ONE YEAR LATER

LaRouche
POLITICAL ACTION COMMITTEE

suggested contribution $5
Lyndon LaRouche delivered this address to an audience in Washington, D.C., on July 22; it was simultaneously carried on the Internet at www.larouchepac.com, the website of the LaRouche Political Action Committee. LaRouche's opening remarks were followed by more than two hours of discussion, moderated by his national spokeswoman, Debra Freeman.

Debra Freeman: I think many of you gathered here, and many of you who are listening via the Internet are aware, it is ironically the exact anniversary of a similar presentation that Mr. LaRouche gave, here in Washington, in which he declared, without any reservation, that the collapse was not “about to occur,” but that it, in fact, was ongoing. When Mr. LaRouche said that, people felt that it was a radical statement, that it was, perhaps, hyperbole, that perhaps it was a metaphor that was declared for effect. Yet, here we are, a year later; None of the solutions that Mr. LaRouche put on the table one year ago, were adopted.

And look at where we are right now: Over the course of the last week, we’ve seen the failure of one major bank. Today, every American woke up to the nervous jitters of losses posted by Wachovia, which I believe is now this nation’s largest bank. And, in the words of many of our nation’s top economists, what we are in the throes of right now, is the beginning of the end.

At the same time, we’re in a Presidential campaign, where the two apparent nominees, don’t really have very much to say about the economy. John McCain, the Republican, says that economics was never really his “strong point.” And in the case of Barack Obama, his actions since early June are inexplicable even to those who are closest to him. And in fact, many are referring to him, these days, as the Manchurian Candidate—despite the fact that he seems to have virtually every ethnic ingredient in his background but Chinese. Although, who knows?

However, it is with this backdrop, that Mr. LaRouche, once again, comes to this podium, once again with clear proposals to avoid complete social chaos. And perhaps now, with ruling circles in the United States, and in Europe, with far greater appetites for those solutions than they had a year ago.

There are more things that I could say. And there are more things that will be said, during the course of today’s proceedings. But I know that I’m very anxious to hear what Mr. LaRouche has to say; I believe that you are as well. So, Ladies and Gentlemen, please join me in welcoming Lyndon LaRouche.

Lyndon LaRouche: Thank you. Thank you.

The first thing to settle, is that the present international monetary-financial system will die, and will never recover. This system is finished. The only possibility that exists now, is to create a replacement system, based on the principles of the founding of the U.S. economic system, with the founding of the actual Constitutional government, as defined under, particularly, Alexander Hamilton. And if you don’t understand, and agree, with Alexander Hamilton, it’s like saying, there is no future for you.

Now, last year, I proposed, in steps, three specific remedies, which are not cures to the problem, but are absolutely necessary to be put into place immediately, then, and even more so, now. These three remedies—without that, there’s no future for the United States and no future for the world. We’re not looking at a depression. We’re looking at what is called a general breakdown crisis. That is, where money goes out of existence—it’s no longer really negotiable. So-called financial assets don’t exist. Everything evaporates, in a worse crisis than the type that occurred during the middle of 14th-Century Europe, which was called a New Dark Age. A period in which half the parishes of Europe disappeared, and one-third of the total population. It was not until a half-century later, with the Renaissance, that there was the beginning of a recovery of civilization, and that was almost a miracle.

What we face today, is a crisis which is very similar, under admittedly different historical circumstances, than that of Europe’s 14th Century: It’s much worse, but of the same type. And without a miraculous solution, a dramatic solution—not reforms—but a dramatic, complete solution!—a new system: Without putting a new system, of the proper design, into effect immediately—not by experi-
menting back and forth, but by putting the system in, with foreknowledge and according to prescription: Without those measures, there is no possibility that civilization will survive, as civilization. Mankind would survive. After a vast depopulation of the planet, probably as much as the 3.5 billion people that Al Gore and Prince Philip of England, want eliminated.

Remember, that Al Gore is a stooge for Prince Philip. Al Gore is like Aaron Burr: Both were once Vice President of the United States. Both were traitors to the United States, on behalf of the British monarchy. And the Prince has demanded that the human population drop, from 6.5 billion presently, to less than 2 billion—and that, in short order. Al Gore’s entire career is devoted to that end, and he is a flunky of Prince Philip. He is a British agent, like Aaron Burr, the traitor. Gore is implicitly a traitor. And he is trying to run for President of the United States, as soon as Obama drops. That’s his big ambition, or his true ambition.

There Will Be No Foreclosures

Now, what I propose, is to review what I proposed a year ago, in steps: First of all, that all regular banks be put into bankruptcy protection, by the Federal government. This means they will not close their doors. This means that there will be a restriction on which of their accounts will be paid; the rest will be frozen. At the same time, there will be no evictions of householders because of mortgage default. They will remain in their homes under conditions which are acceptable conditions, and they will continue to function under bankruptcy protection. There will be no foreclosures. There must be no more foreclosures, except in the ordinary case, where there should be anyway, because people are leaving or so forth. But where people intend to stay in their homes, there should be no foreclosures. We can have foreclosures on things which are, in a sense, held out for rent, but not for occupancy.

That’s number 1. The idea is, the first thing you have to do, is you have to save the people. And the people, in general, live in homes.

We’re not going to have communities shut down, which means that the local bank on which the community depends for its functioning, will not be closed; the doors will remain open. This, however, is only for certain banks, for banks which are banks of deposit, and chartered under the Federal government and the state governments, as depository institutions which engage in lending.

So therefore, the first thing was the Homeowners and Bank Protection Act. That was necessary. It was presented, it was presented actively around the country. It was blocked. It was blocked by the Democratic Party leadership. Blocked by the same people who presumably were enthusiastic, until the recent time, for Barack Obama.

So we see the result. We see that the foreclosures are now moving in. Communities are being shut down. And the banks are closing, like Wachovia and others—Wachovia’s a piece of junk, but it also does regular banking, and it gobbled up a lot of small banks. And therefore, we have a threat to the continued functioning of communities in which people live. That is, even if we keep them in their homes, the jobs on which they depend to stay in their homes, are going away, because the banks which are involved with these jobs, are being closed. The rate of bank foreclosures across the Atlantic, and around the world, is beyond imagination.

That’s the first measure. It wasn’t done. A year has passed since I proposed that. It hasn’t been done! Even though towns and city organizations, and state organizations, have proposed that it be done: It has not been done!
The Congress of the United States, under the leadership of Nancy Pelosi, has blocked this, absolutely. And she’s on the wrong side. She should get on another side—outside.

**We Need a Two-Tier Credit System**

Nothing has been done, to protect the banks. What’s happened? Let’s take a recent case in this vicinity: Bank of America, Countrywide. Bank of America was told to absorb a dead corpse inside its body, Countrywide. We have been destroying banks that should have been saved, by putting the bomb inside them, in order to support institutions which are not worth saving, and should have been allowed to die, because they’re of no use to the community! We don’t need those mortgages! Those mortgages are a problem! We don’t need these things. That wasn’t done.

So, I had two other proposals, which I put forth during the course of those months: First of the two, we must have a two-tier credit system. Now, I don’t know if Hank Paulson has the knowledge, or guts, to take this up. I’m not sure he has the knowledge involved. He probably will have an inclination or a wish to do something in that direction. But so far, he’s done nothing. He’s a half-competent person, but not fully competent—he’s the Secretary of the Treasury. And I don’t think he, or almost anyone else, in authority in Washington, has the guts to do what I’ve proposed: create a two-tier credit system.

In other words, the proposal is: 4% is the standard interest rate for regular banking, the basic interest rate. The purpose of that is not just adjusting the interest rate. We have a situation, now, where our enemy—as it was in the time of Aaron Burr—is Merrye Olde England! And Merrye Olde England set up a system in Europe, under which England, Great Britain, has the highest official interest rate; Europe has a slightly lower interest rate. And the United States has been driven down to 2% and is threatened with going lower, which is insane.

This manipulation has the following effect: The British are determined to destroy the United States. That’s what that is about—and they say so! And many in Europe are out to destroy the United States. They say, “Good!! This is going to destroy the United States!” And that’s what the 2% interest rate, borrowing rate, is: Destroy the United States.

Because, what happens then, with the 2% interest rate, the discount rate, what you get is an outflow of the financial capital *from the U.S. banking system!* I am determined that I can beat the British, and sink them, and kick Europeans who cooperate with the British in the head, by a 4% standard rate throughout the Federal Reserve System. Why? Because the British are a bunch of parasites. They don’t use the money for solid investment. The continental Europeans are not allowed to do that, under the Maas-
tricht agreements. Therefore, if you protect bank deposits by having a 4% interest rate in the United States, that means that you’re going to keep your financial capital that’s viable, in those banks. That is, you’re not going to take the capital out of the banks, and put it on the street, for lending. You’re going to keep it in the bank, but you’re going to use the bank credit of that financial capital in the bank, as a lendable asset, which you will lend, either at 4%; or, with government protection, Federal government protection, as low as 1-2% for special projects.

That means that the capital of the United States, including its financial assets, its credit, will not be depleted, the way it’s being sucked dry now! We don’t have to have a 5% interest rate, of the type the British are using. We don’t need that. Because the British are a bunch of parasites. They don’t invest in their own country. We invest in our country. We have to invest in our country. Therefore, if we have credit in the bank, we’re not going to take the money out of the bank.

What we’re going to do: The Federal government will simply take the fact that the Federal Reserve System banks, and their affiliates, have credit in the form of deposits, or the equivalent of deposits, in the bank. They will now issue loans, which will be new money, in a sense, in circulation, for specific purposes, on the basis of the asset, the financial asset which remains in the bank. In other words, the first thing here is to keep the financial assets of the United States’ regular banking system, as much as possible inside the United States. Don’t deplete that capital, by shipping it out and loaning it. Keep it in the banks as credit, under Federal regulation, with the assistance of the Federal Reserve Board. Then use that credit in the banks, to utter new credit, for authorized purposes to make the economy grow, and to solve some of the problems.

That’s a defensive measure. It’s not a solution; it’s a defensive measure.

**Put the Banking System Under Federal Protection**

We had a similar kind of situation in the past. Roosevelt did that, in his own different way, under different circumstances. We need to have a growth program—now! A physical growth program! Not a financial growth program, as such, but a physical growth program. We have people losing jobs, we have communities disintegrating. We have infrastructure going, we have health care collapsing. We need tangible investments! Job-creating investments. Physical capital investments. Infrastructure investments. We need them! We’ve got to increase our rate of employment, of productive employment especially. We don’t need more bookkeepers. Look what they’ve done to us! What we need is work. We need significant production.

So, at the first stage, we have to say, on a Tuesday for example, that, “now, the banking system is under protection.” And the Federal Reserve System is bankrupt. So what? The Federal Reserve System is not the U.S. government. The Federal Reserve System is a chartered banking system. It will be put into receivership, for protection, by the Federal government. Then it will function, like a regular banking system, under the U.S. Treasury! The credit it uses will be the debt of the U.S. government, under the U.S. credit system. And that credit that’s generated, will then be used, through the banking system—when not directly by the government—to create the additional investments we need to stabilize this economy.

Now, what that means in respect to Europe: Europe, today, Western and Central Europe, under Maastricht, is not allowed to do anything intelligent. It’s a British trick. So therefore, Europe is not able to do this, as long as it remains under the Maastricht dictatorship. We are free. If we can get rid of that idiot in the White House, or get him under control—we are free to begin a defensive measure, to defend the U.S. banking system, to build up the relative value of the dollar, relative to every other currency on this planet! And our friends in China will be happy with that. Because, right now, they’re about to lose everything, because of the collapse of the dollar.

We are going to defend the value of the U.S. dollar. We are going to increase its value on the markets, by doing this, by these kinds of measures—if we can get our idiots under control. We have to do it: Because if we don’t do it, we will die!

And the problem is, you’ve got people who say, “Well, I would like to do that, but you know, it’s so risky, it’s so awesome, I don’t think we could do that.” Buddy! You’re not telling people what you got to tell them. Look, buddy! The word is, the ship is sinking, get off it! Don’t negotiate for a new stateroom on the Titanic! This thing is going down! You want to go down with it? Well, if you don’t want to go down with it, get into this lifeboat. Now! Don’t tell me it’s too fearful to get into the lifeboat. What you ought to be afraid of, is the sinking ship, not the lifeboat!

