system. That is what's coming on immediately; such a breakdown in



Lyndon LaRouche speaks on the LPAC Weekly Report, providing marching orders for patriots who are determined to save the nation in this era of crisis.

that system would mean the Asian system as well, would go tumbling down, after the trans-Atlantic system had tumbled first, and we're on the verge of that right now.

The crash will occur, if not earlier, at the moment that Obama does something foolish which triggers the whole blowout: He's getting more and more in the mental state, as has been noted by a number of commentators and others, that his condition—. (You know, the so-called "Washington Insider" has made that forecast [in the "Ulsterman" blog], and broadly what he describes is an accurate description. There are some fun parts in there, just to tickle people, but the essential thing is there.)

So the first thing you have to do, if you want to save the world economy now, is you have to kick out Barack Obama as President of the United States. All the conditions, preconditions, for that are there: For example, Obama recently had launched a war in Libya, in violation of the U.S. Constitution. He had done this past the point of permission for a President to take emergency action. He defied that time limit; therefore, he is impeachable immediately.

He is also impeachable on conditions of the 25th Amendment, under Section 4, as being clinically insane, as defined by that 25th Amendment and its provision 4.

So, he can be removed. And if we don't remove him in time, then anyone who doesn't remove him shares guilt for the greatest crash that the Western Hemisphere has ever seen, and Europe, too.

So, no more time for fools playing games. Obama must be thrown out of office, because, unless he is thrown out of office, then, the system will crash. And there will be nothing for the nations of the trans-Atlantic community to look forward to, except Hell. Therefore, he must be removed *first*, so that he's not able to jam up the passage of a Glass-Steagall reenactment on the basis of the same principles as Franklin Delano Roosevelt's action in signing in the original Glass-Steagall Act.

That's number one: the crash. The elimination of Obama, and the Glass-Steagall Act, in that succession, must be done.

### Enforcing Glass-Steagall

The next thing we must do, after having established Glass-Steagall, is that the powers ascribed to the original version of Glass-Steagall—that is, by Franklin Roosevelt's Administration—must be applied, and there



LPACTV

*Obama can't get rid of the moustache he earned for his Hitler health program. And he also qualifies for the 25th Amendment by being insane!*

must be a division of the assets in question, between two categories: On the one hand, you will have the category which belongs to the merchant banking sector and similar kinds of finances. The entirety of the claims against the United States, due to that sector, will be assigned to that sector, and removed as liabilities from the list of liabilities of the government section and the regular banking section. That division of assets and liabilities will define the situation which confronts us at that point.

Now, the key part of this thing, is that the amount of credit which will survive the purge of this system of debts, is unfortunately rather small. Therefore, it is not possible to simply use Glass-Steagall in the simple way, by continuing the present national currency system. You have to go to a *credit system*, as implicitly defined by Alexander Hamilton when he was Treasury Secretary, and in forming that aspect of the Federal Constitution. So therefore, that division will define a section of the debts that will go to the merchant banking sector and similar sectors—the gambling sector—they are on their own; they get not a penny of bailout! All the debt is entirely assigned to them, that part of the debt.

The debt, however, of the part that will be rescued from this embrace, will be a very small part, because we've waited much too long on this thing, and therefore, the ratio of bad money to good money has gone



EIRNS/Stuart Lewis



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*The application of the Glass-Steagall principle will separate the debt related to physical production, as in this school construction, and that related to speculation, the activity seen here at the New York Stock Exchange.*

that way as such. So that has to be done; so we have the division of liabilities.

### The Hamiltonian System

Now, what do we do? We have to go to what Alexander Hamilton implicitly defined as a code of the Constitution, the going to a credit system, *not a money system*. We will use money, but money will be defined as a part of a credit system, not a money system in the ordinary sense.

The Federal government will, therefore, have to utter credit in excess of what survived the purging through Glass-Steagall. This means that we're going to have to issue state credit, for states and the nation as a whole, the two categories, and therefore, Federal credit will be used, as a means of salvaging and promoting subsequent growth in the state economy, and what is called the national sector, or national government liabilities. That is the third thing that is required.

