

Union after the collapse of Gorbachov and company, we should have entered into cooperative agreements with them immediately, because *we needed that productive power!* We turned them into a basket case.

Here, the Soviet Union had access to the greatest infrastructural potential, in terms of raw materials, in all Asia! And only in the Soviet institutions, did the scientific institutions exist which were capable of developing the tundra areas and similar areas of high raw materials potential. The Soviet Union's potential, properly used, was essential for our policy for Asia: We didn't have to kill anybody! All we had to do, was enter into—with the aid of Germany—enter into cooperation with the new government in Russia, and enter into these kinds of long-term projects and we could have recovered nicely, as a planet.

We didn't. We went the opposite way.

So when you're talking about the crisis today, the economic policies, and the monetary policies, and the built-in policies of our government, in this way, over these years, have been the *source* of our self-destruction. And the time has come for us to recognize that. So therefore, we have to go back to the kind of thinking, which we had, under the leadership of Franklin Roosevelt.

The British Were Out To Start a War

Now let me just explain one other big problem, here. Some people have said, that Roosevelt wasn't such great shucks, during the 1930s. Well, they're wrong.

The problem has been, that the British wanted to start World War I, as a sort of a Seven Years War repeat. The intention was, to eliminate the American economic factor in Eurasia, particularly in Russia and in Germany, Bismarck's Germany. Therefore, the British aim was to destroy the economic development, physical economic development of Eurasia, and the two powers most relevant to that, which were tied to the U.S. policy, were Germany, under Bismarck, and Bismarck's policy for Germany was an American policy. That doesn't mean it was American, in the sense that it was an American colony, but it meant that the model of the American economy under Franklin Roosevelt and beyond, was the policy of Bismarck, especially from about 1877 on. Right? So, under Bismarck, Ger-



Prescott Bush and son George H.W. Bush. As a principal in the Harriman Fifteen Corp., Brown Brothers Harriman, and Union Banking Corp., Prescott played a major role in financing Fritz Thyssen and Friedrich Flick, two German businessmen who financed Hitler's way to power in 1931-33. (See Webster Tarpley and Anton Chaitkin, George Bush: The Unauthorized Biography, 1992.)

many, from about 1877-1878 on, became a great, driving industrial power, with a great reform, in terms of labor reform. And great railway systems were being developed.

Similarly, in the same period, 1877-78, Russia moved in the same direction. They begin working on developing railway systems to unite Eurasia for development.

The British said, "No! We won't tolerate that!" So the British were out to start a war. And their intention was to get a war going between Russia and Germany, over the Balkans, started by Austria. Bismarck blocked that. So what the British did, is they got rid of Bismarck, through the British influence on the royal family of Germany, the Hohenzollerns. As a result of that, immediately, you had the assassination of the President of France, within a year or two later: Sadi Carnot. You had the British, the Prince of Wales, in 1894, organized the Mikado of Japan to launch a war against China, which continued until 1945.

As a result of doing these things, and the assassination of a President of the United States, McKinley, and bringing in a virtual traitor, Teddy Roosevelt, and a Ku Klux Klan fanatic, Woodrow Wilson, we joined the British side in World War I.

Now, from that point on, until the election of Franklin Roosevelt, the Presidency of the United States was largely controlled, the Presidency and Congress both, were largely controlled by an element which we would call, later, in the 1920s and 1930s, "fascist." The Presidency of Teddy Roosevelt, the Presidency of that Ku Klux Klan fanatic Woodrow Wilson—the man who gave rebirth to the Ku Klux Klan while he was President of the United States; and similar people from Wall Street—controlled the U.S. economy and politics, from 1901, until Roosevelt was elected and installed as President.

Now, when Franklin Roosevelt became President under conditions of Depression, he was able to direct the policies of the United States in an improved direction. *But!* Wall Street and the Supreme Court *were still controlled by the fascists!* When I say "fascists," I mean, Wall Street bankers and other people who were actually part of this operation, and who had supported Mussolini, enthusiastically; who had supported Hitler, enthusiastically, as Prescott Bush, the grandfather of George, the recent exit here, had supported Adolf Hitler personally; as a matter of fact, he had—Prescott Bush—had written the letter, the equivalent of a check, to a German bank, which bailed Hitler out in time to become Chancellor of Germany. And the Bush family are a bunch of fascists, from that time on.

The Pearl Harbor Attack

Now, what happened is, the day Pearl Harbor happened—I happened to be in New York on that Sunday—on the day that happened, these guys began to get a little bit scared, particularly because of Pearl Harbor. Because some people knew that the attack on Pearl Harbor had been organized by the British in the 1920s, when the British had an alliance with Japan against the United States, on U.S. naval power. The British and Japanese, and others, were determined to cut down the U.S. naval power. And they were planning to go to the point of warfare or a limited war, with the United States, in order to bring down U.S. naval power. For this purpose, Japan agreed, on its part, to be the agent of Britain in an attack on Pearl Harbor.