And what I’m proposing in this respect, is simply setting up a system, a flotilla of lifeboats, to save the U.S. dollar! And I think we could increase that by about 20 or 30% fairly rapidly—which I think some of our friends in China will be a little bit relieved by that. Because we owe them a lot, in dollars! And if these dollars are collapsing, that is not good. We have to defend the U.S. dollar. It’s necessary for us, it’s necessary for the world. And there’s no “it’s too scary.” No, it’s not “too scary.” Going down in the Titanic is scary. The lifeboat is a little bit worrying, but it’s a better option! And any intelligent person would recognize that.

The third thing is, this can’t go on indefinitely. We must take measures to defend the U.S. dollar. We must have a goal of increasing the relative value of the U.S. dollar by
20% in a short term. I think we can do it, if we get the right action from Washington.

**Send Obama to the Woodshed**

All right. But now, we’ve got to go to a further step: We then have to go—and this is going to be the tricky one. This where you send Obama to the woodshed, or someplace else. We have to have a Presidential candidate of the United States—because we can’t wait till November—some time in the short time ahead; we have to have a leading Presidential candidate of the United States affirm what I have proposed be done: That is, the United States must propose to the governments of Russia, China, and India, that these four major countries will agree to sponsor a committee, an alliance of powers, including other powers, to establish a fixed-exchange-rate financial-credit system internationally, of the type that Roosevelt intended in 1944, *not* what Truman did in 1945!

What Roosevelt proposed was a credit system, whose intention was, to eliminate colonialism, especially British colonialism. And Roosevelt said that, repeatedly, very clearly, to Churchill. “Winston! When this war is ended, Winston, we’re not going to have your empire. We’re not going to have colonies. These people are going to be free. They’re going to have their own governments. And no more empire!” And how are we going to do that? Well, we had the greatest military machine the world had ever known: a production machine! What the Nazis would produce in a few hundred pounds, we would produce in *tons*. Our soldiers were not well-trained, in general. They’d just got into the service, off the streets or out of the woods, a short time earlier. Trained in 16 weeks, and a few other weeks, and sent overseas to war! This is not your recommended army.

But we had *tonnage*: Every man in service had tonnage behind him! And with that tonnage, and that power of mobility and logistics that we had, *we won the war*! Together with other people who cooperated with us, *with aid of our tonnage!* It was our tonnage that Russia depended upon, the Soviet Union depended upon, to defend itself against Hitler. It was *tonnage* that was required, tonnage of materiel.

So we had the greatest machine for production the world had ever known, at the end of the war. It had been built up, in large degree, for military purposes. But there’s no difference between logistics for a military purpose, and the technology required to build for an economy: bridges, ships, railway systems, everything—machine tools. All of these kinds of things, are just as much interchangeable with materiel for war, and material for peace.

Roosevelt’s intention, as he stated clearly, was that “once the war is ended, Winston!”—and this was in Casablanca—“we’re not going to have your system any more!” And he laid out a scheme for a large-scale development of Africa! “We’re not going to have colonies any more. We’re going to help these people have independent nations. We’re going to cooperate with them. And we’re going to eliminate your empire, Winston!”
Well, the problem was, that Roosevelt died, and Truman was a stooge for the British. And that’s no exaggeration.

**The Churchill-Truman Alliance vs. FDR**

So, what Churchill did, was enter into alliance with Truman—and with the British behind Churchill—and they decided they were going to start a preventive nuclear attack on the Soviet Union. Why? To defeat Roosevelt’s intention! Because Roosevelt’s intention was to take China, Russia, and the United States, who were the leading powers of the world at that moment, at the end of the war, and through a system of cooperation, redevelop the world, a war-torn, ruined world.

So what do you do? You start a war! With the leading allies and partners of the United States under Roosevelt, you start a war; under Truman, against those same allies. In order to preserve, what? The British Empire. Instead of eliminating British colonies, Churchill and company, with Truman’s support, backed the reinstallation—for example, under British orders, the Japanese troops in prison camps in Indo-China, were told to get out of the prison camps, pick up their weapons, and go back into the occupation of Indo-China. Indo-China had freed itself from French imperialism, with U.S. backing: Ho Chi Minh was a friend of the United States, a friend of Roosevelt, a friend of Roosevelt’s machine. We turned friends into enemies! Allies into enemies! We helped the Dutch do the same thing in the Indies. We made a mess of the freedom of India, a year after I left the place—again, the British.

So, we, under Truman, systematically destroyed Roosevelt’s intention. Roosevelt’s intention, was: We take our great economic machine, our agro-industrial machine for capital goods, and we use this weapon to free these subjugated people; and by doing so, to free the world from the damned British Empire! And Truman was an ally of the cause of the British Empire. And that’s how this mess came about. That’s how we came to a Cold War, through this process; how we came to witchhunt terror in the United States; how our youth, the white-collar terror, born between 1945 and 1958, were in large degree, turned into a pack of intellectual mongrels, degenerates, by things like the Congress for Cultural Freedom, and the comparable existentialist operations inside the United States.

That’s where the ’68ers came from! A product of the same thing that happened in France, under Napoleon III, which became known as the Synarchists. And what we have, today, among certain strata of the white-collar Baby Boomers, now, generally between 50 and 65 years of age, they are Synarchists! They’re fascists! And that’s what Gore’s constituency is: fascist. That’s what the environmentalist movement is: It’s fascist! It’s a Synarchist movement, modeled upon the Synarchism as developed under Napoleon III, which was then put through various existentialist migrations in the 20th Century, where it became known as fascism. Including the fascism of H.G. Wells of Britain, that sort of thing.

So, that’s been the problem! So, what we have to do, is recognize that where Roosevelt was going to use the productive power of the United States, at the end of war, when we were the greatest power the world had ever known, in terms of financial, economic power, to use that power, to free the world from imperialism, by helping nations, which should be nations, to become nations. And creating a fraternity of nations, based on this idea, of building a world system of sovereign nation-states, which would eliminate empires—especially the British Empire.

And all the Hell that we’ve had—and we’ve had a lot of it, up to the present time, since the day Franklin Roosevelt died—has all been a result of this damned British Empire.

Our job, as the United States, is to reaffirm the commitment of Franklin Roosevelt before he died, a commitment he stated clearly to many people, many leading people in the world at that time, while he was still alive: to free, and help the development of people who had been semi-captive or captive peoples of the world, and to build an alliance of sovereign nation-states to manage this world, and to end empire, forever. And to devote ourselves to the missions of the Peace of Westphalia.

**The Common Aims of Mankind...**

The mission of man is not to win wars: Sometimes we have to fight war, but that’s not our intention. The power and importance of the nation does not lie in fighting wars. Wars are terrible things! They’re awful things! Some Baby Boomers don’t understand that; they sent people into this thing in Iraq, because they don’t understand what war is! War is something which you do if necessary, as briefly as possible, and do everything possible to avoid it—if you understand war.

So, the aim of sovereignty is not to become a war power. The need to be able to defend one’s nation—yes! But to become a war power? No! To become an empire? No!

We are peoples on this planet, of different cultural backgrounds. We depend upon our association with our culture, in order to think, in order to communicate among ourselves, among our own people. And to unite our people with a common culture, or what becomes a common culture, to cooperate with nations of other cultures, and to define common aims of mankind, common goals of mankind—I’ll refer to one here, today, of that type. This is something we’re supposed to have learned in 1648, with the Peace of Westphalia: The aim of victory lies not in war, but in peace. In the peace of peoples who have replaced killing each other, with cooperating with each other. And using their differences in cultural background, as the basis for their cooperation, not for their
conflict. And to use the weapons of warfare, only as is necessary to maintain and defend that peaceful order, with a minimum of effort, a minimum of conflict when necessary,

So therefore, the time has come, instead of saying, "Who is the enemy?" I can tell you who the enemy is: the British Union Jerk. That's an enemy; there are other enemies. But how to overpower our enemies? What's the best way to overpower our enemies? To conquer them? No! Conquest is not victory! It's to dissuade them from continuing to be enemies! And how was that done in 1648? It was done through the Peace of Westphalia, of putting the benefit the other, above one's own. And if people do that, then, you have a system of cooperation, a Westphalian system, as it's called. That was Roosevelt's intention: to create a global, Westphalian system. You take leading nations of the world, which at that time, were the United States, China, and Russia—the Soviet Union, then—who had conflicts! Very serious conflicts. And to take these nations, and bring them together by working, each for the benefit of the others, the common benefits.

Now, today, we're at a point, where there's one project which typifies what should be done: It's a project which came out of the success of the United States in defeating the British agents called the Confederacy—the traitors, the Confederacy.

We had developed, in the United States as nowhere else, we had developed the concept of transcontinental railway systems. Transcontinental railway systems were developed as a technological capability, superior to inland water systems. In other words, what Charlemagne did in Europe: Charlemagne took the rivers of Europe, under his regime; identified the rivers of Europe, and prescribed a program of developing canal systems which would connect these rivers in such a way that you would have an inland water-based transportation system for freight, in particular, throughout Europe. As a matter of fact, that system was just completed recently, at the beginning of the 1990s—the last leg, the Rhine-Main-Danube connection.

So railroads came along, and usually you will find the first major railroads ran along the side of rivers and canals, like the Baltimore & Ohio system. You will find the old system, the railway system, ran beside the canal, the Chesapeake & Ohio Canal, which was a very important strategic development in the United States.

...Versus Geopolitical Wars

Today, we have the same challenge, in a different form. All the important wars of the world, fought since 1876, have been so-called “geopolitical wars.” Geopolitical wars meant, that the United States had built a model, as a continental power, a transcontinental power—from the Atlantic to the Pacific, and from the Canadian to the Mexican border—this nation had been developed as an integral nation, largely by aid of augmenting existing and potential waterway systems, by railway systems: integrated the territory. By 1876, every leading nation of Asia had—for example, Sun Yat-sen, a little later, had a complete railway system for China! Complete design for a railway system! The development of the total internal territory of a nation, or a group of nations, to enable it to more efficiently than by ocean freight, move people, move goods, move raw materials, develop the territory.

So now, the fact is, the United States had led in this model; you had in France, you had in Germany, you had in Russia, you had development in part in China, a conception of taking all of Eurasia, as well as the Americas—the plan for moving railway systems down to Patagonia from the Canadian border, was a policy of that period! And to create a system, whose aim was a fraternity of sovereign nation-states, which would share the benefit of combined inland waterways, and railway systems.

Today, we have the same thing. We had it then, and still today! One of the great missions is to develop a maglev system, combined with railway system, which by opening up the Bering Strait, and by doing similar things into Africa—to take the major continents of the world, and to bring them together with one, high-speed transportation system for freight and people, especially freight, at maglev speeds, magnetic levitation, 300 miles an hour. These can be modular; you don't have to have all this reloading as we do now. And this means that the raw materials of the world, can be developed as they otherwise can not be developed and managed. So therefore, this is the common interest of mankind, to develop this kind of system.

We've come to a time, where we can no longer rely on burning things as a source of power. We will burn water, with nuclear power! What we will do, with high-temperature gas-cooled reactors and similar kinds of nuclear power, is we will extract hydrogen from water; we will use that to make fuel based on hydrogen, hydrogen-based fuels, as a substitute, replacement, for petroleum as a source of power. When combustion occurs with that fuel, the waste is chiefly—water, not a pollutant. We will eliminate the kinds of crude methods we now use, by these superior methods.

So this is one example: the development of a global power network, as a cooperative effort among nations and among continents, for the common aims of mankind: a system based on separate, sovereign nation-states, cooperating with aid of these kinds of connections.

We must have that kind of mission, which is a 50-year, 100-year mission for mankind. And when we bring nations together, such as the United States, Russia, China, and India, and other countries today, for a future for mankind, this is what we must have in mind. We must take the needs of various nations, look at what these needs are, for three, four, five generations to come, and say, "What proj-
ects do we have to develop, for the coming three, four, five generations? What are the means required? What is the apparatus we require to do this job? What are the common aims of mankind?”

And that’s the mentality we must approach.

**Money: A Sovereign Instrument of Government**

Now, what we would have, is a world system, a world credit system, not a money system. You would have money, but you wouldn’t have a money system. You have money as a sovereign instrument of government. What we would do, simply, is create a fixed-exchange-rate system, by adjusting essentially what have been the trends in the relative values of currencies. Fix it there. And say, “We’re going to keep that fixed-exchange-rate system.”

