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# I. Strategic Briefing

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## Mobilize for Victory, Now!

*The following contains excerpted transcripts from three LaRouche PAC sponsored activities which took place on consecutive days from January 26-28. These events, and the included dialogues with participants, occurred within the context of LaRouche PAC's mobilization to achieve the early implementation of Glass-Steagall legislation and to block the nomination of Steven Mnuchin as the new U.S. Treasury Secretary. A featured component within these discussions is the nature of the treasonous role being played, at this time, by the financial speculator George Soros.*

*The featured speakers in these events were Paul Gallagher, Economics Editor of EIR; Jason Ross, a leader of the LaRouche PAC Science Team; and Diane Sare, the head of the LaRouche PAC Manhattan Project. Additional remarks are supplied by Dennis Speed, also of the Manhattan Project and a contributing editor of EIR.*

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### I. Thursday: Paul Gallagher on the LaRouche PAC Nationwide Activists' Call

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#### **'Pass Glass Steagall; Block Mnuchin'**

**Dennis Speed:** Good evening. I'm here to welcome you to our activists' conference call with our special guest, Economics Editor for *EIR* magazine, Paul Gallagher. We're one week into the new Trump administration. In this tumultuous time, we have to think about the principle of "national union." America was built by Alexander Hamilton with that thought, a single indivisible intent to beat the British Empire and its



Paul Gallagher

Schiller Institute

idea of mankind, replacing it with an idea of freedom for scientific discovery, invention and creation. The Presidency of the United States was designed by Hamilton and Washington and it was embedded in the Constitution's Preamble, which was the idea that you place the general welfare above all. Local interests and individual interests, the confederacy that had been there earlier was to be subordinated to a single federal union, and this has been the single emphasis of Lyndon LaRouche and his Manhattan Project for over the past two years.

Lyndon LaRouche's Four Laws, starting with Glass-Steagall's reinstatement, are the re-imposition of the *Constitution of the United States*. As I think everybody on this phone call knows, there has been a de-constitutionalization of the United States. This is a process that started actually from the time of the impeachment of Bill Clinton, and that impeachment process should have included actually the repeal of Glass-Steagall. So, instead of looking at it merely as an action that Clinton took, it should be seen as an action of the destruction of the Presidency, and that was being done by some of our

erstwhile British cousins—the mad cousins, the Satanic cousins of Great Britain. This was an assault on the sovereign powers of the Presidential system and that is what we are going after now.

The Trump Presidency is an opportunity but it is not a solution. Now Glass-Steagall is ours to win. Now, we have a problem which LaRouche has directly referenced, which is this munchkin by the name of Mnuchin, this character who is being put forward—he is actually a former employee of the Soros Fund Management. He's supposed to

become the Secretary of the Treasury or maybe it's the "Secretary of Treachery." He's our target at the present time. He's a nut case. He's unsusceptible to reason, and what we need to hear from the President of the United States is the famous words, "You're fired!" when it comes to Mnuchin before he even gets there.

The idea is we want to create a process—and this phone call is part of that—where over the period between now and February 28th, when the President will make his first statement to the Joint Session of Congress; by that time, we want to put Glass-Steagall and the reinstatement of Glass-Steagall fully on the agenda. And so the question is how we make that happy moment real. That's why we are here tonight. We're here to mobilize and activate ourselves around that idea.

**Paul Gallagher:** Let me talk about what LaRouche PAC is doing right now, a number of things, and I want to concentrate or focus on what Dennis just referred to, with regard to keeping Steven Mnuchin out of the Treasury Department and advancing the Glass-Steagall Act by doing that, which we have begun in an intense way this week.

We are pushing and awaiting introduction of Glass-Steagall legislation in both of the houses of Congress once this period of retreats and reorganizations and so forth, which is essentially ending at the end of this month. We're pushing very hard for the introduction of Glass-Steagall in both houses. We're not just waiting for it, we'll be on Capitol Hill again on this, this coming week and we won't be the only ones. We'll be going in parallel there with at least one group of other Democrats who are coming in from parts of the Midwest who were Bernie Sanders supporters in the last election and have hitched themselves to the mobilization for Glass-Steagall; they will be there, too, and at the same time, pushing for early introduction of legislation of a real Hamiltonian national bank for infrastructure and manufacturing, the introduction of that is also potentially close. We're organizing intensively for those things.

At the same time, we're about to, in the immediate weeks ahead, hold some more conferences in Europe on the expansion of the New Silk Road, the World Land-Bridge policy, coming from, in particular, China and the credit institutions of the BRICS.

There are a wave of replacement of governments, national elections, rejection of the European Union and the euro going on across Europe. They're going to continue to happen in the upcoming months, and bringing



*Stephen Mnuchin*

Office of the President-elect

in political parties and governments which have an entirely different view, which are pro-Russian, for example; that is, they are in favor of collaboration with Putin's Russia. And at the same time the tremendous effects of China's long-range New Silk Road/World Land-Bridge infrastructure development organizing, coming into and having real economic impact, particularly in some of the Central Asian and Eastern European countries and beginning to come into the European countries themselves, as a potential.

This is turning heads in Europe. You had for example today, one of the most senior political leaders in Italy (not a particularly good fellow, but, nonetheless, he has been for a long time one of Italy's senior leaders) got up and demanded that Europe should get rid of the sanctions on Russia before Trump does, so as to get into a position for this BRICS alliance to bring economic development and trade into a growing Europe again.