So when the Pearl Harbor attack actually occurred, it had a funny effect. Because what it did, it meant that the Wall Street crowd, the entire anti-Roosevelt Wall Street crowd, were *entirely Hitler backers*. And Prescott Bush, the grandfather of the recently exited President, who had put Hitler into power, in effect, on behalf of the

British Bank of England, was among the malingerers who wasn't willing to give up his connections to the Nazis that quick.

The problem has been, these guys, these institutions, organizations, think tanks, so forth, which were behind this process, from Teddy Roosevelt's inauguration, until Pearl Harbor: *These people are the right-wing organizations of great influence in Wall Street and in United States' politics and finance today!*

And that's what the problem was in the post-war period. When Truman came in—and Truman had been a patsy of these guys—Truman changed the policies away from Roosevelt's policies, back to the policies of the pre-Roosevelt period, with the backing of those New York and London bankers who had been the backers of Adolf Hitler. And what we're suffering today, and have been suffering, especially since the Kennedy assassination—we have been suffering the effects of that same bunch of political influences up to the present time.

Therefore, how are you going to deal with this? That means, that in looking at the present crisis, the London-allied crowd—the Anglo-Dutch Liberal crowd—from London, and their New York banker Wall Street friends and cronies, *who are still the same alliance*, which corrupted U.S. Presidential politics from the assassination of McKinley until Roosevelt's 1941 change—that crowd is still in there.

Get the President To Act—Now!

Now, how do you deal with that? When you're looking at the members of the Congress, some of them are powerful people, relatively speaking, but they're not Presidents. And most of the ordinary representatives in our political system, are weaklings. Not necessarily because they're weak morally, but because they're weak in influence and weak in power. Don't expect them, like a bunch of parliamentarians, to bail this nation out from its great troubles now. This can only come by a mobilization, a *surge* of mobilization of the American people, the majority *behind an incumbent new President!* As it happened with Roosevelt.

Now, the conditions, of course, with Roosevelt inauguration and Obama's are different. *But!* This principle applies: You have to take the occasion of a popular, newly elected President, who comes in with sudden authority to make changes, to make a number of *very big changes*, a limited number of very big changes—because all the other changes are easier to do: *It's the*



obama.com

"You have to take the occasion of a popular, newly elected President, who comes in with sudden authority to make a number of very big changes." He has a limited time to act, And he's got to act on the most crucial decision: the financial-banking system. Shown: Obama in Springfield, Illinois, 2007.

big, crucial changes, you've got to make! Don't try to sneak up on it. You're out to kill a man who's out to kill you—you got to get him first.

That means, where do you go? You go to the center of *power*. And the center of power, here, is the issue of economy. It's control over finance, it's control over the U.S. dollar, over the U.S. credit and banking system. The President of the United States, with support of the great majority of the American people, who wish to be freed *now*, from the afflictions they're suffering, which are worsening; a President who is in a position where the world is looking at him, as a center of traditional power in the world: What is *he* going to do, that's going to better the conditions of life of endangered people of China? Of an endangered Russia? Of many endangered nations of Asia? Of the endangered people of Africa, and of Central and South America? What's he going to do for us, this great President?

He has one, limited time to act! And he's got to act on the most crucial decision. And the most crucial decision, is the financial-banking system. He must take *charge* of the financial-banking system, not by nice little measures—but, by the rough-tough measure of *bankruptcy reorganization of the U.S. financial-monetary system*. Reestablishing the kind of credit system which Franklin Roosevelt intended, and with due refer-

ence, which Alexander Hamilton had intended, in founding the Department of Treasury himself.

