

## LaRouche's Dialogue With The Senate Continues

*In last week's EIR, we published Lyndon LaRouche's opening remarks to a Sept. 16 webcast in Washington, D.C., on the theme of "Revolutionary Transformation After Hurricane Katrina," and the first question from the audience, which was on how the U.S. Senate should proceed to rebuild after the hurricane. Here, we continue with the dialogue, which was moderated by LaRouche's spokeswoman, Debra Hanania Freeman. The video of the webcast and a transcript are available at [www.larouhepac.com](http://www.larouhepac.com).*

### Oil Prices and Speculation

**Freeman:** Lyn, This question comes from the Democratic leadership of the Senate. It's on the question of the price of oil. The question is as follows:

"Mr. LaRouche, on the one hand, we're always told that the price of oil is largely determined by some peculiar combination of the gods of OPEC and the gods of supply and demand. With the refining capacity of the United States almost completely concentrated in the area that got hit by Hurricane Katrina, it did seem obvious that we were going to suffer some temporary disruption, without outside help. And indeed, it was the case that overnight, the price of gasoline, for instance, shot up by almost \$1 in most places. By and large, people accepted it as a result of what had happened down in the Gulf. Some state governments tried to alleviate the crisis by temporarily repealing gasoline taxes, but we all know that they can't afford to do that. And the fact is, that as policymakers here in Washington, we decided that we needed to take a closer look.

"Every member of Congress is well aware of the fact that Saudi Arabia, Kuwait, and several other countries as well, offered the United States refined oil if we needed it. Additionally, in a world that is presumably ruled by supply and demand, we know that demand is largely down. A service economy just doesn't use as much energy. At the same time, supply is way up. So up, in fact, that some people say that we are

literally drowning in oil. Now, I know that this sharply challenges the assertions of some environmentalists, who say that we're facing a big shortage, but I'm going by what the numbers I'm given tell me. Okay, with all of this said, what exactly is going on? Who or what is actually controlling the price of oil, and how specifically should the Senate respond to it?"

**LaRouche:** Supply and demand is something for sick children to believe in. It does not exist. It's a theory which applies on planets that don't exist, but not this planet.

What is going on, essentially, is stealing. And the stealing is being done by the friends of George Shultz, who created the Bush Administration. He begat George, Jr. According to the story, he had him out there and said, "I think you've the makings of a President." And then George, Jr. went out—and he was a drunk and a drug-user and whatnot, a no-brainer all the way—and he went back to a religious fellow who told him, "Ah, you're a Christian!" and he had an instant conversion! He took a bath in no water, and suddenly he became a Christian! Why? Because somebody told him he's going to be President, and you've got to now pretend you're a Christian. And we see by his behavior, he's no Christian. He thinks he's talking to God. That's somebody else he's talking to! It's the other guy.

The point is, what's the practical situation here? Again, we're in a wartime situation, tantamount to war. Now, we don't want to kill somebody. We want to do precisely the opposite, but we're in a situation tantamount to war. What do we do?

We know that the price of oil is rigged. If the President of the United States—put me in the Presidency of the United States for two days, or three days—I'll meet with the governments of the world, I'll meet with the oil-producing nations, I'll meet with the government of Germany, other governments. I guarantee you, I'll have an agreement on control of the price of oil, overnight! Because we have the oil. We have the petroleum. We control it, this consort of governments. We



EIRNS/Stuart Lewis

*Lyndon LaRouche addresses the Washington, D.C. audience on Sept. 16. “Most of the serious Republicans,” he said, “more and more know that Bush and Cheney are disasters, and know that they’re being pushed to the edge of a Watergate proceeding, as they were against Nixon, because we have to get rid of this problem, in order to have a government again.”*

have the supply, and if we’re determined to have the supply delivered at a fair price, it will be delivered at a fair price. It’s a political question! It’s not an economic question. The effects are economic, but it’s political. These guys are stealing! And they’re stealing with the aid, the accomplice is the President and Vice President of the United States. The Carlyle Group has got its pockets deep in this stealing.

Look, you had a switch in the country, in terms of banking, which occurred over a period of time, the Southern Strategy, the Southern Orientation, which became big around Nixon. And the Southern Orientation was to move finances—and look at the structure of banking in the United States, banking and related finances. It shifted from the Northern states, from a New York-centered basis, into a Southern orientation. Initially it started with the cheap labor markets of the South. They began moving industries down to the South, to cheap labor markets in the woods. Runaway shops, they were called then, back in the 1940s and ’50s. Runaway shops.

Then, they began to move in other directions. Now the Carlyle Group was a part of the creation of this, of the moving of a concentration of banks from the New York-centered banking system to a Gulf-centered orientation.

Why? Because there’s not as much cold weather there. People work cheaper. They virtually shut down the state of Michigan. They shut down western Ohio, they shut down Ohio. They shut western Pennsylvania. They shut down Indiana. They’re shutting down Illinois. Look around the country: It’s being shut down. I could show you, we have charts on this, county by county in the United States, which we’re de-

veloping animations of, to show you exactly how the United States has been destroyed, and is being destroyed, by these policy decisions of these financial interests, with the complicity of people in government such as the Bush Administration.

Therefore, this is our problem. And we’ve set the taxes wrong. We’ve set interstate regulation wrong. We’ve done things wrong, and we have to restore them now. And that’s the power of government, but it takes guts to do it! Internationally, the oil price, we could control it. I guarantee you, we have the access to governments abroad, who as a concert of governments would agree in a flash, to join the United States in regulation of oil in terms of supply, as if on a war-time basis, to make sure that everybody gets it at a fair price. And the speculators will just have to take a bath. We may find some water for them.

Now, another thing we’ve got, which is a similar situation, which is not as obvious yet, but we’re on the verge of it—it’s happening right now—is food! Its supply and its price. Food! Now some people around the Congress have said this, and asked about this, as on the 3rd [of September]. Food!

The United States government has to guarantee, use its power, to ensure that the food supplies of the American people are maintained at a fair price. Adequate supply and fair price. That is in jeopardy now. It’s already in jeopardy on price. Look at the changes in food prices. Look at the incomes of people. Our problem is not poverty. Our problem is that people are being ruined, starved to death, crushed. We’ve got to save the airline system. We’ve going to have to put the airline system under regulation, to save it. because we need it. All

these kinds of things. This is where the problem lies.

Don't get taken in by the so-called financial advisors, by these spin sessions that they go through. It's all garbage! There is no such thing as supply and demand. We know this doesn't work. Somebody says it and makes it a token of religious belief. Well, give that to our friend down here in Virginia, down below here. He sells that kind of stuff, including assassinations on demand. But that's the problem. We don't have a supply-and-demand problem. We have a stealing problem, and we have to protect the vital interests of the United States and other nations from that, and if I were President, I guarantee you, in about three days, I could get this thing through.

### **Paying for Reconstruction**

**Freeman:** I'm going to ask you another question from the Senate, and then I'll start alternating with some of those kinds of questions and questions from people here. This is also from the Democratic leadership. It says,

"Mr. LaRouche, we right now are faced with a number of very large costs. First and foremost, the cost of the war in Iraq. We have that cost, and we have to consider it. We have now the cost of Hurricane Katrina and its aftermath. On top of that, this week also brought along the bankruptcy of Delta Airlines and Northwest Airlines, presenting us with a whole new problem. Of immediate concern in the Delta/Northwest situation, which is a question that we first had to address a few months into the late Winter, we have to deal with the question of the pensions that are owed those workers. The fact is that the pension funds of these two corporations are grossly underfunded. Some people believe that now is the time to turn to the PBGC, the Pension Benefit Guaranty Corporation, but their mandate was never to be the piggy bank of last resort, and it itself is right now grossly underfunded. These are the problems we have to contend with.

"Now, right now, there is no question about what is the *right* thing to do. We have men and women concentrated in Iraq. We have to pay for that. We can't leave them there without what they need. Similarly, in the aftermath of Hurricane Katrina, there is no question as to what the United States should do, there is no question as to what's right. On the question of these bankruptcies, certainly the pensions should be honored. These workers deserve to be paid. So we know what's right, but it's not at all clear to me how the hell we are supposed to do all of this. Where's the money supposed to come from, at a time when the deficit is already way beyond what any of us are comfortable with?"