In that situation, it has been possible for these conferences to draw extremely high-level and wide attendance—diplomatic, business, and political circles, with Helga LaRouche leading them. We're going to continue to do those; and at the same time emphasize this drive in the United States. And we think that we can get both Glass-Steagall in quickly and hopefully Hamiltonian National Bank legislation in as well.

We're also going to be putting out very shortly a pamphlet for mass distribution on LaRouche's Four Laws, very fully developed, and illustrated with some really new technologic and economic conceptions, in

showing what kinds of growth and progress are really possible, if LaRouche's Four Laws or four actions that have to be taken by Congress and President, if they're carried out.

And we have developments that are very important in this regard coming from the New Silk Road itself for the United States. For example, the head of two of the sovereign wealth funds of China whose name is Ding Xue-dong—he made a speech two weeks ago in Hong Kong in which he said, “Look, we have a lot of United States Treasury securities” (the estimate is \$100 billion or thereabouts); “They are very low return. We want to convert them into different kinds of investments in the United States, investments in a real infrastructure build, in the United States, of the sort that the government is now aiming towards. That's what we want to do.”

This is one of many expressions from Chinese government publications and businessmen like that, that there is readiness from the Asian powers both to invest in a Hamiltonian national credit institution which will power this and also to contribute in the actual building, they being the champion infrastructure builders of the world now, especially China and Japan.

So, that also can be brought to bear on the situation which, as Dennis indicated in terms of what the policies of the United States are now going to be, is extremely, extremely fluid, and we're in a situation to change it.

Despite the extreme importance of mobilizing on Congress in this way, it's really what the President does on these matters which is likely to be decisive. So we are targeting the first speech which President Trump will be making to a Joint Session of Congress; that will be on February 28th. That is the target for the petitioning that we are doing all over the United States and online—easily found on our website [<http://lpac.co/trumpsotu>]*—the petition calling on Trump to reiterate his promise of Glass-Steagall and propose it to Congress in that speech to the Joint Session on the 28th. That would be decisive, should he do it.* That petition drive and the lobbying in Washington when we do these fly-ins and drive-ins—that is aimed at causing that to happen.

It is extremely urgent that we stop the nomination of Steven Mnuchin as Treasury Secretary. As people know, he flatly opposed Glass-Steagall in his confirmation hearing in spite of the fact that he was



George Soros 2002

*George Soros*

reminded by Senator Maria Cantwell that the President who had nominated him had proposed Glass-Steagall during the campaign. Nonetheless, Mnuchin opposed it with a completely phony argument. Many of the Democrats were opposing him anyway because of his practices of throwing tens of thousands of households out of their homes by foreclosure after he became the CEO of OneWest Bank, the successor of IndyMac Bank, which went bankrupt back in 2007.

More importantly, because we are dealing with the nation and the current Presidency and the current leadership of Congress, this Mnuchin is, for the last 15 years an employee, an investment partner, a business partner of George Soros, continuously during that period of time—Soros, who sponsored the state senatorial campaign of Barack Obama; Soros who sponsored the Federal senatorial campaign of Barack Obama; Soros who was the financial godfather, more than any other financial force, who made Obama's candidacy for the President in the first place in 2007 and 2008, and was an extraordinary force on and in the Obama administration; Soros without whom there has not been a single campaign in any state in the country for the legalization of drugs—every one of them backed and financed by his Open Society Institute and other Soros fronts—and that, in turn, having a profound influence on the pro-drug legalization position and policy of the Obama Justice Department.

This Soros who has immediately after the election

declared in Davos, in that meeting of millionaires and billionaires that takes place in the winter over there, in Switzerland, declares that he wanted the Trump administration to fail, that it would fail. He claimed that he was among those who were most desirous that it should fail, and who have already backed a completely meritless so-called Constitutional lawsuit trying to prove that Trump is violating the U.S. Constitution and should be impeached—a totally far-fetched lawsuit, but nonetheless one which has been brought into court by an outfit called CREW in Washington, D.C.—one of these NGO-type outfits which Soros is backing.

Yet, the standing nominee for Treasury Secretary right now is for the last fifteen years, initially an employee, then a business partner, and then a co-investor with Soros. In fact, this was rather blatantly ignored in the confirmation hearing for Mnuchin last week when many of the activities, illegal and/or immoral, of the OneWest Bank were being discussed by the Democrats on that panel. They kept referring to this as Mnuchin's bank, never mentioning the fact, which is widely known to everyone, that the consortium of hedge funds which took over IndyMac and made it into OneWest Bank was led by George Soros' hedge fund, Soros Fund Management; it was a coalition of six hedge funds headed by Soros' hedge fund and John Paulson's hedge fund, they are the ones who took IndyMac out of bankruptcy with a hell of a lot of money from the FDIC to help them out, a lot of bail-out; turned it into OneWest Bank and later made a bundle from it. Mnuchin was their CEO, but it was never mentioned that this was a Soros takeover of the bank. So, we had a confirmation hearing in which *the most salient fact* about the nominee was never mentioned by those who were discussing what the nominee had done under the influence of that salient factor, George Soros.

We put out a statement from Lyndon LaRouche on Monday and more recently this morning a leaflet, that has already gone out in many places demanding that the nomination must be stopped. [<https://larouchepac.com/20170126/keep-george-soros-ally-steven-mnuchin-away-trump-treasury>]. This guy must be kept out of the Treasury because as LaRouche said, "He will bring a deadly economic crash on the country if he's put in there."