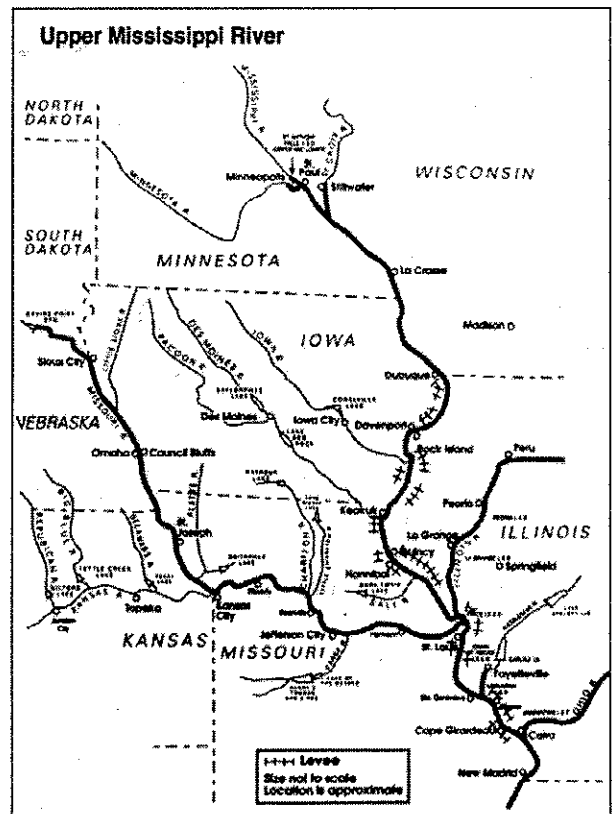
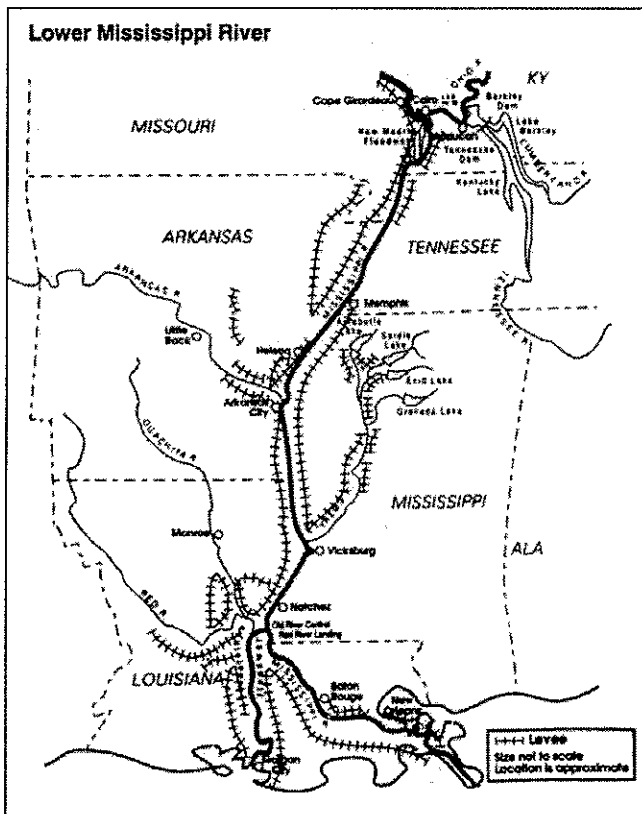
So therefore, what you have to do: The system has been wrecked, it's been poisoned, it's been polluted, and so forth. The President of the United States must move, and must terrify, essentially, everybody into saying, "We're going to put this financial-banking system into receivership." And the best way to do it, is take the Federal Reserve system, specifically—it is bankrupt!—put it into receivership!

What We Need To Rebuild

Now, what're you going to do with it? Well, you're going to do two things with it. You're going to take the whole banking system, you're going to take those parts of the banking system whose functions correspond to traditional chartered banking practices. You're going to restore Glass-Steagall, immediately, with an amplified form. Don't take any argument on it—you're going to restore it, period! Cut it out! It was a great mistake—cut it out.

And then you're going to create a mass of credit to start some things going.

Now, we don't have many industries to start going. You're not going to build the auto industry again, because we do have an auto industry: It's called "Japa-



U.S. Army Corps of Engineers

The levees on the lower Mississippi are in need of renovation, while the upper part of the river has never been properly developed. The machine-tool core of what used to be the auto industry could design and build the equipment needed for massive waterway projects.

nese.” And it was a cheap-labor industry, wasn’t it? The old GM/Chrysler/Ford industry, that’s gone! That was destroyed, with the help of the leadership of the Congress in the beginning of 2006. The Congress destroyed it! They could have saved it then; they destroyed it. Well, what’re we going to do?

Well, we don’t need a lot of this automobile industry production; it’s not going to work. It’s hopeless—it’s a hopeless case to start that. What you do, is you take the auto industry area, and you look at two things, or three things: Look at the floor space which was associated with production for the automobile industry before. That’s still there. The floor space is there. Then you take the total population associated with the auto industry, of all types, ordinary people, in the auto industry; then you take, third, the machine-tool sector of the auto industry.

Now the machine-tool sector of the auto industry is the driver. The way the thing works, is, science and engineering and so forth are done in the machine-tool

sector. The work that’s done by the scientific and related work in the machine-tool sector, now creates the designs of the products which are manufactured as automobiles or something else. This machine-tool sector, is a sector which produced airplanes, locomotives, and many other things in former times. It can still do that!