We have to set up the national

and state programs, in which you will have two things to consider. First of all, we have a bailout problem of a different type, an honest bailout problem. We have a lot of institutions that are broken down, that have to be repaired and put back into operation immediately. In other words, old things that are already on the agenda, have been removed temporarily from the agenda—firemen, policemen, schools, etc., etc. These things, which are state and national liabilities, must be covered with credit supplied by the Federal government use of this substitute for a bailout program.

Then we're going to have another category, which must become rapidly the largest category, and typified by a very specific program: This'll be major projects which are not only major projects to get the economy moving again, but to put a growth factor into the rate of expansion of the economy. Without this, we can not catch up on the margin of waste, the margin of decay, the margin of neglect, which has seized this economy.



EIRNS/Stuart Lewis

*America's first Treasury Secretary, Alexander Hamilton, established the credit system which underlies the U.S. Constitution and must be restored today. Here, a Hamilton statue in New York City.*

## **NAWAPA, the Real Science-Driver**

We then have to pick, as the key driver of this program of recovery, the only existing driver which is presently capable of bringing the United States safely up and out of the present world depression—and it is already a world depression. And anyone in Europe can tell you that, as well as in the United States. NAWAPA [the proposed North American Water and Power Alliance] is the only project which has the characteristics and the specific effects needed for a recovery program. First of all, it's large enough in scale; its physical impact is large enough in potential scale. Its potential as a factor of growth in the economy, is the greatest we could achieve. So the Glass-Steagall project is now the keystone of the major chance of a recovery of U.S. economy, a *real* recovery, not just a temporary fixit.

Because NAWAPA means a change in the entire water system of North America. The United States first, but potentially, under the original design, Canada, in general, which is a key part of the program, and also parts of northern Mexico, which are a part of the same essential water system, both that which exists presently, and which must be caused to exist, through expansion, immediately, in direction.

So NAWAPA becomes the major driver.

But you have to understand *why* it becomes a major driver: First of all, NAWAPA restores the water balance of the United States, so we don't have a food shortage. It also reverses the long depletion of water resources of the Western Plains, for example: We have been drawing down the water reserves of the Western Plains by pumping, without putting anything back in to restore those water supplies. The control of weather, through control



*The concept for NAWAPA, laid out in the 1960s by the Parsons Company, has been updated by LPAC's Science Team, and provides the unique basis for reviving the U.S. economy, on a higher scientific and technological platform.*

of water, in this water system: For example, we had recently a case where we had, first, a massive flood of water accumulated in a basin defined by the Ohio, Mississippi, and Missouri rivers. That area is still affected by this. There are some parts that are immune, but in general the entire area is affected.

So therefore, you have two questions: the water supply of the Western Plains, in general. You have the recent flooding problem in the north of the United States, going into Canada. You have also the vast



Alex Needham

*Magnetically levitated train transport, for freight as well as passengers, will be essential—along with nuclear power—for implementing the NAWAPA mega-project.*

drought which hit subsequently in the Spring and Summer months of this year, in another part, the Southern part, of the United States.

So, what NAWAPA will do, among other things, is create a water-balancing system, through a system of canals, other connections, which bring the entire water system of that part of Canada, the United States, and northern Mexico, into a system with an augmented amount of water. Because NAWAPA will mean an augmentation of the sheer mass of water available. It also means, for the distribution system, a minimization of the misdeployment of the available water supplies.

So that is the potential driver.

## Transport and Power

But first, there are other things to be considered: What we have to do, in order to rebuild this nation, and this includes the NAWAPA project—just NAWAPA itself implies that—we have to build new kinds of transportation systems, in order to get the materials into the area where the NAWAPA construction is occurring. And we have to move materials from the area in which it can be produced.

For example, major transportation systems: The best opportunity for major transportation systems, is the states which were once known as the automobile-manufacturing region. That includes New York State; it includes Ohio; it includes Indiana, Illinois, and out to St. Louis, that area. This area is essential for building, with high skills, where existing skills are there, either latent or active, where these skills can provide the means of

transportation which is integral, and other things, which are integral to the development of the NAWAPA system. So this then becomes a multiplier growth factor in the U.S. economy. That is a crucial point.