In the hearing, Mnuchin made an argument against Glass-Steagall which is completely fallacious. He claimed that it would reduce the amount of bank lend-

ing in the country and would harm the capital markets if Glass-Steagall were restored. The exact opposite is the case, and we've just in fact had some graphic evidence of that just today published in *American Banker* magazine, so this whole hearing was a lie. Obviously, there is a lot of Democratic opposition to it, but this is a question for the Republicans on that panel, in particular, and a matter for Republican members of Congress of both houses, that, in effect, the *leading enemy of their administration* is the current nominee for Treasury, and they have to boot him out.

**Question:** The thing that you just brought out with the Soros connection of Mnuchin is the type of information, which is why LaRouche PAC is on the cutting edge of analyzing these situations. Another one is a guy named Cohn, who is coming out of Goldman Sachs. His deal, which was reported in the *Wall Street Journal* yesterday, is that they are rewarding him before he goes into the administration with a package worth \$100 million, including \$65 million in cash. It is virtually impossible for any individual to be objective or unbiased if he's coming into an administration with a gift of \$65 million from the firm that he just came from. And his position is going to be as a leader of the National Economic Council. He's not going to be able to give unbiased advice in any way with that kind of a situation.

**Gallagher:** There's a flock of them from Wall Street, and the principle in this situation, something that Lyn has talked about many times over the past, is that you aim for the lead duck in the flock. When they're flying over, you don't just aim wildly at the whole flight, you aim for the lead duck.

And here, we're talking about a different duck than even these other Wall Street types like Gary Cohn. We're talking about a British agent who has been pushing for, and pushing effectively in many cases governments into place, in some countries particularly in Eastern Europe, and occasionally in Central and Western Europe, pushing governments into place on the principle that speculators should run things; that essentially the financial sector should be in charge of policy and the kind of speculation that Soros represents should be completely unfettered and deregulated.

He's intervened very strategically, as for example in the Barack Obama case, and a lot of Republicans know that. I can go all the way back to 2007, when Lyndon LaRouche designed what he called the Homeowners

and Bank Protection Act in the early stages of the foreclosure crisis in 2006-2007, which was essentially an act which combined Glass-Steagall banking reorganization with a national foreclosure holiday or foreclosure moratorium, while that reorganization was taking place.

We were very close to the introduction of that legislation into Congress, by a congressman from Pennsylvania, and he received a call—he said so publicly in a press conference—he received a call directly from George Soros who told him that if this proposed legislation from LaRouche was introduced by him and were it to pass, that it would cause a complete collapse of the money market mutual funds and the financial markets generally. The congressman, as he said in his public statement, was not therefore going to introduce LaRouche’s legislation.

So a year later, precisely that crash—without the Homeowners and Bank Protection Act being introduced, or the Glass-Steagall principle in operation—that crash which Soros had falsely told the guy about, took place throughout the whole financial system. This is the kind of intervention that Soros does. And he’s got a very targeted intervention, as he put it in Davos, to make sure that the Trump administration is a failure from the outset.

Mnuchin, as soon as he left Goldman Sachs fifteen years ago, was recruited by Soros to run the hedge fund backed by Soros called SFM Capital. It was created by Soros to buy risky assets; it was operated by Mnuchin. He then worked for Soros Funds Management; he then had Soros’ backing to found Dune Capital Management, which is the one that he presented himself to the Senate as running; and then, as I indicated before, he became the CEO of a bank taken over by a coalition of hedge funds headed by Soros’s hedge fund, and was put in to manage that OneWest Bank, aside from all of its dirty practices.

So Democrats are now holding that nomination up because of some of those dirty practices and other things. That is an opening, and the question is on the Republican side. And the worst enemy of the nation and of the current administration is the employer and partner of the nominee; so, will they stop it? And this is a question on which Republican offices, Republican members of Congress who have their staff in their offices around the country and their offices in Washington counting calls: how many came in for this guy, how many came in against? When we’ve been on the Hill

we’ve all seen this going on. The young people who sit there and take these calls, just count them.

So any network you can organize to target one of the members on that side, every one of those calls will be scratched down on the pad and counted. And this is really a critical window which has been opened by the fact that his nomination is being delayed because of the crimes the bank committed.

**Question:** We’ve recently had presentations on One Belt, One Road and on Chinese culture over the past few weeks, and the effect on those participants was very inspiring to see the work that was being done there. And I notice that people do respond to that, to help bring them into the Glass-Steagall concept around the AIIB and the initiative that China’s doing, where the private sector has involvement, but not as a monopoly as such, but in design and construction phases for the projects that are needed here in the United States, and then, of course, we have an international flavor.

So can we talk a little bit more about how we organize around Glass-Steagall, where our citizens are brought into what Glass-Steagall really is, which is an international law that needs to be implemented globally?

**Gallagher:** It’s going to be implemented globally one way or another. I mean, many people are not aware that there is and has been for the past twenty-four years a Glass-Steagall type of bank separation law in China. They’ve debated it over that time. There have been certain voices raised in the economics community in China, calling for doing away with it, and going to the universal bank model; but they have not succeeded, and the Chinese, both their so-called “policy banks,” their state banks, and also the private commercial banks remain separated from the so-called “nonbank sector.” And it makes a difference both in terms of lending capacity and also in terms of ability to absorb the effects of nonperforming loans in certain sectors of the economy.

Now, Trump said in his first European interview last week, that sent a lot of people through the ceiling over there, he said that he expected more countries to leave the euro. Today, his probable nominee for ambassador to the European Union repeated that, and said that he expected the European Union to break up over the next year and a half. This is actually something that a lot of the euro-skeptic forces who are pro-Glass-Steagall in Europe are waiting to see happen.

