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LAROUCHE WEBCAST

The Fall of the House of Windsor

Lyndon LaRouche gave this webcast address from Northern Virginia, on Aug. 1, 2009. The webcast was hosted by LaRouche's national spokeswoman Debra Freeman. The entire webcast is archived at www.larouchepac.com.

The crisis point from which to reference the present U.S. and world situation, is the period from the 2nd of October through about the 10th or 12th of October of this year. As of that time, the already, totally hopelessly bankrupt United States will have crashed entirely, politically, and will be in a process of disintegration—unless that process has started earlier. And it could start very early, in this present month of August.

For example: To understand the politics of the situation, you have about 30%, or more, of the entire population, that is, the labor force, that is unemployed. One-third of that group, about one-third, is actually receiving compensation for unemployment, or is about to receive it, technically. The other two-thirds are not. This amount is increasing at a rate, monthly, of up to 800,000, a million people, or more. This is the way it's going. The only reason the unemployment rate tends to decrease, is because the number of employed people is decreasing. By the end of August, this will be a catastrophe.

This is now the beginning of a riotous period, as the members of Congress—or the dismembers of Congress—become dismembered and go back to their home states, where they are going to be hiding from the citizens there, who are about to lynch them.

Wall Street and the rest of the world is completely in a world of unreality. The President is clinically insane—I can say that's not an exaggeration, that's a matter of fact. This guy is not in the real world. And he's not good, he's evil. There's no question that his policies on health care are *absolutely identical to those of Adolf Hitler*, beginning officially September of 1939: a policy which Hitler had *intended* earlier, as he had said, but he didn't dare *introduce it*, until the war had started, because he believed that only under wartime conditions could he get by with a stunt like that.

So, we're dealing with a President, who is committed deliberately to a policy of genocide! And if you look at the way Hitler's policy of genocide proceeded, from September, especially from Oct. 1, of that year, until the end, till the end of him, you see that the Obama and his friends in London—because he's run from London, not the from United States; he's run by the British monarchy, not by the voters of the United States—are moving *exactly in that direction*. If you don't stop Obama's health-care policy now, *you will not have a United States*. You will have something *worse* than Hitler produced, because it will be on a global scale, not limited to some part of the planet.

So therefore, we have to change these things, and change them now.

- Catastrophe Is Increasing -

But! As of October 2nd-10th, approximately, this system is finished. The states are *bankrupt!* The rate of unemployment is increasing! Catastrophe is increasing! There will never be a recovery of the present world monetary system! There will never be a recovery of the economy, under the present financial system! It is impossible. We're finished! Unless we change.

Now, I first announced this problem, that we had turned into a breakdown crisis of the United States' economy, on the 25th, 27th of July 2007. Three days later, that began—with what liars call the "subprime crisis." What actually happened was the beginning of a general breakdown crisis of the international financial-monetary system.

And the crack came at the weakest point in the whole system, which was the subprime region. Now the subprime region was simply a region, where they had extended real estate debt, as a way of trying to prop up this system temporarily. And therefore, they went into the so-called subprime area, where people were overindebted, and could never pay these things, simply as a way of trying to build up credibility for credit to maintain what was called Wall Street, and the international system of that type. Three days after I said this was going to happen, it happened. And it's happened all the way through, to the present time. This system, this entire financial system, is finished.

Now, what they did was worse: I prescribed at that point, measures of national bankruptcy reorganization, of a Roosevelt type. If those things had been adopted, then—and there was a big popularity for some of this in the United States in that period—many local citizenries voted for my proposal, on a Homeowners and Bank Protection Act. It was killed. There were leading Senators and others; there were leading governors and others, who were for this! But it was killed. It was killed in the Congress; it was killed from the White House: *They went for bailout!*

As a result of the bailout, and the continuation of that bailout policy, and the looting of our banks, which was done by these people—instead of protecting the banks, instead of protecting the homeowners, they looted them! They looted the economy. They destroyed the economy!

We have one-third, approximately, of our labor force in jeopardy. One-third of that one-third is now receiving unemployment compensation or similar compensation. *Two-thirds are not!* Now, what happens to people, if they don't get some succor over the coming months, the coming two months, August and September? How are they going to live, if they have absolutely no income? This is a growing part of the population, in this condition. What do you think is going to happen to those members of Congress, when they get back to their districts now? After the closing of the session of the House of Representatives and the closing of the Senate? What are the citizens doing to them now?

The citizens out there are ready to *lynch* the members of Congress—including members of Congress, who for a long time they have supported, again and again, in terms in office! And these once-popular, once-unchallengeable members of Congress, are now

about to be lynched by their closest constituents back home. Why? Because you have people who have *no means to live! Because of this Obama Administration! This Obaminable Administration.* Call him Barry Obaminable. This is our situation.

- Our People Are Starving -

So now, people realize, that as of October 2nd to 10th or 12th, approximately, *the entire system is coming down.* This system is so rotten, it can never be saved in its present form. The present international *monetary* system, can not be saved, also. Because, if the United States collapses, as it is now scheduled to *collapse—totally!*—by the beginning of October, probably earlier; probably in August.

Because, you know, those people out there, who were starving, who have no income, who are increasing in great numbers, entire families, whole communities collapsing, state budgets collapsing: The state can't perform functions, police forces laying off, everything else laid off, because the states are bankrupt. This process is going on now! Led by that crazy Nazi, who is the governor of California. His father was a Nazi, and I guess he inherited this honestly, huh?

His father, Schwarzenegger's father—remember: His father was a policeman in a certain district of Austria. And on the day of the famous *Anschluss*, when Austria was absorbed by Germany, he did his duty and joined the Nazi Party. Now, he was not part of the SS. But he was part of an Austrian section of the German Nazi police force. And he was part of the group that went into places like Ukraine, and shall we say, "did a cleanup job on undesirables," in the process of administering his *police* duties in the occupation of the Ukraine district.

And this is what trained this animal, this circus animal, which became the governor of California. And this circus animal became a protégé of George Shultz, the man who brought fascism to Chile! Trained in the University of Chicago, by the Chicago School, who were a bunch of fascists, who have some control, through their environmental influence, over the circumstances of the Obama Administration. It all comes home.

What is this creep doing in California? He's a monster! He's a fascist monster! He's more disgusting than his father was—he's as evil as his father, but he's more disgusting. That's his only achievement.

You have situations, in state after state, where governors are going to go out of office, who are decent people, who are going to go out of office, because they didn't support me. If they had rallied behind me, as they were disposed to do, despite the pressure from certain quarters, including Pelosi, then we would have gotten through. If we had gone through with what I proposed, during the period between late July and September 2007, *we would be out of the woods, now!* If we'd gone through bankruptcy reorganization, *saved* our regular, commercial banks, *written off* all this worthless paper—just written it off! But what did we do? These idiots! These putterers! These evil—!

What they did, is they created *trillions of dollars of debt! Over \$20 trillion of debt, which is sitting on the back of the United States, entirely artificial! As a bailout, which is one of the greatest swindles ever pulled in the history of mankind!*

Now, the only way we're going to get out of this mess, is go back to what I proposed back then, in July, and through September of 2007: *I was right, and they were wrong!* That's it! That's the name of survival.

Unfortunately, in the meantime, they brought in these tens of trillions of dollars of new debt, of worthless debt. They looted the banking system, they destroyed many of our banks; they've looted the economy. So the U.S. system, in its present form, in its previous organization and present form, *can not survive*. There's no way, that this system can survive.

However, the nation can survive. The present monetary-financial system can not survive! But our nation can survive: And that's the choice we have to make. Are we going to serve Wall Street and London, or are we going to serve the defense of the United States and humanity?

Now, the way we can do that, is the way that would be readily understood by Franklin Delano Roosevelt.

- A Bit of Personal History -

And let me just go back to a bit of my personal history in this thing, to get some perspective on it. Go back to what was, in the United States, the 13th of April of 1945: I was sitting in a camp, in Kanchrapara, outside of Calcutta, where U.S. units were being parked, for the moment, on the way to my assignment in northern Burma, in Myitkyina. At that point, the war was going through a new phase—Hitler was on the way out, the whole thing was about to be finished, and we were going into the phase of the war with Japan, to clean up the war with Japan.

And in this connection, I was one of the people who was going into this area in northern Burma, Myitkyina—what had been the largest city in the northern part of Burma, and had been the head of the railroad. But it was pretty much demolished by some of the fighting that went on. It was one of the frontiers of the war against Japan in Southeast Asia.

From there, we had two bases. We were flying the Hump. We were also working with our ally, Ho Chi Minh, who was then the leader of the freedom movement in Indo-China. We were working with people in Thailand, who were nominally behaving nicely with the Japanese, but actually had a different persuasion. We were running, from the Hump, the support of China against Japan, and we were this kind of pivotal point on the frontier of this war to clean up the war with Japan, which was nicely fixed up, by, actually, Douglas MacArthur.

Douglas MacArthur was the guy who really won the war in the Pacific—and the Navy did an excellent job, or some of the people in the Navy did an excellent job, too. But, by a policy, MacArthur's policy won that war. And it won it: There was no need to bomb Hiroshima or Nagasaki. There was never any reason for bombing those cities, with nuclear weapons. None! Japan was in a hopeless situation, because of the MacArthur strategy. What MacArthur would do, together with the Navy, once the Navy got its role in place, in the Pacific—the Japanese troops had been scattered all over islands, of the Pacific regions. They weren't going any place! They couldn't! They didn't have the means of transportation to go any place! Only idiots wanted to invade these islands, and clean up the Japanese forces on these islands.

In a case like that, you don't want to go to war, with these guys—leave them alone! Let them sit on those islands! They're not going any place! Don't waste troops going in there, to try to kill them. Leave them alone! That was MacArthur's policy.

Some guys in Washington, and the British, had a different policy. Churchill also had a different policy. But MacArthur didn't like Churchill; neither did Roosevelt. We knew he was no good.

So, MacArthur's policy was not island-hopping. MacArthur's was strategic: To use the growing superiority of the U.S. military force, and its economy.

And we had created an economy, of such power—albeit, reflected in our military operations—an economy of such power as the world had never seen! And we had created this great power, which was still a great power on the 12th of April 1945, under the leadership of Franklin Roosevelt, who took us from *bankruptcy*, to become the greatest economic power the world had ever known! And we had intended to use that power, in the postwar period, under Roosevelt—the greatest economic power the world had ever known!—to convert our military-productive capacity into a civilian economic development capacity: To liberate the nations of the planet! To end all kinds of imperialism and colonialism! And to engage the United States and its potentiality, which we had developed under wartime conditions, especially, and to use that to make a world *free of empire*, a world, as Roosevelt had intended of a United Nations: a world composed only of *sovereign nation-states, engaged in mutual interest*.

- The Day That Roosevelt Died -

And I was there, sitting in Kanchnrapara. I was in India, so therefore it was late in the day, when we first received the news, that President Franklin Roosevelt had died. And that afternoon, after the news came through, a group of soldiers came up to me and said, "Some of us would like to meet with you tonight, to discuss something. Can we?" And I said, "Okay." And we designated a place where we would meet. I had an inkling of what the discussion was, naturally, given the circumstances. And so, we had a meeting. And what they said to me—they assembled, in a sense, and there I was standing, and they said—"Well, what we want to talk to you about, is, since Roosevelt's died, what's going to happen to us?"

Remember, this is a moment, where we knew that the war in Europe was about over. We understood that we were going into the clean-up of the war against Japan. And therefore, we were anxious. Because these soldiers, of, largely, my generation, knew what Roosevelt had accomplished; and knew that Roosevelt had accomplished these things, under great opposition, from his opposition inside the United States, and under British influence. All of us, especially those who were in India then, or later—or in Asia, then—*hated* the British: *Because, we saw imperialism. We saw British imperialism, nose to nose!* We knew that this was the enemy of the United States. We knew it was evil and cruel. And we were worried. Because without Roosevelt, who hated the British, could the United States survive?

And I said, "I'm not sure. I can tell you this"—and my words, I recall, from what I answered them—I said: "What I know is, we have been under the leadership of a great man. And now, the leadership has passed *to a very little man. And I'm worried, for us!*" And they shared that view.

And my opinion on that occasion was fully justified, by what has followed, from that time to the present.

Truman was a *bastard*. A British puppet.

What happened?

We were determined, at that time, we all shared, implicitly—at least most of us shared, those who were engaged in war—the outlook of Franklin Roosevelt. We wanted a world, cast in the image of the American Revolution. We wanted a world of freeing people from colonialism. We wanted a world of buildup of nation-states and economies, to eliminate the kind of desperation and depredations we saw in Asia! When conditions we saw in Asia, were for us, almost unbelievable, as Americans, coming from inside the United States. We couldn't believe that this was acceptable! We were disgusted by it! We had great power: *Let's get rid of it! Let's get rid of the British Empire!*

But Truman? What did he do? We had worked, as people who were working, in connection with where I was, in Myitkyina, working with Ho Chi Minh. We had freed Indo-China from the Japanese occupation, and from French occupation. We had put the Japanese troops into prison camps—disarmed. What happened with Truman? Ho Chi Minh had led the freedom of Indo-China, with the cooperation of the United States, against the British, and against the Japanese occupation. Under Truman, we reversed everything of that sort in Roosevelt's policies, immediately. Went back to imperialism!

We caused the liberation, by the British, of the Japanese soldiers from their prison camps in Indo-China; the British gave them back their weapons, and told them to reoccupy the country! With the result, of course, we had this little war in Indo-China, that we were stuck in, during the 1960s and early 1970s—against whom? Against *our ally of the Roosevelt period*, Ho Chi Minh, for the sake of the British.

What happened then? There had been a liberation in the former Dutch East Indies. Liberation from the Japanese. The British and the Dutch conducted a war with U.S. support, against Indonesia. And throughout the entire world, wherever we, in the United States, had been dedicated to the freedom of former colonial victims, *we, under Truman, went with the British*: Against the policy which had made us the greatest power on this planet!

- An Unnecessary Recession -

What did we do to ourselves? We had intended to take this great power, this great economic power, which we had created, and developed under anticipation of war and wartime conditions—we destroyed it! We shut it down! Instead of using our military factories, and so forth, and converting them back, for civilian production, and for the development of the economies of the world, with the technologies that these formerly oppressed people required, *we shut it down*. We put ourselves into an unnecessary recession, and we became a running dog of the British Empire.

That changed, somewhat, under Dwight Eisenhower. But under Truman, we were betrayed! We went through police-state conditions, to try to get the Roosevelt out of us. That's what happened.

Under Eisenhower, we were disgusted with Truman—Truman was told to quit: "You bum, we don't like you. Get the hell outta here!" And we got in Eisenhower. Well, Eisenhower would have been a good President, in 1947, but after all these conditions, he inherited a government to which he was elected, which included people who were still of this British bent.

We had Kennedy. I don't know how good Jack Kennedy was, or how bad he was. I know, that what he did as President, in a number of cases, was crucially important for the United States, and he did attempt to restore our economic policy to what it had been under Roosevelt. He ran on that ticket, with the support of Eleanor Roosevelt, heavy support from her. And he was praised. And then, when he resisted—not only the Wall Street gang, which wanted to kill him—but when he resisted the British demand, that we go into a war in Indo-China: Kennedy had consulted, at length, with former Gen. Douglas MacArthur, who was still an acting general, though ready for retirement; and MacArthur advised him, and Kennedy agreed, "The United States will not engage in a land war in Asia!" That was the policy, that was Kennedy's policy.