**LaRouche:** Well, we're going to have to take a page out of the book of Franklin Roosevelt. You cannot deal with these issues one by one. That's the problem. When you try to deal with each one, then you find the other problems eat you. So, what you're going to have to do is this. You're going to have to recognize that the present banking system of the United States and of the world is hopelessly bankrupt. That's a fact!

Don't wait for it to happen. That is the condition that exists right now! There is not a major bank in the United States which is not actually bankrupt, and I can prove it. Get me into the bank and I'll show it to you. It's hopelessly bankrupt. You don't need me! Bob Rubin will show it to you, if you give him the power. He knows it. There are other people, economists in the United States, who know that! This system is totally bankrupt.

I'll give you one example. The housing bubble! The mortgage-based securities bubble can blow out the entire U.S. system, right now. So, we have to say, instead of, "When is the bankruptcy coming? Is it going to come?"—*It's here!* It's being papered over by fakery. I've seen this before in my days as a consultant. I used to get called into these situations of virtually bankrupt firms, and they had been bankrupt for a long time, and they were postponing it by various methods, and they were getting themselves at the point where the word was jail, jail, jail! Doing all kinds of tricks to avoid the inevitable. They were bankrupt, and the best thing when you're bankrupt is to go bankrupt! At least you get honest and legal, if you haven't stolen anything. Eh?

Now, the banks are bankrupt. Fact! Not debatable really, by people who know. And if you know Bob Rubin, he might tell you. He's a very cautious guy, but he probably knows it pretty well. I know it, so he must know it. We know that, so therefore, what do we have to do? Because other countries are bankrupt too. Italy is bankrupt, France is bankrupt, Germany is bankrupt. Who isn't? Japan is bankrupt, hopelessly bankrupt! What are you going to do? The system is bankrupt! The International Monetary Fund system is bankrupt. Why? For the reasons we indicated. Financial derivatives. We're talking about financial derivatives on the order of magnitude of uncounted quadrillions! We're talking about a world economy on the basis of less than a hundred trillion, with obligations in the order of quadrillions and many of these are short-term obligations! The system is bankrupt!

Now, what we're going to do, what we have to do, is we're going to have to declare that all financial derivatives are nullified, because they're side bets; they're gamblers' side bets. They're not an investment in production. They're not an investment in producing anything, they're gamblers' side bets. So, we put the gamblers out of business. "Okay, you guys settle your own accounts among yourselves, your side bets; you sidebets go off and settle your own with one another. We have nothing to do with it." We're going to have to put the whole thing into bankruptcy. We're going to have to put the IMF into bankruptcy. We're going to have to put the Federal Reserve system into bankruptcy. Why? Because, what we have to do, we have to put the entire banking system into reorganization, under Federal reorganization.

Now, this means in our history something very simple. It means we're going to some form of national banking, in which the power of the Federal government, under the Constitution, to create credit, through the consent of the House of Represent-

tatives, the power to create credit will be used, as Roosevelt used it. We'll put the whole thing into bankruptcy, where the first purpose is to make sure of the continuity of essential operations, and the continuity of the functioning of the institution. The banker is going to sit there, he's going to still do what he does, because we've got to keep the flow of things going.

Now, our basic problem, from the standpoint of reorganizing in bankruptcy, is, we've got to start creating more production than we have costs. That is, we've got to bring the level of productive employment up to the point that we are operating on a current basis above breakeven. Now, when you're operating above breakeven, you can get by with a lot of things and manage a lot of things, especially if you're government. But if you're not operating above breakeven, sooner or later, the whole thing's going to crash. So the Federal government is going to have to put this system into bankruptcy reorganization, devise immediately emergency bankruptcy legislation, covering bankruptcy, because we are not going to lose essential productive facilities, or essential things. We must have them. So therefore, we put them into bankruptcy reorganization. We may force suspension of payment of many accounts, but it will be in a regulated way. We've done it before. We do it again.

Then we're going to have to do this. Since we don't have the amount of skilled labor for industry and agriculture we require, we're going to have to do what was done by Roosevelt with things like the CCC, WPA, and so forth. We're going to have to take people who do not have genuine production skills, and we're going to have to find forms of employment which are productive, intrinsically, in which they can be assimilated into a role as productive parts of society, and by doing that, we will then get the economy growing.

Now, the place we can do that, which is the place where government can competently do the job, is basic economic infrastructure. Let's take the case of the airlines. We need an air transport system. We need an air transport system, we need a rail transport system for passengers and freight both. We need a national system, so why not build it? We intervene *immediately* to make sure there is no dislocation of the airlines. We can help that greatly by putting a cap on the petroleum prices, which we can do by agreement with other governments. We can put a firm cap on it.

We can, if the Congress has a clear perspective, we can create programs of public works, or investment in basic economic infrastructure. The reason for this is, in many states and localities, you have state agencies, local agencies, which have on the drawing boards, proved, worked-out plans for infrastructure. For example, you cannot get safe drinking water out of a faucet west of the Mississippi, virtually. You have to pay for it in terms of little bottles or something like that, at high prices. One of the big industries is making fresh water out of cesspools and whatnot. Well, they call it purified water, we don't know what it was before it was purified.

All right, we don't have that. Our sewer systems are break-



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*The Works Progress Administration (WPA), during the Roosevelt Administration, put people to work, many of whom lacked skills, as our people do today. "We're going to have to find forms of employment which are productive, intrinsically, in which they can be assimilated into a role as productive parts of society, and by doing that, we will then get the economy growing."*

ing down. Our power systems are breaking down. We have a shortage of power. The power systems we have are breaking down, of old age and similar kinds of things. We don't have a mass transit system that works. So we can start to build these things that we need, with large-scale projects which do normally fit in with government operations on the city, state, county, and local level.

We can organize the funding mechanisms to do it. We're familiar with this, we know how to do this. So, take things that have to be done, make a package of enough of the things that have to be done, so that we're bringing the work activity of the population above current operating breakeven levels. Now we have a prospect for the future.

Now we attack these problems from that standpoint.

I support Charlie Rangel on the question of a draft. It makes sense. There are many reasons for it, and he knows them all. Katrina—we're going to have to do it. We don't want Halliburton or that crowd in there, because we know they'll just steal. What I want is a Corps of Engineers program.

Put it back under the Corps of Engineers. Use the military Corps of Engineers, as we used to, for these kinds of projects; that any contracting that is done will be contracted through the Corps of Engineers, under proper approval. We'll get some people employed, back to work, building institutions, Corps-style. Their priorities are the right ones, the emergency priorities.

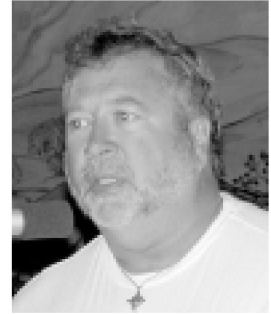
On the airlines, we have to put them under protection, and we have to say the pensions are going to be paid by the airlines. We're going to make sure that happens. Well, if you get the oil price down, you have a fighting chance of doing it. We're going to orient away from a highway-based system, because I don't think there's any sense in building highways to use them as parking lots, which is what we're doing at rush hours these days. The rush hours get longer and longer. We need a high-speed rail transport system back for the United States. We need a reliable air transport system. We need a rational relationship between rail transport for inter-city—high-speed rail transport as inter-city travel, by having the high-speed rail travel integrated with air travel. Longer-range travel should be by air. Shorter-range travel, medium-range, should be inter-city [rail]. We have to build a national transport system of the type we used to think about.

So, if we do that, then we have a solution. If we try to go at this piecemeal—we may have to in the short term—but it's not going to work in the short term. Short-term measures are not going to solve the problem. It's just going to get bigger and bigger and bigger, because the problem is getting bigger and bigger all the time, at geometric rates. Therefore, what we need to do is understand we have to go back, go into a general reorganization at a time that the entire planet has to go into a general reorganization, a general financial reorganization of bankruptcy. And we can build our way out of it. We can use—I mean, this is bigger than Roosevelt faced. The problems are much more severe than Roosevelt faced, but we can do it! And we need to start recognizing that now, and get started.