So it's politically interconnected. It's also, of course, a question that you've got to have commercial banking systems in the United States and the European countries, which are prepared to lend, whose business is lending and not securities speculation; and if that's the case, they will do that, and they will participate in a national credit flow which is going to building new infrastructure platforms and fostering manufacturing. The private commercial banks will participate in that to the fullest, if they are separated and insured under Glass-Steagall regulation. So it's both politically and economically interconnected in that way.

**Question:** I have a friend, and he wants to know about this "21st Century Glass-Steagall" talk, versus what FDR's Glass-Steagall actually was.

**Gallagher:** The "21st Century Glass-Steagall Act," ironically, is the name of the legislation in the Senate, the McCain-Warren-Cantwell-King bill. Their legislation was called the 21st Century Glass-Steagall Act. What that meant was that it was the Glass-Steagall Act with a new additional section which targeted derivatives. That new section said: "Here, we are redefining those activities which are not sufficiently close to banking as to be considered an essential part of it, and therefore are not permitted to commercial banks." And that section is primarily devoted to defining derivatives, not just derivatives speculation by those banks, but lending by those banks to carry speculation in derivatives, such as to hedge funds, to their own hedge funds which then loan; that after separation essentially their capital cannot be used in order to support derivatives activity. That's essentially what made it "21st Century" since there was not explicit attention to derivatives activity in the original Glass-Steagall Act. So that's all well and good.

It's was not in the House legislation, but the House legislation will do just fine without that, resting on the original Glass-Steagall; it still, by implication, is there.

Now, when somebody like Mnuchin comes up with a sophistry and says "what I was discussing with President Trump was some 21st Century version of Glass-Steagall," what he means, and I think it certainly slipped out from him in there, he means the Volcker Rule, modified in some way, loosened up in some way, and to call that "the 21st Century Glass-Steagall."

But you know, you have the testimony of one of the two drafters of the Volcker Rule, the Senator from

Oregon—Jeff Merkley—who only six months ago finally endorsed, cosponsored, the Glass-Steagall bill in the Senate, after resisting and resisting and resisting for two years, furiously, because the Volcker Rule was his baby. He finally signed and cosponsored Glass-Steagall and he made a public statement where he basically said: "We intended the Volcker Rule to replace the Glass-Steagall Act, to be the modern Glass-Steagall Act, but we are unable to determine whether it's working in that regard at all." Period. Also, Jeff Merkley and Sen. Carl Levin were the designers of the Volcker Rule. He gave up on it—it's completely unworkable. So that "21st Century Glass-Steagall" sophistry has nothing to do with Glass-Steagall.

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## II. Friday: Jason Ross on the LaRouche PAC Weekly Webcast

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### 'Alexander Hamilton and the Value in Real Economic Development'

**Jason Ross:** When Trump was sworn in on the 20th, already a week before, Congresswoman Rosa DeLauro, a Democrat from Connecticut, had entered a bill, and there are now several proposals on the table in terms of how to finance an infrastructure build-up, a manufacturing build-up, a revitalization of the U.S. economy. There's a lot of projects that are worthwhile to be pursued; the big question is how are you going to pay for it. A trillion dollars is a lot of money; where is it going to come from? Will it come from the Treasury directly taking on that much new debt by selling Treasury bonds? What kind of interest will it have to pay on those? Is that something that's sustainable?

There are a couple of proposals being made. Rosa DeLauro, on January 13th, with 73 co-sponsors, entered a bill, HR547, for a National Infrastructure Development Bank. Her hope would be that through \$50 billion in Federal bonds, and bringing in \$600 billion from pension funds and other types of investors, she'd be able to capitalize a bank that could then give loans for infrastructure and purposes like that. A second proposal was made just on Tuesday, this by Senator Schumer, a Democrat from New York, with some other Democratic Senators. They made a proposal for \$1 trillion; it's a proposal to make 15 million jobs. He said that he would want to put \$75 billion towards schools, \$200 billion

towards roads, \$100 billion for water treatment systems and water supply systems, \$200 billion for public transit—rail and bus, \$70 billion for ports and airports, \$100 billion for electricity, \$10 billion for VA hospitals, \$20 billion for broadband, and the remaining \$200 billion as a major fund for vital projects like perhaps the Gateway Project—crossing the Hudson between New Jersey and New York.

Now, how did he propose to pay for that? They said that they were going for full Federal funding. That is, not public/private partnerships, but basically through allocations. Where's that money going to come from? One idea—not that they actually said how they were going to get it—they said cutting loopholes, perhaps, to get more taxes. Now, \$1 trillion is an awful lot to get from cutting loopholes. Another idea that's been promoted is the idea of cutting the corporate tax rate in order to repatriate the very large amount of profits that U.S. corporations have made overseas, that they've avoided bringing into the United States, to avoid being taxed the corporate tax rate on it. So, one idea is to drop that tax rate and offer a special incentive for companies to repatriate their profits, and then use that to finance.

*These programs aren't going to work*; and there's a major flaw in them that is addressed by the Hamiltonian approach. So, just going back to what Hamilton had done as Treasury Secretary, there are two aspects: One was, he made good on the public debt. He developed a way to make sure the public debt was financed, and by doing that, at the time, turned it effectively into that much circulating capital. That IOUs from the government that were trading below face value because people were unsure whether they'd ever be repaid, by developing taxes to make sure those interest payments could be made—all of those IOUs, all of that public debt, became effectively *currency*; and they could then be used in the economy for loans and that sort of purpose. Hamilton also set up a national bank that was capitalized via this public debt, and then created a currency—national bank notes for the United States—to allow loans to go out to improve the productivity of the nation. It ended up being used in his bank to finance infrastructure projects, to expand manufacturing, loans for businesses to develop and make capital investments, that sort of thing.

