

The Ever-More Electable LaRouche Tells You What You Must Do About the Economy—Now!

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The big news from Brazil should remind you, that now is the time for you to act, to put the brakes on the onrushing new world depression. The first step you must take, is to force the Federal government to take immediate action to stop the ongoing collapse of the railway and air-travel systems. The second step you must take, is to help me push through a stubborn Washington, D.C., a broad set of job-creating measures in rebuilding much-needed basic economic infrastructure. The third and last, but not least thing you must do, is to back my campaign for an overdue, immediate general reform of the presently collapsing world monetary-financial system.

The big news from Brazil's elections, is that, on Oct. 6, in the biggest single election-vote victory in the history of the nation of Brazil, my friend, the highly distinguished Dr. Enéas Carneiro, has received an historically unprecedented, earthquake-making 1.5 million or more votes cast for his election to the Federal Congress from São Paulo. This came on top of a recent vote of Italy's Chamber of Deputies in support of my proposal for immediate steps to establish a New Bretton Woods reform of the world's present international monetary system.

The signs are, that our time—yours and mine—has come.

What has shocked Dr. Carneiro's opponents and my own, in both the stunned Brazil mass media, and in official Washington, is that "Dr. Enéas," as he is known famously in Brazil, had recently hosted my June 12, 2002 nomination and inauguration as an honorary citizen of the City of São Paulo. During my visit there, I delivered three major public addresses on Brazil's situation in a currently onrushing, already extremely critical world strategic situation. I took the occasion of my inauguration as an honorary citizen of São Paulo, to deliver an address on U.S. relations with Brazil under my proposed U.S. foreign policy doctrine.

Time To Face Tough Facts!

The first fact sane citizens will face, is that, contrary to current White House flim-flam, both the United States and the whole world monetary-financial system are hopelessly bankrupt, with banks, industries, and jobs in a spiral with

no visible bottom. This is not just nations such as Brazil, Argentina, and Turkey. The combined world indebtedness total of some \$400 trillions (loans, futures, mortgages, etc.), is unpayable.

Whole categories of financial assets and obligations are becoming worthless. So even though the U.S. Gross National Product is posted at \$10 trillions, the total U.S. debt now stands at \$32 trillions (government, corporate, and household combined), and annual debt service on that, requires in the range of \$7 trillions—or over 70% of yearly U.S. GNP! Any sane accountant would look at these numbers and shriek, "Bankrupt!"

We—you and I—must either force through an available workable alternative to the present, collapsing system, as President Franklin Roosevelt did in his time, or plunge into chaos and war. I am now leading a worldwide drive for bankruptcy reorganization as the only existing real solution for this global catastrophe.

I need your active support. Around the world, my opponents, including those inside the International Monetary Fund offices, are shivering up and down their backside, in fear of the spreading influence of my work. The Brazilian Oct. 6 vote for Dr. Enéas sent the "Washington Consensus" of the International Monetary Fund, the World Bank, and Wall Street apparatus, into visible political convulsions. Those financial officials and their political flunkies think of the present financial system, as the hen said about the crocodile's egg she found in her nest, "It's ugly, but it seems to be mine."

That is key for understanding the importance of the Sept. 25 decision by the Parliament of Italy, the fifth largest economy in the world, which passed a resolution for a "new financial architecture." In effect, this vote ratified the proposal of LaRouche, for international collaboration to establish a "New Bretton Woods" set of arrangements for stable currencies, investments, etc.

In the United States, the financial and economic collapse has reached the point of pending shutdown of the rail and air systems, among many other crises. I have circulated massively a "November Emergency Program" for infrastructure-building and financial emergency measures, to force the issue right now in Washington, on what must be done.

Stop the Economic 'Horror Show'

A fellow was once asked, "Why did you elect to go to

Joe's Restaurant?"

The fellow shrugged, and then replied: "It was the only one in town, and I was pretty hungry."

That is probably the chief reason sane citizens will tend to elect me as the next President of the U.S.A. To judge others by their past performance on economic-policy questions, I am, so far, the only electable source of actually available solutions in town. My enemies wish to be rid of me, but they have so far failed to offer our sane citizens any plausible alternatives.