Now, the changes that would come after that, do not come by manipulating currencies. They come by investment. They come by the use of credit for capital improvements, for large projects, for—all these kinds of things, really human development projects. What we do, is we’re taking what Roosevelt intended in 1944, with a credit system, called the Bretton Woods system, and uniting countries of the world around a fixed-exchange-rate system. So money is no longer an instrument of warfare; it’s an instrument of cooperation.

I’ll tell you how we do it; it is very simple. The United States under its Constitution, when the Constitution is obeyed, does not have a money system, like a Keynesian monetary system. That’s a European disease, and it’s a
very bad disease with some nasty side effects. You get syphilis, also, among other things, from that disease.

But under a credit system, or the United States system, you can not utter money by central banking systems: Money, or credit which is convertible into money, can be allowed only through actions of governments. That is, no bank can create money. Only a government can create money. And the government creates money, by credit, by authorizing the utterance of debt, of the government, in the form of credit; and defines that debt as applicable to certain missions, that is, like investments, or developments of people.

Now, because the United States is the one major nation in the world, which has such a specific conception of economy, if a country such as Russia, China, India, makes a treaty agreement with the United States, which is a credit-based nation, then the currency of those countries—Russia, China, India, and other countries—becomes on an equal status with the United States, becomes an integral part of a world system, while preserving the sovereignty of each of these countries.

That’s what Roosevelt’s intention was. The reason we went to a Keynesian version of the Bretton Woods, rather than Roosevelt’s intention, was, the British Empire. Truman decided the United States was going to be a partner of the British Empire in ruling the world. Roosevelt’s intention was the opposite, was to create cooperation among the nations to eliminate the British Empire, which is the ol’ bitch we want to get rid of.

I’m not against England being a sovereign country—it’s better for them! Look at the way they’re treated today, look at the way they talk! Maybe if they weren’t an empire, they would have an English language again.

But the point is—the thing is so simple! A treaty agreement on long-term credit, like 30-year, 50-year agreements, on credit, among nations, which enter into such treaty agreements with the United States automatically have the Constitutional advantage of a global credit system, rather than a monetary system. And it becomes, essentially, a fixed-exchange-rate system. And that’s what we need.

So, but these things, these are measures I’ve indicated, such as the action on the protection of people against foreclosures on mortgages; protection of real banks, as opposed to the phony ones; a two-tier credit system; and an international fixed-exchange-rate system. These are necessary instruments for creating a new world system, which can survive the inevitable death and disintegration of the present world monetary system. This is the only rational, feasible option, as an alternative to pure Hell throughout
the planet for generations to come.

If you care about humanity, you will insist that these measures be taken, boldly, and now! Because we are, right now, after one year of mass stupidity from the top down, in the U.S. government and other governments, we’re now just weeks away, from the point at which the whole system goes into disintegration.

What we’re looking at is not a 1931. We’re looking at something comparable to the 14th-Century European New Dark Age. Which came on suddenly, and wiped out half the parishes, and one-third of the population of Europe. And that can happen worldwide, if we don’t stop it.

This Is Your Opportunity!

Now, I’m a little bit old to be President of the United States. But I’m not so old, that I can’t tell one what to do. And that’s what I’m saying. I’m saying, “You cowardly fools! Get up off yer butts! Stop this fooling around. Hey Paulson, get your guts up. I’ll show you how to deal with the problem.” And there are other people in the banking field and others who will join me in that. They’re perfectly good people; they’re talented, they don’t know as much as they should; they make a lot of mistakes. But look, it’s all we got! And you use what you got!

So, if these fellas will just have a little bit of my guts and knowledge, and act with the intention to do good, for this country and for the world at large—and the essential thing is, if you’re not willing to do good for the world at large, you can’t succeed, even in your own country. If you’re not willing to enter into an agreement, a long-term agreement on a fixed-exchange credit system, with Russia, China, and India, and with other countries brought into the same group—if you’re not willing to do that, sincerely, you’re not going to survive. And your descendants, when they come out of the caves four or five generations from now, will curse your memory, unless you do it. This is your opportunity. This is what must be done. Do you have the brains and guts to know, you have to do it, now! Do you know, the Congress must stop what it’s doing, because what it’s doing is no good, and immediately do this? We have to get this idiot in the White House, somehow, to do that, to go along with it. To give Henry Paulson the guts and the advice to do what he’s supposed to do, as Secretary of the Treasury, to implement this, to get the bankers inside the Federal Reserve System, who are competent bankers, and other bankers outside, together on this! And get a unity among people who understand, we’re at the end! We’re at the end of the system! Stop talking about compromises! Stop talking about halfway measures: We must do this, now!

We must first agree to do it inside the United States. We must have people inside the United States, who will say, “We are going to do it!” And once we say we’re going to do it, we have to have a Presidential candidate, in the United States, who will be credible, in saying to the countries of China, Russia, India, and so forth, “This is what the United States is committed to do, as soon as I get to be President. And we can start it right now.”

That’s how you win wars, and that’s what we need right now. Those three measures.

We’ve got people out there, as foolish as they have behaved—I know some of them have brains. Some of them have skills. They lack guts. I have the guts, and some of the brains they lack.

Let’s do it.

Dialogue with LaRouche

Freeman: We have a number of questions from people here in Washington, and we also have a large number of questions that have come in from elected officials from around the country. Many of them are on the topic of the Presidential campaign. One is from a former cabinet member. He says:

“Mr. LaRouche, I do understand that it is your view that when it comes to the election, that nothing is etched in stone. However, it would seem that we do have to prepare for the possibility of an Obama candidacy. So, up to this time, a number of us who have served in past administrations, and who have some experience, have reached out to the Obama campaign, and offered our assistance in shaping policy. So far, all of those efforts have been rebuffed. We are somewhat at a loss as to how to proceed. There is some discussion that what we should do, is proceed independently of any candidate, and simply step forward and talk about measures that must be taken, if the nation is to move safely through this crisis. It seems to me, though, that without a political candidate to rally around, this is a very difficult prospect. We’d very much appreciate your advice.”

LaRouche: I’m not surprised.

Look, first of all, the idea of people from the Hillary campaign and others approaching people in the Obama campaign, or talking to Obama himself, is just a sensible thing to do. What you agree to, and what you propose, has to also be sensible. And your estimate of the response you’re going to get, also has to be sensible. You can’t have a dreamworld presumption that in some miraculous way, you’re going to get Barack Obama to be reasonable. He’s not been trained to be reasonable; his owners won’t let him be reasonable. And he’s never done anything reasonable so far, in his entire campaign, which means anything for the interests of the people of the United States. He’s a babbler. He’s a puppet.

So, what’s the purpose, on the one hand, knowing that you will never get anything good out of Obama? Don’t
marry a lizard. You may like the lizard, but you’re not going to have children. So, don’t look forward to that. What you’re doing, you’re talking about our other citizens, who have joined with the Obama campaign, some of them, who are very intelligent people, who have been leaders in the Obama campaign, and who are being betrayed “by the numbers” (as we say), by Obama, every time Obama turns around. Even Jesse Jackson, who is not the greatest genius on this planet, has had an instinctive insight into what Obama really is.

**George Soros: Obama’s Perfidious Owner**

Now, the point is, that Obama is owned, chiefly, by a guy, who got his training under Adolf Hitler’s Eichmann, Adolf Eichmann. He was of Jewish origin, but he was used as part of the dirtiest operation in the killing of one-half million Jews who were assembled in Hungary from areas, not only in Hungary, but Romania and elsewhere. And he was a conscious part of processing this property. Now, he was then an adolescent, and even his father was horrified by what he did. And this is all a matter of record; the father has recorded interviews on these questions, [George] Soros has had recorded interviews on these questions. He’s never denied any of the facts, essentially. He’s denied that it’s important to him. What he described as his life under Hitler, under Eichmann—he was about third-down from Eichmann in the killer apparatus on his rank—he said it was the happiest time of his life! In other words, he was not somebody who committed something as a young man, under great duress. He remained, in his personality, in his instinct, in his behavior, exactly what Hitler had made him, what Eichmann had made him. And he’s doing it around the world, today!

To get a picture of this, you take a book by an American, Ben Hecht, who was associated with Hollywood, a writer, and so forth. He wrote a book called *Perfidy*. And this is what he is! And what Ben Hecht showed—the significance of his particular writing on this, on *Perfidy*—is that Jews were processed to do this! And that’s what he meant by “perfidy.” Soros is a Jew, who became a Hitler tool, and, as a British tool today—and he’s still a British citizen, not an American—is doing the same thing today, in terms of the way he’s acting toward the human race, that he did when he was working for Adolf Eichmann! Back in 1944, in the process of shipping a half-million Jews, gathered from Hungary, Poland, Romania, and so forth, gathering them in there for the slaughter.

And what Hecht referred to, the early part of this: Hitler had gotten a project going, under which he offered to release a certain number of Jews for every number of autos supplied by Britain and the United States and so forth, for the German army. And the killing process went on, on the basis—“you didn’t turn over the trucks, so we kill the Jews. You didn’t turn over the trucks; we kill the Jews.” And that is the essence of George Soros!

What he’s doing today, is not killing Jews in Hungary, or sending them to Poland to be slaughtered. But he’s doing the same kind of thing! He expresses exactly the same mentality!
Now, he is the guy who did the financing—it's not his money, it's British money—of Howard “Scream.” He's the one, the chief financier, the money up front, for creating Obama! Obama, as a politician, is a creation of this!

Now, when you're talking about, "Well, he might be President." Now, wait a minute, buddy! There's some lines you don't cross! He is not fit to be President of the United States, and his being the President of the United States, would be the end of the United States.

Besides, I don't think he's going to make it. He's like toilet paper: He's used and disposed of. Come September, come the end of the primary campaigns, presumably early September, there's a gentleman sitting in jail in Chicago, Tony Rezko. Rezko is a British sub-agent. Rezko has been convicted on 18 counts, Federal counts. That, under present rules, portends a prison sentence of some considerable duration. The Federal prosecuting attorney, who conducted the case against Rezko, is planning, I think at the end of August, or beginning of September, to have a little chat, again, with Mr. Rezko. Mr. Rezko will find that, maybe, for the right conversation from Mr. Rezko, a certain part of his sentence might be reduced.

What the result of that would be, would be probably the impeachment of the governor of Illinois. The whole operation goes back to London, where the operation was conceived in the first place, because the money that came through Rezko to Obama, initially, personal money for his earlier campaigns, came from London—because Rezko had no money. So the house that was bought for Obama, came from Britain, from British money, through Rezko, who didn't have the money. And Michelle Obama's share of the property also came from the same source. And earlier things of the Obama campaign in Chicago, came through the same channel.

Obama's a British property.

Now, look at his performance. What has he done in the campaign? What has he argued for? What are the topics he's raised, what are the issues? He's a puppet! He's a puppet of the enemy of the United States, a puppet of that faction of the British Empire, which is out to destroy us. They don't want him! He's exposed. They don't want another Aaron Burr: They've already got one: They got Al Gore. They don't want him. They'll dump him! They'll come up with something which is more nasty, perhaps the Mussolini of Manhattan, Mayor Bloomberg, who's a tool of the Rockefeller Foundation, who has a program for the United States on infrastructure, which is a direct copy from the model of Benito Mussolini in the 1920s. The Mussolini of Manhattan, Mayor Bloomberg.

We have other unsalvageable creatures, who also are potential candidates. McCain probably won't make it. Why presume McCain is going to be the Presidential candidate? He's being set up. It looks as though we're going to get a Republican candidate of some kind. What flavor—lemon, orange, sassafras, whatever? We don't know.

But it looks like we're going to get a right-wing President, with a fascist program, who will not be a Democrat. But a couple of Democrats will be in there for color. And it won't be Obama.

**Let the Policy Determine the Candidate**

Now, all this is subject to change, because you're dealing with a bunch of clowns—because what I'm saying today, may change the British mind, on what they're going to do about this thing. They listen very carefully to what I say—not because they like it, but because they like to suffer. And they've changed their tune a few times. So this does not mean I'm predicting—that's not what I'm going to do. I'm saying, "This is the situation as it stands today. This is way the forces are arrayed. Unless they change the array of forces, this is what's going to happen." They may change the array of forces. My saying this today, may change their policy.
But Obama was not intended—was never intended—to be the actual next President of the United States. He was intended to screw things up. And he's done that! If you look at the whole operation, you know, “A poor man, gee, you know, this guy Obama! He defends the poor! He's a change agent!” He's not change! A quarter-billion dollars? That's not change!