The projects to be financed by the bank—say, a national high-speed rail network—these are the types of



LaRouchePAC

Jason Ross

projects that are going to take years to really bring about and get operating in a full way; they're not going to make an immediate financial payback. They're not going to generate funds immediately. So, how do you finance them? The answer is in the indirect nature of its financing, via a tax that isn't on projects financed by the bank, but through a tax which secures the debt, the capital of the bank. In the long term, however, the bank will be secured through the increase in productivity which results from the investments. Take the example of the Tennessee Valley Authority. It sold bonds; it paid them back; it made good on its payments. But, more importantly, *indirectly*, the cost of the TVA was paid back through the increased productivity of the region and the entire nation, even including the increased income tax that came in from the region of the country that benefited most from the TVA.

Let's think about what some of those projects could be. When you think about the way the human species has developed over time, the number of people that have lived on the planet has changed in dramatic ways due to very specific changes in the technologies available to us—the development of agriculture, the discoveries in health and industry, the Renaissance, the creation of science itself. These are the things that drive the human species forward. As an aspect of that, we fundamentally transform our relationship to the physical world.

So, these kinds of jumps in what we're capable of, that's the backbone of what economics is as a human science. When we think about the ways of implement-



Tennessee Valley Authority

*Raccoon Mountain Pumped-Storage Plant, part of the Tennessee Valley Authority.*

ing this in the United States, some of the projects are somewhat simple. Some might say that crossing the Bering Strait isn't the simplest of projects, but it's reasonably straightforward. This is an engineering project that we know how to build. It might present a few unique challenges given its length and given the not so hospitable climate in the area, but this is the kind of project that deserves investment—linking the world together in this way. A national high-speed rail network: If we were to build in phases, 20,000, 40,000 miles of high-speed rail, we will transform the way that we move about inside the country. We'll transform the productivity and the value of whole regions of the nation—and of the productivity and potential value of the nation as a whole.

A water management approach to the continent: Taking on the drought that's been challenging and causing quite a bit of trouble in the south, southwest and west of the United States. The ability to use desalination directly from the ocean, if needed; to get water from the Pacific and make it available. To move water along the continent as a longer-term project; to continue with studies about transforming water in the atmosphere; of inducing rainfall; of changing weather patterns. These are the kinds of broad-scale projects that aren't simply repaving a road and removing the pot-

holes. These are the kinds of projects that mean that we are really going to develop a whole new potential as an economy.

In terms of what it means to finance these things, *the importance is in understanding what value is, and I think this is the real central key problem in economics.* Lyndon LaRouche has identified in his economic textbooks and his writings over decades, that a real definition of economic value, of the creation of wealth, comes in those activities that speed the increase of the potential population density of the human spe-

cies. A physical measure of value; *not what the market thinks something is worth*, but a real metric that lies outside of what people seem to care about at the moment. This makes it into a real science.

The major aspect of that is that the value of everything in an economy lies in relation to how it is acting to bring about a future of that sort, via the capital budgeting approach made possible through a national bank of the type that we're proposing. It makes sense to think about investments paying for themselves. Some of them pay directly—a business expands and makes greater profits. But when it comes to the economic platform, the infrastructure that the country as a whole relies upon, these benefits—the benefits of science, of the space program, of going to the Moon. Going to the Moon generated incredible profits for the nation—incredible development for the nation by opening up new types of manufacturing and new technologies. But it wasn't NASA that made the money, that made a “profit”—the whole economy benefitted, and not only in a monetary type of way.

If we get away from public/private partnerships, if we get away from the idea that we're going to have some kind of deal to repatriate profits overseas—which might in part be a good idea—but the real concept behind credit, as opposed to money, is the difference

between thinking about value lying in what it creates for the future, versus what the market thinks something is worth today.

You have to always be setting the stage for that next level to say that you're really fully developing your economy and potential.

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### III. Saturday: Diane Sare in Manhattan

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#### **'Destroy George Soros and the British System'**

**Dennis Speed:** There are special actions that we're going to be taking, including at this meeting, because the nomination of Steven "Munchkin" Mnuchin to become the U.S. Treasury Secretary has been sped up. Senator Orrin Hatch says that there will be a vote on Monday; and as a result, what we've decided to do is to call an emergency mobilization, including an activists' call for the nation at 1 p.m. tomorrow.

Now, this is embedded in something a bit larger, and I'm going to reference that. Obviously, we're fighting for Glass-Steagall, but I want to talk about why that is an international battle. I want to refer to Russian Foreign Minister Sergey Lavrov and some remarks that he made before the lower house of the Russian legislature, the Duma. He said this: "We believe that as Russia, the United States, and China build their relations, this triangle should not be closed or directed towards some projects that could worry other states. They should be open and fair. I am convinced that the economic structure of Russia, the United States, and China is such that there is a great deal of complementarity in the material and economic sphere. As for international security problems, these three countries play a very important role. Russia and China have restrained attempts to introduce confrontational force-based solutions into world politics. We expect that Donald Trump, who has confirmed his commitment to focus primarily on U.S. domestic problems and to abandon interference in the affairs of other states, will do the same."

There was a response that then came from Hua Chunying, the Chinese Foreign Ministry spokesperson, and she had this to say: "China, Russia, and the United States are the leading global powers, and they are the permanent members of the UN Security Council. We

have great responsibility for global peace, stability, and development. Therefore, China intends to intensify cooperation with the United States and Russia; and to make common contribution to solving the tasks and challenges of the modern world."