## Cooperating with Neighbors

Then we have the matter of other nations, and that involves Canada immediately—it involves Mexico as well—who are in a similar condition to what we are. Maybe Canada is not relatively as badly off as we are, in this account, but it is badly afflicted by this, and would go on the basis of our doing

this. Northern Mexico is an area which badly needs the water. It has an agricultural, a food-producing potential which is very significant in that area. And it is also part of the water system which must ultimately include all of Mexico, as well as the rest of North America. It must be in one water-management system and development system, to meet the food supplies, food requirements, and other things of that sort.

We also are going to have to deal with the European situation and the Asian situation. These areas—for example, Russia is probably a leading factor in this right now. It looks to be in very bad shape, but it's in less bad shape than you might think if you take all factors into account. We have Putin, a former President of Russia, and a prime minister of Russia now, who is determined to push through a new program which is ideal for the purposes of Russia, and also for its relationship to its partners.

You have similar kinds of changes in China—somewhat different, but similar. China is not capable of surviving a crash of the trans-Atlantic system, economically. It will go down, too. Because China is largely dependent for its market on what? On the United States, and on Europe, for example. So, with the collapse of the market of China, by chain-reaction effect of a trans-Atlantic collapse, China itself goes into a deep crisis. India, for similar reasons, goes into a deep crisis.

So we have a global breakdown crisis in process, a breakdown crisis of such dimensions that it would mean vast extermination of populations, throughout



Jack Dykinga

*Devastating drought conditions in northern Mexico will be effectively addressed by agreements between the U.S. and Mexican governments on the NAWAPA project. Here, a dried up irrigation ditch near Rio Bravo in 1996.*

most of the world. It means drastic extermination of the population of the United States, of Europe, and other countries.

### The Indispensable Action

So this is an absolutely indispensable action. It's indispensable, because of the water factor, which is the best way to invest a dollar in a recovery, is invest it in the water and related programs. It'll revive our industrial capability, revive our scientific capability, because this is a science-driver program. It'll give us "the best bang for the buck," as the word is said, guaranteed.

So that's where we stand. We can do this. It's now feasible! Politically, it could be feasible, on the condition that this bum is thrown out of office. And the mood in the country is moving rapidly toward that point, that their willingness to throw the bum out is there.

If that's done, if the Glass-Steagall reform is implemented properly, and if its benefits are applied appropriately, in the form of a credit system—call it an original credit system, because that's the principle of the U.S. economy. We are based, not on a monetary system, not on a financial system; that's the Roman Empire, that's European foolishness. We are based on a *credit system*; our Constitution is based on a *credit system*; our Constitution itself emphasizes that. Therefore, going as a credit system, and no more—we will use money, but

the money will be controlled, the United States money will be controlled by the definition of a credit system, not a monetarist system. And that difference is crucial.

So those are the conditions which are minimally required to be considered; if you want any recovery at all, this is probably the only thing that will work.

Now, I've been forecasting for a long time, actually forecasting specifically since 1956, when I forecast the 1957 recession, and I was unique on that point at that time. I've been successful on other cases, again and again, and I don't really have any rivals in this department. So I think it would be unreasonable, not to take this shot, which I'm outlining here.

I can't see any possibility of survival without, first of all, dumping this bum out of office; he's more than ripe for the ouster. Dumping the present system, absolutely, through the aid of Glass-Steagall, a Glass-Steagall reform in the original form, with the same force and intention, as the original Franklin Roosevelt movement; that's absolutely necessary.

We need to apply the credit we get available to us, for our states and for the national government, first of all, to provide stability for the economy and actual growth patterns. We need to go further, with large-scale projects based on the creation of a credit system, as opposed to a monetary system. We will use money, but it will be designated as originally under a credit system, not a money system. We will take the credit we can generate, and use that credit, in part, to put the economy back in functioning.

But then, beyond that, we must have a major driver program, based in large-scale infrastructure, of which NAWAPA is the most suitable case. And through that program and through the accelerated program of scientific progress, including, of course, the space program, reviving it and taking it beyond what it has been before; have a science-driver program, which turns capital investment into growth facilities, into the driver for the expansion of wealth produced per capita and per square kilometer in the United States and other nations.

That's the outline. It's unique, and as far as I can see, as the world's leading forecaster, as of now, as of the record now, this is the only thing that'll work. It's the best thing that'll work. Let's do it.