So, we, in dealing with this issue, on the question, have to take such considerations as I've just outlined, into account, such scenarios into account. Because this scenario is simply typical of a variety of similar scenarios, but with different particular predicates, which are going to come at us.

We have to save the United States for the mission I indicated. Therefore, we have to do our work, to get a Presidential candidacy. In other words, we're not stuck to a person; we're stuck with a candidacy, of people who are prepared to go in there, from the Democratic Party and the Republican Party, to fight for a policy for the United States, and let the policy determine the candidate! Not beg for a candidate and say, “Well, let's try—maybe he will give us a good policy.” That hasn't worked out too well, recently.

Let's, this time, choose the policy, and then find the candidates that fit the policy. And we want a candidate who's talking in that direction to begin with, or thinking in that direction. We saw what Hillary did, especially starting with New Hampshire. She adapted her campaign to a policy-impulse. Okay, so we knew what Hillary was; we know what she is, today. We have other figures in U.S. politics, we understand them. Some of them are not electable, but they're decent people. We know what they are, we know what their policy is. If we chose them for something, we would go by their policy, and their performance commitment to that policy. If we say they're going to stick to that policy, and we like the policy, we think that's the right policy, we should consider them, as electable.

But we've got to get away from this cheap politics, and image politics. We've got to have a candidate for President of the United States. And what does the United States require? What should the United States mission be? What is the crisis the United States must face in this period ahead? Where can we find a candidate, or a group of people around a candidate, who would be competent to address that policy question?

That's what's always happened in the best periods of the United States. That's what happened with Franklin Roosevelt. Franklin Roosevelt was the keystone, but you have to look at the people around him, his team. He didn't do it by himself; he had a team.

When you're looking at government, you find—you know, people are so Romantic, it's like the other side of tragedy: People who don't understand drama, talk about the “tragic figure” in drama. There is no tragic figure in drama. There are tragic societies, there are tragic cultures. They are not tragic individuals. The individual in a tragedy is a victim of his culture, and he acts as an agent of his culture. It's not that he made a mistake; he has the wrong culture; the society has the wrong culture. That's where the problem is. And we go with this idea of the “personality cult.” Yes, personality's important. All great ideas are discovered by individual minds. But! What does humanity depend upon? It's what those individual minds do, in developing forces in society, which organize ways of meeting the requirements of society.

We've got to stop thinking in terms of “this figure.” You have to think in terms of people who are tested and who group around them a team that is going to address a job that has to be done, efficiently. . . . You have to have an open discussion on the question of policy—first! And fit the candidate around which to rally, on the basis of policy. Shown: Hillary Clinton, campaigning in South Dakota, in May.
sion on the question of policy—first! Issues and policy, first! And fit the candidate around which to rally, on the basis of policy.

**Think Politically! You’re Fighting for Humanity**

Freeman: Lyn, I think in large part, you’ve answered some of the questions I’m going to ask you. But given the rank of the people asking them, I’m going to ask them anyway. This is from a current member of Congress, who says:

“Mr. LaRouche, as you know, for a variety of reasons, I’ve been an Obama backer from the start, although I do have the highest regard for Hillary Clinton. We who backed Obama knew, that if he became the Democratic nominee, he would have to make certain compromises with, quote, ‘the powers that be.’

“But, none of us anticipated what we’ve seen since June 3. He’s doing things now, that he is not under any pressure to do! And those things are serving to completely alienate the base that has supported him from the start, leaving them with a very deep sense of betrayal. If this continues, we are going to have one helluva time getting out the vote. Do you have any insight into why he is behaving the way that he is? And do you see some way to get him on track? If not, what do we do?”

LaRouche: Well, Obama’s particular significance, should be obvious to people who think politically. The problem here is, Obama is an enemy of the lower 80% of family-income brackets of the United States. Hmm? Now, “Wait a minute!” you say, “Wait a minute!” Isn’t he a black man!?” Was his mother a black man?

I thought we got rid of this racism stuff! We don’t go by the race. Yes, we go by race when we talk about injustice against people of a certain race, or so-called race. That’s one thing. But what’s the issue? We’ve got a lot of Hispanic Americans in this country—you notice that? And they’re a little more active now, because ever since this crazy business about the faith-based initiative came along, the African-American movement has not been such a good fighting movement! Because they were looking up there for the cash descending upon them through the churches, rather than the cash coming into the pockets of the working people out there in the towns!

So therefore, the issue is: Think politically! **Don’t think in racial terms!** You think in racial terms when somebody is being persecuted for racial reasons. Yes, you fight that, because you’re fighting for humanity. You don’t allow anybody to be persecuted on racial grounds. If you don’t oppose that, you’re not human! Because human beings are all the same, in terms of what their quality is: **There’s only one human race!** There are not different races of mankind.

What is the problem then? The problem is, that since about 1968, and the 68ers, raging in the street, the lower 80% of income brackets, of family-income brackets, has been pushed out. They have been used as cannon fodder on particular issues. But nobody has intended to actually get the issues important to the lower 80% of family-income brackets, addressed. The conditions of life, in the United States since 1967, in terms of infrastructure, in terms of employment, in terms of other conditions of life, have been going down. People have been poorer; poorer, poorer, poorer; more poorly educated; more education, but the quality is down. Jobs? Yeah, there are jobs, but the jobs are crap! The purchasing power, in terms of living standard—crap!

So the issue has been, that you have an oligarchy, a financier-oligarchy, located within the upper 2%, or 1.5%, of the population of the United States, being run from England, because they think they’re an extension of the British oligarchy, or something, British aristocracy, or whatever they call it over there. And they have been saying, “We get the super-incomes!” Do you realize these thieves, who raped the auto industry—did you look at what their bonuses were on the way out, retirement bonuses? What did they earn? They earned less than nothing! They should have paid people on the way out, millions of dollars! Each of them, for what they ruined. We paid them! We created an elite of money! An elite of parasites, bloodsucking parasites, who wrecked our economy, who destroyed our infrastructure, who destroyed our industries. Who destroyed our education system, who are destroying our pension system. Who condemn people, the Baby-Boomer generation now entering retirement age!
Their pensions are being taken away from them, by these policies. And these characters have been running the United States.

The Issue Is Identity

So what’s the issue?
The issue is, we once had a republic, the most powerful economy on this planet, the greatest rate of improvement of any part of the planet: What happened to it? Well, you had Truman, first; that wasn’t good. Then after they killed Kennedy, it got worse. Then, after the 68ers, it got terrible. Then after the election of Nixon, it became impossible. By the election of Carter, we’d lost everything.

And so therefore, people have become poorer, poorer, poorer, looted, cheated, in every possible way. Cheated of their dignity! Not just their financial status.

What’s the issue? The issue is identity! The issue is: What am I? What are my children? What are my friends? What are they? Are they human, or not? Don’t they have a right to be represented? Don’t they have a right, as human beings to have a claim on improvements and access to things that are human? We’re talking about a two-class system, essentially: some parasites on top, with all the money, who don’t actually earn anything, but their money is in inverse proportion to what they earn. The more worthless they are, the bigger the salary.

Look at our children! Look at young people at Facebook or MySpace, and similar kinds of ghettos of stupidity and degradation. Look at them! They’re in the age-group of 18-to-25. Look at them! What’s their future? Killer games? Killing each other en masse? Suicide killings?

We have destroyed our people! We have destroyed their human identity! And therefore, what do you need? You need to have the lower 80% of family-income brackets, represented, in the sense that they assemble, and can ask themselves, one another: In our society, what does it mean for us to be human in this society? Forget race! Let’s talk about human! Human race! And you find that we have the lower 80%, and even much of the upper 20%, their lives have been taken away from them.

Look what now threatens the Baby-Boomer generation, entering retirement age: What about their health care? What about their pensions? What’s being said about that? The problem is, we are producing less and less. The standard of living, the available, physical standard of living is degenerating! Why? Because somebody has a utopian conception of the type like the WTO, and things like that.

So therefore, if you want to have representative government, you can’t have representative government in the sense of: “Well, we all have a chance to speak our piece and cast our vote.” That’s not representative government; that’s brainwashing. Representative government is understanding what it is to be human, and not a monkey. And to understand the kind of society, the kind of life, the kind of organization of life, which is required to be human, not a monkey, or to be treated as a monkey. And that’s what was not presented!

You’ve got a quarter of a billion dollars, for a campaign—of a poor man’s candidate? The biggest sum of money ever assembled for a political Presidential candidate, in the history of the United States? And still growing? Who does he represent? What does he represent?

So that’s the problem. We have to realize that the Presidency of the United States, the selection of the President of the United States, begins with those who include the poorest, the poorly educated people of the United States.

Because, what you’re doing for the people, and for their children, in that lowest condition of life in our country, tells me what you think human values are! If you’re not changing that, and if you’re not fighting to change that, and clearing up the questions on that subject, you’re not a leader, or you shouldn’t pretend to be a leader, because we are losing everything this country once stood for; even as recently as the end of the Second World War; even as recently as the time of the assassination of Jack Kennedy. We’re losing it all! We’re losing the moral values of being human, and therefore, you get what? Immoral Presidents. Immoral candidates. You get the worst idiot the United States ever conceived, into politics, and he’s been the President for two terms! That’s what’s wrong with us.

The Secret of Real Politics

Freeman: The next question is from a former member of Congress, who says:

“Mr. LaRouche, despite Obama’s arrogant confidence that black Americans will turn out in record numbers to vote for him, a deep split is forming in the black community, with those of us whose roots are in the Civil Rights movement on one side, and those younger black professionals, who’ve enjoyed the benefits of that movement, on the other. If the Democrats don’t make some very fast changes, this Presidential election will have the lowest turnout in our history, and we could end up with a McCain Presidency, and even worse, a Republican Congress.

“What do you recommend, in terms of specific action and measures to stop this from happening? Specifically, what I’m asking you, is, should we just concentrate on getting the right people elected to the House and Senate?”

LaRouche: Won’t work: You need a President. Otherwise it won’t happen.

But let me continue, because the questions are all related. Let me just continue another aspect of what I’ve already said so far—I won’t repeat; it’s not necessary.

Let’s talk about the faith-based initiative as a factor of corruption, introduced from the Republican Party to try
to destroy the African-American effort in the United States. And let’s talk about, inclusively, those members, who are leading members of the electoral body of the state level, and so forth, in the freedom movement, who went over, and became corrupted by the faith-based initiative, and became useless as a result.

Now, this is a sensitive subject, but it’s an important one, because if you don’t consider it, you’re not considering the problem.

What about religion? How do people allow their religious attachments to churches, to corrupt them—politically, and morally? And the problem here is, in the churches, you have people who have enthusiasm of one form or the other. But! They don’t believe in immortality. They believe in a fairy-story called “immortality.”

They don’t understand, and don’t recognize what’s most essential, for leadership in society: that man is not a monkey; man is not a great ape. That man has immortality, as no monkey does. But it’s not immortality in some crazy, fantastic way; it’s in a very real way. We, as human beings, have a power called creativity, which is typified by the creative discovery of principles of universal physical science. No animal can do that.

For example: Take the population of the higher apes, at its maximum—gorillas, chimpanzees, so forth. What was the population-density of these populations, on this planet? Now, what is the history of the size of the human population on this planet? We’re now over 6.5 billion people, and though some imitate monkeys, they’re not monkeys. What’s the difference? Some of our citizens look like monkeys, or look like gorillas, or like baboons or something—act like baboons, it seems. They’re not baboons.

Why do those people, who sometimes act like baboons, have a higher potential population-density, than baboons? Because of the human mind.

The identity of the human individual, lies in the creative powers of the human mind, which do not exist in the animal. The ideas that we generate through creativity, transmitted to coming generations, live on with our personality emossed upon them, into future generations. This cultural development of mankind, as it exists simply in physical science, and in other ways, is human nature, is the expression of the individual human soul. And it’s this sense, especially with people who are faced with death, because of old age, disease and so forth, and they look around at their family, their friends, and so forth: What do they think when they know they are faced with death? What do they think their life means? For what would they lay down their life, and feel that that was an affirmation of themselves as human?