That's the actual context of the meeting today; and obviously it's well known among people here, the role that Lyndon LaRouche has played for decades—nearly a half a century, actually—in creating this moment in terms of the potentials that exist in this moment.

What we're going to do is go right to Diane, our first speaker; and we're going to take up the certain context that we're actually operating in, because we intend to end the rule of the British Empire. We want people to understand what that British Empire is, and what we can do to end its rule.

**Diane Sare:** Thanks. I think most people in this room do not have the problem of why we're talking about the British Empire, but a lot of Americans do. For that reason, I think it's worth reflecting a little bit on the current state of affairs; what's happened with the U.S. elections, the Trump administration, and a little bit of our recent history. People may be aware that the British Prime Minister, Theresa May, has made herself the first head of state to meet with Donald Trump. What was reported is that she really wants to urge—and she said that Trump agreed with her, but I'm not sure that that's true at all—that we maintain a very strong NATO alliance. Obviously, she does not want the United States to be lifting the sanctions against Russia, or working with Russia.

She compared her hopes for her relationship with Donald Trump to be like Margaret Thatcher's relationship with the senior Bush—George H.W. Bush; where Thatcher was known for supposedly pumping iron into his spine to get him to go to war with Iraq. If people remember that first Iraq war, it came not that long after the Berlin Wall had come down. Our ambassador to Iraq, April Glaspie, gave Iraq permission to invade Kuwait. She told them, "if you were to invade Kuwait, we would not consider that a big deal; we'd consider it internal Iraqi politics and not get involved." So, Iraq invaded Kuwait. Margaret Thatcher meets with H.W. Bush, and the next thing you know we have our first Iraq war.

Then, take a leap forward to the events of 9/11. Everyone knows that Iraq had absolutely nothing to do



*Diane Sare*

LaRouchePAC

with that; however, they tortured some poor fellow into saying that somehow Saddam Hussein had connections to al-Qaeda. Tony Blair—again, another British Prime Minister—provided us with the so-called “evidence” of weapons of mass destruction; and another Bush, G.W. Bush, was merrily on his way to war with Iraq again. So, the British policy—from the monarchy explicitly to their so-called “elected leadership”—has had a very dubious relationship to the United States. In fact, you could say that for the last number of decades, the United States has been a pawn of a British imperial policy. One of the reasons they have been so utterly freaked out by the election of Donald Trump, is that Donald Trump is not part of the George Bush-Tony Blair-Margaret Thatcher British monarchy control so far. They don’t know what he is going to do, and he’s expressed explicitly an intention to work with Russia, to work with China, that he may not be willing to be a pawn of the British Empire in the same way. As Mr. LaRouche pointed out, Trump has a very big ego and probably does want to do great things. So, if he wants to do great things, he will have to do things which are a recognized benefit to the American population. I am quite certain that the policies that will benefit the American population are not the policies that will benefit what is left over from the British Empire.

My view is that it shouldn’t be that difficult. What do China and Russia have to offer as a collaboration with the United States? Well, China has lifted 700 million people out of poverty in the last few decades;

Russia is actually waging a successful war against ISIS, unlike our policy of the last 15 years of supporting al-Qaeda and ISIS. China is reaching out to 100-something nations with its Belt and Road program, building very modern, advanced infrastructure. The population is optimistic; they have a future. India, which should also be included in this, is also in a similar future-oriented direction. So, that’s one possible pathway for the United States to collaborate with that.

What is the shape of the so-called British Empire? Well, most of the people in the British Empire don’t even want to be in it, which is what we saw with the Brexit vote and what we saw with the vote in Italy. They are bankrupt; they have—as we have in the United States—increasing problems of drug addiction, suicide, an increasing death rate. It would seem to me it’s not that difficult of a choice. On the one side, you can drop dead; and on the other side, you can have a future. However, the bankrupt Wall Street lackeys of the British Empire are very desperate to cling to their sinking Titanic. Among these, one of the top collaborators or handlers of Steven Mnuchin is the British knight, George Soros. He was knighted by the Queen as early as 1965.

### **George Soros**

As people may know, we published in a pamphlet, in 2008, an interview that Soros had done with “60 Minutes” where he talked about how he had—basically what happened is, when the Nazis invaded Hungary, his father got him a job working for one of the top Nazis. My understanding is that his first job was delivering the notices to Jewish families that it was time to get on the boxcars; and little George enjoyed doing this so much that it even unnerved his father. So, he got him a different job, which was to steal all of the paintings and jewelry and possessions of these Jewish families as they were marched off to their extermination in the camps. When the “60 Minutes” host asked him, “Did you ever need counseling? Didn’t you feel horribly guilt-stricken that here you were standing, and all these people were being killed? And you were Jewish, but you were having all the people you knew being marched off to the camps?” And George said, “No, it never bothered me. If I didn’t do it, someone else would have.”

In his own book, he describes this time when he was 14 years old, assisting countless thousands of families off to their deaths, that this was among the happiest mo-

ments of his life. So, this is George Soros; this is who Steven Mnuchin has worked for and worked with for the last fifteen years. This explains everything about him. I know the Democrats are up in arms about what he did when he took over OneWest with the foreclosures. Well, if you think about the attitude of George Soros, stealing everyone's possessions as they're marched off to the concentration camps, that's not really that different than coming in to take over a mortgage company and watching everyone get foreclosed upon and thrown out of their homes, and not believing that there's anything wrong with it; which is the mentality of this guy who has been nominated to be Treasury Secretary.