The key thing in this is, get some momentum going, of political support and popular support for going in this direction. If you get the political and popular support for going in this direction, you will find that it will take off. We have a population whose lower 80%—in the United States—has been demoralized by what has happened to them in the past period. Look at the turning away from political parties. Why? The lower 80% is disgusted and demoralized. They don't believe it. The poor, especially, don't believe it at all! The poor say, just drop me some money, don't bother bothering me with politics. I just want your money. So therefore, we have to go through a process of spiritual regeneration of the nation, by moving in a certain direction which we advertise clearly, taking the emergency measures upfront that we have to take, and can take, and use that momentum to go on to the other things that have to be done. It'll work! *It has to work*, because we have no other choice.

## A Movement Based on Ideas

**Mark Sweazy, president of UAW Local 969 in Columbus, Ohio:** This tee-shirt, Lyn, did not get to you yet, but this tee-shirt was made and states, "The United Autoworkers Proposing a Workable Solution to Congress in Defense of General Motors," and on the back is the resolution passed by the City Council of Columbus, Ohio.



*Mark Sweazy*

My only question would be probably the same question that everybody in this room may have, or everybody listening to this webcast may have, is that, Lyn, your direction is superb. You're keyed, you're focussed, you're definitely headed in the right direction. There's so many people in this country that are not, it's amazing. But my question would be, what can we honestly do to wake up a comatose government? What can we honestly do to wake up a Congress that apparently doesn't see the same need? What can we do, as sons and daughters of this nation, less than a Boston Tea Party, that will open the eyes of those that control our destiny? And I thank you again. God bless.

**LaRouche:** What we need, you see, and any politician who thinks about it and who's experienced will tell you that, we need a movement. You need more than just a grass-roots movement. They tend to be protest movements, but as you understand from your experience, that an effective popular-based movement is a movement of ideas, like the movement which built this country, and led the American Revolution. They were people, from all walks of life, who were organized around ideas, not protests as such. Yes protests, you can protest all you want, but if you've got an idea that people can work with, that you can organize around. . . . So it's an organizing process that's needed.

The problem we have is we have so many demoralized people. My experience is that—and probably yours too, because you're younger, but of similar experience—is the demoralization of the American people from what they were, say, in the 1950s and 1960s, and what they are today. The lower 80% of family-income brackets are politically demoralized in a way beyond belief.

And the demoralization comes in several forms. It comes in forms of mass media influence. You look at the so-called entertainment. All you have to do is look at a sampling of television or similar kinds of entertainment. You can't find a drama which is a drama! You can't find anything that is intellectually stimulating, that suggests a population which believes in ideas. They believe in slogans, but they don't understand ideas. They don't debate ideas. They don't think through and discuss ideas. They don't ask questions: How does this work? How are we going to work this out? They

don't get into those kinds of arguments.

You know, in the old days, in the trade unions, they used to get into those kinds of arguments, particularly when it came to contract negotiation time. People talked about, how is it going to work? How is it going to work? How's the industry going to work? Because they were just thinking about what they as employees, union employees, were doing. They were thinking about what the industry's going to do; what's good for the industry. This is our bread-and-butter! This is our community! What are we going to do? And they would debate these ideas. "No, that's no damn good," that kind of thing was going on, but it was a discussion of ideas! And people have given up essentially on ideas. We've become like Ancient Greece at its worst, Ancient Athens at its worse. We've become total Sophists. We think about slogans, bite-sized slogans, words, this kind of thing. We don't think about ideas. And when somebody comes up with an idea, they're buffaloed. They don't know what it means!

So what we have to do, is try to get ideas across. I concentrate on this stuff all the time, trying to get people to come up, get up, get up, raise your intellectual level, get up! And they could do it. We're doing it. We're going it. The problem is, how do we get it going fast enough? We're in a period where people are changing.

Look, the contempt for George Bush—George Bush is an object of pity. People don't know if they pity him or hate him the more, because he's obviously stupid and psychotic. And I'm not saying psychotic loosely. This guy has got a real brain problem! You look at his eyes, you look at his body language, look at the way he speaks. He doesn't even know what the words mean that are coming out of his mouth! He's living in a completely different universe than the rest of the human race is. Cheney is a complete sociopath. Pathological guy you wouldn't want in your neighborhood!

But the people are afraid. And they're gradually coming out of the ether, slowly coming out of the ether. The problem is, it's slow getting people in the population to move again, to move around ideas. That's what our problem is. But that's what we're doing. That's what you're doing! That's our instinct. That's the only thing that's going to work, because you can't depend upon the politicians if they don't have a base. If they don't think the people behind them are going to support them. They run in an election with a good idea, and they get slaughtered in the next election. Why? Because the people aren't paying attention to reality.

## Shake Up the Democratic Party

**Freeman:** I'm going to take another question from the Senate, and then we're going to come back to the audience here.

Lyn, this is a question from the Democratic Senate campaign committee. "Mr. LaRouche, I'm becoming increasingly aware of the fact that we deal with two different worlds, one inside the Beltway and one out. Candidly speaking, I can

say that a growing number of us here on Capitol Hill agree that Bush and Cheney may simply have to go. Mike Brown, the head of FEMA, may have found that his head was the first to roll, but the fact of the matter is that what he recounted in an interview that ran in yesterday's *New York Times* makes clear that although he was unquestionably unsuited and unqualified for the position he held, he knew enough to know that he needed help. He recounts in that interview a series of phone calls made, to Chertoff, to Andy Card, and finally, because he is an old crony of Bush's, to the President himself. Whether Brown intended to or not, his statements remove any remaining doubt that the President of the United States knew what was about to happen, knew what was happening, and did not care.

"But it's also the case that the removal of a President is a very serious proposition, and it's my view that organizing and educating the American citizen is as important as the specific articles in any bill of impeachment. Now, there are Republicans as well as Democrats who think that this Administration may have to step aside. In fact, for many of them, even more than for we Democrats, it's an existential issue. But it still is the case that the Democrats would have to take the lead.

"We right now have a national party chairman who conned some people into believing that he was the grass-roots guy, but he's doing a very bad job of mobilizing the grass roots. More than that, when I was back in my state, I realized that even our elected officials back home have very little comprehension of the mood or of the situation here in Washington, D.C. If we're going to do what has to be done in Washington, we really do need some division of labor. When we are tied up trying to make policy, it seems reasonable to me that we should be able to depend and expect the national party to organize and educate, and not simply to raise money, which is all they seem to be doing these days.

"My question to you is: What do you think about this? Do we require a shakeup in the national party apparatus? Do we require the same kind of reorganization that you are proposing for the financial system?"

**LaRouche:** Remember, Howard [Dean] was a compromise for the appointment to the national chair of the Democratic Party. He was not a choice, he was a compromise. And he was a compromise which was made at a time where the party organization was running way behind some of the people in the Congress.

The Congress was coming more and more to recognize, especially from the 7th of November on, what the problem was. We got the Congress up off the floor, the Democrats off the floor on the 7th and therefore, and by the time we had the actual inauguration process for the second term of Bush, we had Bush as a lame duck. We had established that. But the positive program required was not yet on the agenda of the Democrats. It should have been, but it got jammed up with the usual kind of party financial this and financial that, and so forth, where people were trying to say, "Where's the money

first, and then we develop the politics,” whereas in a time of crisis, you have to develop the politics first, and then you may get the money. Because when times are easy, people give easily. When times are hard, they give only when it’s important for them. And therefore, to raise money sufficient to—I think people waste money in most of the party organizing, from my experience, because of what our experience is. We get a lot done with very little money. They get very little done with a lot of money. It just shows that there’s something wrong in their operation.

So, we have a situation where, as you would express this, when you get into Washington now, in the Senate, around key committees in the House, they’re very clear in terms of a general sense of direction, and also, it’s true, we see very clear signs of a bipartisan tendency in the Senate, and things in that direction also in the House. But you don’t see that clearly understood out in the boondocks.

And you’re right, the problem is the lack of coordination between the leadership which is emerging in the national center around these issues, and what is not happening out in the boondocks. And that’s because the Democratic Party doesn’t function. It’s not functioning! Of course, the Republican Party is jammed up by an internal quarrel about this thing, because most of the serious Republicans more and more know that Bush and Cheney are disasters, and know that they’re being pushed to the edge of a Watergate proceeding, as they were against Nixon, because we have to get rid of this problem, in order to have a government again. And the reason we got rid of Nixon was not because he committed crimes, but because we had to get rid of him to have a government! Even Gerry Ford, who was not the fastest car on the block, you know, actually held the country together because he wasn’t Nixon. It’s that simple. He was looked at as Mr. Nice Guy. So, we’re in a similar situation.