Well, a very simple thing—Kill him! *And they did!* Not Oswald! It was three guys crossing the border with rifles, who were expert assassins. They killed him, got away from the grassy knoll, went back across the border into Mexico, and resumed their role in the same operation which had been deployed in many attempts to assassinate Charles de Gaulle, in France. This was the anti-Gaullist, fascist movement.

At that point, the minute the President was dead, President Johnson came in. Johnson, as he said later, was terrified. He thought that the same three rifles which had taken

down John Kennedy, were about to take him down, *if he resisted*, as Kennedy had, the idea of plunging the United States into war in Indo-China, and similar kinds of wars.

Since that time, because of Johnson's fear that he would be assassinated if he didn't go along with these guys, we have gone consistently down, down, down, down, down.

And, since the middle of the 1960s, approximately, but most conspicuously, since 1968, since the decision made by Johnson as of March 1, 1968, the U.S. system, as defined by Roosevelt, *was shot down*. And since about 1966, there has been a consistent collapse, per capita and per square kilometer, of the physical economy of the United States, and of the mean condition of welfare of the typical citizen of the United States. We have now been looted and wrecked.

We were looted under Nixon—don't kid yourself—Nixon was a Nazi! He may not have had a swastika around his arm, but he had every other credential of that type. He was evil: He was determined to establish a fascist government inside the United States! That was his intention. He *tried*! He didn't succeed, but he tried. We still had enough resistance in the Congress and elsewhere to be an embarrassment to him. And, at that time, we still had some human Democrats, who had enough power to stop it.

But then came in the Democratic administration: Poor Jimmy Carter, who didn't know what he was doing! He thought Mr. David Rockefeller was a great man, who was giving him these \$3 million to run a campaign. He was a sucker all the way through, as I think he's admitted, later on in life, on reflection. His administration was the most disgusting one since Truman. But later, he's showed that his human qualities have come forth, and he's often done good things. So you have to give the man his right, in that. He became a good man—he probably had the potential all along, he just didn't realize it, didn't understand what was going on.

You had a complication with Ronald Reagan.

Now, I did some things in this period, and don't kid yourself: I was never an obscure figure in these operations, at least not since about 1971, since a debate I had in Queens College, with [Abba Lerner,] the leading Keynesian economist in the world, where I exposed him as a fascist. And he admitted it! I didn't just expose him; I forced him into a position where he admitted it, where he said: "If the Social Democrats of Germany had accepted the policy of Hjalmar Schacht, Hitler would not have been necessary." This was a *liberal, a Keynesian liberal*, the leading Keynesian in the world at the time.

So, when we took this on, and some other things I did—and I did a lot of things, all good things, against bad people. And the bad people did not appreciate how good the good things were, that I had done!

So, I was involved in international affairs, almost like a spook. I was never an agent of the government, in any sense, other than being a citizen, who worked with people in his government, and also prompted people in his government, to try to do some good things, as changes in U.S. policy. I had considerable success, in launching an effort for a

negotiation with the Soviet Union. And it could have worked. And we induced President Ronald Reagan to support it. It was my policy, my design.

'Working Out the Details' for Mars Colonization

I also have done things in terms of the space program. I am still an advocate of the space program, and trying to push it beyond what some people would like to see it pushed to. And you will see more of that, if I'm around, in the coming period: We are going to go to Mars. But we have to work out the details of how to get there. We can now send pieces of junk up there, workable junk, useful junk, and so forth, but for transporting people for a period of 200 days on a flight to Mars, you have to say, what about gravity and electromagnetic field? Because we have a nice gravitational system on the planet, and that kind of field, and one would hope that we would find a way to get our people there, safely. So the problem is getting our people there safely.

So, I've done a lot of these things, and I have been much hated, and much victimized for it. And the word was, "Get him out of here!" And they really tried to do that to me. But they didn't succeed: I'm still here. I'm going on nigh, as of September, I will be 87 years of age. I'm still in fairly good shape. I'm not in as good shape as I once was—but I can still get a lick or two in, here or there, and I can still take a little leading role in trying to save our country, and the world, from the affliction that this present Presidency has now bestowed upon us.

So, in this process, my role has been a serious one, contrary to some of the press. As a matter of fact, I think the White House is paying close attention to what I'm saying right now—if they stick to their plans, and their programs.

So, we're in that kind of situation, where we had a great system, the American System. It's the best in the world, as a matter of fact. I mean, it's not just bragging about the United States: This is the fact! The American System, as defined by our Constitution, and by the leadership of our greatest Presidents, is the model for the entire planet. Not to copy us, but the model as a pivot, a linchpin, by which we can bring together many nations, to solve the problems of the world. We only have to do one thing, now, because of what has been done to the financial system. This system is hopelessly bankrupt: We are never going to pay, one way or the other, we are never going to pay \$20-odd trillion of debt, which we've incorporated among us, as a result of George W. Bush and this Obama. We're never going to pay it! We can't! We couldn't! Can never be done.

So, all you guys out there, thinking you got a piece of action in the \$20 trillion against the United States—Hey! Got the laugh on you: We don't have the money, therefore, you can't collect it.

- A Safe Place for Civilization -

But we also can not operate under the kind of system we're operating under now. What do we have to do? Well, that's where the goodness in our system comes in: Our Constitution actually came into being in two basic levels, but three steps. First of all, go

back to our history: Who are we, as a nation? What are we? Well, I have an ancestor, who came over on the *Mayflower*, so I'm going to pull rank on that one. (Just to remind this President who was born here.) And who has our spirit in his veins—which this President clearly does not.

That, we came here, not as refugees from Europe. Yes, we brought many people here, who came as refugees, who came as the poor, escaping from terrible conditions in Europe, to a place of refuge, which we offered. But this country was not *founded* by people fleeing from Europe. This country was founded by Europeans. It was founded by Europeans, as typified by the *Mayflower*, as typified by the Massachusetts Bay Colony, typified by Pennsylvania, typified by some things in Virginia, and so forth. These were people who came to the United States—why? Because of a famous priest, Cardinal Nicholas of Cusa.

And Cardinal Nicholas of Cusa, who was actually the founder of modern European science, and the crafter of the concept of the modern nation-state, in his *Concordantia Catholica*, and in his *De Docta Ignorantia* on science; he, toward the end of his life, recognized that the degeneration which had occurred in Europe, meant that European civilization was not a safe place for civilization. That the old oligarchical relics were still predominant. And therefore, his proposal was, that people in Europe go across the oceans to other continents, and establish connections on other continents, with which to bring the *best* of European culture, which we wished to defend against European occupation—bring it to these other parts of the planet, and there, to build up, in concert with people we would find across the waters, to build up a civilization, which would in turn, contribute to the rescue of a corrupted Europe from its own sins.

Shortly after the death of Nicholas of Cusa, we had a young man, called Christopher Columbus. And Christopher Columbus was a Genoese, who was a very good sea captain, who worked in the Portuguese interests in exploring the Atlantic Ocean, who was quite familiar with the peculiarities of the Atlantic Ocean, as a navigator. And he, in Portugal, ran into the papers of Nicholas of Cusa, with a friend of Cusa's there, who was actually one of the trustees of Cusa's estate, and he became familiar with this concept of moving across the Atlantic Ocean, across to the continent on the other side—which they knew was there; there was no mystery about that to them—and to establish a bulwark of civilization, across the water, bringing the best of European civilization across the water, to here! And, thus, to have a development of the best of European culture, *free* of the oligarchical corruption prevailing among European nations.

There were many attempts in this direction, some from Spain, and so forth, to follow Columbus's intention. And that was his personal intention; from about 1480 A.D., it was his intention. He finally got the money to make the trip in 1492, but his intention was, from 1480, when he had correspondence with a lot of people in Europe, on planning this voyage.

So, because of the influence of the Habsburgs, on the Spanish and Portuguese colonization of South and Central America, the intention of Cusa was not fully realized in those parts of the world, although there are fragments of that and important

influences of that type, in South and Central America. It's only inside this nation, the United States, that we achieved the establishment of a form of nation-state, which met the requirements, that Cusa had intended. The first part, where this development became secured, was in the settlement in Plymouth, the *Mayflower* settlement. That was followed by the Massachusetts Bay Colony.

- The Founders: 'Stalwart Intellectuals' -

Now, these people were *not* refugees from Europe! These were stalwart intellects, capable people, who left Europe to found a place of refuge for culture. And they built up, in these two colonizations—in the Massachusetts Bay Colony and the *Mayflower* colony—they built up a mini-state, which, up until about 1688, maintained that tradition, in that direction, under people such as the Winthrops and their associates. This was suppressed, then, by the British, in the struggles of 1688-89. But then! It was shifted, with the youth of Benjamin Franklin, shifted into the area of Pennsylvania: the same intention, because of the corruption which the British had brought into the Massachusetts Bay Colony. This continued.

And then, you have a German, a great scientist, and one of the founders of the Renaissance in Europe, of the 18th Century, Abraham Kästner, whose circles, then, made contact with Benjamin Franklin and company, in what became the United States. As a result of this, this Leibniz influence, reflected explicitly in the Declaration of Independence, and also, in the Constitution: The idea of how to organize a nation-state, was established, beginning with the paper by Benjamin Franklin, on paper currency.

So, then, in 1763, the British Empire had begun, through a treaty organized by a war. And the British East India Company was already an international empire; the British monarchy was a different case. Later, the British monarchy became totally integrated with the empire, but at that point, Lord Shelburne and company dominated. So, in February 1763, the Treaty of Paris, in which Shelburne and company dictated the terms of a creation of a new empire, the empire of the British East India Company, is a breaking point. The result of this, the radiation of the first policies emanating from British East India Company back into the Americas, caused a break in the leading circles in what became the United States, toward a break with the British Empire. That became the struggle. And there was a division, from that point on, between the traitors, the scum, in the United States, such as some of the Boston crowd, the East India Company crowd, and those who were for the cause of freedom, because of this.

Our Constitution was based on that.

Now, we have the Declaration of Independence, which was created under the influence of Franklin, but actually under the influence also of, indirectly, Cusa. And also the blessings of Abraham Kästner and so forth. So we had the beginnings of this society.

Then we had an American Revolution, which actually came out of 1763, to the creation of a nation-state. We were very careful about it; we went through all kinds of tricks and handsprings, and so forth, to try to get a compromise with the British on this thing. Or

to buy time, one of the two. So, we established a Declaration of Independence, *based* on the central principle of Gottfried Leibniz! One of the greatest scientists of his time! Or the influence of him, at that time.

Now, we had a Revolutionary War. We were winning it, winning the war against Britain, partly because we got some nice allies, to help us out on this, the cause of freedom. But then, we found out, that the banks of the separate colonies, which were now becoming states, under the Declaration of Independence, were bankrupt. So, this resulted in a great evolution, which shaped the United States, as a nation-state power, from that beginning to the present time, about 1781: Where a young genius, Alexander Hamilton, recognized that, since we had to protect these banks, our banks which were bankrupt, whose only problem was that they had suffered, carrying the burdens of the war of liberation, the war of the American Revolution. So, he recognized that we needed a Federal Constitution, a Federal authority, as opposed to the authority of a collection of associated states, themselves.

So, he conceived the idea of a National Bank. It was on the basis of understanding this, which forced the question of the creation of a U.S. Constitution. So, the Constitutional Convention was to create the nation-state institution, which could deal with this particular problem, and related problems.

- A Nation-State; a Credit System -

So we were already a nation, by the Declaration of Independence. But we had to become an efficient *nation-state*.

So what we had, first, we had a system based on the idea of *national credit—not a monetary system!—a credit system!* Under which no currency is legal, except that *created, by the government of the United States, or through its treaty agreements to that effect, with other nations.* In other words, we sought trade, we sought treaty agreements based on this conception: that a currency should not be uttered, or not be allowed to exist, *unless it is based on the will of a sovereign state, to create that system of credit as debt.* It's the ability of the nation-state to go into debt, and to go through bankruptcy reorganization of debt, in order to establish the sovereign authority of a people over its own currency and credit. That is a *credit system*.

The opposing system, of *empire*, which we've known in Mediterranean and Atlantic civilization, since the Peloponnesian War, has been *monetarism!* We had Asian monetarism before that! Monetarism! The idea that a *private interest*, such as the Cult of Delphi, could create a monetary power, for loans, for loan-sharking. And to control the world's financial affairs and economic affairs, through a method of *loan-sharking, called monetarism.* And the United States was created, to free us, and protect us, from the disease of filth, called *monetarism*; and to base ourselves on a *credit system*. Which was also Franklin Roosevelt's intention, for the postwar period.

So, we've been destroyed, by usury. We have turned out, particularly with the act of treason called the Federal Reserve System Act: *an act of treason!!*

How was it accomplished? Very simply. We had a President called William McKinley. We had him assassinated by an imported assassin. The assassination was arranged through New York City, through the Teddy Roosevelt side of things; one of the safehouses in New York City housed the assassin, who was sent to kill President McKinley. They killed President McKinley! And guess what? Teddy Roosevelt became President!

And Teddy Roosevelt's family were the circles which sponsored this assassin's coming into the United States—and now, he becomes President! Oh, my!

Teddy Roosevelt is what? Well, his uncle [James Bullock] was the head of the Confederate intelligence service, operating from Britain, during the Civil War. Not a man of sterling patriotic inclinations.

Then you had a follower—with some Taft intervention—with Woodrow Wilson. Now, Woodrow Wilson was also a sterling character, of the good Ol' South. As a matter of fact, his family was the leading family behind the organization and defense of the Ku Klux Klan. And, not only was he that, but while he was President of the United States—from the White House itself! (Which had been named the "White House," by Teddy Roosevelt; it was called the Executive Mansion up until that time) Woodrow Wilson organized the revival of the Ku Klux Klan *from inside the White House, while he was President!* And the Ku Klux Klan, under the Wilson influence was *bigger* than the Ku Klux Klan, before! And in my youth, in the 1920s, the 1930s, the Ku Klux Klan was a big number, in this United States, and it has a great effect upon what happens in certain states in the United States, still to this day.

Now, what you had, was, you had Teddy Roosevelt, who was a stinking traitor, and you had Woodrow Wilson, who was stinking Nazi-type traitor—also, a little bit of quirk that way, at the same time—but these two guys connived to initiate the process, and complete the process of creating the so-called Federal Reserve System, the Federal Reserve Act, under which, now, you had the introduction of a *monetarist system* into the United States' domestic and international affairs.

- National Bankruptcy: Not a Shameful Thing -

Now, as a result of our enslavement, to this Federal Reserve Act, and its implication, we were looted and driven into bankruptcy by *unconstitutional acts*, including this swindle, this debt, of over \$20 trillion now sitting on our back, as a result of *bailouts* of various types, which have been conducted since September of 2007—rather than the proposal which I made, in 2007. If what I had proposed be adopted, in 2007, as many influential people, governors and others, in this nation, had intended to support my proposal—if that had been done, we would be out of the woods, today.