There is an editorial—Soros has stated explicitly that he hopes the Trump administration fails. But I just wanted to give you a little sense, because LaRouche said it's the British *system* versus the American System, or versus a human system. And by British system, I don't think it's merely economic; it's philosophical, it's Bertrand Russell, who did more to destroy modern science than any other person on the planet. There's a certain approach. I just wanted to share with you, there's another essay here by George Soros, which appeared in *Business Insider*; and you get a sense of the... I mean, one, the guy is a total pathological liar. He starts the essay saying, "Well, before Donald Trump was elected President of the United States, I sent a holiday greeting to my friends that read: 'These times are not business as usual. Wishing you the best in a troubled world.' Now I feel the need to share this message with the rest of the world. But before I do, let me tell you who I am. I'm an eighty-six year-old Hungarian Jew, who became a U.S. citizen." I think he's got dual—he's got subjecthood, or whatever you call it in Britain. "I learned at an early age how important it is what kind of a political regime prevails. The formative experience of my life was the occupation of Hungary by Hitler's Germany in 1944. I probably would have perished had my father not understood the gravity of the situation. He arranged false identities for his family and for many other Jews; with his help, most survived"—except those I helped get into the concentration camps.

First of all, his relationship to this process: he is completely lying. Not that his father didn't change his identity, but that he loved working for the Nazis. Then he goes on to talk about how he escaped Hungary after it was under Communist rule—which he probably con-

sidered worse than Nazi rule—and went to the London School of Economics. Then he said, "I find the current moment in history very painful. Open societies are in crisis, and various forms of closed societies—from fascist dictatorships to mafia states—are on the rise. How could this happen?" And he talks about globalization; that people thought this would really work, but it didn't work so well, and he had been an avid supporter of the European Union from its inception. He said: "I regarded it as the embodiment of the idea of an open society, an association of democratic states willing to sacrifice part of their sovereignty for the common good. It started out as a bold experiment in what Popper"—this was his favorite British philosopher—"called 'piecemeal social engineering.' The leaders set an attainable objective and a fixed timeline and mobilized the political will needed to meet it, knowing full well that each step would necessitate a further step forward...."

"But then something went woefully wrong. After the crash of 2008, a voluntary association of equals was transformed into a relationship between creditors and debtors ..."—Oh my! Who could have ever foreseen this?

Now you have a bunch of anti-EU movements, "from the Brexit, then the Donald Trump victory"—he puts in that category—and the December 4th referendum in Italy, which people may remember. The Italian voters voted against giving up their sovereignty to the European Central Bank. So, now he says, now all these people have rejected being under a bankers' dictatorship,

"Democracy is now in crisis. Even the U.S., the world's leading democracy, elected a con artist and would-be dictator as its president. Although Trump has toned down his rhetoric since he was elected, he has changed neither his behavior nor his advisers. His Cabinet comprises incompetent extremists and retired generals.... But the U.S. will be preoccupied with internal struggles in the near future, and targeted minorities will suffer."

This is the guy who funded fifty-one of the women's groups that participated in the march on Washington last week, that had ads up on Craigslist to pay people \$1,500 a week to protest at the Trump Towers and things like that. He says that Trump is going to have an affinity with dictators. "That will allow some of them to reach an accommodation with the U.S., and others to carry on without interference. Trump will prefer making

deals to defending principles. Unfortunately, that will be popular with his core constituency.

“I am particularly worried about the fate of the EU, which is in danger of coming under the influence of Russian President Vladimir Putin, whose concept of government is irreconcilable with that of open society. Putin is not a passive beneficiary of recent developments; he worked hard to bring them about. He recognized his regime’s weakness: It can exploit natural resources but cannot generate economic growth.” Now, the standard of living in Russia has actually been improving, even though the sanctions are causing hardships. So, Putin has been doing a brilliant job, and as people know, his popularity is something like 87% or 90%. Soros asserts that Putin “felt threatened by ‘color revolutions’ in Georgia, Ukraine, and elsewhere. At first, he tried to control social media. Then, in a brilliant move, he exploited social-media companies’ business model to spread misinformation and fake news, disorienting electorates and destabilizing democracies. That is how he helped Trump get elected.”

## H.G. Wells

So, this is this unbelievable, sophisticated piece of garbage from George Soros, and I read it to you at that length, because what I want to discuss a little bit is what LaRouche described in a paper in last week’s *EIR* magazine. It’s a paper he wrote in 1997, called “The Wells of Doom.” He talks about Bertrand Russell and H.G. Wells, and he’s looked at some of Wells’ writings in particular; and he describes Wells as not the controller of the system, he’s one of its lackeys. Which is the role that Soros plays today, so Wells really enjoyed having this arrogant position. It’s like being on a slave plantation, and the slave who worked the closest to the master felt it was a special privilege—even though he was still a slave—to be the one who was under the master and able to brutalize everyone else. This was the mentality of H.G. Wells. I just skimmed through yesterday, this book of his called *Anticipations*. It was written I think in 1901. He’s forecasting what the state of affairs is going to be long into the future. People say he was a genius. It really makes you sick. He goes through this thing of how railroads work. He says it wasn’t that mankind really needed to travel faster; there wasn’t really a demand for it. But when you had the discovery of coal, you began to have a steam

engine. That was very interesting, but the coal was so heavy that you couldn’t operate a steam engine on the soft roads because they would sink. So, you have to put it on rails. Since they weren’t really thinking into the future, they were basing things on the horse-drawn carriage, so they set a rail gauge which was arbitrarily correspondent with a horse-drawn carriage—four feet and eight inches—which wasn’t really the best idea in the world, because it made it hazardous to turn corners, and so on. But at any rate, they discovered they could build rails.