The source of corruption is a lack of that sense of immortality. Not that somebody picks you up, and transports you someplace else, and you get this or that forever. But the sense that you, by participating in humanity, have a quality which no animal has: the power of creativity, the power to absorb the creative contributions of those who went before you, to make them live, to add to that, so that your imprint, whether your name is remembered or not, your imprint is there in society. You were a necessary existence. Now, when you see yourself in those terms, you have a great deal of power, as a personality. Not power over people, but a power to be human, the pride of being human, meaning of life. If life is short, that is painful, but that doesn’t change you, it doesn’t take away your value. Your value lies in the fact that you are a useful, necessary human being. And sometimes, even the loving relationship among human beings does that; it’s creative. It’s what you mean by the difference between love and sex: It’s creativity, that creative quality in yourself. Loving people because you resonate with something in them that is creative. And that’s what you prize: that you’re willing to die for that. You don’t want to die; but that’s what you’ll die for.

And the problem here is, that we have this great hypocrisy, which is symbolized by those who went from Civil Rights fighters into the faith-based initiative! “The greatness is going to descend upon us from above, and Karl Rove is going to cause it to be dropped on us.” And that’s what the problem is. You will not get in society generally, people who have that quality and sense of identity as creative persons. But, if you look at history, and you look at what we know about people around us in politics, and in science and other things, it is the few people in society who have a sense of commitment to humanity in those terms of reference, who are the actual leaders who do the good, which the others adopt and follow. Leadership in society is not the power over others; leadership in society is having a sense of what a human being is, a stronger sense, a better affirmation of the sense of what it is to be human than somebody else. And because you are stronger emotionally, stronger intellectually, you can pick up people who have fallen, and help them rise to what they’re potentially capable of, and they need you for that. And that’s the secret; that’s the secret of real politics.

I think we ought to throw that into the pot, as we’re discussing candidates.

The Candidates: Nothing Is Settled

Freeman: “Mr. LaRouche, a good number of very active Democrats understand very well, that contrary to what one reads in the press and sees on TV, the Democratic nominee for the President of the United States has not yet been selected. Your feature film, ‘1932,’ helps teach people this, and links to it, as well as the film itself, are being posted all over the Internet. I just wanted to mention to you that we appreciate the fact that you’ve produced it. As you know, scores of grassroots organizations have sprung up all over the United States, whose intention it is
to guarantee an open Democratic Convention. Right now, we’re not getting much in the way of guidance from the Clinton campaign, and without it, it’s very hard to maintain a sense of optimism that we can prevail. Do you think that really is any chance at all of Hillary recapturing the Democratic nomination? If so, how? And if not, what to do?”

LaRouche: The point is, I don’t think that question has been settled at all. I don’t think it’s settled. Look at what’s happening this week. Look at the events around you. You have, for example, this spokesman for the Daily Telegraph, Ambrose Evans-Pritchard, just this weekend put out and said, this is it, buddy, this is the end. And he’s right—he’s wrong in the way he interprets it, but he’s right. This is the end. People are talking about “Well, it’s all settled, and by the beginning of September it’s all going to be clear. We’re going to have McCain vs. Obama, and Obama is going to win.” What crap that is!

We have people out there, like many of these Democrats you refer to in your question, who are organizing in groups. Why? It’s not leadership from Hillary at this point, and probably she’s right in terms of the judgment to lay back, because the way the whole thing was set up was to use her as a target to destroy any perception of the issues of the campaign. And staying back for a while and letting things sink in; let Obama look bad, and then come back. Or decide what to do. Decide whether or not just to stick with the idea of being in the Senate, because she would be the most powerful person in the Senate if she were in the Senate under these conditions. She’s earned the points on that. So, let’s not assume that there’s a linear trend in the candidacy now; there isn’t!

Look what just happened now. Look at what is happening with the banks. Look at Wachovia! What do you think Wachovia’s collapse is going to mean around the country now? Obama’s off there talking about this in Afghanistan. He doesn’t know what Afghanistan is; he probably thinks they’re a bunch of howling dogs over there, you know, Afghan hounds or something. He doesn’t know anything about that.

But what about Wachovia? The largest bank, in terms of these outlets in the United States, and it’s gone down the pit! Do you know how many other banks are in a similar condition in the United States? Do you know how rapidly this crash is coming on, now? Do you know what’s happening in Spain? Do you know what’s happening in England? Do you know what’s happening on the continent of Europe? Do you know what’s happening in Italy and France? The world is changing rapidly, so the world you lived in yesterday is no longer the world you’re living in today. And people are more concerned.

What’s Afghanistan? One acre—as given to me recently—one acre of poppies in Afghanistan has a market value of $600. By the time the product of that one acre reaches Europe or the United States, it’s $6 million. What is Afghanistan? It’s dope heaven! Who’s running it? The British. The British Empire’s running it. This idiot—he’s working for the British—what’s he want to talk about Afghanistan for? What’s he know about Afghanistan? He doesn’t know anything about Afghanistan. It’s a British operation. Go talk to the Russians! What is Afghanistan? It’s dope. It went through Russia, especially during the 1990s. What’s Afghanistan in Europe? Dope. Dope empires.

And so, under these conditions, the changes that are affecting the lives and emotions of people, including sentient people inside the United States, are coming on fast. And what happened in Wachovia’s circuits yesterday and today, and tomorrow, is far more important in determining the attitudes of the American people on the coming election than anything Obama did in the Near East, because it’s nothing. It’s the smell of fakery. He’s not addressing it.

It’s not just that Wachovia’s an issue; but if the entire financial system of the United States is collapsing around your ears, and you’re a Presidential candidate, what the
hell has Afghanistan got to do with your life? There's no reason to go over there and fight in Afghanistan. It's stupid if you go in there that way; you have to know what the issues are first. You have to know that the British are playing a game against India, and they're trying to destroy Pakistan; that's all part of it.

So, that's the point. Don't get trapped into this, or worry about this. Yes, we don't know what the outcome is going to be; we don't know who's going to win. But do we know what we're going to fight about? Do we know what the battle is? Do we have a policy for fighting that battle, that war? And like in fighting any war, a long war; for example—this is part of a long war against dope—you have to decide what your policy is, and then stick with it. And right now, the big issue is the international financial problem, and the key issue of Afghanistan is, one, strategic; it's a threat to all Asia, as a focal point of destabilization; but it also is a part of the international drug operation, and it's a part of the British Empire's game against the world. And here it is—on the streets of the United States, what is Afghanistan? It's Wachovia.

**From Yemen: 'Is There Any Hope for Us?'**

**Freeman:** Lyn, we still have a number of questions from Washington, D.C., dealing with this issue. But, we also have, in very stark contrast, questions coming in from elected officials around the country, who are faced more with managing the crisis on a day-to-day basis. Their questions tend to be a little bit more reality-oriented. We also though have, for the first time, a number of students listening from the nation of Yemen, and one of them has submitted a question, and since it's very late there, I wanted to ask you the question, and then we'll get back to the American elected officials.

Sam's question is as follows: "Dear Mr. LaRouche, Salaam Alaikum. I hope you are in good health, and may God give you a long life. Many people in the United States and Europe still don't understand the danger of the ongoing collapse that you are warning about. But here, in Third World countries, people are not fighting to defend a standard of living; we are fighting to provide ourselves with the most basic necessities for surviving, and we're starving, and we are suffering to death from this economic collapse. Could you please tell us what we should do, in our countries, in Third World countries? Is there any hope for us at all? Any hope for us from the United States, as the U.S. is currently constituted?

"Best regards and wishes, Sam."

**LaRouche:** Well, as I indicated earlier, I think, in some of the discussion here today, you can not effectively defend your own country, if you're not concerned about humanity as a whole, and nations as a whole. This comes up, for example, in all these debates in Europe, where the British Empire is trying to create a new Tower of Babel. Of course, they already achieved one; it's called the Parliament! But, you have to have that solidarity, that sense of solidarity with people from other parts of the world. We have to be responsive. I mean, we have a lot of African countries, for example—you know, most Americans don't know a damned thing about Africa. Some of them think they do, but they don't know it. It's a collection of fairy stories to them, it's not real; they don't understand the problem. But, what's needed is essentially an understanding of what the problem is, as this message from Yemen indicates.

It's extremely important to have on the agenda an understanding of what these kinds of problems are in various areas. I mean, it's what I do all the time, in doing strategic assessments. You just take the total picture, and you try to make sense of what all the issues and forces are, in a certain area of the world, and how they interact. And interaction involves the condition of people.

And we've been at it a long time in Africa. People in the United States, you know, so-called African-Americans— they don't know a damn thing about Africa. They don't know about the reality of Africa. And those of us who are involved in looking at this strategically, do know. We know what this horror show is. And we know what the Europeans and people in the United States are doing about that. The crimes that are being committed in the name of the United States against the population of sub-Saharan Africa, are beyond belief. And it comes right out of some of our liberals here in the United States, too, and friends of Al Gore, for example. Al Gore hates Africans, and that's a fact that you've got to know to understand the world.

So, in answer to your question, we do have to—and we try to do that with our resources, and with our intelligence estimates—we do get fairly deeply, into the problems of sections of society in various parts of the world. We do attempt to correlate these studies of what's happening. We do have compassion, and sometimes agonized compassion, for what's happening to people in various parts of the world today. That, right now, is the best we can do. But it's something we must do, because if we lose sight of the mission, any part of the mission we have on the planet, we've lost our competence. It's to the degree that we are able to understand and feel for what is happening in various parts of the world, and understand those issues.

Like the case of hunger, like this food crisis, that alone. Take the food crisis. Do you realize that there are people in the world who have one meal a day; and it's a terrible meal, and they're losing that? Do you realize how many people there are in the world of that type? Do you realize how ignorant the American people are of that, in general? They don't even know what that means. Do you realize what the food policy of the WTO means, in terms of mass murder of people in various parts of this world? Do you know what Al Gore means, in terms of the mass death that he
alone causes with his policies, through his influence in the United States and elsewhere? His British policies?

No, we have to have, as you indicated, we have to have an efficient commitment, a commitment known to the people, as in Yemen; and we have that commitment. That whatever we’re able to do, or not be able to do now, we have that commitment, and we will not forget it.

Why Don’t the ‘Experts’ Face Reality?

Freeman: Lyn, the next question is from Rep. Yusef Abdul-Salaam, from Selma, Alabama. He’s a member of the Alabama House of Representatives, and he’s also a practicing attorney in Selma. He says: “Mr. LaRouche, my question is, we seem to have a complete disconnect. The nation is in the midst of a major economic crisis, and yet our leaders—Mr. Paulson, Mr. Bernanke, and others—deny this, and insist, ‘The fundamentals are sound; everything’s fine. We can handle the current crisis, because the economy is fundamentally strong.’ Here we have a great crisis, perhaps the greatest crisis we’ve ever faced; they say we don’t. So, how can they even deal with it, if they don’t acknowledge it? It seems to me, that this is the time to acknowledge the success of FDR, and enact a Roosevelt policy to really rally this nation to save itself. My question, though, is why are these men in denial about the crisis? Are they really? And why won’t they grasp the solution that is at hand?”

LaRouche: Well, take the case of Paulson. The problem is generational. What’s his generation? He’s a Baby Boomer! Now, does he actually believe that? I don’t think he does believe that. I don’t think he believes a bit of it. Does he believe he has to say it? Yes. Does he believe it? No. That’s typical. That’s ‘go along to get along!’ Lie your heads off! So, don’t hold people accountable for necessarily what they say they believe, because they know better than to believe anything they hear themselves saying. And the only way to deal with them, I think, is to tell them that.

Solving the Housing and Credit Crises: Think Big!