So what we need is, as you see in the case of Katrina, you need to rebuild the water systems of the Mississippi River. We have the entire area, on both sides of the Mississippi, between the two mountain ranges on the East and the West, which are, in a sense, in a desperate condition. The Mississippi system is collapsing, as the case of Katrina demonstrates. The Ohio River system, which was somewhat developed, is also wrecked through old age; it needs repair, major repairs. The upper part of the Mississippi was never properly developed. The Missouri side was never properly developed. We also have a vast water problem, water crisis, in the Western part of the United States, water-management crisis.

So therefore, one of the things which is required, is the large-scale instruments, required for rebuilding the water-management system of the Central States of the United States, between the Alleghenies and the Rocky Mountains. We also need to do this, as part of developing a water system which will affect both the United States and Mexico, and also benefit Canada, but we build a water-management system, of the type we know can be done, to deal with that problem, to increase the food production, to increase the food development production, and also to create new cities, new industries and so forth, in parts of the country that are now destitute.

We need to go to large-scale nuclear power. Nuclear power is the only really safe and effective power, needed to meet the requirements of people today. Because, with nuclear power, you can do a lot of things, including make things clean, and you can't do it otherwise. So with the fourth-generation type of uranium plant—and with the thorium-cycle plant which is largely now proposed for India, for smaller applications in the border area—with this sort of thing, we can solve many problems, including problems of pollution. And these are, contrary to rumor, perfectly safe: There is no accumulation of nuclear waste; that's a complete fraud. The story is out there, but there's no truth to it; it's a fraud. And it's a fraud of a certain faction that wanted to go in that direction. That's another subject I won't go into.

But therefore, we need to build a mass transportation system. We can transport people by rail, today, at speeds of 300 miles an hour. So why do you need to sit on a highway? We can build all kinds of mass transit systems of that characteristic.

We also need to decentralize a lot of our production. Instead of having very large industries controlled by certain financial centers, we need to decentralize some of the U.S. production. We need to build up centers of employment and production, in various parts of the country: Go back to building the territory of the nation as a whole.

So this power business, mass transit, water management, these are the tools which lead to developing the new technologies, which enable us to create new industries. And that's what you need to do!

We Can Assist the World To Develop

So therefore, since we don't have a very skilled population—there's another aspect to this, which is inter-

national as well. You're not going to take a population of the farmers of India, who are poor, or similar parts of the world, who are poor, or the poor of Africa, you're not suddenly going to make them productive geniuses. They have a certain productive skill, but what they need is something which enhances their productivity without demanding that they suddenly make a leap in capability of production.

In Africa, for example: Africa's a big food-growing area of the world. Unfortunately, diseases and other problems interfere with the net production of food, even though Africa has a large food-growing area, agricultural area, and a population which is largely oriented to agriculture. The problem is, diseases and other things destroy the food supply, and prevent them from being productive. And they don't have sanitation and many other things that are necessary for this process.

If you supply Africa with assistance in capital investments, with help of foreign countries, in developing transportation systems, power systems, and so forth, then, suddenly, an Africa which seems very destitute, becomes rather productive—not because the people have suddenly mastered great skills, but simply with the skills they have, and with some assistance, they're able to greatly increase their net production, which includes their general welfare.

They also have natural resources there, which are useful in other ways. These natural resources represent a potential source of international income for African nations. If they had access to the means of developing these resources. So we can help them with that, and it's part of our job.

We can do similar things in India: India has a water crisis. The water crisis is acute. Because many parts of the world have been depending upon what's called fossil water. We have been running down fossil water supplies, exhausting them, by not replenishing them. Fossil water resources are being drawn down. For example, there's a threat to India, from using up and drawing down fossil water resources. They got a big one in India—down deep under the Deccan! But it's 2 million-year-old fossil water, deep down! And they're being driven in that kind of direction.

So, that's the point. So we can, in various parts of the world, assist the world, with our participation, with our policies, in moving in these kinds of directions.

Recognize, as I said before, the problem here is, not because of "this" financial investment or "that" financial investment, or this monetary thing. It's because we

have adopted policies of practice, in succession, especially over the post-war period, since the time that Roosevelt died, we have adopted policies, which in each case—as my own experience proves—have *led, predictably* to a collapse of the system as it was operating then! And we have reacted—again, predictably!—through policies which led—predictably!—to another collapse of the U.S. economy!

It's not a monetary statistical thing. If you're not increasing your productivity, then attrition is taking over; if you're overestimating your income and drawing it down, you are going to have a collapse. And I can say, my authority is, I have predicted these things a number of times, forecast them, and they've always happened exactly as I have said, where everybody who uses different methods, has been wrong! No one matched me on '57—it's precise. No one matched me on these other crises—they were all predictable, they were all foreseeable! Not by statistics, but by understanding the physical principles of economy.