Now, the problem here is one of organizing. I think, however, that you’ll find the organizing potential is tremendous. There’s a certain amount of intimidation when a thug, Dick Cheney, and his apparatus, resort to active measures and dirty tricks, as they’re doing now, to try to discourage people from doing things they would otherwise tend to do. The dirty tricks operation is not only national. The dirty tricks by the Bush/Cheney Administration—especially Cheney—is now overt and it’s international. The government of India has been targeted with dirty tricks by this Administration. Other governments around the world are targeted by dirty tricks from the United States government, all as a part of this operation. And people are frightened. It’s a question of leadership. We do have to get more leadership, and I think that the very fact you asked the question and you asked it here, will help the process. We do have to have party organization.

You don’t have to go through the national chair. If you want party organization, and the national chair is jammed up with a guy who’s a fundraiser, period, you don’t sit back and complain and cry about it. You want to replace him? Replace

him. If you don’t want to replace him, okay. Then find and build another channel. It’s easy.

We’ve had in the Democratic Party—we’ve had campaign committees, all kinds of committees, many times before. We often bypass the national chair, in terms of organizing. Don’t sit back and complain that the national chair is a dead end. It is! So what? That’s no excuse. You’re going to sit down and die? You’re going to blame Howard Dean for it? The point is to decide you’re not going to sit down and die. And we have all kinds of committee organizing. We could organize. I’m doing some of it. Others are doing some of it. You put together some of the capabilities that we have out there, and put them together, and you have a campaign team which can run under various kinds of colors, which we can throw together overnight. You don’t need a lot of money at this point. You need some, but you don’t need money to try to buy ideas, buy influence with people who need help. You have to give them the ideas and the sense of organization, the sense that they’re not alone, and they’ll respond to it.

This is a time for organizing, like in the old days of labor organizing, when it was tough, and you got your head bashed in as a labor organizer. People sent you out as a new organizer, out to the worst place to organize, and you got your head bashed in, because they’d had their heads bashed in, and you had to get them to listen. So we’re in that kind of situation, where you have to organize that way, the way the trade-union movement organized in the better days. It’s “Get out there and organize.” Organize the local politicians, get ’em on. Educate them. Give them a sense that there’s a national organization shaping up around what is coming out of the Democratic leadership and, to some degree, bipartisan leadership, in the Congress. They’ll respond, but don’t sit back and cry. Organize.

## Our Machine-Tool Capability

**State Rep. Perry Clark (D-Kentucky):** . . . I really have a couple of comments more than a question. My questions have really been answered. I appreciate the history lesson you gave this morning here, Lyn. It’s better than I got in high school and it’s better than I got in college. And, I’m sure it’s better than most of the kids get nowadays.



*Perry Clark*

This week I happened to be at Kentucky D. Village, which was part of the Franklin Roosevelt TVA program. And, you know, hardly anybody younger than I, understood that that was a Franklin Roosevelt project? And that was a project done by the Federal government that made that area of the country a wonderful place to live and to be. They tamed it for nature and they tamed it for humans. And it made rural electrification.

It was a wonderful thing and they didn't even understand this anymore.

I went to a union meeting. There were more people than there are here. In Kentucky. There were speaker after speaker, and top leaders of the Democratic Party, in the state. And they said the same trite garbage and people just applauded! "We're for good jobs. We're going to get health care under control. We want to get living wages." No details! No subjects. Well, they had Perry to speak last. [laughter] The man who spoke before me, there were about six or eight, probably. Several of them were very long, some very short. I tend to be very short, most of the time. I got up and I said, "I don't believe everything's been said. We do have real problems." And I addressed the same thing that you said this morning. I had two questions and I actually believe I do have the answer, but I brought them up there. Where do the dollars come from, for reconstruction of the infrastructure? In the United States it is failing tremendously throughout most of Kentucky, throughout California, throughout most of the Midwest, we see this. I want to get more and more talk about the infrastructure, because Katrina has put a focus on that.

And the other thing is, where do we really get the machine-tool capability and the workers to do the reconstruction that we need to do? Because I understand that we better save the auto industry right now, because they are the largest machine capabilities left in the United States. With that, that is more of a comment than a question. I appreciate what you do. We're trying to organize around Kentucky. We're getting better and better. Thank you very much for having me here.

**LaRouche:** I'll just take the opportunity to make two brief comments. First, on infrastructure. We could do that. This is the Federal program. We have to do also, remember two things. You have to organize on two levels. You have to have an overall Federal program, which ensures that the United States is operating above breakeven, in terms of counter-to-counter operations. Secondly, you have to apportion this in such a way that you ensure that the states are each solvent. In other words, the states can not go into debt. Therefore, your program has to be to allocate programs in such a way that you bring the states into a state of balance, and so forth.

On the question of the machine tool, you've got Mark [Sweazy] here. You see, machine-tool capability is a funny thing. Now, I know what they do generally in the auto industry and the airline industry. But the power of the machine-tool sector: It's a relatively small number of people, on whom the jobs of many people depend. In other words, you may have a handful of machine-tool workers who actually are the key to thousands of jobs in that industry. Because they are the ones that give the technology, which enables those industries to compete in the marketplace, in terms of product quality, not just price.

So, therefore, the machine-tool industry is crucial. How good the machine-tool industry is, depends upon how ad-

vanced the technologies are that you are putting into it. Now, you can take any people that are machine-tool skilled operators, in terms of developers, and they can generally learn very quickly to do almost anything that you bring into the shop as technology. The higher the level and the higher the rate of introduction of technologies through the machine-tool sector medium, the greater the rate of gain in productivity at the point of production in general. So, therefore, high-gain machine-tool operations, as opposed to one of a lower gain, are the key. We have to rapidly transform, as Roosevelt did in some cases—take masses of people, who have limited skills for the job, breaking them in for the job by machine-tool design of the crafting of the job, the way the job is broken down, the production job is broken down, so that people with relatively little skills can be transformed into people who produce a product which contains a high level of technology and skill in it. And, that's what we need. You need those two things: You need to apportion across the states to make sure that we are not only getting breakeven for the nation as a whole. You have to think crucially of breakeven for the states, because a state can not go into debt. It has to operate on a budget.

Secondly, we must think of it in terms of *high-gain* machine-tool operations, not routine machine-tool operations. We've got to bring new technologies into play rapidly! And at a high rate, with the notion that we have to train people who have very low skill levels to actually produce the products that go into the high-gain machine-tool product.

## The Guns of August

**Freeman:** The next question is from a Democratic member of the House of Representatives. "Mr. LaRouche, just prior to the crisis caused by Hurricane Katrina, you had issued a statement that was very well received all over the country, called 'The Guns of August.' Hurricane Katrina may have bought us a little bit of time, but the saber-rattling against Iran and the renewed threat of domestic terrorism seems to be back on the agenda. In the buildup to increased hostility toward the nation of Iran, I think the least we can expect is a massive increase in the price of oil, and perhaps, that is something that this Administration desires. My question to you is in two parts.

"Number one, do you think that the Administration does in fact desire an increase in the price of oil to help their friends in the oil industry? And, number two, what are your thoughts now, in mid-September, on the guns of August?"

**LaRouche:** Well, first of all, "The Guns of August" is what I talked about here. August was the opening of the window of opportunity for launching the war that Cheney had called for in his instructions to STRATCOM. So, it's there. It was there from that time on. And, August has a peculiarity in terms of the way the world is organized in launching wars. It's still on the table. We jammed it up, in some degree, by advertising this. Because, what I was saying was known to be



true in some significant quarters. Nobody was going to say it. I verified the fact that this was on, with qualified people. But, no one was going to say it. So, I looked at myself, and I said, "You just got elected to say it." So, I said it. It still stands. It was not a prediction of a sort of thing. It was saying, "As of August we have to expect this danger." *It is still active.*

It was the discussion of Sharon, in the United Nations meeting in New York. This was raised. Israel is prepared to go to war against Iran under pressure from the United States government to do so. That's the current situation. We have jammed it up, but, it is still there. The monster is still there. It has not been turned loose. We may have delayed it somewhat. But the monster is still there.