We are not out of the woods, as you may know.

And therefore, we've come to the point, we have to go through national bankruptcy. Now, national bankruptcy is not a shameful thing. Some swindler, with two Presidents

who were sort of some kind of scum, George W. Bush, Jr., and now, Barack Obama, have engaged in a swindle on behalf of foreign enemies of the United States—such as the British Empire, the British monarchy—against the United States. This was helped by Larry Summers, with his repeal of Glass-Steagall, his role in that. We were swindled! Contrary to the intent of our Constitution! Laws were passed which were unlawful, by our Constitution.

We have to put this thing into bankruptcy reorganization. A very simple thing to do—I know how to do it. Don't worry about all the legal details, it's very simple. Give me powers for just a very short period of time—I can fix this thing very easily: You have a meeting. And you have a bunch of people who are sane patriots, at this meeting. We take all this financial stuff, floating out there, claims against this, claims against that: We're now going to put the United States through a bankruptcy reorganization, modeled on what our decisions were in this connection earlier in our history. We're going to bankruptcy.

Now, we're going to take Glass-Steagall—whether Larry Summers likes it or not—after all, he's clinically insane, so why can't we just ignore what he has proposed? All right. Despite Larry Summers and his treason, we take all these claims against the United States, financial claims against the United States. We put them on the table. Then, we take, over here, Glass-Steagall, the Glass-Steagall model, and we say, "Here's a bank. Let's go to the banks first—commercial banks, or what used to be commercial banks. Okay, let's look at what's in this bank. Is this asset valid by these standards? Yes? Okay, it goes there. Is it not? Okay, we put it in the trash can."

And we go through that, case by case, in the same way that Roosevelt, in a much milder problem, did with the Bank Holiday. We want to save the commercial banks: That's where people's savings, legitimate savings are located. That's where the credit, that's indicated that they require, locally, for business practices and similar kinds of things, for loans, for mortgages, and so forth. We want to clean this up. We want to reorganize the mortgages. And come out, quickly, with a set of *salvageable banks—private banks under the national system*.

We then will take all this trash, these claims, based on financial derivatives and other kinds of schemes: "Sorry, buddy! You gambled. This is gambling debts—you lost the gamble. We just lost the gamble for you! To relieve you of this great burden, on your conscience."

And now, you have a United States.

Now, what do you do? Now, you got rid of this \$20-odd trillion of waste paper, as claims against the United States. What do you do? We go into debt! Now, that we've cleaned up the bad debt, now we can have some honest debt.

- Four Powers and a New Credit System -

What do we do? Well, then I go to our friends in Russia; I go to our friends in China; I go to our friends in India—who, if Russia and China go along, they'll go along, too. We say, "Well, we're the big nations in the world. We have a lot of small nations out there; they're good nations, but they don't have power. *We* have power. Therefore, we nations that represent this power, and this commitment, are going to band together, to launch a new world financial system, a new *credit* system. No longer any monetary system—money doesn't count! You bring your money in, we check it for validity. If it doesn't conform to a standard of a credit system, we cancel it. "Sorry, buddy. I don't know whether you want to put that on your wall—go ahead and do it. Just don't try to negotiate it!"

So therefore, these four powers, which then attract all the other nations which wish to survive, initiate an agreement, which is a pilot agreement, to establish a new world *credit system, to entirely replace the hopelessly bankrupt, existing world monetary system!* In other words, the only legitimate currency in the world, will be that uttered by the authority of the *state*, as credit, as debt of the state. We will then cooperate, to develop a scheme, for the development of the world physical economy.

Let's take the case of China as a concrete case. China was induced to make a mistake. It wasn't entirely a mistake, but it turned out to be a mistake, when somebody pulled the clause at the bottom of the page. China was induced to work at lower prices, than would be required in Europe and the United States, in producing product for the world market. Now, this meant that China had a spurt of growth, as long as this market existed. *But!* When the world market for Chinese goods collapsed, the Chinese were stuck. Because suddenly, their industries had lost their markets.

So China's income collapsed, as a result of the collapse of these markets, like the U.S. market, and so forth. Like the collapse of the auto industry in the United States, was not a boon to China! Because it was part of the collapse of the United States as a market for Chinese goods.

So therefore, China is suffering. Well, what China requires, as Russia does in a different sense, and India in a completely different sense—what it requires, is long-term credit for investment in building up basic economic infrastructure, to make the economies more powerful economies. To do, essentially, what Franklin Roosevelt did in the 1930s and during the World War II period: In other words, you use national, long-term credit, investing in technological progress, and getting from autos on the street into railroads, for example. Things like that: These kinds of things which increase the physical productivity per capita and per square kilometer of the nation. But this always requires new sources of power, better sources of power, large-scale capital improvements, these kinds of things—like the TVA! Like the things that Roosevelt did, to build up the structure of the economy, through the *infrastructure* sector.

We don't *have* many industries left in the United States. They've been destroyed! How are we going to build these industries up? Well, we have people who used to work in the auto industry. The auto industry has been shut down, essentially, except for the Japanese department of it. And even there, it's suffering. So we've lost the industries!

But the auto industry was never an auto industry. The auto industry, as we looked at it, in terms of World War II, was essentially a *machine-tool* business. We produced airplanes! We produced locks and dams. We produced railway systems. We produced all kinds of things, with the skills, based in the Great Lakes area, in the industrial and agricultural base of the Great Lakes area. We built it up.

Now, these swine have destroyed it all! We still have the locations; we still have the people in the Great Lakes area; we still have people with skills. We don't have an auto industry—we destroyed that. But these communities are capable of doing other things, besides making automobiles. They can make large-scale railway systems; they can make power systems, or elements of power systems; they can rebuild our river systems, our locks and dams. And all of this will contribute to the good! We're not asking people to accept handouts. We're giving them work! Or we'll give them handouts when they need it, to get them through. But the essential thing, we want to give them *productive work!* Where they can build things that have permanent value for the United States, not just waste our money! And so, we have to get in that direction.

- Our Government Is the Best in the World -

But, we're in deep trouble.

And the basic problem here, is, we've got a President who is no good. The man has made it very clear. A man who will bring in, and insist, above all, on doing the same thing to the American people, that Adolf Hitler did in Germany, with his genocide policies, is no good. This man has got to be tamed.

Now, we've got to do something about him—put him in a cage, or put him in a political cage, or else find a reason to get him out. There are a lot of good people in this Administration, overall. Very useful, very competent people. So it's not the whole damned government that's bad! *It's this part*, that has to be dealt with: This legacy of the Bushes, has to be dealt with. We're going to put him under supervision, put him under control. And there are various ways we can do it. We're going to do in the way which is least troublesome. No bloodshed, least troublesome—quietly: "Hey, buddy, come with us, quietly, please." That's the way it has to be done.

Because, we have, in the government—because our government, our Federal government, is a very vast apparatus. It's much bigger than you think it is. It involves many people who are not officially in government. It involves people who cooperate around the Executive branch of government, including people in the legislature and other institutions, who actually form a vibrating, vibrant organization of government. Ours is the best in the world, when it functions. And this system of government is the best in the world, when it functions.

So, we have the State Department—not in bad shape. We have other divisions of government, not in such bad shape. If they are given the opportunity, to function in a normal way, as our Executive branch is supposed to function, traditionally, and if we

take this problem before us, and consider a couple of fairly simple measures, we can get out of this nicely.

Just imagine: an Obama and his team of Nazis—and they *are* Nazis! Ezekiel Emanuel—he's a Nazi! He's said so! He admitted it! He said in *detail*, what he's proposed! It's a Nazi operation! Who gets killed, who gets health care, who lives, who dies! It's a Nazi system. It's the same thing that was introduced by Hitler, in the beginning of the war, and which was translated a few years later, into the mass-killing system, which we called genocide! *We're on the road to genocide, unless we stop this Administration's policy!*

And the reason you're getting a reaction, out there, from the citizens, a reaction to the returning Representatives who committed the atrocities they have in Washington—is just exactly that! *They have betrayed humanity!* Not just the law, and dedication to the United States, *they have betrayed the principle of humanity!* When they connive at genocide, in the name of medical reform, that's *Hitler stuff!*

And the person, the President, or anybody who proposes that, *belongs in the same category as the Hitler stuff did at the Nuremberg trials:* Ezekiel and Rahm Emanuel are the same thing, as a guy standing on trial in the court in Germany, at the end of the war, for crimes against humanity. *They are the same thing!* We tried *those guys, after the war, after the horror.* We've got to stop these guys, *before* the horror! And everything this Obama Administration has represented, in its leading efforts, in this period, since its inauguration, to the present day, is a horror-show, which should be eliminated, by a conscience-stricken process of government, now.

These policies are not terrible enough—you know what you're going to get? Yes! The great crisis technically comes in the beginning of October, when the fiscal year ends, and you have to sort out the paper, legally, and you can't hide all the lies, all this time. But that's not when it's going to happen: Because the suffering caused by this breakdown is *hitting millions of people, our citizens, now.* Those who are shut off from all succor. States, 30-40 states, are breaking down, as a result of this. People are going to starve to death under conditions of the present trend, unless we change it.

We're not going to wait until October!

- We Have To Stop Being Sheep! -

Now, there are two ways we can do this: We can do this peacefully, or we can get into a kind of crisis and chaos, which leads to blood in the streets, which also creates the threat of a dictatorship, somebody trying to impose a dictatorship. So, we have to deal with this problem *now.* We have to send Obama into adult supervision, *now.* We have to take the whole crowd around him, including all the Brothers Emanuel, Orszag, that lunatic Larry Summers, that gutless wonder Geithner, and that foolish fellow sitting on top of the Federal Reserve System—and just throw 'em out. Throw 'em out! Get 'em out, chase 'em away! Scat! Scat!!

And, we don't have a problem then. You have the President under supervision—under *adult supervision*. You have the normal institutions of government, responding in a normal way. You have the members of the Congress, terrified, after the lynching they're about to be threatened with, when they get back to their home bases.

We don't really have much of a problem. We have to recognize what our assets and our options are, and exercise them. And we have to stop being sheep. Don't whimper because somebody's threatening you: They're going to kill you. What can they threaten you with? They're threatening to torture you. What can they threaten you with? What's the danger? If you consent, they're going to torture you! They're going to kill you! I mean, you got kids: If you're too young, you're on the bottom of the list, they're going to kill you. If you're too old, they're going to kill you. If you look sick, they're going to kill you.

No, this is impossible: This Nazi-like administration, under President Obama has to be cleaned up! Not overthrown, cleaned up! And it's going to take a mobilization of citizens and honest political figures, to decide they're not going to compromise with Obama. They're going to say, "Obama, you work for *us*! Or else! You don't work for the British, you work for us!"

- An Updated Triple Curve -

To get at some of the technical questions here: Let's take on this, just a minute for now, this Triple Curve, which I've used as a pedagogical device since about the beginning of 1996. And I suppose we can play that up—I'll discuss some of these other technical matters in that place. All right, here's what it is. I'll describe it, and he's going to play it again, several times (**Figures 1, 2, and 3**).

It explains itself, and this will be on the website [www.larouchepac.com] in many ways, again and again. The point is, you have three basic parameters you have to look at, in order to understand how our economy is functioning. The lower curve, the one that's descending—these are all in terms of per-capita rates—we have been descending in terms of the employment in productive labor, such as agriculture, infrastructure, basic physical production, over this period, per capita. And the percentile of the total throughput of the economy, has been declining in these terms. We've also had an increase in the monetary aggregates and the financial aggregates.

Now, what's happened is, we're building up a monetary debt, built at a skyrocketing rate, relative to a declining, actual physical output in production. Which you can see in any community. How many factories are there? How many farms are there? How many farmers are there? What's the level of productivity? What is it, is it backward, or is it progressive? Is it technological progress? What's the effect of the loss of the automobile industry, in this physical output relationship?

Now, but at the same time, we've had essentially, since 1966, we've had a skyrocketing increase, under the influence of the Vietnam War economy, a skyrocketing increase in

the amount of monetary obligation. We've also had an increase in the financial aggregates.

Now, what has happened, is, we have moved to a period in which these values—as you'll see, the financial aggregates have begun to fall. This decline in financial aggregates, which has occurred just recently, in this last period, is the onset of the breakdown crisis.

So, we are dealing with this kind of situation, not what you're reading in the newspapers. This is what I presented, also back in 2007, in defining the problem which we face now. Either we fix this problem, as I described it, or we don't make it as a nation.

- The Empire of Monetarism -

This comes to another big problem: Since the Peloponnesian Wars, European and extended civilization, has been ruled by *monetary systems*: That is, we've been ruled by money, by powers which are largely private powers, which control money. We have the Cult of Delphi, for example, and the Cult of Delphi was actually an instrument of monetarism, which became significant in this form, after the defeat of the Persian attempts to take over the Mediterranean area. Which led into what became orchestrated as the Peloponnesian War. And since that time, with the gradual rise of the Rome Empire, then the shift from the Roman Empire, to the Byzantine Empire. Then, about a thousand years ago, a little more, the breakdown of the Byzantine Empire as a power, and the rise of Venice, the Venetian monetary system as the controlling power—monetarism—Europe has been ruled by an empire.

Now, the empire is called the British Empire, but it's not actually the British Empire. If you see how stupid and fat the British people are, you just know that's not the empire, because they've got a poor diet, probably a disgusting sex life; whatever, I don't want to discuss that, but—. It's not the British people; it's not the British population. It's the system. It's the monetary system!

Now idiots keep talking about "empires," like you have one country that has an empire, because it rules over other countries. That's not what an empire is. It never was an empire. People who don't know their history, and don't know their science, don't understand, make that mistake. An empire is based—all empires, especially those which have existed since the Peloponnesian War, have always been based on *monetary systems*. They have been based on *international systems*. The Roman Empire was an international system. It was not the rule of the Mediterranean by Rome. The Roman Empire was created on the Isle of Capri, by a meeting, between the representatives of three empires: This was the Middle East, this was Rome, and Egypt.

And since the death of Alexander the Great, this whole region had been split among three basic forces—each rather imperial, that is, dominating various little national-type groups in their own area, and quarreling with each other, and the whole was organized around religious issues and so forth. So, the time came, where the putative heir of Julius Caesar, meeting on the Isle of Capri, with a religious cult, made an agreement to get rid

of Antony and Cleopatra, which was a rather expensive process, a bloody one; and to establish a common empire, by agreement among the oligarchical interests of these three regions. And it was called the Roman Empire. The agreement was, to make the capital in Rome.

But if you look at the history of the thing, it was never the Italian people, that were ruling; it was an empire. And an empire, under the law which defines an empire, historically, the empire is *a law-giver over nations*. In other words, it is not a nation, governing other nations. It is an international agency, over all nations. Which has a capital in some place, and the capital changes. And since the decline of the Byzantine Empire, and the rise of Venice, all empires, based in Europe, or European civilization, have been centered in the monetary center of Venice! So, Venice is actually the capital of the empire, not London. London has been chosen, as the Roman Empire was chosen, as an arrangement. And that's what we're up against.

What the power is, is international money!