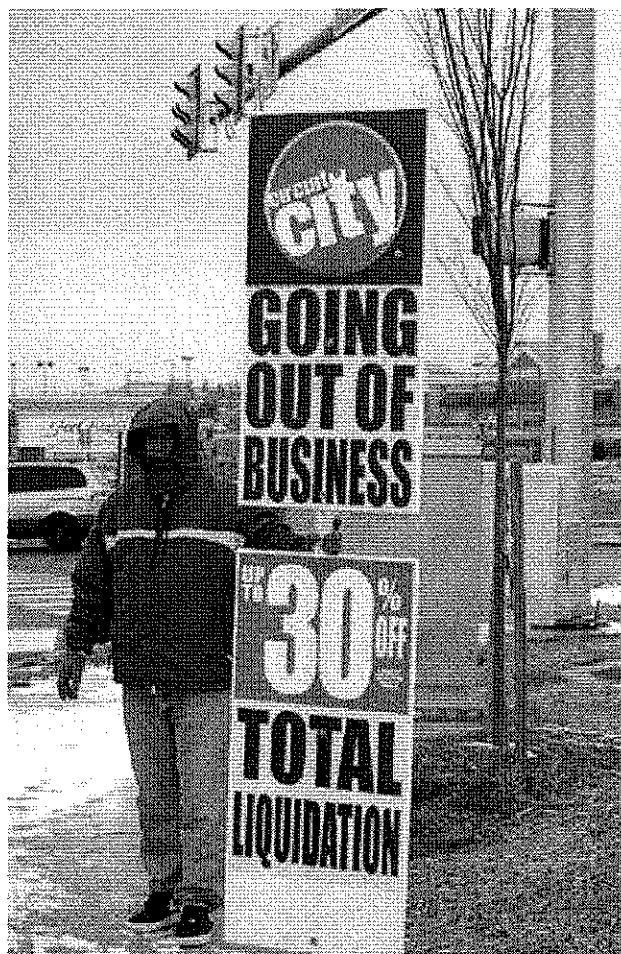
Not a Penny for Garbage!

And so, we've come to the point now, that the President of the United States must be supported in acting to put the present system, economic system of the United States, in particular, into a general reform, general reorganization, reorganization in bankruptcy. This means putting the Federal Reserve system into bankruptcy, under bankruptcy protection; taking the assets, or claimed assets, of the banking system and sorting them into two piles. One pile fits the chartered bank standard, conventional ordinary banks, as under Glass-Steagall, that kind of contingent. Those banks must be restored to full functioning now, and they must be used as receptacles of Federal credit to get some things moving that have to be gotten moving.

On the other side, the garbage side, the bailout side: Not a penny! You put them into bankruptcy receivership, freeze them. That's the garbage department: You freeze the garbage so it doesn't stink too much. Don't put more garbage in there, don't generate more garbage.

And on that basis, now we can then use Federal credit, generated under our system, our constitutional system: With the consent of Congress, we can channel credit as needed to start some growth programs, largely in basic economic infrastructure.

For example, take the auto industry sector; take that strip which is called the auto industry in the North; take



EIRNS/Stuart Lewis

A liquidation sale at a Circuit City branch in Northern Virginia, Jan. 19, 2009. Our leaders reacted to each step of the financial-economic collapse with policies which would only make things worse.

that area, recognize, identify, earmark these areas, which are areas of machine-tool capability and have labor forces and floor space available to build things we need, such as a new national rail system; such as systems to rebuild our river systems, aircraft systems, nuclear power plants, other things that are needed, mostly in the area of basic economic infrastructure. Get the people who are working in the auto plants *back to work*, in new kinds of work, suited to their traditions and skills, and suited to their associations and lines of communication that they used formerly, for their operations. That will change things.

Then, at the same time, we have to do the same thing with Europe. We have to act with Europe and with Asia, to help them, go through a general bankruptcy reorganization of their international monetary-financial sys-

tems. The first thing I would do—we're going to deal with Europe, of course. We won't have much of a problem with France; we won't have much of a problem with some people in Italy. We will start there if that's where we can start. China is waiting for us to come up with something to help them: They're desperate now. We have to respond! India is going to be at the point, it's going to demand the same thing. Russia is in a crisis, now! We have to bring in these nations: Russia, China, and India, with other nations. We have to engage Japan's cooperation, which will be no trouble under these circumstances; we have to engage Korea, which will be no trouble under these circumstances. We have to engage other nations in Asia—no trouble. But we have to proceed, immediately, to start to turn the world in a new direction: Up. Up.

And that way, we can make it.