Now, on this question of oil. I covered that before. The oil price is not the oil multitis as such. The oil multitis are a financial vehicle. Every barrel of oil that goes on paper as being sold, is sold many times before it actually gets to an end product delivery. What is involved here is not oil. It's the use of petroleum as a medium of emptying your pocket. In other words, the oil multitis don't benefit from this. The oil multitis are astonished at what is happening on the markets. They are not wanting it! The bankers are running it! The credit derivatives people are running it. The hedge funds are running it. It's being run by George Bush's cronies, his father's cronies. You don't have a problem with the oil multitis: You have a problem with Wall Street! You have a problem with the guys who shudder when my name is mentioned, because they know that Wall Street hates me more than anyone else. That's what the problem is. And, I think very simply, just stop. Don't say oil multitis. Number one: Never say oil multitis, because you've got the wrong target. Protesting against oil multitis will get you no place. It will get you a higher price of oil. If you want to get a lower price of oil, say what I say. That is, Bush's financial friends in Wall Street, who took a bath on their gamble in hedge funds in the Spring, and are still trying to bail out; and they found out this ripoff is the way in which to rip off the American people, and other people in Europe and so forth, to get some money to cover the fact that they're about to go into bankruptcy. That's what's going on.

It's pure stealing from your pocket, by the banking interests, the financial interests associated with the Bush Administration. It's just like the same thing with Halliburton. Here you have Katrina, a disaster in Louisiana. Bush and Cheney are willing to do nothing about it. They knew about it days before it happened. Cheney was informed three days before it happened, what was going to happen, explicitly! The knowledge of what was going to happen was there on Aug. 2. There are outstanding reports that gave you the basis for knowing it. This is no surprise. We're expecting three more hurricanes of that quality, of Force 3 or above, between now and November! This is no surprise. What it was going to do was no surprise. Everyone knew. The President was briefed! Two to three days before it happened, he was briefed personally! And, he went off on his tricycle race. Cheney was on vacation to be away when the crap struck, hoping that it would go

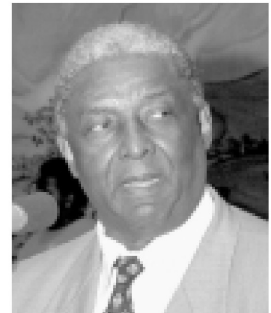
away. And when they surfaced after it had struck, nobody would pay any attention to them. Then, what do they do? Cheney and company go around to George Shultz's friends and say, "Halliburton must steal." So, what they planned for the New Orleans area, for Louisiana in general, is a ripoff by Halliburton! Of the type of ripoff that is occurring in Iraq, through the Iraq War. Same thing.

So, if you say the right, magic, words, that Cheney and his friends at Wall Street are doing the stealing, that the people in the Gulf area, associated with Bush, are stealing, that the hedge-fund people are stealing, that it is the friends of Alan Greenspan who are stealing, now *those* magic words may get you some results.

**Freeman:** Okay, now a question from the audience. Former Senator Joe Neal of Nevada?

## The Greenspan Phenomenon

**State Sen. Joe Neal:** If I look kind of groggy it's because of that red-eye special from the West Coast. Lyn, first of all, let me thank you for all the work that you have done and the statements that you have made in reference to the recent crisis we had that got brought on by Katrina. And, I would just like to ask my question to make a comment about a person that some of you probably heard about, Demonte Love.



Joe Neal

Demonte Love rescued a 5-year-old, three 2-year-olds, a 14-month-old from the Katrina flood. Why this is significant, is because Demonte Love was only 6 years old. And, that situation seems to demonstrate the fact that a 6-year-old demonstrated more leadership than the President of the United States.

Lyn, I think that you have touched upon the question that I am about to ask. What I wanted to ask is, a question in relationship to the derivatives that you spoke about this morning and ask, is there any relationship that exists between the derivatives and the bankruptcy limitation law that was passed by Congress, that affected every individual in this country that might have to file bankruptcy?

**LaRouche:** No. Because, this is the Greenspan phenomenon. Again, you have to get people to think historically. They don't think historically, because, you don't understand how institutions are crafted, what kind of life they take on. You don't follow the changes in institutions, who makes the changes, and things of that sort.

The financial derivatives operation existed in the 1980s. We had some people who went to jail for financial derivatives at that time. Then we had the '87 stock market collapse, in October. At that time Paul Volcker was head of the Federal Reserve system, and Alan Greenspan was coming in. And, Alan Greenspan said, in effect, "Don't do anything till I get

there. I've got a solution." What he came in with was, essentially, financial derivatives. In other words, the legalization of what would be considered a gambling side bet. You've heard about Las Vegas, for example. So, a gambling side bet was now made a negotiable asset, recognized, as such, within the system. It's as though the gambling house said, We're not making enough profit, we're going to make it on side bets, occurring in our premises. Now, they are taking responsibility for the negotiability of the side-bet contracts. And what we've gotten into—a system—we went through bubbles. We went through a George H.W. (that "H." should be "Bubble") Bush Bubble. And that collapsed. . . . And so George Bush went out. He blamed me, personally, for it. But, he went out for that reason. George H.W. Bubbles.

Then, we went through the Y2K bubble. The IT bubble. That blew out. Other bubbles began to blow out. So, by the time that Gore was trying to become President—or failed to try to become President, I think is a fairer description of that campaign he ran—the whole system was gone already, in 1999-2000. It was already gone. So, when Bush came in, he was already a loser. Now, remember what I said in January of 2001. I said two things. First of all, the system is already collapsing. Bush will not be able to handle it, because, among other things, he is stupid. And, therefore, his government will not be able to cope with this problem. And, therefore, you've got to look soon for the Hermann Göring solution. As Adolf Hitler was appointed on the 30th of January by Hindenburg and three weeks later, while people were saying, "Hitler's a joke, he's going to be out of here soon. He's been discredited," Hermann Göring went to work and set fire to the Reichstag. And then with the former sponsor of Prof. Leo Strauss of Chicago University, the mother of the neo-cons, through a special law, Hitler was made a dictator. I said, this is what we are looking at, a situation where a failed economic system, which can not be handled by the existing political management, is going to bring on a condition where the bankers move in, in this case the Bank for International Settlements, Hjalmar Schacht, and that crowd, is going to move in. Prescott Bush, for example, moved in! The grandfather of this President, moved in! Moved the money, to Hitler! To bail out his Nazi Party in time for Hitler to be nominated by Hindenburg, as Chancellor. Huh? The sickness in this society.

All right, these guys exist. I know they exist. I know who they are. That they will pull a Hermann Göring-style terrorist



Bush Family Values

operation soon! It happened on Sept. 11. This is where we are. They got us on the basis of Sept. 11, they got us into the Iraq War. By fakery, pure fakery, and lies, all the way through. They never intended to win that war! They intended to keep it going. They said we were going to win right away. Nobody believed it. They said, we are winning. Nobody believed it. It's still there. It's worse than ever. It's now a full-scale civil war which is insoluble under present conditions. And, now they want to go to another war, on Syria. On Iran. On North Korea. They intend China as a target, in the long term. They are threatening India. They've got a muscle on Pakistan. Central Asia is a mess. We have special operations running around the world. Other wars are coming. Other crises are coming. We are now on the road, we have been on the road, to dictatorship, imperial dictatorship, as a conspiracy between the liberal imperialists of London and the friends—remember, Cheney is a personal friend of the crowd of the Blair government. So is the wife, Lynne Cheney, who got him some business contracts, back in the time, in between President and Vice President. This is what we are up against. I said we are up against it; we are up against it.

We have a President who doesn't function, because he is put in there because he doesn't function. The man is a psychotic! The man is a functional psychotic. I mean, what does it take for people to recognize a psychotic? You got a nut, a loose nut, in the neighborhood! You've got a member of the family that you want to lock up at night, so you can sleep in safety. People don't recognize it. You have a psychotic as President. He doesn't know what the words mean that are

coming out of his mouth most of the time. It's obvious. Watch him on television. He doesn't know what the words mean! He's the guy who is standing there, he saw the words coming out of his mouth: "Gee! Where'd that come from?" They come from the teleprompter, of course. This guy is that kind. You have this kind of situation.