It was all just an arbitrary narrative. Then, he goes on to describe how ultimately people would figure out that you want to have independence, and you want to have highways. And you’re going to have some kind of—he doesn’t call it an automobile—but a vehicle; and probably people will be zooming along at seventy miles per hour. So, of course someone today could say, “Oh what a genius! He figured this out.” But then in the rest of the book, he goes through all of his hypotheses about how life is going to be run, and he says this will give rise to a modern family. The father will probably have—they’ll have two or three children, and as long as the wife is intelligent and mild-mannered, she’ll be happy to manage the affairs of the house. It’s pages and pages of this, like someone playing with Barbie dolls and describing the state of affairs. This is how the British Empire thinks.

I’ll take a step back, because Wells’ controller was Bertrand Russell. People have heard, we’ve cited these quotes from Bertrand Russell, supporting Thomas Malthus and so on: that you have to cull the herd once every generation; the state of affairs might be unpleasant, but what of it? Really high-minded people are indifferent to happiness; especially that of other people. That kind of view. The philosophy is that you can’t even have language. Under Bertrand Russell, this mentality, there is no such thing as creativity—that you cannot have a new idea. That’s what you get from the way Wells describes this. It isn’t that someone from above said, “Hey, we should figure out how to get across the continent, connect the oceans.” No! Nothing can happen which is not based on a past experience, and you can map everything according to trend lines. Which is why none of these people, for example, foresaw the disintegration of the Soviet Union and the fall of the Berlin Wall.

Think about what Lyndon LaRouche did in 1988

on Columbus Day. He's on trial in Massachusetts; they're trying to shut him down. And he's in Berlin giving a press conference saying that the Soviet economy is going to disintegrate, that the United States would help by feeding Poland in return for the reunification of Germany. At the time, I thought, "Wow! What is this? What is he doing?" This American who's running for President, standing over there in Berlin, talking about the reunification of Germany. Well, what happened a year later? The Berlin Wall is down, and a year later, Germany is reunified. And, exactly as LaRouche says, Berlin should be the capital again, Berlin becomes the capital again. What happens is, the British go on a total tear. If you remember, Maggie Thatcher and Bush, Sr., I'll never forget Bush Sr. whining with his asthmatic self, "You won't see me dancing on the Berlin Wall." They opposed the reunification of Germany, and they devised the euro system later over the dead bodies of people like Herrhausen, to make sure that you did not have a renaissance, an East-West collaboration.

It's really important, because we in this country have been very much behavior-modified by this British method of thinking. People think that nothing can happen in the future which is not based on a series of things that occurred in the past. But that's not the way history works, and it's not the way science works. This is why, for example, you cannot conduct experiments on computers, because the computer does not have anything in it that you have not programmed into it. So, a computer is not going to tell you something new. People might remember the Class A Mercedes car, where they did so-called benchmarking; they only tested the car on computers, and then they produced a whole bunch of them. But when you turned the corner, if you went over 40 miles an hour, the car would overturn—after they built them.

So, what Wells is—as Soros is today—was the enforcer, the brutalized brutalizer of the population. He says in one section of his book, "The men of the New Republic will not be squeamish either, in facing or inflicting death, because they will have a fuller sense of the possibilities of life than we possess. They will have an ideal that will make killing worth the while. Like Abraham, they will have the faith to kill, and they will have no superstitions about death. They will naturally regard the modest suicide of incurably melancholy or diseased or helpless persons as a high and courageous

act of duty, rather than a crime." Then, what Mr. LaRouche quotes in this paper, "The Wells of Doom" is Wells' brilliant insight that "The new Machiavelli is all the world away from overt eroticism. The themes stress the harsh incompatibility of wide public interests with the high swift rush of imaginative passion. With considerable sympathy for the passion, I was not indulging myself in the world in artistic pornography, or making an attack on anything considered moral. I was releasing in these books a long accumulation of suppression. I was working out the collateral problems with an ingenious completeness." Glad he's so modest! "In a world where pressure on the means of subsistence was a normal condition of life, it was necessary to compensate for the removal of traditional sexual restraints. And so my advocacy of simple and easy love-making had to be supplemented by an adhesion to the propaganda of the neo-Malthusians. This I made in my anticipations that I was telling you about, and continued to write."

So, the guy is a pervert! In other words, since there's nothing beyond your existence than what is put here in front of you that's available to your senses, and none of that can be explained outside of what has come before, then there is no purpose to your life.

Now, the problem they have is that human beings actually are not computers, and human beings actually are creative, and in the United States you have had a Lyndon LaRouche who has been leading the fight for the American System for the last fifty years. So you had LaRouche's dialogue with and involvement direct in the Ronald Reagan administration, but he was working with people prior to that to create that Presidency. You had LaRouche's influence on Bill Clinton—Clinton's announcement that a new financial architecture was needed, and the attack on Clinton with Monica Lewinsky and the impeachment.

You now have a potential with the election of Donald Trump who is not a part of this British-Wall Street apparatus. There is a potential, and, I will say very emphatically, you have something going on globally which is really what's shaping the United States. What's happening here is not simply coming from the United States itself. And I think I'll leave for later a few things I want to say about the nature of man, as great poets and playwrights—people like Friedrich Schiller—understood. But I think we'll take that up later and I will stop here. *[applause]*