So: Take the Federal Reserve System. Declare, from the Presidency, a general bankruptcy reorganization of a bankrupt system. The President acts—emergency. Under national emergency, to save the United States, and to save the peace of the world. Put the Federal Reserve system into receivership. Move to create a National Bank of the United States in the Hamiltonian tradition. Use the National Bank as a way of cleaning up the Federal Reserve system, and use it for the kinds of things that Roosevelt would have done, were he alive today, to do it.

And under those conditions, we can begin to do just fine. But: No more bailout. No more bailout.

Thank you.

Dialogue

Freeman: What I am going to try to do, is, because we have so many questions from international institutions, from institutions here in Washington, and from elected officials across the United States, I have tried to pick representative questions from each group, that are important, and which are questions that Lyn has not had the opportunity to address.

We just have an enormous number of questions that have come in from Russia, undoubtedly, largely in response to your recent paper ["How Russia Was Surprised," *EIR*, Jan. 9, 2009].

The first question is from a senior Russian economist, associated with the Russian Academy of Sciences,

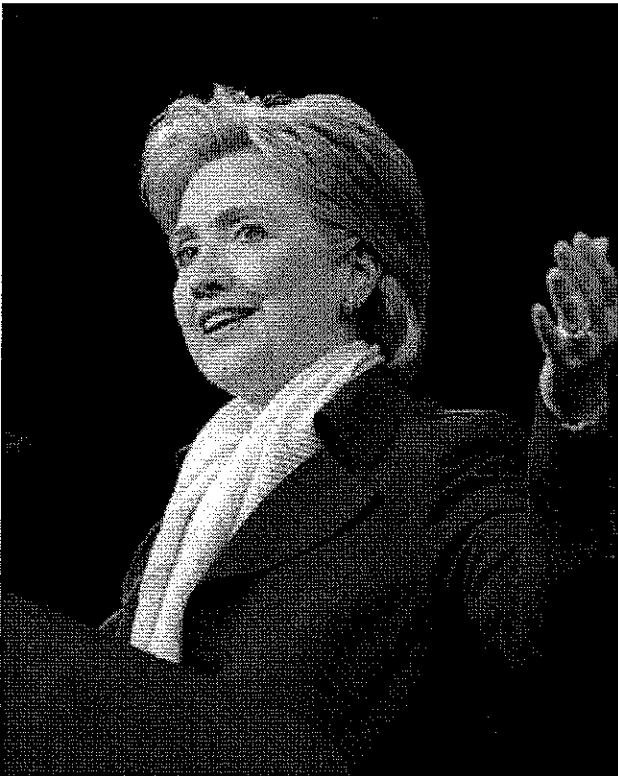
whom you know very well. I should also mention that he is also someone who is very familiar with the U.S. framework, and actually had served in a capacity here in the U.S. for many years.

His question is: "Lyn, many Russians don't trust the people that Obama is bringing in, for example, [Secretary of State] Hillary Clinton. Not because of things that happened during her husband's Presidency, but because Hillary herself has been something of a hawk in the Senate. There is also concern about [Defense Secretary Robert] Gates as a holdover from the Bush Administration. Also, there are many people in Russia who believe that the United States is behind the current crisis in Ukraine, and Ukraine's very hard line toward Russia.

"President Obama could make a major change, by changing U.S. policy on putting the ABM facilities in the Czech Republic and Poland. What do you think about his doing that? Personally, I think it would be critical to addressing some of this nervousness about his new administration."

LaRouche: Well, I think the nervousness around the Administration comes also from some other sources which are not U.S. sources, or, U.S. actions. For example, it's been obvious to me, for some time, that although I announced the imminent process of collapse of the international financial-monetary system on July 25th of 2007, as of November 2008, leading institutions of the Russian government and others associated with them, were not up to speed, had no recognition of the fact that this international crisis existed. And my question on this has been: What are the pernicious influences which have been acting on Russia, to misguide a number of notable Russian officials in making the mistakes they have made, in understanding the United States in this period.

Now, the problem in the United States, of course, has been, as I've said before, in remarks just previously: The United States, from the time of the assassination of McKinley—which was an assassination *intended* to bring the United States on the side of Britain in a war against Germany—the United States was dominated, until the election of Roosevelt, by *fascist* elements, or elements which were identified in the 1920s, 1930s, and even 1940s, as fascist, such as the Bush family. And that has been a problem. The failure to recognize the fact that there has been a recurring *fascist* element in the United States, as fascism is defined from the immediate World War I period, the same fascist element in our



hillaryclinton.com

Russians' worries about Hillary Clinton as Secretary of State are misplaced, LaRouche said. Instead, they should wise up, and recognize that the U.S. and Russia have a common enemy: "It's the British! And when they lose sight of that, they're in trouble."

think tanks, which has been operating since Truman became President, and especially since the assassination of President Kennedy, was a change in the situation. And don't assume that there was "lone assassin" that killed President Kennedy. (He may have been a money-lender, but that's the only kind of "loan assassin" he was.)