Freeman: We have several questions grouped together, from Rep. Priscilla Taylor from West Palm Beach, Florida. She was the person who introduced the HBPA [Homeowners and Bank Protection Act] into the Florida legislature during the last session. "Mr. LaRouche, I have several questions for you. Since your last webcast, the economy is really in a mess. The government and the Federal Reserve seem to have no problems at all bailing out Bear Stearns and other banks, and seem to now be considering a massive bailout of Fannie Mae and Freddie Mac. Yet, in our area, and around the country, the poor homeowner is losing his or her home at record rates. All we’re getting from the Federal government is that they’re going to send us money to fix the neighborhoods where the foreclosures..."
and repossessions are occurring—i.e., to deal with the vacancies. What good will this do us? Absolutely none. Wouldn't it be better to keep families in their homes in the first place? It's why I was so happy with your idea of a freeze on foreclosures, which, I would like to note, was also picked up by Senator Clinton, who I've always supported. Congress is doing it backwards! Let people stay in their homes first, and then deal with the banking crisis.

"My question is this: The press keeps saying that the economy is undergoing a 'correction,' and that that's going to end soon. But I'm curious, because I see no end to the correction. I see nothing over the horizon but disaster. When do you think this is going to end? And finally, how are we going to fix our credit system? You say that there's a huge credit bubble, but people can't get credit for businesses, for their homes, or for anything vital. It all seems to be stalled. How do we fix this?"

LaRouche: Well, you know, I can imagine in the course of the French Terror, these people are lined up one after the other, going to the guillotine. And the one is saying to the other, "Don't worry, this is just a correction." The point is, you have these people doing all these things—you really have to get Charles Addams-type humor going to describe your reaction to what you're hearing sometimes. You know, you have this image of a man furiously bailing out a bottomless boat. That's what it amounts to: "It's only temporary. We're trying! Oh! We got a lot out right now. Look! We're trying!" And, that's what they're doing. Again, they're lying; they're lying, and they want to stay in the club. Therefore, they have to sound like they're with the club. "Our club says this is only a correction." "Oh, really? Is that what they're saying?" "Yeah." "Okay, it's only a correction, fellas." That's the problem.

The only answer is—and people who get into these kinds of fights that are described in this question, sometimes don't get into the big fights, and then they get into the fight on the level they were fighting on before, and they're willing to accept a little tougher fight, a little stiffer one, but then they find out they have to go up to a much bigger level, a higher level, because the fight is much bigger than they ever thought it was, when the fact is, it always was that. So, the problem is, getting stuck with the idea that doing a little bit, a little bit, a little bit, which seems practical to do, is really the step toward progress—it's not. When the hole is bigger than the bottom of the boat, bailing is no good! What you're expressing, as many people are expressing now, especially since there's a hoax, this hoax about Obama's guaranteed nomination—a complete fake. But there was a mass chorus saying, "Oh, he's nominated; he's nominated; he's nominated. Anybody who says differently is lying." People are intimidated by that, and that's what, in a sense, frightens them.

But then, you know, in the course of events, there are processes which overturn all such follies, and we're going through that now. And what's happened, is the questioner is getting a dose of a bigger problem, than they wanted to get into. That you can not do anything about the situation in the state of Florida, without cleaning up the mess in Washington at the top. And that's where the problem comes; that's where the hole gets bigger than the boat, and that's really stunning to deal with.

You see, most local leaders, that is, people on the state level and so forth, Congressmen, are used to fighting in a certain way. They think about practicalities, as they would call it. And they find suddenly that an issue they have to deal with, which at first seems to them to be typical of the kind of practical issues they fight about—welfare of people, people being kicked out of their homes, this sort of problem, shortage of food, sickness, this sort of thing. They're used to that. But then they find that the issue becomes systemic. So, it looks like the same particular issue that the politician would fight for in his district; but then he realizes it's not something that's in his district, it's the whole damn nation, is the problem. And that's a shock. At that point, you realize that you need to think in terms of developing national and international organization. You have to get a bucket that's big enough—bigger than the hole—and that's the problem.

I think we're doing it; I think this is in process. I'm not a person who guarantees simple victories. I don't predict who's going to win this, or who's going to win that. I'm too old; I'm too wise to do that. But I do know that when you're fighting a war against an enemy, you'd better get the forces in line which are capable of taking on that kind of war; and define the war and its implications first, and then decide what it's going to require to win it.

A Plea for British National Sovereignty

Freeman: . . . This question is submitted by—I'm asking because it's from England. He says: "Mr. LaRouche, my name is John Morton, and I'm a writer for a newspaper called the U.K. Column, which is based out of Plymouth, in England. I've been following your forecasts and warnings for some years now, and I've taken a keen interest in your analysis of the situation, both in the U.S. and Europe, particularly in respect to the economic and political effects of globalization.

"You may or may not be aware of it, but here in the U.K., a gentleman by the name of Mr. John Harris has taken it upon himself to submit sworn affidavits to Queen Elizabeth, under Article 61 of the Magna Carta 1215, for redress of grievances. The specific charge is that Her Majesty the Queen dismiss all traitors in the Parliament who are currently engaged in handing our sovereignty over to a foreign power, namely the European Union. As of Sunday [July 20], a video has been posted, and it reports a conversation between the editor of our newspaper, Mr. Brian Garesh, and a certain Mrs. Sonia Bonici, who is a
corresponding agent at Buckingham Palace. What this conversation reveals is that the Palace is indeed aware that treason is being committed in respect to the ratification of the Lisbon Treaty, and also, that all matters related to the European Union are automatically forwarded to the Foreign and Commonwealth Office, rather than being addressed directly by our sovereign. As such, as far as we can ascertain from our study of British constitutional history, the U.K. is now in the midst of a constitutional crisis of historic proportions.

“As you are no doubt aware, the D-Notice system prevents matters dealing with national security from being reported in the British media, and it’s therefore unlikely that mainstream media in the U.K. can or will report on these matters. But nonetheless, in the spirit of the Pilgrim fathers who departed these shores only a few miles from where I pen this question today, we would be very much interested to hear your comments on these developments, and explain what prospects exist for a restoration of sovereignty and democracy in England, in view of international developments, particularly around your proposals for a New Bretton Woods.”

LaRouche: Well, I should qualify my response, for obvious reasons, one of which I shall point out: is that I am of course descended, in one part of my family, from people from that neck of the woods, and especially from Lancashire, who went from ports like that into New England, during the first half of the 17th Century. And, at about the same time, we had some people from France, sent by a great man, to Canada, Quebec. So the principal part of the family comes from both Quebec, the first half of the 17th Century, and from Massachusetts, the first half of the 17th Century. And also, some fellow who’s a specialist in genealogy, has been trying to hook me up with descent from Henry II, Henry I, and things like that. So I say, “Okay, if that’s the case, if I have to take care for you, my family’s descendents in England, well, we’ll try to help you out on these matters a bit, you know.”

Yes, I think the solution, essentially, which you’ve been implying with your line of argument, is that obviously, the Isles ought to be a separate country, a sovereign nation, with its own sovereignty. And I would propose that meddling in imperial matters, which you refer to, for example, has resulted in a weakening of the quality of life in what could be called, for example, the “Mother Country.” And I think England would be much better off, or the United Kingdom, much better off as a single sovereign nation, or three happily co-existing nations of England, Wales, and Scotland, than it would be as part of an empire. I think the empire is dragging the English down, and the Scottish, and probably the Welsh too. I haven’t had too much report from Wales, but I do have a lot of Scottish reports. And I do believe that the empire is dragging the island down, and we look forward to the time that we in the United States can rejoice in sort of a fraternal union with our friends there, who have now become what we have become, a sovereign nation-state republic.

The ICC Indictment of Sudan’s President
Freeman: One more international question. Because we’re getting a huge number of these, from the other side of the Atlantic, from Africa, and also from the United States. It’s about the ICC’s [International Criminal Court’s] indictment of President al-Bashir of Sudan. Various questioners are saying, there seems to be a tremendous effort
to mess up this area. There has been for quite some time. What is really behind the indictment of President Bashir, since it does not seem to have any basis in international law?

LaRouche: Of course it doesn't, but it has a good deal of basis, in terms of imperialism, doesn't it? It also has a good deal to do with racism against Africa, racism which is led by the United Kingdom, led from the United Kingdom. The case of Bashir: I know him, I've met him. I know the situation there. It's complicated by French policies of a really archaic type. You have a country, from so-called French Central Africa, which adjoins Sudan, and most of the mess in Darfur comes from operations run through that country.

So that you have complications: You have the British on the one hand. The British are out to destroy Zimbabwe. You can not separate Zimbabwe from Sudan, in this matter. Remember that Zimbabwe was the flagship of the [Cecil] Rhodes empire. Not only was that, but this section, which is Zimbabwe today, was the most hard-fought resistance against the British Empire in southern Africa. Zimbabwe was also a source of the great food supply for London—from the days of Rhodes—and the choicest areas for crops were these controlled by Dutch and English, who still control the food supply of London and similar places.

Then, the African farmer, who has a smaller plot adjacent to the same kind of territory that the English lord has, is in resentment against this, and it's a threat, both ways. So the British are determined to crush that. To crush Mbeki, to crush South Africa, to crush every part of Africa, to ruin Nigeria, and so forth. That's the British policy. In the case of Sudan—you have to know Sudan. Now Sudan's importance is the Nile water agreements involving, principally, Egypt, Sudan, and Abyssinia; the Blue Nile, the White Nile come together—. Now the area of Nuba, which is the northern part of Sudan—remember, this is the largest single nation of Africa, in terms of territory. This area, properly developed with a certain amount of water management, is historically a grain-producing area, on which much of the population of the whole region depends. For example, the development of Egypt's food supply depends to a large degree on the success of getting a certain amount of water and management in there.

Now, also, there's another issue. One of the most important influences in Africa today, is China. Of all countries outside of Africa, China has made the steadiest, most significant contribution to the development of the economy and infrastructure of southern African states, especially on the Indian Ocean side. So, China has been an important factor in developing the infrastructure of Sudan. So there is a direct relationship between the Tibet issue in China—from London—and the issue of China's role in developing the infrastructure of Sudan, along with the determination to crush Egypt again, with another blow, and to stir up as much bloodshed throughout all of Africa as possible. This is a policy we know very well from 1974-75 as a U.S. and British policy.

So, you've got a bunch of damned racists, damned racist Brits, who are out there to screw up this whole territory any way they can. Now, we've got responses on this. The African states, not all of whom are in the best moral condition, in terms of government, know this, understand this, and tend to ally and block the British effort, against British genocide in Africa. And the London policy in Africa is genocide—rape in terms of raw materials, and genocide. And that's what it is. And the Europeans go along with this. Not entirely: The French get corrupted because, like this case of Chad, Chad is a so-called British interest state, and that's one of the reasons that the Darfur problem came about the way it did, because of this relationship. They're out to screw it up, and Europeans are gutless—not all of them, but most of them are gutless—and they don't take a moral position. "Well, we have to get along with the British." After all, Maastricht, the Maastricht Agreement, as our friend from Plymouth said.

Anyway, that's the problem and that's the way to look at it. You're getting a real sense of British imperial racism, and I just indicated a couple of leading factors in this thing. But the racism is against all Africa: Keep the population of Africa down, do everything possible to injure China, etc., etc. That's how it happens.

We need the United States to be strong again!

Sorting Out the Banking System

Freeman: Okay, back to the United States. This is a question from a Washington think tank. He says, "Lyn, as I think you are aware, a serious split is emerging between the banks on the one hand, and Wall Street on the other. Can you help your listeners understand why the split is occurring, and whether or not it can be exploited for the good of the nation?"

LaRouche: First of all, you have two types of banks, principally, to consider: You also have a complication of hybrids, where banks have a double character. You have on the one hand, the bank which is part of the Federal Reserve System, or just simply normal by previous standards, Federal- or state-chartered banks which take deposits, which have capital funds, which conduct business in terms of clientele-like corporations and so forth, and make loans of all kinds.

Then you have these hybrid types, which are simply swindlers. Now, this kind of hybrid operation, which has been around a long time, in one sense, got a new lease on life with Michael Milken, who went from prison to serenity, when he was reincarnated as Alan Greenspan. You have a similar thing in London. So you have another kind of banking, which is purely predatory banking of the type
of the swindle that Greenspan introduced in a massive way into the U.S. system, which is the special characteristic of our problem today. That's where the big swindle is.

You see, the way it works is, you manufacture fictitious capital. If you get a yield, you think you're getting, and you put that yield at 5% or 7%, then you would take the capital multiple of an annual yield of 5-7%, and you will call that an asset! So, what happens is, the more they steal, the bigger the appetite for stealing, and the bigger the claim that they make as finance capital claims against the economy.