We have a revolutionary situation. My answer is we have a Constitution. The Constitution, as I said at the beginning, tonight: We have a tradition, a constitutional tradition. We have the best in the world, in terms of constitutional tradition, constitutional law. This [John] Roberts doesn't understand what it is. But I do. And therefore, we have to use law. It took us thousands of years to get from Ancient Greece in the struggle for this kind of law. To get a constitution, the type we have, and the only one in the world which has these qualifications, and this tradition behind it. The question is: Are we going to use this Constitution to prevent dictatorship? And some people say, why don't we do some things more radically and more quickly? Well, we shouldn't. Because, the thing we always have to worry about, we have to worry about constitutionality. Because, if we, in the interests of short cuts, destroy the constitutional form of our government, we have *nothing* to protect us.

### 'Right To Work' Laws

**Freeman:** Ron Kominsky, are you here? Do you want to ask your question? Lyn, this is a question from Ron Kominsky, who represents the International Laborers Union. He says, "First, I'd like to thank you for what you do." So would I, actually. "And second of all, I work in Omaha, Nebraska, which is a 'right to work' state. I'd like to know what you think of the Right to Work law. How do you think we can get rid of it? And, if you can't get rid of it, how do you organize unions in states that have this law?"

**LaRouche:** Well, the right to organize, and the right to work, in the sense of the right to organize, are actually a part of our constitutional system. What I mean by that is this. We have a Constitution which has a certain intention. Now, you can tell a guy is no good, or shouldn't be a judge, if he tells you the Preamble is sort of an introduction to the Constitution and doesn't mean anything. The Preamble of the Constitution is the highest constitutional law of our system. The defense of the General Welfare is the highest standard of law of the constitutional system of the government of the United States. That is ideological. That is political, but that's the law! And, nobody should be a Federal judge, especially a Supreme Court judge, unless they agree with that. Because they are incapable of rendering a competent decision. Maybe, between a cat and a dog, they might be able to come up with a decision, a Solomon's decision. But, a constitutional decision? No.

So, therefore, under this constitutional intention, of our Constitution—and our Constitution is very carefully crafted. There were compromises built into it. But, when our Constitution is looked at as part of a continuation of the Declaration of Independence, and the pursuit of happiness and what that

means *against Locke*, our Constitution, our Declaration of Independence, was an anti-Locke constitution. Our Constitution says, there is no such thing as shareholder value, as a constitutional principle. That's Locke! That's what was in the Preamble of the Constitution of the Confederacy, the slaveholder's constitution.

All right, now, therefore, we have made laws which are reforms. These reforms have been made on the basis of the General Welfare, as under Roosevelt. These, in a sense, are not in the Constitution, but they are the reflection of the Constitution, in response to the reality of the problem, or the situation, or the opportunity. And, therefore, they become, in effect, constitutional.

Now, the right to organize is implicitly, a constitutional issue, and was understood in that sense early on in the history of our republic. The right to organize labor, for example, when we first had unions as such in the United States, in the 1920s. The right to organize. The obligation that employers recognize the right of their employees to organize. And that there should be a reasonable negotiation between employers and employees under those circumstances. This is not in the Constitution, but it is implicitly a concept which flows from the Constitution, and it would be a violation of the Constitution to deny it. Therefore, judgment, contrary to whatever Roberts thinks, says the right to organize is sacrosanct. And the so-called "right to work" laws, which are nothing but an extension of the Confederacy/slaveholder/Locke tradition, are actually unconstitutional.

**Freeman:** One thing that I do want to say for those of you who are listening over the Internet: When Mr. LaRouche answered the question from the Democratic Senate Campaign Committee, he said you don't need a lot of money. But we do. We need a lot because we don't have any. Part of what we have been able to do in the United States, is something that has been accomplished by the force of a Youth Movement, that Mr. LaRouche put together, in the period leading up to the last Presidential campaign. That Youth Movement has really performed magnificently, not only in achieving certain political goals, but actually in asserting the fact that this nation actually does have a future. But, they really do need support. We need resources, both to support that Youth Movement, and to continue to produce the material, that is really so important to transforming this nation. So, I would really urge those of you, who are listening—and all of you who are sending in these notes of appreciation for this webcast, I'd ask you to actually show your appreciation, by making financial contributions to support this movement.

The next question is submitted from a member of the Midwest LYM, from Paige. Paige, where are you? Do you want to ask the question, or do you want me to read it for you?

### The U.S. and the Middle East

Paige's question is this. "Lyn, I'm still not sure as to how the government of the United States would actually go about reestablishing working states in Iraq and Afghanistan, which,

of course, have become absolutely dismal failures. And, also to reestablish stability in the Middle East at large. Even if Cheney and Bush are removed, the fact remains that this region of the world is very unstable and is now hostile to the United States. So, what's the proper course of action that would have to take place?"

**LaRouche:** I'll take this personally. Quite literally. I have, at present, a large degree of credibility throughout that part of the world. If you look at the press in the Arab press, of all the states, Saudi Arabia's, etc., etc., my name is probably more frequently cited than Bush's. Or Cheney. Because it is recognized there and these are states, each with different characteristics, that I am right. And I am saying what has to be said.

Now, a practical point of that, in response to the question, is that, if I were given the authority to represent the United States with a proper kind of authority to deal with the Iraq situation, I know I could achieve a solution that would get our troops out fairly soon. Whereas, the present approach will lead to a worse and worse civil war, inside Iraq. And will spread perpetual warfare into the entire region. And, one of the immediate targets is Syria. If you blow up Syria, which some people are trying to do now, if you worsen the situation in the region, you will have an impossible situation. But, as of now, if I had the authority given to me right now, to deal with the Iraq situation with anyone I chose to deal with in the Iraq situation, with those powers, then I know a solution would be forthcoming. Because my intention, and the intention of any sane person, is to get our troops out of there now. But, we have to do it in the right way. We can not leave a worse mess than we have already created there. So, therefore, we have to have them, Iraqi people themselves, not with this fake Constitution they've got, but the Iraqi people themselves say what they are willing to do to guarantee their own stability as a sovereign nation-state. And, whatever they agree to do, we sign onto, pull our troops into reserve areas, and prepare to evacuate.

### Use the Roosevelt Model

**Freeman:** We have a question from Rep. Juanita Walton from Missouri.

**State Rep. Juanita Walton:** . . . My question basically deals with our business community and seeing what's happening in terms of our businesses not succeeding, and failing, and jobs that are not there because these businesses are failing. And our President giving all the big contracts to his friends, in terms of Halliburton and other companies. And they're making all the money. And so, why is it that our businesses aren't saying anything?



Juanita Walton

**LaRouche:** Well, it's a multiple question, really. It goes

in many directions. Let's take the case of, first of all, of what we have to do in the Gulf coastal states, which are affected immediately by this crisis.

First of all, my view, is, what has to be brought in, is you have to use a standard military Corps of Engineers approach. Now, that approach involves the military Corps of Engineers reaching out into communities to get local talent, and so forth, to participate in the programs they're in, like building a water system, whatever it is, they actually work with entities, private entities, which work with them. They are responsible for the project. They are responsible for the design, its competence, whatnot. But, they hire people. And, therefore what you would want to do is essentially have them do a classical Corps of Engineers job.

Now, if you look at the problems of that area, as apart from abstract things. First of all, certain things have to be done immediately. We have to unjam the Mississippi, otherwise nothing is going to work. They know how to do that. We have to make some fundamental changes. We're going to have to uplift that land. We do have to actually go back, not necessarily put up the houses of prostitution back in business in New Orleans, but that is an area which had a character, family ties, and so forth. We have to bring it up so it goes back to *them*, as their areas, and so forth. It has to be functional, economically functional. So, therefore, what you have is a number of major projects which are largely heavy industry, heavy construction, projects, on which the rebuilding of the area depends.

You have relief projects, emergency projects, and so forth. That also can be handled under that program. My program, of course, was to immediately get—which Harry Reid of the Senate, got onto right away, pulled out and said, this is what we have. Take military bases. I know how the military works. Take military bases. We've got them in Mississippi, we've got them in Louisiana, we've got them elsewhere, use them. And instead of trying to move the things into New Orleans, right now, which is impossible because of the disease danger. We want to keep the families together. See, you move them into the nearest bases. Now you bring the medical care and the supplies into the bases. You get people in there, like social workers, to make sure the families are kept together, that lost members of the families are found, that sort of thing. You keep them temporarily in this base, while you are trying to rebuild the thing back at home.