That, short and sweet, is the simplest way to explain my soaring degree of electability. Check the merchandise before buying. Look at what I had forewarned would happen during the present period. Speaking on an Aug. 24 webcast, I said, "The Plunge Protection Committee, and similar kinds of people, are beyond the point that they can continue to control the appearance of the market, the financial markets. The market is disintegrating. This has been going on at an accelerating rate over the past two months.

"September is going to be a horror show, on the international financial markets. It's going to be a horror show for bankruptcies throughout the United States. We're looking at mass lay-offs, with no return from them in sight, no recovery in sight. And therefore, that's the big pressure [for war on Iraq now]."

Pure and simple has it. I was dead right on all points. The collapse of the system is hitting all sectors and all nations, no matter what wild-eyed lies are stuffed into White House pronouncements and mass-media headlines. Some say that jailing a few "bad apples" will make the economy recover! If the truth were told, the prisons have not been built large enough to hold all of those bad apples from inside or outside of the Congress and Executive itself. Enron was not downed by corruption, it was corruption in and of itself, and, in large part, the Congress, led by Sen. Phil Gramm, voted that corruption into existence.

Consider some facts worth remembering.

- The U.S. third quarter, which ended Sept. 30, was the worst stock-market catastrophe since the Crash of 1987, with worse to come. The Nasdaq index has lost 78% of its market value since its peak in 2000.

- The same situation prevails abroad. In Japan, stocks sank to a 19-year low in September, and now constitute a crisis for bank holdings. In Germany, the Nemax-50 index of German "New Economy" corporations has gone so low that it will be shut down by year-end. The German DAX index has lost 70% of its value since March 2000.

- U.S. Federal, state, and local government budgets are now headed for blowout. Combined state government deficits hit \$38 billions over just the 12 months ending June 30, 2002, as combined state revenues plunged 8%. The Federal budget went from contrived surplus status, into approaching a \$315 billion deficit as of the Sept. 30 year end.

- Internationally, the various categories of national debt



Members of Lyndon LaRouche's political movement organizing in Chicago. It's time that you joined LaRouche's fight to end this economic depression.

loads (Brazil, Argentina, Turkey, and others) totalling some \$4 trillions, are unpayable, period.

- The last of the U.S. big bubbles — home mortgages and refinancing, is about to burst. U.S. homeowners' mortgages total \$5.757 trillions; on top of that are \$5 trillions more in risky obligations issued mainly by Fannie Mae and Freddie Mac, the giant secondary housing-market agencies.

- U.S. financial houses are in meltdown. The market capitalization of J.P. Morgan Chase, the second-biggest U.S. bank, has fallen 71% since early 2001, from a peak of \$106.5 billion to just \$31 billion. Morgan is not alone. Charles Schwab, Morgan Stanley, Merrill Lynch, Goldman Sachs, Citigroup, and Lehman Brothers are all down over 50%.

- Foreign money is fleeing U.S. stocks. In the first half of 2002, foreign investors purchased just \$58 billion of U.S. stocks, a 50% decline from the \$116 billion they purchased during the first half of 2001.

- The rate of U.S. layoffs and corporate bankruptcies is now at the stage of shutdown of the economy. Since August of 2000, 1.9 million manufacturing-sector jobs have been lost, including 1.5 million production jobs.

Who Said What, and When?

"This is a crash," was the Oct. 1 statement of the Chief Economist of Deutsche Bank, Norbert Walter. Then, during the ensuing week, leading German bank stocks plunged by double-digit percentages.

Other international spokesmen are equally outspoken in

the face of the crash. But in the United States, the lunacy that “the fundamentals are sound,” expressed on Aug. 13 by President Bush, at the Waco, Texas Economic Summit, still prevails as the “official” insanity of the land. One example of what this means in practice: The White House wants to underfund Amtrak, the U.S. passenger rail service, by less than half of what it needs to operate in 2003, meaning the shutdown of six major inter-city routes (Florida to California; Chicago to New York and Texas, etc.)