So, my view is, do the equivalent of taking this kind of banking out in the backyard, and shoot it! And save the bank which does the traditional banking function. And the center of doing that is, since the Federal Reserve System is now essentially bankrupt, as the case of Fannie Mae and Freddie Mac illustrates the point, therefore, we have to put the Federal Reserve System into receivership under Federal law, but keep it operating and keep the Federal Reserve System operating, in terms of its component banks, while we're running it under management in receivership. By this method, and by the generality of chartered banks—state and Federal—we should be able to create a banking system within the banking system. This is why this Countrywide is such a swindle. We want to take the trash out and leave the edibles behind. And that's what we're going to have to do.

So, it's not a category of banks against some other banks. The point is you've got a mixed situation, where you have—some people think this crazy system is what they're defending. And also, since some of these guys are powerful—the thieves, the Michael Milken descendants, the Alan Greenspans—are powerful; they exert a great political power in this system because they manufacture money out of manure, and they say, "We're wealthy, and therefore you have to protect our interests. These financial interests are ours! This is ours! You got to save the capitalist system. We are the big people in the capitalist system. Without us, you're nothing! You have to defend us."

I say, "No, we don't have to defend you." You know, we used to put the manure—we had a manure pile, and we didn't mix up the feed for the cows with the manure pile. And that's the way you have to look at this. Those institutions which will perform, will behave themselves, which are essential to our economy, should come under Federal protection, and go back and do what they used to do fairly well. The ones that don't do that, we put them on the manure pile, and that's the way we keep the barn smelling better.

'How Do We Move a Distracted Population?'

Freeman: The next question is from Sen. Perry Clark in Louisville, Kentucky. Senator Clark is one of the co-sponsors of the HBPA in the Kentucky Senate, and he did actually succeed in getting it passed during the last session. He says, "Lyn, boy what a mess the economy is in! The crisis is on top of us. What are the real issues? Food, clothing, the economy, jobs: This thing is coming down, and it's coming down fast. Yet, what are people talking about? Lapel pins, gay marriage—diversions. How are we going to move people?

"I agree with your estimate that we are in the middle of an economic unraveling, but also of an ongoing tragedy. Certainly, since Nixon, this economy has been deteriorating, and yet people are deep into distractions. This is clearly the time to move around a Roosevelt package, around the HBPA, around the emergency jobs program. I just don't get it. How can we cut through the psychological denial and escapism, to move the public? This is a time when people should be supporting your policies and the FDR approach in droves, but how do we teach them that?

"Also, I just wanted to say that I am appalled at the blocking being done by Speaker Pelosi and others in Congress, who seem to be working to stop any sane economic solution. I'm well aware of her connections to both George Soros and Felix Rohatyn, but the woman has an approval rating of 5%. Nevertheless, are members of Congress that scared of her manicured hand and her expressionless glare?"

LaRouche: Well, on the general issue, the point is, as you can see, when you look at the national scene, that what was done to the Hillary campaign has unleashed something like a swarm of locusts, because everyone knows that power does not lie primarily at the state or local level. Power lies in determining the policies of the Federal government. And it's a political fight over the policies of the Federal government, that will get the most credible kind of response from the population.

What you've had, is that women, in particular, and others who had this response, are reflecting something lawful. Many of the women who are leading in these kinds of operations, as I pick up the word on these things, were political beforehand, but they weren't political leaders. They didn't think of themselves as political leaders. They saw themselves as responding to political issues as housewives and so forth. But now they've become firebrands, political firebrands, and they're fighters. The threat to society is grave, and the perception is that only at the Federal level can you break the ice on this one. Therefore, you need a national movement, a national leadership, a national focus, in order to get the local and state interests into focus. Without a nationwide, national focus, I think it's impossible to do it.

I think the time of base-building from the bottom up, is ended. And base-building in an empty boat, a hollow boat, a bottomless boat, is not a very good project. And that's what it is today, because you can't float anything down any stream or across any pond, in a bottomless boat. And to
have a non-bottomless boat, you have to attack the thing at the Federal level. And therefore, the political, the Federal politics, is naturally the issue which is decisive.

Look, you can’t do anything about the local bank, without Federal action. There’s nothing you can do about any of the major issues, without attacking it on the Federal level. And I think these women and others, who are doing what they’re doing, are simply responding rationally to the fact that, if you’re going to do anything, don’t kid yourself that you’re going to do something in a local community—socialism in one telephone booth or something like that. It’s going to be, essentially you’re going to attack the issue on a national basis, and you’re going to define the issues which most broadly address the concerns of the population in general. You’ve got to move the population to break the ice! That is, the population as a whole. You’ve got to find the stratum in the population, and move that to break the ice. When people see it moving, then they’ll get the courage to come out and fight. It’s always like that.

‘I Want To Be on LaRouche’s Life Raft’

Freeman: I understand that there’s someone here from the UAW in Ohio? (Is there still a UAW?) Do you want to come up to the mike? This is Mark Sweazy, ladies and gentlemen. [Sweazy was formerly the president of a United Auto Workers local in Columbus, Ohio.]

Mark Sweazy: Lyn, obviously the reason I’m here to-day is to say thank you to you. I want to thank you for all your past efforts, and your constituents as well, because with your predictions of what was going to take place in the auto industry, and extremely accurate as it was, we were able to do nothing more than find escape routes for our members. And the escape route that I found was, I learned a lot about the Federal government in the probably year and a half that I was coming to Washington—I think it’s ten times, total—so I thought it would be good if the Federal government paid up, and made do for those people that were going to be displaced and lose their jobs at an early age, as I did. I retired early, so I thought maybe the youth group would pick me up, but—.

But we were the first local union to get the Trade Adjustment Act in Columbus, Ohio, and with that, expanded to the international union, they asked me, how did you get this? So I explained it to them, sent in the application, and now millions of dollars of Federal monies have helped some of our people relocate, re-educate them, get ‘em new...
jobs, different locations, what have you. So, I learned a lot by just being here.

But just listening to you, and understanding, scares me to death today, because I don’t want to see these predictions come true today. What I saw in the past was extremely accurate, and what’s come to pass, has affected thousands and thousands of lives, but what I see today is hundreds of thousands of millions of lives. This thing goes beyond, as Lyn has explained, beyond the United States of America. And you know, an old Greek proverb says, there’s nothing more frightening than ignorance in action. Well, I’d like to change that to an American proverb: There’s nothing more frightening than ignorance without action. Lyn can’t do this by himself. We’re going to have to help him. Anybody that’s on this webcast, whoever, wherever, write to our Congress, your own Congressman, another Congressman, a friend. Have your neighbors help out. Let’s get on the ball and make this thing roll. Put this thing together. Otherwise, just as Lyn says, we’re all going to be bailing from the same boat, with no hope. I want to be on his life raft. Thanks again, Lyn.

LaRouche: Thank you.

On the Verge of a Social Explosion

Freeman: Lyn, the next question is from somebody who really doesn’t need an introduction. . . . Ladies and gentlemen, this is Barbara Lett Simmons, a longtime member of the Democratic National Committee, the only [Democratic] member of the Electoral College who voted against Al Gore in the course of the Y2K election, and a true heroine to many of us here in the district. Barbara, go ahead.

Barbara Lett Simmons: Thank you. I appreciate it. You know, I have so many concerns in terms of our future. So many people have worked so hard, so long. I’m now 81, and I spent my 80th birthday in China, and I said, you know, what on Earth is happening to us in America? With the leadership we’ve had in our Presidency for the last eight years, we’re expediting our own demise. And I find it frightening, because I’m old enough to have been there when our concern was, in America, for people who looked like me not having any kind of freedom, any kind of access, and at best, a hard row to hoe. And here we worked like crazy, we get America moving to accept its precepts and to act upon them, and kaput! I mean, we turn the country over to some people that are going to absolutely, or who have practically destroyed it.

I can’t write, residual of my stroke, but I couldn’t help but think, Lyn, it seems to me that the kind of work, and thinking, and solutions that you have shared with people in this country, in high places, that the kind of demise I see for our country, ought not to happen. Because you have given them the word, and it’s possible that we could reverse what seems inevitable at the moment.

We know that Barack Obama was, on Christmas, when most people are with their families, he was over at Mr. Soros’s house. Now, that ought to register a real question mark in almost anybody’s head. I mean, you know, as mothers, we all spend a lot of our time trying to keep track of who our kids are playing with. That is very important. And people don’t know who Barack’s been playing with, but it’s sure showing, and the way he’s reversing everything—oh, man! He comes out with a good facade, but, you know, don’t scrape any of the paint off.

I was really sincere about trying to make a point, when I refused to cast my ballot as a member of the Electoral College, and my own city, the powers that be, were not going to send my ballot in. I said, you can’t do that! What are you talking about? I am an Elector, I have a right to my ballot, and my ballot is going to be blank. I am not voting for Al Gore, I said, and in order for the world to know that we are still a colony in the District of Columbia, this will be one way of educating a lot of people in a hurry. Because I couldn’t get 20 people in a room to sit and listen to that kind of boring discussion. A lot of people across this world heard it. I heard from China, I heard from Japan, I heard from France, I heard from, I think, all together 11 nations, people from other nations, internationally: They said they just did not believe that in the citadel of democracy, there are residents, over 3/4 of a million people, who don’t even have the right to vote. And everyone here is sophisticated and knows that, but look at the worlds of people who don’t.

What I’ve been doing is a poll. I’ve just been calling people that is, superdelegates, a lot of superdelegates—it was very easy. You made a very excellent point here, about how easy it is for people to lie. And when we ask people, now all of the press, they’ve got all of these figures. They say Obama is without question—he told us how many votes he had. Well, I don’t believe it, because my figures are sure different. Now, they’re lying to them, or they’re lying to me. And I don’t know, I’m not going to pretend that I have the real figures. I’m saying that there are votes enough for Hillary to still be a viable candidate when we get to the convention, because she has not released her delegates. Would you just speak for a minute to that point? Maybe, I need to have some little hope, something to hang onto.

LaRouche: I think that’s the case, exactly the case. You know, the thug squads came in and told people, you will not deny that you cast this vote as a superdelegate—which is crazy anyway, I mean, a premature casting of the vote. It’s not the time to cast a vote. The convention is the place you’re supposed to cast the vote, with a discussion. No discussion, no check, no polling of votes? The whole thing’s a fraud; we all know it’s a fraud.

Now, the question is, what is the destiny of that fraud? I would say that what is happening to Obama now, what is
happening internationally, with the rapid collapse of the whole system, is going to blow this thing wide open. How it's going to blow it open, as I indicated earlier, as you know in these cases—you can not exactly predict it's going to work this way or that way, because people will turn this way or that way, and you get different processes. And the enemy will react in different ways.

But from a standpoint of policy for us, for us, the policy is, well, this is not decided, this is a fraud, it's fake anyway, there's no proof of the vote. We know people were threatened if they denied that they voted that way, on top of it. So, what's it going to do? Well, we've just come to the point that the reckoning will come. When it will come is what we don't know, but the potential reckoning is there. I see an explosion, as I indicated today in this discussion. I see that they's on the edge of an explosion which can not be controlled, because everything is coming apart. It's becoming apparent. The system is breaking down. It's apparent that those in power either don't know what to do, or don't have the guts to do it. And therefore, there's going to be an explosion from the population, because the suffering of the population, with a collapse of any access to money, is what we're talking about. This is riot time.


LaRouche: You're on the edge of it, because you can not oppress our people this way, and not finally reach a point where everything blows up. And we're on the edge.

So, I think, to avoid a negative explosion, it's necessary to try to engineer a positive one, and that is to simply take what's happening—people out there in all kinds of groups are reacting to this Obama phenomenon as a fraud, and they are affirming their right to intervene in this situation, on both issues as such, political issues, and on the question of a fraud. That means that we don't have the danger of an explosion, because you have a rational process of people who are mobilizing to get to the point where they can take over. The danger point comes when you don't have the mobilization to take over, but you have only an explosion from below. That's the danger. And therefore, the motion by these people who are mobilizing around this, to get this out and coming together more and more, and the failure of Obama, the crisis—this is all creating the potential for leadership. And if we don't get leadership, we're going to get chaos. So we have to work on the leadership.