We don't really want to ship people to Washington, D.C. and Chicago, etc. We want them in nearby areas to reconstitute the state of Louisiana. And, we want to use the people that are there, but we have to recognize that, in addition, the problem here, apart from what George Bush didn't do, or Cheney didn't do, and what they did do, all of which is bad, the problem is we had let this area go to Hell over a period of more than a quarter-century. And, it's traceable: I mean, we've got the maps; we've got the records—it went to Hell! We don't need gambling casinos! To Hell with gambling! What we need is real things.

What we have to do is what we did in World War II, is

take an approach: We have an emergency. The project was not only Roosevelt's project to get the war done. The problem was to rebuild the people. And, we did rebuild the people, over the course of the 1930s and 1940s and beyond. We rebuilt people! And, that's what our purpose is. We don't want to take people back to status quo ante. Many of these people were living under conditions they shouldn't live under in the first place. We want to set a process in motion which is somewhat more like what they thought they were going to get at about 30 years ago.

Therefore, in this case, our *intention*, and our *instruments*, are crucial. First of all, we want an indifferent agency, in terms of politics, the Corps of Engineers, to do a job. We want them to employ people and phase people in, who come from the area, who therefore are going to go back, and as quickly as possible, begin to get settled lives. We want to keep families together. We want to rebuild neighborhoods.

Now, we're going to have to tear down a lot of houses! They're too filthy and polluted to put people in there. So, we're going to have a big building project, and that is going to have to be funded. Well, we can create a fund for that. We can create new housing. We just wipe off the debts on the old stuff—just wipe it off! And create new ones. And then move the people back in, who want to move back in into these improved neighborhoods.

And the people of the United States will be happy that we do that. They'll be happy because, if it happened to them, we would do it for them. I don't think we have a problem there.

The problem was having a government, which has a heart.

## The Role of Ibero-America

**State Sen. Dan Brady of Cleveland, Ohio:**

Mr. LaRouche, this is the first time I've attended any of the conferences of this organization. So, I'm sorry if I don't feel familiar enough to call you "Lyn." But, you've covered a lot of ground and you've, at least to me, said a lot of things that were very thought-provoking, and across a wide range of issues. But, since I can't ask you 30 questions at once, I just want to try to focus on one thing, that I think hasn't been mentioned very much, yet: How do you see the South American governments, particularly of Brazil and Argentina? What are the consequences, and what role do you expect that they could or may play in the immediate future? And, what circumstances do they find themselves in, now—in some cases, with new leadership? And, very interestingly, I think, what is your analysis of the Venezuelan government, in its position, and the consequences of its new leadership in the world economy?

**LaRouche:** Well, you've got two things here, to con-



Dan Brady

sider—politically.

First of all, let's take the case of Chávez of Venezuela, which comes up significantly. Now, Chávez recently, during the visit by the Spanish government, to that area, participated in something that was very good: a meeting between the Presidents of Colombia and Venezuela, which in itself was kind of a miracle. And a meeting including Brazil.

Brazil is tied to Mercosur, which is the organization of Argentina, Brazil, Paraguay, and so forth, which is very important to us, the United States, if we're in our right mind. Because, our long-term interest in this area has to be that—it has been, ever since John Quincy Adams laid down the policy, and even before—even when the famous Poinsett from the Carolinas was involved in Mexico: Our policy was the promotion of the Americas as safe from interference from the British and from the Habsburg interests, which were our enemies—and their enemies, too—to develop these as a system of republics. But, at the same time, we did not demand that these governments which we would cooperate with, would participate on the basis of conforming, internally, to our standards. The first standard was our relationship to these countries, as opposed to our demanding, say, regime change, or something, in these countries.

So, in respect to Venezuela, we don't want to bother with regime change. We don't want to bother with regime change in any of these countries. Because, that is negative, in terms of its effect. What you do, is you go on things that you have to your advantage.

Now, I have a certain amount of contact with, shall we say, military institutions and so forth, in South and Central America. I know their history. Some of them are patriotic; some of them belong to the Pinochet variety, which is not exactly my friends.

But, we have now presently, an immediate situation, where the Moon organization has moved in, together with the British monarchy, into a large area of Brazil, on the Brazil-Paraguay border; and has set up an operation which is intended to destroy the sovereignty of those nations. And to destroy, immediately, the Mercosur organization. There is now a base, which is not really the Paraguayan people's base, but in Paraguay, which is one of the centers for this operation, in which Cheney and Rumsfeld, both, are deeply involved. There is an attempt to organize operations out of these bases, to destroy the nation-states of Paraguay, Bolivia, Brazil, and so forth. And of course, Argentina's on the list as well.

We have a failed state, which we created in Ecuador—and George Shultz was a key part of it. We have destroyed the government of Ecuador. We have ruined Mexico, since 1982, with what we did then—and I was involved in fighting against it, unsuccessfully.

So therefore, we have to be concerned, as the United States, in a system of cooperation in the Americas, north to south. We have to have proper relations, and cooperation with these countries, not on the basis of agreeing or not agreeing

## Northern South America: Great Waterway and Highway Projects



*During a meeting in Venezuela on March 29, Colombian President Alvaro Uribe Vélez briefed his colleagues from Venezuela, Colombia, Brazil, and Spain, on development projects which could make the continent flourish. This map shows a few of them.*

with their regimes, but on the basis of the long-term relationship with the nation and its people as such.

Now, we did have a corps of diplomats who knew how to do that. We used to have diplomats—we still have some of them, with that kind of skill, who know how to go into a country, where you're dealing with a government, which in a sense, has adversarial qualities. But, because of that, you don't seek regime change, or war, with those countries. Rather, being smart, you try to craft the long-range circumstances, such as the evolution of those relationships, and those nations

will go in a certain direction. And you do it by diplomacy and economics, not by armtwisting. Sometimes, you'll armtwist, on a specific issue. But the point is, you have to have, especially from a power like the United States, you must always be very careful, about showing sensitivity and respect for a nation which is a weaker power. You must not bully it. You must find smarter ways of dealing with the problem.

We have, in the case of the President of Argentina, a very valuable person, at this time. We have the Rio organization, which is valuable. There's no reason we can't have decent relationships with Venezuela, productive for the long term—and the best way, is to have good relations. If we think there's something wrong with that government, the best way to deal with it, is to have some good relations with it, which are productive for all concerned. And it shouldn't be too hard to do that.

But the point is, in the coming period, if we get out of this mess, the center of the world is going to be the development of Eurasia; which is going to be largely based on the relationship of Europe to Asia, in terms of the long-term, 50-year perspective on development there. With the development of natural resources, within the Eurasian land-mass.

Outside that, you have the Americas, as the second biggest area—our area. We have to be—while we participate with Asia, and Eurasia, our concentration

must be the Americas. Because, there are things like developing the natural resources of the hemisphere, which have to be developed in a coordinated way, over a long-term period for the benefit of all concerned. Fair prices, fair relations, all this sort of thing.

Then we have to, together, between Eurasia and the Americas, we have to, we have to deal with justice for Africa: That's my perspective. And, for example, take the case of Brazil: Brazil has a historic—remember, Brazil repealed slavery, I believe it was in the 1880s. It was one of the last parts of

the world to repeal formal chattel slavery. The slaves came largely from Africa. If you look at the map, Brazil, of course, is close to Africa. And Brazil has a very strong orientation toward Africa. So that, if you have these three areas—Africa, the African Shield, the Eurasian Shield, and the Americas—then you have a set of relations for the long term. It's a dynamic situation, not a mechanical, or mechanistic relationship.

So, I'm very optimistic about what can be done. I personally have some good relations with people, influential circles in most of these countries. And therefore, I'm very optimistic. But, what it needs is, we need to have some *good diplomacy*. Not of the type we too often have, these days. Good diplomacy can do miracles.