Hence, the urgency. As I said in an Aug. 24 webcast, “It should be clear by election time, for these state, Senate, and so forth elections, that anyone who is not pushing for infrastructure, is not working in the national interest. Therefore, we have to have a weeding-out of those members of Congress, who, among their other faults, are not pushing for immediate restoration of rail service, and defense of air traffic. Now, that’s only the beginning, but those are two areas, integrated areas, on which the President must act immediately, now!”

I call for the convening of a New Bretton Woods conference—to deal with the trillions of dollars of unpayable financial claims of all kinds (debts, derivatives, collapse of inflated assets, etc.) and to set up a new world financial system of stable currencies, capital investment, mutual-interest trade, not free (rigged) trade, etc.; and secondly, for a full-scale infrastructure-building drive of the world “Land-Bridge” system, centered on the Eurasian Land-Bridge, as the economic and science driver for the 21st-Century recovery.

For the United States, I have spelled out what this means for the “North American Land-Bridge” programs and infrastructure-expansion, involving the creation of millions of new jobs, in my “November Emergency Program,” released Sept. 30 for mass distribution. My Aug. 23, 40-page “Special Report—Science and Infrastructure,” is circulating in capital cities from Moscow to Manila. These policy concepts are now part of an urgent debate and deliberation in many parts of the world.

I have already pointed to the debate which took place on Sept. 24 and 25 in the Italian Parliament. During that debate, Deputy Giovanni Bianchi told his colleagues just before the final vote, “Not by chance, one speaks of a New Bretton Woods. I believe that we are in such evident disorder, that the need and demand for some order is necessary. Let us not let a figure like Lyndon LaRouche—who forecast the destiny of the bubble—stand alone as the only one to carry on this issue.”

November Emergency Program

On Sept. 30, the LaRouche in 2004 campaign released its first press run of the new 24-page “Emergency Intervention: Candidate LaRouche’s ‘November Program’ To Rebuild the Economy.” Its major focus is on rail and air transportation, and also covers all other hard and “soft” infrastructure, from ports and waterways, to water supply, land management, and power systems to hospitals, public health, and Classical education.

Rail: For passenger service, Amtrak is now “one wreck from shutdown.” The workforce, repair shops, rolling stock, and maintenance have been cut to below minimum. A regulated, high-speed, inter-city, continental system must be built, bringing magnetically levitated (maglev) trains on line.

Air: Commercial aviation is in meltdown. Over 200,000 airline and aerospace jobs have been cut from June 2001 to July 2002. The Federal government must defend the route structure and the workforce; the system must be expanded in a fully integrated way with advanced rail, ending “short-hop” flights and hub congestion. Part of the aerospace workforce can produce maglevs—“flying trains.”

Waterways: The 12,000-mile U.S. inland waterway system has 240 commercially active lock chambers, of which 113, or 47% of the total, are 50 years old or older, way past their life expectancy. The U.S. Army Corps of Engineers must be mandated to upgrade all waterways, and ports—seaboard and inland, integrated with rail and air—to handle vast new freight flows expected from an economic boom in the Americas and worldwide.

Electricity: For the past 25 years, the power system has been subverted by financial disinvestment, and then by deregulation-profiteering, to the point where generation capacity margins are below reliability requirements, transmission is decrepit, etc. Re-regulate power; renew nuclear-power programs, including “assembly line” output of modular, high-temperature gas-cooled reactors.

Water Supply: Lack of building new water sources, not Mother Nature’s droughts, is what lies behind our water shortages. Build the North American Water and Power Alliance project; and coastal nuclear-powered desalination facilities.

Public Health and Hospitals: The West Nile virus epidemic reflects the takedown of public-health functions (pest control, disease surveillance, etc.). The 1946 “Hill-Burton” Hospital Survey and Construction Act was passed to raise ratios of beds/thousand to 4.5 (urban) to 5.5 (rural). Launch a new “Hill-Burton” hospital boom; repeal all HMO laws. Build up public health. Restore DDT and science.

My “November Program to Rebuild the Economy”—in the style of Franklin Delano Roosevelt—gives sector-by-sector summaries of the crisis, the technologies and policies required to solve them, and how to pay for it all. Though we stand on the edge of historic catastrophe, we can force a new policy turn toward true national security and hope.

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