- Whom Did We Bail Out? -

Look, now: Here we are! Go back to 2007, where I made this proposal, for reform. I said, we propose a reform, on the basis of the authority of the Constitution of the United States. That would have worked. Anybody who's intelligent, who understands the system, would have known, that what I proposed *then*, would have worked. We would not be in this mess today!

But, who the hell came up with this other idea? Of getting the United States into debt, for obligations it didn't owe?! In order to bail out London, to bail out the international monetary system! At the expense of the United States! To loot the United States and its Treasury, for the benefit of an international monetary cartel! What about "bail out"! Whom, did we bail out? Did we bail out our industries? Did we save the auto industry, or put it into equivalent form, something else besides autos? Did we *save* the American farmer? Did we *save* the infrastructure, of the cities of the United States and the states? *Whom did we bail out?*

We bailed out the London bankers and their New York extension. We don't owe them anything. We just happen to have a government that says that.

This is our nation. And the law of bankruptcy of our nation is our authority. If I were President, I would end this thing right now. And I'm sure, I could get the support of the great majority of American citizens, very quickly, simply by making clear what I intend to do: Put the whole thing in bankruptcy. You guys are going to live. We're not going to kill you—like Obama's doing. We're not cutting you off from health care, we're not trying to accelerate your death, we're not trying to get you to kill yourself. You're going to live. You're going to be employed. We're going to rebuild our industries. We going to *cancel* this filthy debt! Which we never really owed in the first place. Only some crooked traitors, or traitorous kinds of people, gave us this kind of debt—it's not real. We don't owe it. We're going to go back to a credit system.

And we're going to get some power. How are we going to get power? We're going to have Russia as a partner. And Russia needs a credit system, desperately, to solve its problems. But Russia can do a lot of things for us. Russia has vast mineral resources, in Siberia and related areas. These mineral resources are required, for the development of nations, because the Russians are very good at this; they're sitting on top of territory that has rich mineral resources.

We have below, to the south of that, we have China, and other countries, which have a shortage of these mineral resources. Therefore, the development of Russia, its building up as a power, for power of *science* and *development*, is necessary, for Europe, for Russia itself, for China, and so forth. Japan's possibility of existing, depends upon this success of China and Russia. China requires cooperation with us and Russia. We require cooperation with China.

For example, what about the debt of the United States to China, the dollar debt? The unpaid debt to China? What happens to the world if the unpaid debt to China is written off, because the United States dollar collapses? What happens to the world, then, if China collapses? China goes into a crisis, under those conditions, what happens? India is destroyed, not so much by an economic crisis, but by the chaos engendered throughout the world, where the spillover from what you're seeing in Afghanistan and Pakistan, and so forth, now spreads into there, and causes chaos there.

So what we simply do, is, we take these four great nations, we use these four great nations as a pivot. Japan will jump in immediately. South Korea will jump in immediately, other nations will jump in immediately. But we have to get the four big nations to cooperate on an agreement, and the others will gather, and we'll have an enlarged agreement.

We then create a new international system, entirely a *credit system*, consistent with the design of the credit system built into the U.S. Constitution. All monetarism is *cancelled!* The only honor, is the honorable debt, which can be converted to a debt in a *credit system*. And the world will operate under an international credit system based on cooperation, on a fixed-exchange-rate system, among credit systems of nations of the world. We will, then, generate, in the range of 1.5-2% basic long-term loans, among nations, based on credit systems. These loans will be directed, largely, to the driver of technological progress in basic economic infrastructure.

Looking 50 Years Ahead: We're Going to Mars

Let me shift this: What do you do, when you want to develop a society? Do you build from the bottom up? Not really. Animals build from the bottom up, like beavers. And beavers are good for beavers—but I'm not a beaver. I don't do this underwater thing, too well. I get cold, you know?

Anyway, what we do, is we simply take, and go to a space program. Why? Because, if you want to accomplish something, in progress, you have to mobilize yourself, by going to a higher platform than you're standing on, now. Go beyond—go in the imagination,

beyond what you think you should be doing now, and go to a higher level. Because, remember: Progress is building something for the future. So, to build for the future, you have to define the future. You have to define your destination. Building for the future, you're talking about generations, generally, at least two generations. You're talking about 50 years ahead.

So, look at the horizon, where do we want to be 50 years from now? In terms of technology, in terms of effects for humanity? People can understand 50 years, it's a short time. Some people live 50 years; even these days, it's a short time. So, look 50 years ahead.

Well, I say, 50 years ahead, we're going to be on Mars. And we define where we are today, by defining the objectives we have to fulfill to get to Mars, 50 years from now. Because this means—for example, technology. You can send junk to Mars; you can send equipment to Mars; you can send robots to Mars. But, can you send people? Because, in going there—we're talking about 200 days or so forth, that order of magnitude of travel—you're going to put somebody out in zero gravity, or nearly zero gravity, for the better part of a year? You think you're going to get living people at the other end, at the other depot that you're going toward? No. So you have to think about a gravitational magnetic-field environment. You have to create an artificial environment of gravitation.

Now when you take a person inside a spacecraft, at a constant rate of acceleration/deceleration, and you are trying to move them from one planet to another, or the outskirts of one planet to the outskirts of another, you have to have a magnetic field, and you have to have a gravitational field. You are now in a phase which Einstein defined as relativity. When you are riding in a craft which is doing that, you are in a relativistic environment, not in the ordinary kind of environment, because they've got constant acceleration, constant deceleration. Now, to send people safely to Mars, you've got to think in those terms.

Now, what I've said does not solve all the problems. We have people, left over from 40 years ago, who are thinking in this direction, and even some people who were still thinking in that direction in the early 1980s, as I was, and before. Now, 40 years later, a younger generation has no knowledge of this, or virtually no knowledge of this, and yet, this younger generation, people who are now in their 20s and 30s, young 30s, are the people who are going to have to decide on this, because they are the adult generation which is going to decide on this thing.

We, therefore, as a nation, and a people, and among nations, have to see this objective that we are going to reach within 50 years, now. We're going to then think about the technologies that will get us there, and we're going to think about the technologies that we are going to need when we arrive!

So, our job is to adopt arrangements like that. That means that we've got to abandon environmentalism, which is a form of insanity. It's a killer; it's mass murder. If you don't develop the economy, do not develop technology, you're not going to be able to sustain the population. If you can't sustain the population, you're going to kill them, aren't you?

So therefore, you always have to go to the newer technologies which are needed to enable you to provide the conditions of life required. In general, the way we measure this scientifically is what is called energy-flux-density. That is, take how many calories, for example, of power, or watts of power, are you transmitting, per cross-sectional unit of one centimeter, per second? That's your measure.

Now, as we diminish the natural resources of the planet in concentration, we have not diminished the natural resources of the planet; we've diminished the concentration. Because we take the richest resources and we use them up first, because they're the most advantageous to use. But the ocean is full of the minerals. The greatest concentration of minerals on this planet, available to mankind, is in the oceans! But it's not very economical to try to gather all this stuff from these oceans—not now. So we have to increase our energy-flux-density, where we can increase the productive power of mankind, so that the individual is more powerful now than before, and this is the basis for improving productivity.

- Go Ahead, with Optimism! -

So, we have to move ahead, think about technologies, think about the technology of the future, develop a population that can deal with these technologies, and *go ahead, with optimism*.

In the old days, a grandfather would take his grandson out to a project which he had participated in building. And he would say to this grandson: "I built this for you to use." The sense of immortality which is the sense of morality in human beings, which is absent in the animals, is always like that.

Why are you living? For what you get out of life? What is it you get out of life? Are you living for what you are going to embody in your grandchildren, their descendants, and the future of the nation? Do you take pride in devoting your life to some purpose which future generations will enjoy? Do you have a sense of participation in the future, of an *earned* participation in the future, because you are contributing to its existence?

That's what we are. That's what we are as American people, when we are normally ourselves. That's what we used to be like, before these recent developments. We used to think about what we were contributing to our grandchildren. We used to be joyous about seeing our grandchildren, and seeing that we had contributed something to make life better for them than it had been for us. We look back at previous generations in our country, and we think of people who were able to do that, of the great advances in humanity.

And the worst problem of this President is: He has no morality. He has no commitment to people and their descendants. He has no commitment to the future of humanity.

All great people, like people in warfare, have been willing to surrender their lives for the sake of the benefit of coming generations, when they thought that was necessary. They did not think of losing something because they lost their life. Yes, losing their life is

losing their life. But they did think morally of losing something, because they had sacrificed their lives for the sake of coming generations.

Most parents, in former times, sacrificed much of their lives for the sake of their children and grandchildren. And they rejoiced in what they saw in the result, when they were old. And they thought of people, of their own ancestors, who had died. And they thought generously of them, because they recognized what they had given to them, and desired to be as good in the eyes of their descendants, as they saw their predecessors, in their own eyes. It is this sense of immortality, that despite we die in the flesh, we must be immortal in the spirit. And the spirit must decide what our duty is, not the flesh. We maintain the flesh, so the spirit may function. And we organize society based on great principles, which go to that point.

We have a junk heap. If we don't do something soon, this country is going to go to chaos. It may end up in a bloody dictatorship. It may end up in a planetary dark age. The way we are going, all those evils are things we now deserve for our negligence.

We have to take this President, and straighten him out. We have to get him to fire everybody associated with his health-care policies. Dump them out of that Administration *now*. Dump every policy of that type out of the Administration *now*. *Purge it of evil!* And turn the responsibility for the Administration over to those institutions of government which include those members of Congress who have developed a better sense of *shame* than they have shown so far. And by those members of government now, who are in power, who will freely and happily change the policies of this government in the direction needed.

And, as long as I am here, I am going to help them do it.

Dialogue with LaRouche

- An Irreplaceable Loss -

Freeman: Before we go on to the questions and answers, I wanted to say a couple of things. Certainly, since our last webcast, we have won many victories. I think that in the minds of certainly everyone in Washington, and in the minds of most people across the United States, there would have been no opposition to this Nazi health-care policy, were it not for what Lyn initiated back in the early part of this year. And there are other victories that I can point to.

But at the same tune, certainly in the month of July, we suffered an irreplaceable loss. And I want to recognize that, here, before an international audience. I think probably most people are aware of the fact that we lost a key leader of our international movement just a few weeks ago, when Susan Schlinger passed away.

It was a very difficult and devastating loss, for those who knew her. And it is a devastating loss for the movement. Susan is irreplaceable. And it was one of those moments, where I think for many of us, especially for people who know Susan, and

know her husband Harley, who is my counterpart, as Lyn's spokesman on the West Coast, we found ourselves in a situation where you wanted to say something, but you just couldn't think what to say. I mean, I gave up being a poet a long time ago. There was nothing that I could say that seemed adequate to the loss that had occurred.

And then, last week, at an event in Houston, to celebrate Susan's life, Lyn solved the problem for all of us, when, in his remarks, Lyn said that somewhere, 60 light-years from now, Susan Schlanger is being born. And I think that, rather than approaching this question in any other way, it was both scientifically, philosophically, and emotionally the best possible way to approach this, and it certainly provides a point of optimism. And something to look forward to.

And so, with that said, I do also want to acknowledge some of the audiences that are gathered around the world, participating in this event.

To our south, in Mexico, the LaRouche Youth Movement is hosting showings of the webcast in three cities in Sonora: in the State's capital, Hermosillo; in Ciudad Obregon, where the Pro-PLHINO Committee is at work; and also in the port city of Guaymas; as well as in Mexico City.

In Argentina, the LYM [LaRouche Youth Movement] is holding a cadre school this weekend in Buenos Aires, and they are watching the webcast. There is also an extensive network of LaRouche supporters throughout the South of the country, who have been mobilizing all week to watch this.

In Bolivia, students at various universities have been organized to watch the webcast at the German-Bolivian Higher Technological Institute, in Cochabamba.

In Ecuador, students of the Technical University of Cotopaxi are watching. And for the first time, certainly that I know of, we have an organized showing of this webcast in Haiti.

There are many other audiences that are gathered around the world, and I know that they'll forgive me for not going through all of them.

Which Side of the Barricades is the U.S. On?

Now, I am going to start with a couple of international questions, before I move on to the questions from American institutions. I have one question from Russia, and one question from a Russian diplomat in the United States.

In prefacing this Russian question, it comes as a result of blog discussions that went on in Russia this week, based LaRouche's warning of a New Dark Age, and the need to put the entire system through bankruptcy organization. That online debate was identified as one of the top ten Russian blog discussions on July 30. It absolutely dominated the Internet.

The question that was generated by those who participated in that, is as follows:

"Dear Mr. LaRouche: In your speeches, you accuse British imperialism, and justly so, as the main opponent of the implementation of your plan for introducing a new monetary system, by, for one thing, fixing the exchange rates of national currencies. We think that's a wonderful idea. But the question that has to arise is this: 'Which side of the barricade is official Washington on, in this matter? Don't you think it might be a mistake to consider the U.S.A. as an ally in this difficult solution? How can the potential of a U.S. veto be overcome in solving this problem? Especially, since you hold that the problem can not be solved without the participation of the U.S., don't we face a vicious circle?' "

LaRouche: Well, the answer comes in real history, that if the United States does not change its policy from that of the present President, there's not going to be a civilization, nor a United States, either. You have to realize the depth of the problem; that first of all, most of the world economy, even though the United States has declined in its productive power since the middle of the 1960s, but especially since the closing period of the 1970s—despite this decline, which has accelerated greatly since 1989, the United States is still, has been the greatest source of credit, directly and indirectly, for the world economy.

You see this if you imagine the effect of taking the U.S. dollar and throwing it into the garbage can. And take the effect on China and other countries, of a collapse of the dollar. Because most of these countries have claims against the U.S. dollar. If the dollar becomes worthless, what are those claims worth? The credit of most countries depends upon those margins of credit, which depend upon stability of the U.S. dollar. The system has been built up that way.

Recently you've had some nations who've tried to get away from that, and say, "Well, we don't need the dollar anymore." They're crazy. Take the case of China. If the value of the dollar collapses, what happens to the economy of China? If the economy of China collapses, *what happens around the world?* How many countries depend upon China? How many countries in Europe depend upon the Chinese market?

So, the problem here is, we don't have a choice.

Now, my view is, the United States—the present U.S. government—is not going to survive. Not under Obama, not under the present Obama policy. We are talking about a general chain-reaction collapse of the entire world monetary-financial system by about October—a collapse which can result, in two ways, in disintegration by the end of August or the beginning of September. You see, everybody knows, of course, now, that the system is going to collapse in October. Anyone who is in an official position and says they don't know that, is lying to you, or they're clinically insane. In the one case you've got to ban them from public commerce, and in the other case, you've got to put them in an institution where they can be taken care of.

So, we're not talking about the future. We're saying, the Obama Administration, *which is now collapsing, in its authority*, and the rate of collapse is going to accelerate rapidly!

When those folks out there in the various towns, and communities, and states, receive their Washington representative "*back home,*" *they're going to lynch him,* or threaten to! At that point, you're going to find that Obama, who has been going into net *negative curves at an accelerating rate, precisely because of this!*

You can get some jerk, who is a member of Congress, to go along with genocide! They've got hammered in Washington, and they will actually vote, and put their thumbprint on a bill which authorizes *genocide* against American people! They're doing it! In these committees, they're doing it! These members of Congress are voting for genocide. And trying to pretend they are not. But they are.