Particularly, we've got an election coming up in Mexico. What's happened recently, has been a terrible mistake. We have a particular problem with our border problem. Now, we could deal with that, but not with the present idiocy. We have a problem—we destroyed Mexico in 1982. That is, we destroyed the internal development. We said, "Now, we're going to use it for cheap labor." Then, on our side, we said, "We can get cheap labor, through Mexico, from Central America and Mexico, into the United States—we'll bring it in legally, but then, we'll also encourage its coming in, illegally." We mix this up with the drug trafficking. And on the borders of the United States, people who are desperately trying to get out of extreme poverty in Mexico, into the United States, find the way to get the money to get in, is by being involved by being a mule on a drug deal. And it's happening all the time.

So, we think we have a border problem, but we created it. Because we did not develop—we did not allow Mexico to develop its water management systems in Northern Mexico. We have never involved ourselves, so far, in developing the rail systems, the power systems, the water-management systems which are required for the development of Mexico as a place of investment, in itself, in which we cooperate. That's an example.

In fact, the way that we can convince the nations of South and Central America that we're on the right course, is by changing our relationship to Mexico. If our relationship to Mexico becomes one of cooperation in the constructive development of Mexico internally, and the fact that we have a large Hispanic-speaking-origin population, the largest minority in our country—which means we have an internal interest in good relations with these countries—then we can do something. But, we need to have the conception to go with it.

### **Patriot and World Citizen**

**Freeman:** In the course of Mr. LaRouche's remarks, he mentioned that his wife, Helga Zepp-LaRouche, is running for Chancellor of Germany. I just should note that normally, when we hold an international webcast, we're deluged with questions, from especially the Youth Movement in Europe.

But I suspect that today, they are out campaigning, because that election is, in fact, this Sunday. And they have been working very hard for Helga's candidacy, and Helga's candidacy has in many respects, completely reshaped the German election campaign. So, before I take the last question, I really would like to convey our best wishes to Helga, and good luck this Sunday.

We have more questions than can possibly be asked here. What we normally do, after one of these webcasts, is we do submit the questions to Lyn. He does answer as many of them as he can. Those of you who are elected officials, or labor leaders, you'll obviously have the opportunity to ask Lyn the questions in a different forum in just a little bit; and I suppose the same is true of the members of the Youth Movement who are here, from around the country.

I will take one last question, from a member of the Youth Movement in Mexico City. Lyn, this is a question from Abraham, and his question is this:

"Lyn, sometimes, one can understand some principles, and one can try to develop them. But one still sometimes has, perhaps, not insecurities, but weaknesses. In that sense, I suppose our mission is to survive, even when we're not intervening directly. But, what I really want to ask you, is, how can you make something that you know is true, part of your everyday life?"

**LaRouche:** It's fairly simple: I think we're doing it.

I've been international in my orientation for a very long time, since, really—it began when I was in military service overseas during the late war, that we refer to, from which I returned in 1946. And I became involved in the hope of a certain development of India, its independence, and also, the United States' cooperation with its development, as a new, independent nation. Which the people of India at that time, very much desired.

I had contact with many of the leading political forces in Calcutta during that period, and have been involved mentally, intellectually, with the causes of the Third World, and similar kinds of things, ever since.

Now, I think, as Schiller defined this, I think of myself as a world-citizen and a patriot at the same time. Which is what I think we must all do. I think there are very few people who are more concerned, say, for example, with Mexico, from the United States, than I am. I have a real passion about Mexico, because former President López Portillo and I had a big fight with Kissinger and Company, back in 1982, when Mexico was raped by the United States. And I still go back to that fight—it's unsettled, I'm determined to correct the errors that were made since then.

I have similar relations, for example, not only with Mexico, but with particularly Peru; with people in Colombia; with the plight, the threats to Venezuela now—I'm very concerned that correct relations be developed and maintained between the United States and Venezuela. I think it's urgent for the

security of the hemisphere. I'm concerned, very much, with Brazil; I'm concerned with Argentina. I'm concerned by the plight of people in Paraguay.

And the people in Mexico have to be generous. Our youth have to be generous. Stop thinking about yourself. Don't be like a *cacique*. Think about other countries.

Now, for all the states of the Americas, Mexico is very important. People in Central and South America look to Mexico as one of the parameters, because of its proximity to the United States, for what is U.S. policy toward the hemisphere, toward them. And what Mexico thinks about its relationship to the United States, and what Mexico says, because of its proximity in relationship to the United States, historically, is extremely important.

So, you, as a Mexican, in Mexico City, you must think of yourself in those terms: not in terms of this internal, local affair—don't think like a *cacique*. Think in terms of Mexico as a whole. Think in terms of Mexico's relationship as being a neighbor of the United States, to other parts of the hemisphere.

Look at the crisis we have in Brazil right now, a terrible crisis! The President of Brazil is in trouble! There's virtually no government, because of what's been done to him. There's a threat, from my enemies, to the existence of Brazil, which is a target right now. There's a threat to the existence of Paraguay, in this operation. There are constant threats to Argentina. There's a threat to the existence of Ecuador. There's a threat—not quite as serious a threat, but a threat to Peru. A threat to Bolivia—an immediate threat to Bolivia.

We have to be concerned about—I'm concerned about these things! If you're in Mexico, as a Mexican, you have to think about these things, and think about *how* you think about them! And avoid the *cacique* mentality.

The way that the Spanish were able to control Mexico, was through the *cacique* system: of people who were so concerned about their local concerns, that they lost passion for the nation as a whole. And the same thing is true, in terms of Mexico toward other parts of Ibero-America: That passion for the state of affairs, of *all* of Ibero-America, is the power in Mexico to be a better Mexican. To be a better Mexican patriot. And that's what my answer would be.

Abhor the *cacique* tradition in Mexico. The idea of localism, "my local this, my local that." Think of the Mexican nation, as a unified nation, whose capital is Mexico City. It is the voice of Mexico City, that is heard throughout the hemisphere, not the local areas. The voice of Mexico City, as a political capital of one of the states in the Americas. That state and that voice is important. It has an effect on the morale, the attitude, the outlook, of every state of the Americas. That's what you should think about.

**Freeman:** During the course of today's broadcast, we have gotten countless proposals that people have submitted from all over the United States, and internationally, suggest-

ing that Lyn become a member of the United States Senate; proposing that Lyn accept a Cabinet-level post directing the reconstruction of the states that were affected by Hurricane Katrina. While I know all those proposals are well-intentioned, what I'd like to just convey to those listeners, is that Mr. LaRouche already has a job. And I'd ask all of you here, to join me now, in thanking him for doing that job so well. [extended applause]

Do you want to say anything, before we close?

**LaRouche:** Well, bless you all! We're going to do what we can. This is not the end of the process.

Remember one thing, Oct. 12 is the conclusion of this present series of webcasts. On Oct. 12, I shall cause to be replayed a videotape of a press conference which I gave in Berlin, on Oct. 12, 1988, in which I set forth the immediate prospect for the breakup of the Soviet system, as something which was about to happen; which I said would happen soon, in Poland, and then would spread to other parts of Eastern Europe, and eventually to the Soviet Union itself. It happened.

And George [H.W.] Bush and Company got me out of the way, quick. Which they were already on the way to do.

What they did, with the dissolution of the Soviet system, the Comecon and the Soviet Union, is, the conditions of life in every part of Europe today are far worse, than they were on Oct. 12, 1988. The conditions in Eastern Europe, in every state, they got their freedom—to vote, their freedom to power. But, they have no power over their situation. And what they got, is worse conditions by far, worse social conditions, worse economic conditions otherwise, than then. They have political freedom, to be slaves, by choice.

And the former Soviet Union itself? Again, it's a broken wreck compared to what it was before.

The state of the world, including the United States, is far worse today, than it was before. Oh, there's some development in China. There's some development in India. But you have 70% of the population of India lives in extreme poverty, and it lives in extreme poverty because the prices which it gets for what it delivers to the United States, are so low, there's not enough for the 70% of the very poor. A similar situation exists in China. *The world is a hell-pot, much worse than it was, both in condition and in prospects, than Oct. 12, 1988.*

So, the end of this series will be—this present series, there will be another one, of course—will be on Oct. 12, when I shall deliver a webcast, which will begin with a replaying on the Internet, of a press conference I gave in Berlin at the hotel there, on Oct. 12, then.

And, you may enjoy it. [ovation]

**Freeman:** We've got a lot of work for you guys to do, between now and Oct. 12! If you haven't already done so, pick up literature at the tables outside. Thank you for participating, and have a productive week.