The Funds We Need To Succeed

Freeman: As always, we have far more questions than I'm going to have time to entertain. I will pose two more questions to Lyn before we close, but before I do that—I usually save this for the end of these presentations, but it would really be irresponsible of me not to raise this question now, because the number of questions and, in some cases, not questions but just comments, that are coming in from people from around the United States, on the one hand, thanking us for producing the “1932” feature, thanking us for the Soros pamphlet, but complaining that we're not getting it out broadly enough, or complaining that, why did it take us so long, and why don't we understand that it's going to take millions of these pamphlets to really shape the thinking of the population?

Well, let me just say this to all of you. We understand a little bit more about organizing than you do, and we understand very well how many pamphlets it is necessary to get into circulation. We also understood the need for the “1932” feature, long before it actually came out. The problem is not that we don't understand, the problem is that we lack funds. And I say this—please understand, I'm not saying this with any hostility toward the people who pose the question. What I'm saying is that what you have to understand, is that we need money, and that what Mr. LaRouche represents, as I think was shown once again today, is a unique understanding, a unique quality of leadership, a unique ability and willingness to intervene into this crisis. And the only thing that stops us from doing it more quickly and more broadly, is that we lack the funds to do it. So, if you would like to see us do more of it, if you would like to see things like the “1932” feature get out more quickly, if you are distressed that we have not yet mailed that DVD and that pamphlet to every delegate to the Democratic Convention—and I assume you are distressed, because I am distressed—don't send me an e-mail complaining about it. Do something about it! Send me a check. And since you do so well navigating around the website, I'm sure you can find the address.

Tell-Tale Signs of a Soros Operation

The next question is from John Jeffries, who is a machinist from Louisville, Kentucky. He's also a Democratic Party activist. He says: "Lyn, as you're aware, we're engaged in a very nasty fight here in Louisville to get the HBPA passed by our City Council. The fight doesn't only pertain to our jurisdiction. This is going on all over the country, and obviously, very much in the U.S. Congress. This city, as all major formerly industrial cities, is deteriorating, and it is deteriorating fast. We are losing industries, jobs, and homeowners are being foreclosed upon at record rates. The HBPA, as you well know, has been endorsed by most of the labor movement in this state, it has passed the State Senate and numerous other bodies, and ridiculously, it is stuck in the Louisville City Council. The president of the Council, one Jim King, has temporarily stymied us. He owns a bank, he's the former state chair of the Kentucky Bankers Association, and he's also very ambitious. He and another guy who's been in touch with our Congressman, gave the word to stop the resolution. I don't think that all politicians are corrupt or
ignorant, despite a certain amount of empirical evidence in that direction.

“What I want to ask you, is what do you think is really behind the denial of these guys on the dire shape of our economy? Why would a banker be dead set against a resolution that doesn’t just protect the homeowner, but protects him as well? He is really stirring the flames of antagonism, and we are going to pay the price for it as a nation. They have stupidly pitted the banks against the people, when in fact, we have proposals that could easily save both. What is your take on this stupidity?"

**LaRouche:** Something like this: You’re not getting usually a normal reaction, particularly when they’re persistent, and when it comes from someone who is in some kind of significant political position. It means it’s an operation from within the Democratic Party, in particular; from the dirty side, which is the Soros, etc. side. We’re a threat to these characters, and they do what they can. You have to look at the other side, in order to define your approach. Look at the cases where they have failed to produce that effect. Look at the limited number of cases of that type.

Take the case of [Democratic Rep. Paul] Kanjorski in Pennsylvania. What has happened with him recently, is reality cuts in. And now, what’s happening this week, is going to change things, because the bottom is going out. This Wachovia thing is going to hit, it’s going to hit like wildfire, it’s going to have other ramifications, it’s going to pull other things down. Wachovia going down is going to have a crossfire effect. You’re going to have little hand grenades going off in various people’s hip pockets, because Wachovia’s collapse is a link in a chain. The link blows, the chain flies loose.

So this Wachovia thing, unless something remarkable is done to contain it, is going to blow the situation wide open. And, what you have to do in this case, knowing that this is the situation, when you’ve got the bum in the corner, you say, “Hey, have you had enough? You’re gonna give it up?” And he says, “No!” “Well then, who are you really working for? Why don’t you come out in the open, and say who you’re really working for?” You spread that around, and you neutralize him. Not always, but that’s the approach. It’s what does work. You have to screw it up, but you have to think about winning, and therefore, you have to take something like what’s happening now—this guy’s got another chance coming up. Put it to him, put it to him now. When the chain reaction effect of Wachovia and other things is going to hit: “What’s the matter with you, you stupid or something?” That’s the way to do it. “What’s wrong with you? Somebody bribing you? They’ve got a gun up your rear end?”

**The Tragic Principle and the Search for Truth**

**Freeman:** I’m going to close with a question from one of our youth supporters, who is celebrating her 21st birthday tomorrow. She says: “Lyn, what do the youth of today, who refuse to be associated with the mindless MySpace-obsessed masses, those of us that are working full-time jobs and hardly able to eat, do, to be able to say that we did not sit idly by and watch the world be destroyed?
Where do we start, and how do we know that our efforts will not be for naught? Many of us would rather die than vote for either candidate. Many more of my generation feel that, because we don’t know where to look for truth, that we have no business voting at all, and most of us feel that we will not be heard anyway. Do you have answers for us?”

LaRouche: I have a method of answering, which I think is better than, say, answers. We have been working, nearby here, and other locations, on the question of how to get ideas across to people. Especially, we have looked at generational strata, in particular, because, remember that for the past seven plus years, and worse actually, we have been under the dictatorship of not only brute force, but utter stupidity, contemptible stupidity—the Bush Administration. Two degenerations of the Bush Administration. So, this has an effect—along with the economic conditions—an effect upon the minds of young people between 18 and 25, as distinct from the generation which was then 18-25, seven years ago. The generation that was 18-25, seven years ago, had different qualities then and now, than the generation which is now between 18 and 25. That’s not categorical, but it’s general, in tendency.

MySpace and Facebook typify that problem. You have something like mindless zombies coming out of the Black Lagoon, and that’s the phenomenon. What you have is a break from relevance. The characteristic of MySpace and Facebook is what? You’re not in the real universe. And this goes together with the killer games, which are less in the press nowadays, but they’re still the same phenomenon out there. The killer computer games. People who are divorced from any connection with reality, who don’t see the social process in which they’re involved as a social process, as having any meaning, and they act like goons, or Black Lagoon types, coming out of the swamps.

And that’s what happened with Obama, the Obama campaign. A lot of the campaign events, as we saw in Texas in particular, were goon marches. You’d have people assemble, and they would assemble like loose nuts, and when they’d get together to demonstrate, they would go through a monotonous kind of chanting, and then go off and break up. It really is like a slime mold formation, actually. In other words, individually, they had no intellectual character to speak of, or a very poor one. The only way they could have an intellectual character is by grouping together, like a slime mold, in that phase, of the hot slime mold phase, and then they would suddenly march in a certain way, and make a demonstration, and then dissipate. And no character, no individual character whatsoever! So, you had a destruction of the people. Now you have also the generation now between 25, 26 and 35, which went through this thing, “BB”—before Bush—they also have problems. It’s differentiated; it’s not homogeneous.

So, we find that what you’ve got as a result of the educational process, the recent years, and so forth, you find the ability to turn words, or the use of words as such, into some kind of meaningful expression of ideas, extremely limited, even with the 18-35 generations. Oh, some people can do better than others, but we’re talking about the generation as a whole, as a generation.

Therefore, we had to make a decision, and I made a decision which was sort of evolving, and we did the—some of them just started and did the 1923 video, on the German experience of hyperinflation and what’s behind that. And what I saw in what was done to produce the final version that was published of the 1923 video, I saw that we had in the youth organization, we had a capability that had developed to do this kind of thing. And what you saw as the “1932” video, and some other things, are products of that.

Now, what we use in this thing—what I’ve emphasized—is to use the principle of Classical tragedy, as actually used by Aeschylus in ancient Greece, or as used by Shakespeare, or as used by Schiller, or in a different way by Lessing, and to use the method of Classical drama as a way of organizing ideas, to present them to people so they would see them as ideas. Because what happens to generations that have been afflicted by this kind of cultural degeneration, they can’t put ideas together. This is helped by the music culture, or the music de-culture. People make bang-bang-bang noises. There’s no coherence, there’s no meaning to it. It’s garbage.

You saw this with the effect of the circulation of the “1932” video in the political process. It worked! My view is that, Classical tragedy and similar kinds of drama, as understood by so-called educated opinion, for some time, is a danger to your mental health. Because the problem is that, in society, there are no individual tragic figures. There are individuals in tragedy, but there are no individual tragic figures. As the case of Hamlet, for example, illustrates, or any other great Classical drama illustrates, the problem in society as in Classical drama, as when you understood, for example, Aeschylus, or even going back to the Iliad, where you have these gods up there who are manipulating these people, these so-called real-life flesh-and-blood people, the mortals, and the immortals are up there, and they’re plotting and scheming—‘I’m going to play with this one, I’m going to do this with this one, I’m going to do that with that one’—and you realize that what has happened with the Iliad, with the Homeric Iliad as with other Classical Greek drama, and then in modern times, is the use of the gods. And the use of these gods in the Classics, was a way of getting to people the way in which the dynamic works in Classical tragic drama. The tragedy lies in the gods.

Now, are the gods real? In a sense, yes. But also not. But
the gods are what are manufactured as the objects of worship, or fear, by a group of people. The way the people react, as individuals to each other, as in, for example, the *Iliad*—how do they act to each other? On the basis of individual decision to individual decision? No! On what god they’re attached to, what god they think has orchestrated the scenario. So, true tragedy is never the tragic individual. True tragedy is society controlled by an idea which dominates a group of people.

For example, as I often reference this funny little thing in the *Julius Caesar* of Shakespeare—Casca asks about Cicero: “It was Greek to me.” Because Cicero is the figure in that time, the real-life historical Cicero, in which he represented the last bastion of reason against what Rome, or future imperial Rome, Caesarean Rome, had become. And therefore, the characters in this drama, who correspond highly, by Shakespeare’s creation, to the actual situation in the Caesarean phenomenon in Roman history: People are controlled by something they don’t understand, which they recognize and they respond to, just like the gods of the *Iliad* are controlling the drama of the *Iliad*, or in Shakespeare, same thing.

So, the incompetent director, the incompetent actor, will always try to get a scenario: “Oh, this guy’s the bad guy, this guy’s the good guy, this is the hero, this is the tragic figure.” Nonsense! What it is, it’s always, as in our society, *the tragic principle lies in the culture, in the people of the culture*. And what we have to get at, is making clear to people not only the tragic character of the culture which has gripped us in this present crisis of the United States and the world, but to understand how to break that culture, how to free that people from the grip of a tragic culture. And that, we found, as you can see with the “1932” video on the Franklin Roosevelt thing, that for many people who came in contact with that, for them it broke the tragic bond.

And therefore, what we’re doing—in answer to the question, specifically—is, by relying on what we recognize is the issue, and saying, get your dumb actors out of here, get your dumb directors, get your critics out of here. We know what the tragic principle is, and we know it since the *Iliad*, and even earlier, but we know it since the *Iliad*, in detail. Just read the *Iliad*. It’s there. It’s all there. The whole story’s there. The secret’s there. Then go to Aeschylus, or take *Seven Against Thebes* as another case of that kind of thing. Just go through that; it’s there. *This is what’s wrong with us. This is Hamlet. Hamlet is not a tragic figure; Hamlet’s a piece of garbage in a garbage culture, and it’s the garbage culture that controls him*. He goes through the thing, he going to make [groaning:] “Ghost; my father’s ghost. Aah.” Sneaky; cowardly. [falsetto:] “The play’s the thing, to catch the conscience of the king.” Next time you see him, “I give it all up; it’s gone. Get the hell . . . I’m going to kill myself.” And then you have, at the end of the thing—Horatio’s there, Hamlet’s corpse is being carried off stage; they’re preparing for a new war under Norwegian leadership, and Horatio’s saying, “Somebody stop this thing; let’s go review this thing and see what really happened here.”

And that is the approach that we have to take in mass education, in political education: to get across to people that we have to finally go back to Classical drama, as to inform us as to how to reach the population in general of today. And we saw with the FDR case, it works! So, let’s do it.
“We must speak not of parties, but of universal principles.”