When they get back home, *wow!* They're going to hide from their constituencies. They're going to retire to a different state, where they are not known, and can not be singled out. "What are you?" "Well, I'm a ... I'm a retired plumber." These guys are not going to be happy campers, when they go back for camping season.

So the point is, we're dealing with a very short-term thing.

The problem is, people think academically. We're living in a climate of liberalism. That's known as a disease, in case you didn't know that. They don't believe in truth. They say, "Yes, but. Yes, but." Like two goats, saying, "Yes, but." They're foolish people. But politicians are all tied into this gossip, this "We know." "We agree." "We are respectable people." "We know how to get along with each other." It's disgusting. It's company manners, in the worst kinds of conditions. It's like a Jewish guy trying to have company manners with Adolf Hitler. It's just not very appetizing.

This is the situation.

- A Principle of Culture -

Let me take one other thing, let's take it more fundamentally. Most people have no understanding of real politics, or real history. And the two lacks of understanding are closely interrelated. That history, as Shelley defines it, for culture generally, and as Gottfried Leibniz defined it in the 1690s, for physical science, is based upon a principle which he called *dynamis*. It's a principle of culture.

Now, if you look at yourselves carefully, if each of you, from different nations, for example, out there, look at yourselves in terms of your national context; you will recognize that your opinions are not based on your independent opinion. Very rarely. Very rarely, in the course of history of any nation, does the typical individual act on the basis of individual true judgment. They act on the basis of trying to fit into a standard of culture, a dynamic standard of culture, in which they fit in.

"Yes, I'm one." "I'm this." "I'm this." "I believe this." "Yes, of course I agree!" "Yes, this, of course, yes."

In other words, most people do not think honestly. They think of going along to get along—which is the official motto of the U.S. Congress. "*Go along to get along.*" That's morality. We have to go along with our colleagues, and the way they're behaving in Washington, which enrages their constituents. And if they have any brains, and some do, nobody's going to enrage their constituency back home. Intelligent politicians know, that what they believe in Washington, will get them killed back in the hometown.

What people operate on is public opinion (or public opinion, in some cases). They operate on that basis; they are not independent thinkers. They call themselves independent thinkers, because they are independent of thinking. But the basic thing, people think of "our culture." "We think..." "We think..." When you hear somebody say "We think," you know they're not thinking. They're going along with whatever they are trying to express as identifying them. "I'm a member of this club." "I'm in good standing in this club." "I go to this church."

"What do you believe?"

"Well, I go to this church."

"Where's your church?"

"I forgot."

It's a big fakery. Only a rare minority of independent thinkers actually exist in any society to date. They're extremely rare.

People are in a *dynamic* system, where the relations determine the part, not the part the relations. It is not the individual who shapes public opinion. It is public opinion—or public opinion—which shapes the individual's opinion. Like tastes in sex, for example: public opinion. Exactly. Precisely.

This is what Shelley points out in the remarkable concluding section, and especially, the concluding paragraph, of his "Defence of Poetry." There, he puts it in a favorable light, saying that many people of his time, who agree with this great cultural upsurge (of which the United States' development was specific), were good. Not because they themselves were good; they themselves were not good. But because the culture, or the cultural influence which influenced their environment caused them to respond positively to good things, to good values.

But, on the other hand, when the tide turned, as under the impact of the Napoleonic wars, and so forth, then, the great period of culture in Europe, which coincided with the American Revolution, suddenly was reversed.

Suddenly, all these nations which had admired the American Revolution, and supported it, and made its success possible, had shifted into the other direction, through the impact of the French Revolution, and its horrors, and things that followed.

So, you'll find that there are tides in the course of history. The secret of all great Classical drama, is: Don't place too much attention on independent opinion. People who talk about independent opinion usually disgust me, because they're not honest. They don't have any independent opinion. They are appendages of somebody else's opinion.

We're in that kind of period. We're now in a period where the members of Congress behave like idiots, in the main. Except for Republicans who find it opportune not to be Democrats. A Republican is a person who doesn't want to be lynched as a Democrat. It's what's happening these days.

So you have these moods that swing. And people say they are thinking independently: "We think." "We think." "We think." "We think," is often group-think, or grope-think. It's not real.

So we're now in a time, where the population out there, to which these traitors to humanity are attached—the Representatives—are *enraged*, at what they see happening in Washington. In Washington, the Representatives are controlled by the social environment of Washington. They're controlled by group-think, or grope-think. When they get back home, suddenly they're in a different environment. Their constituency wants to lynch them.

So, this is the reality; it's a reality of revolutions, it's a reality of war, it's a reality of politics on a grand scale. Individual opinion is much overrated, as a force of history, and its durability is also highly overrated. People change, like Peter, thrice. And that's the way it happens.

So, now we're in a period where the existing system of the world, what was deemed inevitable yesterday—and people are still thinking of it as "inevitable." "How do we deal with this inevitable trend?" It's not inevitable, buddy. When you see that over one-third of the U.S. households in this country are threatened with *death*, as a result of the policies, the economic policies, let alone the health-care policies, of this President, how much longer do you think he's going to stay in office? You're headed for this moment, this coming Autumn, this late Summer, for the greatest upheaval in known history, in one form or the other.

Either we change the policies and get out of this mess, or you're going to see the darkest of dark ages ever recorded. Under these circumstances, you can expect that some people may arise to the occasion. And among people in leading positions in Russia, in China, and India, and some other smaller countries, I suspect that very soon, the common contempt for the current President of the United States is going to cause a lot of people to do very serious re-thinking. I'm playing, in devoting everything in my commitment to what is needed, *now*. I'm acting on what is needed now, because if what I'm going to do, and doing, doesn't work, don't ask me about the result.

Russia Sees 'Mixed Signals' from U.S. Administration

Freeman: The next question is from a ranking Russian diplomat who's posted here in the United States, and he says, "Dr. LaRouche, I gave considerable thought as to whether this should be asked publicly or privately; and after some discussion with my colleagues, I decided to ask it publicly. Certainly the inauguration of this new Administration, of you Americans, brought a certain sense of optimism. But, since your President's very first trip to Europe, specifically to London, we've experienced a series of mixed signals that we'd like your thoughts on.

On the one hand, our government's work with your Secretary of State, whom we like very much, holds the promise of being very productive, not only for our two nations, but for the rest of the world, particularly, as our two great nations work together to foster development in areas of the world where it is greatly needed.

But other high officials of your government express a very different, and often an arrogant, if not explicitly hostile and provocative, point of view. We are not new at this game, and we understand what you Americans call the "carrot and stick" approach. But this appears to us to be something more than that.

So, the question is, how do we respond?

Yes, we have received assurances of an intended partnership from Mrs. Clinton, and we trust that this is honestly her approach. But our question is: Is it also the view of the Oval Office? If it is not, then the question is, how much leeway does Mrs. Clinton actually have? Can she continue her work and also remain in her post?

LaRouche: Well, you have two aspects to this government in Washington.

First of all, our system of government—because we are a Presidential system—is not based entirely on the personality of the President or his ideas. Especially in our better times, we are very much a system, a Presidential system. Something you don't have in Europe. You may have some semblance of it in Russia now, but you don't have it in Europe, generally. In Europe, you have parliamentary systems, and parliamentary systems are not very good systems. They are relics of feudalism. It's a compromise with feudalism.

For example, take the German constitution, the *Grundgesetz* [Basic Law]. There are aspects of the *Grundgesetz* which are highly commendable in terms of the principle expressed in that particular article of the constitution, but you don't have the kind of coherence of a national principle that you have in the case of the U.S. Federal Constitution. You look at the similar thing in Europe generally. You don't have the idea of a constitution, as we have it in the United States.

Our Constitution was built from the ground up. It was built up by a new nation, yes, of Europeans largely; it was based on European culture, it was not based on the European oligarchical tradition. The problem in Europe is that the constitutions are based on the European oligarchical tradition, a tradition which is very close to monetarism. In our case, we, instead of adopting certain precepts, formulations, like contracts—our

Constitution is not contract law. European constitutions tend to be contract law, not *natural* law. Our conception of law, of constitutional law, is natural law. What is the natural requirement of human beings, and what is the distinction among the requirements because of national cultures. The nation-state is necessary, because only a people that is sharing the same culture in depth, down to the child and to the poorest, as well as the richest and best informed. Only that can be the basis for a national development.

Therefore, we require sovereign nation-states in order to bring forth the best result from a national culture, from the participants in a national culture. But otherwise, the idea of a constitution should be common to all people, should be a common principle, such as the Westphalian principle¹—which has been rejected by Europe now, as a result of the Tony Blair obscenity. Tony Blair decreed from Chicago that that principle is dead, and they're acting like that. We're now back to heathen nonsense.

But at the same time, we of different nations and different constitutions, or so-called constitutions, have an underlying common interest and common principle, which is that of mankind: the distinction of mankind from the beast. We have a sense of community, we have a sense of national culture, and we protect national culture, because it's that which binds us more immediately together. But we also seek a commonality of a *higher* constitution, which we hope is reflected in our respective constitutions: our commitment to the *nature* of humanity, the destiny of humanity, and the participation of each nation in contributing to that common destiny of humanity.

So, now, we are in a period where we're under the control of a certain dynamic which is largely London. The government of the United States is run from London right now. The President of the United States is a puppet of British interests.

- Do Americans Wish To Survive? -

For example, let's take the Nazi health-care law, which Obama's been desperately trying to put through. It's exactly the same law that we hung people for in Nuremberg, for their health-care policy. And retroactively, President Obama should be hung, at a Nuremberg trial, for what he has advocated now, since he's advocated the same *crime* for which we killed people, in judgment, at Nuremberg! Shouldn't he be hung today? I mean, that's the morality of this thing. *This guy has no right to this policy!* His policy is *evil*, and insofar as he adheres to that policy, he is being evil. It's like the guy who's a nice guy who commits a mass murder. He may be a nice guy, but he committed a mass murder. A little bit of a contradiction there.

So the case here is, the future lies not with a tendency expressed by an individual. As I said yesterday when I was a guest at a meeting of the Chinese Embassy, on this occasion, the essential relationship between China and the United States, or Russia and the United States, or, in turn, China and Russia, which do not otherwise always agree, but the essential agreement has to be an intention among the nation-states to live together, and to cooperate together.

Now, the question here is: Are the people of the United States, despite this wretch we have as a President—despite that crowd of criminals, of Nazi-like criminals which he has as his health-care advisors—can the United States adhere, still, to its honor in relationship to other nations? Do the people of the United States wish to survive? *Will they rise up now, in the month of August, and threaten to lynch those members of Congress who have shown undue sympathy for the proposed legislation and rules of President Obama?*

The trend is now, that Obama's becoming more and more hated. There are still some people foolishly devoted to him, but the number of people who downright hate him, and want him out of there, is greatly increasing by the day. This guy is not popular, and his policies are not going to work. The disaster is going to increase, the rate of hatred of this President is going to accelerate during the coming weeks. What he's done is threaten a crime against—how many people has he threatened to hurt, even to kill, with his proposed policies, which he's fanatically dedicated to? This guy's not going to be around for long.

So, the question is, what do we do? What we do—don't worry about just the policy; it's important, but don't worry about it. What we do is we adhere to a commitment, as I suggested to my Chinese interlocutors yesterday: a commitment to a relationship among nation-states, as a people. We recognize that we have interests in a good relationship with the people of another nation, and several other nations, and therefore, we base ourselves on that commitment to good relations.

Take, for example, Obamanation now. We call it "Obamanation." Take the case of the war in Afghanistan. This President is criminally insane about this situation in Afghanistan. There is *no good reason* for engaging U.S. troops in a war in Afghanistan. That is criminal! It's a repetition of every kind of crime that's been committed in the name of war in recent times by the United States. The general in charge is competently incompetent. That is, he's competent in doing what he does, but what he does shouldn't be done. Get him out of there, and get the troops out of there! There is no reason why the United States should be engaged in warfare in Afghanistan! None! And any competent military officer of the United States knows that. Any competent diplomat of the United States knows that.

But this crazy fanatic, this idiot, this President, wants to have this war that somebody talked him into, because the British want him to do it. He's a British puppet. He put his arms around this little, silly Queen. His wife pinched the butt, I guess, of this silly little Queen. And he had the greatest genocidalist of the planet, Prince Philip, out there gawking around, and he's in the same atmosphere. You want to talk about a guy who's comparable to Adolf Hitler-plus—here's this guy: World Wildlife Fund. He's an example of what wildlife can really become.

And the President is cohabiting with this bunch of filth. Not a very good President. A big mistake. But after all, the British own him. They paid for him. They paid for his Presidency. They organized his Presidency. They funded it! They own him! We don't own him. We should give him back to them. Tell him to get out of here. Exactly where

were you born, Mr. President? Are you Mr. President? I mean, considering where you might have been born, are you Mr. President? Some people are asking that question in some institutions.

So, the point is, we have to understand that our commitment lies not in relations between individuals. Our relationship is our human commitment to organizing this planet in a reasonable way. The question of the survival of civilization depends upon the relationship among four states, who do not always agree with each other on many questions. These are the United States, Russia, China, and India. This is not to exclude other nations, but we need a powerful bloc of four nations, powerful enough to force the changes which must occur on this planet right now, and anybody who's intelligent, in the United States or Russia or China or India, is going to recognize that. You might find that the tendency is to recognize that, the instinctive tendency.

You want to talk to other people? Sometimes you talk to them as diplomat to diplomat. That's all right. But more important is to talk to them as people to people, and particularly people in positions of influence. Can you say to them and look them in the eye, "We have a common interest, which we have to protect. An interest in common, which we must protect." Can you say that? Can you recognize that we depend, for our future, on that interest in common? Can we get nose to nose, and negotiate, not in terms of technicalities, but are we committed, nose to nose, to the common benefit of our nations, for the sake of all humanity? If we can say that, we can correct our mistakes and adjust our policy.

The question is often, in diplomacy, as you know—the questioner—you have to get behind the diplomats, and get beyond the diplomats, or the diplomatic level. You have to sometimes get off in a room someplace, and just discuss quietly, "What do we think is the real interest of humanity? And how does that interest of humanity affect the way we should talk to each other, and our people should think about each other?" And then, take *that* discussion back to the place of diplomacy, and shape diplomacy by that understanding, not by technicalities.

Are we committed to live with one another? Are we committed to promote a better planet? Can we respect one another in this kind of relationship? Nose to nose, person to person, someone devoted to their own country, talking to a person in another country devoted to their own country. Can we, somehow, by getting together, being knowledgeable people from our respective countries, can we say, "What does our nation require of each other?" And start from there.

Then, get back to the diplomacy. Don't start from the technicalities of diplomacy, in this detail and that detail. Go right to the core of the matter. *What is the future of humanity? What is our relationship to the future of humanity? What must it be?* And start from there. And I'm confident that *that's the only way to go*.

Whether it works or not is not within our power to predetermine, but that's the way we have to *seek* to go, and there's no other way we should *seek* to go, than that.

- Real Culture: The Four Powers -

Freeman: This question comes from an American. She's a former Cabinet member of a previous Administration, and she is currently an outside advisor, although her days may be numbered, with this Administration.