It's the British Empire!

So, the failure to take into account the political realities of U.S. and international politics, to recognize, in particular, that what many people in Russia tend to blame on the United States, is actually to be blamed, put at the door of the British Empire! And the softness on the British Empire is what I turn to, when I suspect some of the foolish things that have been said from Russian circles recently, in terms of Russia's *failure—the Russian government's failure!* Like a suicidal act!—to recognize the validity of the warning that I had given on the 25th of July, which they're aware of! And the

Russians' *failure* to recognize the nature of the crisis, even into December of 2008!

I strongly suspect, there's some dirty work, among Russians and others, coming from influences which are British or related, which have been responsible for much of this distrust of the United States.

Take into account that we know: that Bush is no good. Bushes are no good: We need trees, not Bushes! But take that into account. That is the problem; it's been the most crucial problem. And anyone who looks at Russian history and American history, should understand differently. Now, there are many people who don't know that.

But I think there are other problems inside Russia. Because I certainly have done everything responsible, as an American, to warn Russia of what I saw the threats to them were. And, the Russians know very well, that George Soros is no good, even though he was close with Gorbachov for a while. Gorbachov, I think, has distanced himself somewhat from them. But the biggest drug pusher in the world, the worst fascist in the world, is probably George Soros, personally. And if you have George Soros around, what do you expect? I mean, who ran the operation in Georgia? That was George Soros and Company, on behalf of the British Empire!

And therefore, when Russians doubt that the British Empire is their enemy, I think someone in Russia is being very foolish. And that's the problem.

Hillary Clinton? That's not a problem. That's a cheap excuse. Hillary was functioning as an ambitious political leader in the U.S. Senate. Her husband was a person who adapted to things. And I didn't always approve it, and I said so, and Bill knew it very well. Bill knew it well, and Hillary knew it well. But Hillary's behavior on this kind of thing is not really that significant. It's not the cause—that's the frictional aspect of parliamentary types of politics. And Russians should know me by now well enough, to know that, when in doubt about U.S. policy—what I think it means—they should ask me! I'll help to clear their heads a little bit; listen to me a little bit more, and they won't make these kinds of mistakes any more.

Yes, we have a common enemy. Russia as a nation, and I, have a common enemy: It's the British. And when they lose sight of that, they're in trouble, when we get them between us, when I and the Russians get the British between us. We can do something about this thing! So they shouldn't break the alliance with me. And that's the way to look at it.

Kill the Sykes-Picot Treaty

I don't think you have to worry much about this problem, as such, as stated in the question. I think, right now, Hillary will probably be going into Russia—I don't know what the facts of the matter are, but I would suspect very soon. I think her primary orientation would be to deal with, probably Syria, because we're trying to salvage a very dangerous mess in Southwest Asia, with the Israelis falling into this crazy thing in this recent attack.

You know, here you are, you're on the verge of an agreement with Israel—I mean, the Israelis only had to sign the papers! They had agreed to everything with Syria! If they had signed the papers, instead of going into this crazy war against Gaza—forget Gaza: It's the Muslim Brotherhood, so what? Blame the Saudis, if you don't like that.

If they'd signed the papers with Syria, the signature on the agreement with Lebanon would have occurred. If the agreement with Israel and Syria, *and* Lebanon, had occurred, then suddenly, the whole Palestinian question now comes on the table in a positive way! Because the whole purpose of this negotiation is, *to kill Sykes-Picot!* Rip up Sykes-Picot, which the French-British alliance created as the occupation of Southwest Asia, in the period of World War I! That's where the problem comes from. You want to talk about the bloody Middle East, the bloody Arab area: Sykes-Picot!

For example, 9/11: What about the Saudi involvement in 9/11! You think that was some loose cannon? Or was this an operation against the United States, to try to change the United States politically? Was this a terrorist act, intended to manipulate us—which seemed to succeed? It made a national figure out of a dummy, called George W. Bush, Jr.? The guy couldn't even read a thing about *My Pet Goat!*

We have to grow up on this thing: *The vital interest, the existential interest of Russia now*, at this time, in the crisis which is a very severe one, which hit it, and by which it was caught by surprise—the Russian government was caught by surprise; don't blame me for that. I warned of it. They didn't believe me, they believed somebody else. They should get rid of that somebody else.

But, under these conditions, we have to get this thing going: We have to get this collaboration among the United States, Russia, China, and India, now. *If* we get that, we get that collaboration, *we can get control of the planetary situation*. If we *don't* do that, I don't know

if we can control it. And if we can't control it, I don't know if you want to live on this planet.