She says, "Lyn, earlier this week, as you know, extensive talks took place in Washington between the United States and China, and I had the opportunity to participate in those. Understandably, as America's largest creditor, the Chinese asked us some very direct questions. Now, I should mention that those questions were posed in what was probably a less than ideal climate for the Chinese. President Obama had opened the talks with an unnecessary, and, I thought, arrogant slap, at China's human rights record. Also, there was widespread criticism in the American and British press, and elsewhere, complaining that the Chinese were spending far too much money on infrastructure, and not nearly enough money on building consumer markets in their own country. But even with that backdrop, I was surprised and frankly disturbed, by the extent of what seemed to be China's acceptance of assurances delivered by Tim Geithner and Mr. Orszag on the 'recovery' that is currently going on in the United States."

She asks, "What is your assessment of this? Do the Chinese understand the unsustainability of this policy, or is it possible that they have bought into an ideology that worships this mountain of worthless paper?"

LaRouche: Well, you know, there's a trend in Chinese culture which some of us are more or less acquainted with—I would say perfectly acquainted with—as in other cultures. We, in the United States, under liberal influences, don't know how to think anymore. And in China, the great philosophical currents that we know of in China, think in the opposite way to what typical Americans think today. The typical American today thinks from today on, and says, "Tomorrow is tomorrow." Or if they're really far-sighted, they think two days ahead, or next week's paycheck, or whatever. Something like that. They think by increments, because they are, the Americans are conditioned to be behaviorists, and behaviorists are degenerates, as you see in the case of our President, who's a behaviorist. He's a degenerate because he's a behaviorist.

And if you read Adam Smith, particularly the relevant section of the third chapter of his book, relevant book—not the *Wealth of Nations*—the 1759 book, *Theory of Moral Sentiments*, then you recognize exactly what the problem is, and you recognize the degeneracy, the personal moral degeneracy of his key advisors, that is, Orszag, Summers, the whole behaviorist crowd, is exactly that. They are essentially fascists in intent. They think like Hitler's people do. They have a different flavor, they speak it in a different language. It's essentially British fascism, that of Adam Smith.

And therefore, since you don't believe—as he emphasizes, Adam Smith does—they don't believe that there's a knowledgeable accountability for the future in human behavior, but you're only supposed to react in the short term. The Americans, to the extent that they're brainwashed in universities and other places, with this behaviorist outlook, this radically reductionist outlook takes over, that they're not capable of competent thinking,

or they can only think competently by scaring the pants off them. Take away all their toys, and tell them, "I've taken away all your toys, now what are you going to play with?" Unfortunately, they'll tell you what they're going to do, but—.

But, in the case of a real culture, like the culture of China, among serious thinkers in Chinese culture—and I think the Chinese government tries to adopt, as much as possible, the serious thinkers of its history in its own cultural outlook—you think about the future. The Chinese keep talking about centuries to come, at least the great thinkers do, the important ones with whom I'm impressed, and therefore, they will tend to think: Well, here's the United States. We've got this lump up there—it's called the President. We're trying to get along with him, we're trying to get something workable here, because we realize there's something that has to be, a relationship between the two states.

Now, the immediate question here is, the money that the United States owes to China, and that China's concern is, is that money that's owed to China by the United States going to be paid? Now, since China has just gone through a collapse of its international market, export market; this is extremely important. So, China does not want to get into a fight over this issue, and I wouldn't encourage China to get into a fight over this issue.

I would encourage China, "Look, you want to talk to me as American? Count on me. Because I know my Americans. I know them better than they know themselves. And under certain conditions they're going to revolt and they're going to agree with you." That is, the Americans are going to agree with the Chinese, and the Chinese are going to agree with the Americans, because they're going to agree on the importance of a people-to-people cooperation.

Look, imagine China: It's a big nation. It has a relationship to Russia, it has a relationship to India. They don't really agree. I mean, Russia and China can cooperate, but there's not really any stable, natural agreement there. India? India and China are constantly negotiating, trying to minimize any conflict, for mutual interest. Russia and China try to cooperate. India and China try to cooperate. But they're Asian countries, and here they are in proximity to each other, with all these kinds of conflicts, or conflict-related issues among them—as with other nations, relations to smaller nations around them—and then they look across the waters at the United States.

What China needs, as Russia needs, and as India needs: They need the United States! Because the United States, existentially, is not a neighbor, and therefore, if you have all these neighbors are coming together, with the United States, *then* you have the basis for a global agreement. And you have a basis for defining a common interest, which is higher than any individual conflict relations among the nations considered allies. So, the Chinese who think, will recognize the importance of the United States, as eliminating one of the major problems, one of the major problems of the region, in Asia, is the relations among Russia, China, and India. It's paralyzed. Therefore, if the United States is a factor, at a time that Western and Central Europe are absolutely useless for this purpose, this is the natural interest of China. And the natural interest of the United States.

That debt, of the United States to China, is the pivot of this agreement. Because it depends upon that agreement. And thus, that agreement among Russia, China, and India, and the United States, is crucial. *It must occur*. If you want a future history of this planet, *that must occur*. And that's the way you have to look at it. Forget the other kinds of questions.

- Looking Ahead to the Future -

Now, on the economic side of this thing: What we require—and I think I would, were I President right now, or did I have a President who I thought was sane, I would suggest again, as I said today earlier, the space program.

The first thing we want to put on the agenda, as the spice, the flavoring, on this, is the question of the space program. I want an agreement among Russia, China, India, and the United States, on Mars. Not on territory on Mars! There are some people I would like to send as an advance guard to Mars right now. I think our President ought to take a diplomatic trip to Mars, and see if he could survive it!

But no, you see, because, again, we're talking about the best thinking in China, what we have from China. China's always talking about looking ahead to the future. Policy, Chinese government, always that. I like to look to the future too. We have people in Russia who like to look to the future, particularly in the Academy of Sciences, and things like that. Some people in India like to look to the future—like Tilak did, for example, Bal Gangadhar Tilak.

So, we want to have an agreement on the future. What's the future? The future is: What are we going to do about Mars? Not, how are we going to carve it up, but how are we going to get human beings there, and back, safely, alive.

Now, that's going to take a science-driver program, which is easy to conceive of, because we already had that kind of thing in the space program earlier. So, revive it. Refine it. Now, let's come to an agreement on what our objectives are. You can't define all the terms, but the objectives. And we're going to have a committee, which will constantly look at the list of the questions. We're going to look at the existing space program. We're going to think about how we have to overhaul it, for this purpose. And we're going to talk to human beings, for at least 50 years—that's two generations today. People who are living today. People who are young adults today, will still be living 50 years from now. We're going to talk about that. What are we going to do, between now and 50 years from now? What direction are we going to take? What's our technology? What do we need to do?

And we're going to base our entire economic development, on looking at everything from that standpoint. We'll say: We are in the generation which is going to go to Mars. We're going to solve the problem of relativistic travel, by human beings, in well-controlled magnetic fields and gravitational fields. We're going to travel that distance, ascent and descent, to Mars.

We're going to develop advanced colonies there. And this is going to be mankind, by going into a 1-gravity relationship, in travel of human beings between two points in the Solar System, we're going to change the definition of the meaning of the term "mankind." We now think of mankind as Earthlings. People stuck on Earth. Can't get out of the place. People can go on a honeymoon, but you can't get to Mars. (I don't know if they have honeymoons any more. I haven't checked recently. I think they have more informal relations these days.)

But, in any case, you're going to define a relationship of yourself to the future, and for your children and the future. So, we have to think—the development that has to occur in China, and in Russia, for example, in Siberia, particularly, we're talking about really a 50-year cycle of primary development, just to get the thing going. China's development in 50 years, minimum.

So, when we're talking about a space program, we're talking about the kind of technological progress, environment of technological progress, which is going to carry us to that destination. We have to change the thinking, get out of this thing about arguing about what's going on next door, who's cooking what meal tomorrow morning, and get into something a little bit more serious.

And when we agree on the long term, we are then talking about, what? We're talking about our grandchildren—our children and our grandchildren. We're talking about our relationship, our future relationship, of our children and our grandchildren, among nations, based on a common mission, with a common destiny.

Then, come back to the negotiating table. Then come back to all your economic agreements. *Now*, look at them with this inspiration in mind. And that's the way we've got to approach this.

Another thing: We've got all these idiots—I know we're fussing with these idiots in Washington, the idiots in the Obama Administration—we know it's doomed. Look, it's finished. Obama's not going to be around much longer. He's garbage, he's waste material. When a man says, he has the policies of an Adolf Hitler on health care, as Obama has made it absolutely clear, this man is not fit for any public office. And his existence is really a blot on the escutcheon of any nation. He's an embarrassment. And think of him, as Mr. Embarrassment, not Mr. President, and then you've got it about right.

So, in this case, let's not get too upset about Obama. He's already upsetting enough. Let's think about his retirement. And let's concentrate on what we are going to do, very subversively, on behalf of humanity, against his shenanigans.

- Build Infrastructure, Not Paper Mountains -

Freeman: This is a question from the chairman of one of the subcommittees of the Stanford group, who says: "Mr. LaRouche, using the Triple Curve to analyze the U.S. economy, has made very clear to us, that the current crisis has been at least 40 years in

the making. All of our studies indicate that, basically, the U.S. economy has been in a state of uninterrupted decline, since approximately 1966, maybe 1967, at the latest. We base that—and you should correct us if we were wrong—but we base that on the fact that it was at that point, that the rate at which we were losing infrastructure, was greater than the rate at which we were replacing infrastructure.

"This has not only persisted, but has accelerated. It's obviously been masked by the fact that, especially in the aftermath of the events of the 1970-1971, we've seen a breathtaking acceleration of the growth of the mountain of paper. I could go into greater detail about our study, but, I understand we'll have more opportunity to discuss this in the Fall. Suffice it to say that we've concluded—and I admit that it has been with great reluctance, that we've done so—that this current system cannot be fixed.

"As much as we stressed over this, the next part of what we face is a greater challenge. We do recognize that there is no valid mathematical approach to crafting a new architecture. Unfortunately for us, that throws several decades of theoretical work in macroeconomics down the chute, but"—well, at least they've got a sense of humor—"be that as it may, can you speak a little bit about the methodological, or philosophical, issues that govern a monetary versus a credit system? Because my fear is that, unless we're crystal clear on that aspect of the difference, as opposed to simply the technical differences, we're in danger of screwing up any new architecture that we attempt to craft."

LaRouche: We have two very important examples of how to think about this, technologically. Or three, actually. Because you have the case of the Ecole Polytechnique in France, which was a successor to the great revolution which occurred in France under Jean-Baptiste Colbert, and the military revolution which occurred in the beginning of the 18th Century, in building the fortifications such as Belfort and so forth, in France in that period. So, that was a precedent for this.

The major driver was in France, and, actually, from the 16th Century, into the 19th Century, France was the main driver of science in all European civilization. This was a result, actually, of the impact, in particular, of Charlemagne, in the remoter period; in the development of the canal and road system of France, throughout Europe. The navigable water system, which was finally completed, I think it was the year 1992—when the final link between the Danube and the Rhine was made. It was postponed until then. But the entire development of the internal development of that territory of Europe—which was the territory of Charlemagne—was a result of that one development.

This was also, if you go back to Charlemagne, you go back to the census of Charlemagne, which was the beginning of the idea of modern economy. All these kinds of considerations.

But then, you have this development then. What you had, then, the French development was crucial for the United States, despite Louis XIV, and despite similar kinds of problems. Because it was French *science*, as a most direct connection, largely through the effect of the Treaty of Westphalia, but earlier—going back to Louis XI. The beginning

of science, after Charlemagne, was by Louis XI. The first modern nation-state, France, was created under Louis XI's direction.

The second modern nation-state, that of Henry VII, was created under the influence of Louis XI, and so you have the development of modern economy, modern technology, came from these two centers, primarily. Other countries had their technology—the great work of some great scientists as well—but the essential driver was this.

So this is the natural way, in which we have succeeded, as European culture, in developing the economy. It's basic economic infrastructure, which is inseparable from the idea of discovery of scientific principle.

This is the kind of thing we do in the Basement, this sort of thing. It's research, and related things. Exactly like that. And you go for the development of the mind, and the idea of how to develop the territory.

For example, now: We have very poor industrial production capabilities left in the United States. The destruction of the remains of the auto industry is a national catastrophe. My approach has been, especially since 2005, when we went with this program, was to convert the auto industry from the automobile industry, to a machine-tool-driven industry, taking the same locations that we produced autos in, and taking areas that—we don't need so many automobiles. We've got too many automobiles. We need more mass transportation, and we need more decentralization of population and production. And fewer automobiles, and less use of them. We need effective mass transportation.

So, let's take mass transportation, water systems. We never developed the Missouri. We never developed the northern Mississippi. The Ohio system is collapsing. We've never developed the water systems in the Western plains. Look at the Ogallala aquifer. The land is *sinking*, because of the water depletion. So, we need more power. We need nuclear power. Nothing less will do. We can use natural gas—or unnatural gas, synthesized from water—as a local fuel, for vehicles and that sort of thing. We should use that as a fuel for aircraft—it's much better than the other fuels we have nowadays.

We need, again, the river systems. We need mass transit systems, we need new rail systems, for short term. We need magnetic levitation systems, for the long term. Not only for passengers, but for freight. High-value freight must be transported efficiently. You cannot transport it by boat. You've got to get it there on time. Otherwise the expense of keeping it in motion, for production, is too high.

So, there are many things we can do, which would immediately employ the same facilities, the same floor space, the same communities, which are producing automobiles, could be reorganized to produce many other things, which Detroit used to be used to. Airplanes. All kinds of things. River systems. This auto industry was an area of technology in World War II which produced almost everything that could be produced. So, therefore we *do* need a new mass transit system. We do need these other things.

So, in the meantime, what we're doing is, we're *saving* the productive potential, and minds, of people, who are otherwise being laid off, and destitute. We're maintaining the communities, as viable communities, which germinate things, including good education for local citizens. Do this. We'll get back to big manufacturing of products later on. We'll get by. But the main thing is to keep our people employed, right now. Keep them productively employed and skilled.

Look, we're shutting down schools! The schools are already bad, they're worse all the time, over the past 40 years. But we're shutting them down now, in chaos.

So, the basic investment will be in building up the infrastructural base for economy and production, which we need for the future of mankind. That will keep us busy. That means that the investment that we're making, in these physical investments, will not be wasted. What we're doing now is make-work. It's waste. Do this. And that should be our orientation. And we have to think in 50-year terms. We have to think in terms of the lifespan, of the life cycle, of infrastructural development, which means we have to have a high-rate driver.

What we need is a 1.5 to 2% long-term Federal government credit system. We can do that the minute we put this system into bankruptcy. The day after we put the present banking system through bankruptcy reorganization, according to a Glass-Steagall standard, and the minute we go to my proposal for a Homeowners and Bank Protection system, and stop this expulsion of people from their homes, we will then go back to a stable situation, from which we can launch, a pad from which we can launch further things, And the pad will be largely infrastructure. We will be using every skill that's relevant for the infrastructure we need. We will be investing over a 50-year span, we'll be extending credit at 1.5 to 2% interest cost, as Federal credit, supplied through banks and through public institutions, to invest in building up this kind of thing.

It's going to take us 50 years, to get to a point where we can say, "Ah, we solved the problem." But, in the meantime, in the process of solving the problem, we will *live*, and we will progress, and we will maintain our essential optimism. That's the way to look at it. We can do it. We have to regulate money. We have to regulate a lot of things.

You know, one thing we can do: We can shut down all of Wall Street. We don't need it!

- Time To Bring Back Lincoln's Greenbacks? -

Freeman: The next question is a long one, but that's because I've kind of mushed together four questions, all of which are from various segments of the Stanford group, and all of which address the overall question of the replacing of the Federal Reserve with a National Bank, and how it would function:

"Mr. LaRouche, as you may know, on July 9, with reference to proposals for an audit of the Fed, Prof. James Galbraith gave testimony, in which he went through the history of some of the constitutional questions involved. And he pointed out that the

constitutionality of the Fed was actually challenged by the chairman of the House Financial Services Committee in the 1970s, Congressman Henry Reuss [D-Wisc.].

"The issue that Reuss posed back then, was whether the voting status of the Federal Reserve bank presidents on the Federal Open Market Committee, violated the appointment clause of the Constitution. But, unfortunately neither Reuss, nor Sen. [Donald] Riegel, who brought the lawsuit, could establish standing. And, ultimately, several years later, when Senator Baucus did establish standing, in a similar case, the Supreme Court denied *cert* in the matter. So the issue was never tested in court.

"Nevertheless, it was Professor Galbraith's opinion, that Reuss was right on the merits, that the FOMC is a constitutional anomaly, whose voting members are not duly constituted officers of the U.S., as the Constitution requires.

"Now, during the past year, this same Fed has flooded the streets of America with money, distributing trillions of dollars to banks, financial markets, and commercial interests, all supposedly in an attempt to revive the credit system and get the economy going. As a result, the awesome authority that this strange institution has, has suddenly become visible to many ordinary Americans, for the very first time.

"People, and in some cases even politicians, are shocked, confused, and angered by what they see. And they're starting to ask some questions, for which they're not getting satisfactory answers. Like: Where did the Fed get all the money it's handing out? Answer: Basically, they printed it, out of thin air.

"Question: Who told the Fed governors they could do this? Answer: Nobody. Not Congress or the President. The Fed alone, among government agencies, does not submit its budget to Congress for authorization and appropriation. It raises its own money, and sets its own priorities.

"Going through this, we concluded that this might be a good time to dismantle the Fed.

"You can call it what you want—democratizing the Fed, tearing down the Fed, or simply creating, in its place, a National Bank that actually is accountable to the public, but, more importantly, accountable to the general welfare of the nation. The obstacles to this are obviously formidable. Tampering with the Fed is politically taboo, but the current crisis has demonstrated that the present arrangement no longer works, if, in fact, it ever did, for the public interest.

"From our standpoint, a reconstituted Fed can be called whatever you want to call it, and it could even have presidentially appointed governors, confirmed by Congress. *But*, we would demand that it submit to the usual standards of transparency, public scrutiny, etc. But, far more importantly, that it would be directed to concentrate on one simple purpose, and that is: making monetary policy and controlling credit expansion to produce economic growth, and stable money.

"According to our deliberations, it would give Congress an opening to reclaim their authority in this important matter. It may sound far-fetched, and there is no question that some will scream that this is a recipe for inflationary disaster. But from our studies, this is what the Constitution prescribes: 'The Congress shall have the power to coin money, and regulate the value thereof.' It does *not* grant that power to the President, to the Treasury Secretary, and certainly not to a central bank.

"During the course of your last webcast, someone brought up the question of the greenbacks that Abraham Lincoln printed to fight the Civil War. I was appalled to see an article in the *Wall Street Journal*, the following week, that said that, essentially, what Bernanke was doing, was using the Fed's money-creation power in the same way that Lincoln did.

"Let me just clarify this, and make sure we all agree: Lincoln was faced with rising costs, and shrinking revenues, because of the war. The President, under those conditions, authorized the issuance of a national currency, the greenback, that had no backing in gold reserves, and therefore, outraged orthodox thinking at the time. But the fact is, that the greenbacks worked. They expanded the money supply; the expanded money supply paid for the war mobilization, and it kept the economy going. Lincoln won the war, by relying on 'the full faith and credit of the people.'

"That's not what Bernanke is doing.

"If Congress chooses to take charge of its constitutional duty, it could similarly use greenback currency, created by the Federal Reserve, if you want, as a legitimate channel for financing important public projects, like sorely needed improvements in the nation's infrastructure. This has to be done carefully and responsibly, and presumably these greenbacks, if you will, would be used only for projects that truly benefit the entire nation.

"But here's an example, as we envision it, of how it would work, and we want your opinion on whether this is in line with what you're saying. President Obama has announced his goal of building a high-speed rail system, and of course, the United States is the only advanced-sector country that doesn't have one. The trouble is, that Obama only budgeted \$8 billion for the project! Spain, by comparison, has commissioned more than \$100 billion to its 15-year railroad-building project. So, given the vast shortcomings in U.S. infrastructure overall, it doesn't take a genius to figure out that we will never catch up with the backlog, through this kind of taxing and borrowing.

"Our proposal, is that Congress should create a stand-alone development fund, for long-term capital investment projects. This would require the long-sought reform of the Federal budget, which makes no distinction between current operating spending, and long-term investment. The Fed would continue to create money, only as needed by the physical economy. What that means, is that, instead of injecting this money into the banking system, it would go directly to the capital investment fund, earmarked by Congress, for special projects of great urgency.

"The idea of direct financing for infrastructure has been proposed before. Ironically, Transportation Secretary Ray LaHood co-sponsored legislation along these lines ten years ago, when he was a Republican Congressman from Illinois.

"Therefore, instead of borrowing the money, for instance, to pay for the new rail system, the government financing would draw on the public's money-creation process, just as Lincoln did. The bankers will howl, for good reason. They obviously profit enormously from the present system, and they share in the money-creation process."

And then he goes into this whole big discussion of how that works. He says:

"The direct financing approach that we are proposing, would not halt the banking industry's role in allocating new credit, since the newly created money would still wind up in banks as deposits. But the government would now decide how to allocate new credit to preferred public projects, rather than let private banks make all the decisions for us, which is happening now.

"Congress is a human institution, and it is unquestionably fallible. Yes, mistakes will be made. And we considered that in making this proposal; but also, in making this proposal, we also asked the question: Could they possibly do any worse than these guys have done thus far?] "Is this thinking in line with what you are proposing, and if it's not, would you please correct us?"

Declare the Fed Bankrupt: Establish the Third National Bank

LaRouche: First of all, I think we're going to have to recognize that the Federal Reserve System is, by any appropriate approach, bankrupt. It is a private corporation, which was created, unfortunately, by the U.S. government, in a certain manner of speaking, under Woodrow Wilson. It is bankrupt. *Who is going to pay those debts?* All this money issued, is a debt. All this utterance is a debt. Who is supposed to pay? Who contracted to pay that debt?

I know that the Federal Reserve system is bankrupt. It covers up for its bankruptcy by printing money. This reminds me of Germany in 1923, doesn't it? Therefore, look, the point is, the United States has to have the guts to declare the Federal Reserve System bankrupt. That's the way to get at it. It is bankrupt, and let it prove that it has assets, to cover this utterance. If not, we put it into bankruptcy.

What we do is, we simply get rid of it by bankruptcy. Just take it off the books. It's bankrupt; it took itself off the books, by going bankrupt. Easiest way of skinning that cat.

Now, then what we're going to have to do is, we're going to have to develop the Third National Bank of the United States. And what we will do with that, is essentially assigned to the Treasury, but it's not an extension of the Treasury otherwise. It has a relationship to the Treasury, by being authorized, but a Third National Bank, exactly as Hamilton prescribed for the first National Bank. And we will take a little carefully

guarded barbed-wire, etc., thing, down in the basement of the Third National Bank, and inside will be the remains the Federal Reserve System. Held in captivity for purposes of audit only.

And that's the way to get rid of it. Because we have to manage, you see, we have to manage the relationship which the Federal Reserve System has established with the chartered banks of the states, and the national banks. We have to rescue those.

Now, we're going to do that: How? By a Glass-Steagall kind of clean-up act, of all these banks. We're going to have to create credit to keep these banks—many of which are bankrupt, but are essential to communities—functioning. We're going to have to use these banks, saving them, as a way of generating the distribution of credit, to maintain an economic recovery.

Now, we have then this private-public relationship, and how do we deal with that? Also with international accounts? We deal with that through a National Bank. So we use the National Bank as a facility to promote things.

What we also need are projects conceived in the form of the Tennessee Valley Authority. Now, that's an ideal thing, because it had a primary purpose, but it also had a lot of other things that went with it, to fulfill its primary purpose. So, what we need is a national transportation development plan, under some name, which essentially takes care of this railroad-maglev system, and takes care, as the Tennessee Valley Authority did, of all the things that are auxiliary to that system.

For example, I had conceptions back in my old consulting days, back in the 1950s, on the reorganization of the Pennsylvania and New York Central Railroads—they were going to be merged in a crazy way, and I got all heated up over that thing, and wanted to merge them in a way which would take part of the old B&O system, and the whole area in Jersey, and realize we have a problem of getting transportation from the New York area, to Chicago, overnight. And the problem was, the train could do it much more effectively and cheaply, but you had to sort the thing out. The classification management problem was great.

So, I wanted to pick up the auxiliary services to make sure—because we could organize efficiently, through warehousing and other devices in, say, the northern Jersey area, which was a pivot then.

Remember, New York City's problem was the fact that it was deindustrialized. New York City died because it did not have the revenues to carry itself, in its operation, because it was deindustrialized. So, if we reindustrialize the area—and we don't have to have smoke all over the place, we don't have to have filth all over the place, we can use now new, modern technology, like nuclear technology—and we can take the New York area and keep the people who are industrially skilled in that, industries in that, instead of having just plain poor people, working through garbage barrels; we have something that functions.

Well, we need a transportation system which will assist that. And we have to recognize the reason that you couldn't get to Chicago, from New York, was because of this handling problem. So, if you dealt with that problem, you could then easily get from Chicago to New York, and New York to Chicago, more cheaply by rail, improved rail, than you could by truck. The truck thing was a menace. And a long-haul truck is a waste of time. You drive people more and more cheaply, they die at the wheel, or whatever—it's crazy, the trucking system. It's insane!

We need a national transportation system, which is oriented to an agro-industrial mission. We need to get a situation nationally, so that we don't have super-industries.

Look, in this area, for example, people commute into the Washington area for two hours, two hours and a half, each way, under [impossible] traffic conditions. This is insane! Because we concentrated employment in such a way, as to create this condition. Under normal conditions in the United States, in the 20th Century, your commuting time to and from work was about 15 minutes, at most, half an hour. We now have two hours, two and a half hours, in this area, and similar things in other areas.

The effect of that on family life, is monstrous, particularly when you have two members, adult members of the household, maintaining a family with children—what the hell is the result of having a two and a half hours transport each way, every day? Are you human?

We destroyed the entire development of the western United States. We concentrated everything in a few areas. We congested them with automobile traffic, instead of efficient mass transportation systems. We should have decentralized. We shouldn't have built such big, giant, oversized corporations; we should have built smaller units, distributed in various parts of the country, in the rational way we used to approach this.

So, we need a national development program, which is based on this function of transportation, which means also building the water system, the NAWAPA [North American Water and Power Alliance] water system, and other things, because we have a real problem with water supplies in the western states. We're going to have a food supply problem. We're destroying agriculture. We're destroying the industrial-agricultural relationship, with globalization, and other kinds of insanity.

So, what we need for this period, is national mission orientations, of the type that Roosevelt used, and Henry Wallace used. We know, those kind of approaches, to take the infrastructure development of the nation, thinking of it as a living economy, and thinking about it as a place where people live, and work, and have homes, and have schools, and have medical facilities. And think of that, and say, we need a national transportation reorganization plan, for the United States.

We have a vast territory, relatively speaking, and we should just go back and develop it. And the way to start, is with your transportation grid, knowing where you're going, and the transportation grid is coupled with your water problem, the water-management problem, both for traffic and for water management. And building up the aquifers in

areas where they're being destroyed. And taking advantage of that. Forestation, instead of greening. A tree is worth much more than grass! Up to 10% of the solar radiation used by a tree is incorporated in the tree. The grass? One or two percent. So you want to have more trees. You want to have a reforestation program for areas. You want a development territory. All of this comes under the question of transportation. And we need probably a national transportation project, like a national space program, or an international space program. And these kinds of programs will drive us, as long as we have a *future* orientation, in the direction we want to go in.

We have to think about two generations from now. You young guys: What are your grandchildren going to look like? What kind of life are they going to have? Who's going to get to Mars first? Who's going to be able to get back?

- Emergency Legislation To Rescue the States -

Freeman: We have a huge number of questions from state legislators, talking about the fiscal crisis, state by state. I will give those questions to Lyn—there's absolutely no way that we're going to be able to entertain those questions here. But, there's a broader question and a proposal, that comes from one of these standing committees advising Obama, that I think is worth asking. And they say:

"Mr. LaRouche, recently in considering the states' fiscal collapse, we got a report from the Center on Budget and Policy Priorities, and had a lengthy discussion following their report. As you know, the states, unlike the Federal government, are not permitted to run current budget deficits. So, in a deep crisis, as we are in now, when tax receipts collapse, their only choice is to cut program spending and raise taxes. Both are, of course, rather perverse in a crisis like this one, since they only further undercut the standard of living of an already suffering populace.

"As the new fiscal year begins, every state, save two, is in a position where it is being forced to raise taxes and fees, lay off workers, and reduce programs. A full 48 states face bankruptcy. Some of the state budget crisis is self-inflicted, as in the death dance that we've all been witness to, by California Gov. Arnold Schwarzenegger. But, unfortunately, California is not alone in this.

"Massachusetts has a liberal governor, but they just hiked the sales tax by 25%. A total of 24 other states have enacted tax increases, and another 12 all have tax hikes on their agenda, and are in special session now. Federal aid, under the stimulus package, covers less than 30% of the projected state shortfall, which currently is \$350 billion. Thirty-nine states have cut program outlays to the needy. Several states are cutting out Summer school. We could go on and on.

"It seems to us, that rebuilding a banking system that serves the real economy is challenging, but this part is not. Washington is the one part of our government with the capacity to run deficits. Our solution—and we believe that it must be done immediately—is for Congress to pass an emergency revenue-sharing law, giving the states another \$150 billion immediately. They can impose the policy under what they

call "maintenance of effort," that's fine. But the fact is, that something has to be done, and it has to be done today.

"The stimulus money is mostly unspent because of various bureaucratic hurdles at all levels of government. It seems to us, that this approach would break through all the red tape, and all of the problems. It certainly would not solve the broader questions that we're trying to address, but it would at least alleviate the immediate suffering of people who have absolutely no idea how they're going to survive.

"Do you think that this is a sound approach?"

LaRouche: We'd say this is absolutely an urgent approach, if we're looking at things in reality. It will solve, temporarily, a major crisis, a major bottleneck. And it has to be done immediately. I think we put this under the category of emergency legislation. Because all it requires is an act of Congress, and demand that it be implemented by the first of September, and put on the agenda. This should be an urgent, high priority.

Because what you have, is you have a regressive increase in local taxation, which will only aggravate the problem, in all of these states, all these states in the target zone. Since the Federal government created the damn mess, the Federal government ought to contribute something to solve it! The states didn't create this situation—the Federal government did.

But again, this means: we have to put the present system into bankruptcy reorganization, and go back to my proposed legislation, back in 2007, the Homeowners and Bank Protection Act. We have to implement that as national law, immediately. In that context, this legislation, just proposed, here, should be on the list of emergency legislation, in order to prevent chaos in the states.

Look, we have a problem. If we do not do the things I've indicated, you are going to have riots, and riotous conditions throughout the United States. The United States will become ungovernable, and somebody will try to set up a dictatorship. We have to act now. Don't worry about Obama. Just call him "O-bumma." He is on the way out. He's either going to be a captive, under adult supervision in the White House, or he's going to be *out*. And that's going to be demanded—you will find that by early September, the desire to have Obama impeached will be unquenchable.

The Best Solution to the Foreclosure Crisis: HBPA

Freeman: The next question directly addresses the failure to implement the HBPA. It says:

"Mr. LaRouche, when the Obama Administration took office, they basically continued the Bush Administration's program of voluntarily loan modification. They sweetened the deal by paying banks to reduce the principal or interest, spending approximately \$75 billion for the banks—which is money, by the way, that in our estimate, should have gone directly to homeowners. But, with the most distressed mortgages having been

converted to securities, and the banks that collect the payments not wishing to get sued, the program is, quite frankly, a bust. Even the Treasury says, that only 50,000 mortgages, give or take, have been modified, but that's out of several million, at immediate risk of foreclosure.

"Treasury keeps telling Congress to wait a few months, to let the program kick in. But, according to our study on this, the program is actually going backward. Out of a sample of 3.5 million subprime and Alt-A mortgages..."

Alt-A mortgages are undocumented mortgages that are known as liar-loans—that's what I have; that's what you all have too, I know. What he says, is that if you take the 3.5 million loans that fit into this category—3.5 million is the number that are handled by five of the nation's biggest lenders; there are apparently a lot more than that. But what he is saying, is that:

"Out of the 3.5 million, 23,749 were modified in February, but only 19,041 in May, and then only 18,078 in June.

"Meanwhile, foreclosures, right now, in progress, are over 844,000. The consequence of this failure is a continuing downward spiral of more vacant homes, continuing declines in property values and home equity, depressed home construction, and incredible stresses on homeowners, who spend every penny of disposable income to try to stay in their houses.

"There is nothing other than a Roosevelt-scale mortgage-refinancing program, with one goal, to keep people from losing their homes, that we believe is acceptable. Our proposal is the following: 1) When a bank forecloses, according to their own figures, they lose 63% of the loan value. Therefore, what we are proposing, is to freeze foreclosures, and then reduce the monthly payment of the homeowner by 63%. It establishes a fair value. The bank wouldn't get any more by foreclosing, so they have no right to complain. And it allows people to stay in their homes.

"It's not the HBPA, but it is a direct government intervention to address what is otherwise a full-scale catastrophe. Do you view this as a workable proposal?"

LaRouche: It's one of those situations where you've got legislation which does solve the problem, which is the HBPA. That is, it dovetails into the whole reconstruction program. And I think the HBPA is an easier project; I think it can be revived much more easily than this kind of thing, and this would cover it. And we'd just make it retroactive. Say it should have been done. It was proposed, it should have been done. And you can probably blackmail some people in the Congress to accept that. I think now, because you've got the lynch mobs out looking for these guys, these Congressmen, I think under these conditions, they're going to tend to be more malleable.

Cancel the HMOs! Back to Hill-Burton

Freeman: This question comes from one of the three committees in the House of Representatives that was laboring over the health-care legislation, and the Congressman's representative asks:

"The fact of the matter is that there has been a huge amount of time and energy [spent] debating various aspects of this legislation, all 1,000 pages of it. Undoubtedly, the medical review board aspect is completely unacceptable, and I agree with you, it is a Nazi policy. But beyond that, even the aspects of the bill that we are fighting for—for instance, the public option—is indeed, completely unworkable. And, in the way that this is currently being discussed, the fact is, that the public plan, or the public option, would end up as a dumping ground for the sicker and more expensive citizen. And if that happens, obviously, then what you'll get is a turnaround, in which everyone says, 'Oh, you see, this was a bad idea; you can't have a public option, you can't provide for people, etc.'

"The fact is that we can debate this endlessly, but I think we have to accept the fact that this bill was never intended to provide adequate health care for the vast majority of the U.S. population. The fact is, that the debate itself is becoming increasingly ludicrous. Our proposal—and I cannot promise you that we will raise this in September, especially given all of the time that has been put into this—but our proposal is to step forward, and basically say, in the most diplomatic terms possible, that this bill is a piece of crap. And it doesn't work. And it won't work. That it can't work. That solving the health-care crisis, really, is not that complicated, despite what everyone says. That the only thing that is workable, that is affordable, and that is just, is to adopt a simple program of Medicare for all Americans. I don't see why it wouldn't work. It would cost a lot less than any of the proposals on the table, and it would not require the withholding of care from any American.

"What are your thoughts on this?"

LaRouche: It's fairly simple. We'd simply cancel the HMO legislation, and go back to a complete national policy we had before, Hill-Burton. And provide for funding for implementation of Hill-Burton. If you go to building up the medical institutions of the United States, as we did under Hill-Burton, with those kinds of numbers and objectives, that should be what we do. That's the first thing.

Cancel the HMOs. The HMO was a piece of fascist legislation. It wasn't as violent and as fascist as Obama is—this guy's off the wall—but it was a sneak-in fascist reform, which was to take the insurance companies, and let the insurance companies milk the sick.

So, go back to Hill-Burton. It's cheaper. I know: I had some experience with the general hospital system before it existed. We had general hospitals in the military, and I did some time in serving on a ward and so forth in one of these hospitals. The system is far more efficient, than any of this.

Anytime you put in a turnstile, where you have to put coins in a turnstile to get some place, you have lowered efficiency. What you do, is, you have an institution which has

the capacity to deal with the problems, which Hill-Burton allowed for. Hill-Burton is the model. Which is based on the experience of the United States, especially, in the postwar period, on the basis of what we did in the military: We had about 17 million people, in service, in the U.S. military, during World War II—17 million people. We serviced this population, with a system, a health-care system, which essentially was the same thing, in respect to the soldier, as Hill-Burton. Hill-Burton was already in gestation, before it became a national legislation, in that period.

The problem is building back to that, because we don't have the staff any more, we don't have the philosophy. We have some residue of it. Take the whole thing, and *shut down HMOs!* Take the insurance companies out! Get rid of the insurance companies! We don't need them! They're only looting the sick, that's all.

And it's part of a genocide program. It's the first stepping-stone, on which the Nazi health-care policy of President Obama is based! The Nazi crime policy, *crime against humanity policy*, of the Obama Administration. So, ban Obama! Tell him to keep away from hospitals: He might get a disease. Or maybe he has one already.

So that's the way to go at it. You need a national Hill-Burton restoration. The way you get that, is, you go back and you *kill* the HMO legislation. You kill everything that pertains to that. You put the insurance companies under scrutiny *for fraud!* Fraudulent practices! And they *are* fraudulent. Even though they were done under law, because the intent, the purpose served, is, in the judgment of honest people, *fraudulent!* Just because something is legal, doesn't mean it's good. Like some of the Hitler laws—they were legal, but they weren't good. Like Obama law: It's legal, but no damned good!

That's the way I think we have to approach this. And whatever is required, to *fund* that kind of program, a restoration of Hill-Burton, applying Hill-Burton philosophy of government responsibility, on each county, on each county level. You've got to watch this cutting down of number of hospitals. Each county has to be covered, because people get sick in their county, and they have to travel, if they're sick, sometimes in an emergency. It has to be in the county! Or accessible to the county, as a county operation.

In that case, what we have to do, is rebuild our system, in terms of technology. Again, we have to go to the future. We have a larger world population; we have new diseases; we have all kinds of requirements, which require a *future orientation* of medicine. And that's what we should put our effort into: the future. The future. We have to keep people alive, who are valuable, who are dying on us.

Obama doesn't understand that. See, Obama has no conception of the value of a human being. He doesn't know that human beings are essential, that they contribute something. They develop—but their health, their minds, are important. Human beings are the most valuable thing on this planet. The more of them, the better, if they're developed. So make sure they're developed. Take care of them.

Every time someone dies, something within them dies. They can't contribute any more. You have sicknesses where people deteriorate; they don't function, mentally and

otherwise, because of lack of the proper medical attention, or development of the techniques to deal with that. We lose minds. We lose skills. It's wrong.

So we have to have a future orientation, as I say, in everything: You need to think at least 50 years ahead. And the test of whether you're sane or not, is whether you have thought competently 50 years ahead. And under these conditions, you take something like the health-care problem: We've got to think 50 years ahead.

For example, let's take the question of space problems. We had more technology developed by the space program, about 10 cents for every penny we put into it, in terms of that. We have to think about, starting from 50 years ahead, science, space medicine, and look at what we're doing, putting man in space. If we take the question, of what is required to keep a human being safely in flight, in space, in that kind of environment, under constant gravity, a relativistic condition of life, in terms of magnetic and gravitational conditions; and think about, facing that kind of thing, that will take us to the edge, the frontier edge of where medicine should go today, where medical care should go today, and science should go today.

So we need a future orientation applied to a Hill-Burton philosophy, in terms of county-by-county accountability. And that's what we should pay for, and nothing else.

Freeman: This question comes from someone in Washington, who's associated with one of the think tanks, and is also a writer for one of the major national magazines. And she says:

"Mr. LaRouche, I have to say, that when you first said that Obama's health-care policy was a Nazi policy, I was startled; I couldn't see the wisdom of it; and every time I walked through the streets of D.C. and saw your organizers out there with those signs of Obama with the Hitler moustache, I winced. But, the fact of the matter is, that just last week, in a discussion, I was given a copy of an article written by Zeke Emanuel, that was published in *The Lancet*.

"I should say, that a week prior to that, when I read Mr. [Peter] Singer's article in the *New York Times*, I was appalled, and I found the article morally reprehensible; but it was nothing by comparison to this piece by Zeke Emanuel. And the fact is, that there is no possible way, that he could raise the excuse that this was a past policy, since the article appeared in the Jan. 31, 2009 issue of *The Lancet*. I tried to get my editor to print a hot link to this article. He refused. And I'd like to take this opportunity to ask you, to please make it available on your website. If you can't print the article, then *please* print a link to it, because I think it is indispensable for people to understand the nature of this administration.

"Around the same time that I took up this issue, I was appalled to find out that John Holdren has taken the position of White House science czar. As a journalist in Washington, I should have known this. The fact is, I didn't; it went right past me. For people who are not familiar with Mr. Holdren, let me just say that in the 1970s, he was not only a protégé of the crazy Professor [Paul] Ehrlich and his wife, but he also

coauthored a textbook that discussed *coercive population control*. At the time, I was not someone who could have been called a feminist. Yet, I was so horrified by what he was proposing, that I became active in the feminist movement, to try to fight these policies of coercive population control. It also came to my attention, later on, that Holdren was a participant, in some way, in the authorship of National Security Study Memorandum 200, which is now rather famous.

"My question for you is this: Fine, this guy got in under the radar. I missed it, and so did a lot of others. But my position is that the fact that he was a proponent of coercive population control, should disqualify him, as a serious voice on science. I work for a liberal magazine. I'm a liberal; I admit it! My friends think that I have lost my mind, but I find this absolutely appalling, and I think that other progressive groups have got to take this up. It is morally reprehensible, and it seems to me, to prove the point that you made several months ago, that this health policy had Nazi elements to it, and that in fact, it was not a mistake."

LaRouche: It's obvious! *He* was a mistake! Holdren is a mistake. And somehow the birth control thing got whacked up, and he got born.

Find Your Identity in the Future of Humanity

Freeman: This is the last question; this is a question from Argentina:

"Mr. LaRouche, I am a 21-year-old single mother, and also a student at the university, halfway through my program of studies. I've been reading your work for approximately three years, and I see no other ideas or projects that will get us off the inclined plane on which we find ourselves, and which unfortunately appears to be endless.

"My question to you is this: What do we do, to transmit to the majority of the world's youth, who only live in the present—and do so very badly—the idea that they have a concrete, real, and effective future, based only on cultivating the creative abilities of their minds?

"Thank you."

LaRouche: I think, fairly simply, after what I've said, in this direction already today, here, is that—let's take the space program. We need to get at the heart of these matters, in an exemplary way, and an exemplary way should also be a highly practicable way. I think the objective—see, it involves a concept, of a change in the image of what man is. When you go to constant acceleration, as a required modality, in flight of a human being from one planet to another, you're operating in a completely new kind of domain, the domain of the relativistic relations, relativistic transport. And this is a great challenge: Because you have to think about when you're getting out of a 1-gravity situation on Earth, into this kind of artificial gravity, you are in a relativistic environment. Your definition, your terms of thinking about the same old things you knew before, are now presented in a new way.

The human race, eventually, has to live in the universe; we have to live in the Solar System; we have to live in the galaxy, in the longer term. We have to face the challenge that that represents. See, you have think like an immortal person: that is, to think in such terms that you are thinking about mankind in the distant future, and you're thinking about your place in relationship to mankind, in the distant future, and even distant planets. Because you're looking for something in yourself, which has permanent value. We're all mortal. We're born and we die. But we're not animals. We're creatively thinking creatures. And the meaning of our life does not lie in our biological existence as such. It lies in the meaning for humanity, before us and after us, in what our lives have contributed to the existence of humanity as a whole. We have to see ourselves as human, in that way. And therefore, the best way, the practical way, is always to look ahead, to look as far ahead as you can look, into the future, and see what it is you must do for the future, so that your hand is at the tiller, long after you're dead, in that way.

And obviously, if you're going to chart a course, you have to chart a *good* choice of course. So, pick one! Pick a destiny! Pick a destiny, two generations, three generations, four generations beyond your life today! Try to reach that far. Try to make something, that you do something, that contributes to the *future* of humanity! Find your identity in the future of humanity, after death; commit the kind of acts and kind of development that mean that. And act accordingly: Because *that is the secret of true happiness. That is the "pursuit of happiness," as understood by Leibniz*, as recorded in his second reply to Locke, which became the cornerstone of our Constitution, through, first, the Declaration of Independence, where it is the meaning of our existence as a nation, and was reflected again, in the Preamble of the Constitution, in its own way.

We have to be immortal. We have to be immortal, by assuming immortal responsibility. Reach beyond our own life, to what we can do now, which will touch in a beneficial way, generations of people after we're dead. In that way, you know, you're immortal. If you *think like that*, you know you are immortal. If you can *act like that*, you do even better.

Freeman: There isn't anything else to say. You've been a great audience. Thank you. And go make history.

LaRouche: Thank you.