The Russia-U.S. Issue

Freeman: The next group of questions comes from a group of professors, and their students, as well, at the Moscow State Institute for Foreign Relations. For people who are not familiar with this, this is a university associated with the Russian Ministry of Foreign Affairs. In November of 2008, the group held an open seminar on the global crisis, which centered on a critique of the Paulson Plan, from the standpoint of Mr. LaRouche's ideas. And this seminar included the screening of excerpts from the Oct. 1 webcast, which you can find and gain access to, on the *larouchepac* site.

Lyn, they've submitted a significant number of questions, not all of which we're going to be able to entertain here. But there's one question in particular, which is almost identical to a question that was submitted by the director of the Institute for Research and Development and Security in Minsk, in Belarus.

The question generally is: "Mr. LaRouche, in your recent speeches, you've often stressed the prospect for the development of human society and the solution of the common worldwide economic problems, depends upon the participation of the United States, Russia, China, and India. But the governments of these countries, so far, do not seem to have been prepared to work out a common program. My question to you, is what, in your view, is blocking this? What forces, especially in the U.S. and Russia, are hindering the process?"

LaRouche: Well, the basic problem, sticking point, between the United States and Russia, has always been a problem involving Britain. And if you look at the Churchill/Stalin/Roosevelt encounters, and look at some of the policy issues of that time, it's always clear. The key problem has always been that a certain element inside the United States, which is associated with that traitor Aaron Burr, who was a British agent, and actually an agent of Jeremy Bentham, who was the head of the actually secret committee which ran the British Foreign Office from 1782 on, when the Foreign Office was founded. It was founded by Lord Shelburne—so he was part of that thing with Lord Shelburne.

So, always the problem has been that, and if you look at Russian history as those who specialize in Russian history do, you look from the time of Catherine the Great on, and Catherine the Great's attitude on the



The basic sticking point between the United States and Russia has always involved Britain. "If you look at the Churchill/Stalin/Roosevelt encounters, and look at some of the policy issues of that time, it's always clear." Here, the Big Three at Yalta, February 1945.

American Revolution, and you see that this is exactly the issue. It has always been—the Russia/U.S. issue has always been associated with the relationship, or lack of relationship, between Russia and the United States. And this was true also in the Soviet period. There are many problems there, but still, nonetheless, the same thing was true. And I never saw a problem in terms of my experience with U.S./Russia relationships that did not involve a British intermediary problem. And that's the basic thing you have to address in this area.

In this case, it also has to do—as I indicated in a recent paper—with the question of Marx. Now, Marx was actually a British agent. He didn't know it, but he was. Engels did know it. So, since Marxism as such, which was adopted as kind of a Bible by the Soviets, among others, the idea was that the [capitalist] system, as described by Karl Marx, was the British System. Whereas, the Russian Foreign Office could always tell you, on sensitive matters, that the British were on the opposite side. Because when you look at the British in every part of the world, they were an imperial power. The only time they had power was when they were functioning as an empire under Shelburne; Shelburne's Empire. And so, Russians were often confused, and this

was especially during the Soviet period, on this Marx/London connection. And the problem is, that the Soviet ideologues didn't understand Karl Marx (and I think Karl Marx didn't understand himself, but that's another question). So, this has been a problem. And worse than that, they accepted Karl Marx, they accepted Marx's mythology, or what became known as Marxist mythology about the United States, as opposed to the British Empire.

Empires Are Not Nation-States

The fundamental thing with the Russian doctrine was that empires were products of nation-states.

Now, empires were *never* products of nation-states. An empire and a nation-state are two absolutely contradictory things. Empires are supra-national, such as the Roman Empire, the Byzantine Empire, the imperial system of chivalry under Venetian

control. The Anglo-Dutch Liberal Empire—it's not British, in a sense; it's not the English people. The English people aren't intelligent enough to know what an empire is, at least these days. But, it's actually an empire which has nations as its subsidiaries. And if you read the relevant works, the British Empire is based on a conception of Julian the Apostate. The conception of an empire which uses religion as a way of controlling people. And uses conflicts among religious bodies, as you see in Southwest Asia.

How do the British control Southwest Asia? You have several Jewish factions in Israel. Most of them would hate each other's guts if they didn't have to hate somebody else more. You have various Arab factions. You have the Muslim Brotherhood, and the Muslim Brotherhood is a complete captive of British intelligence. It's a special faction. You have other kinds of factions among Arabs, among Islamic peoples. And the British come in there with their particular sects, and particularly now that the Saudi Kingdom is part of the British Empire; it's an integral part of the British Empire, as you would find out if you looked at what happened to New York in 2001, September. That was the Saudi involvement in New York. This was a favor to



FEMA/Andrea Bocher

If you look at what happened on 9/11, LaRouche said, you come hot on the trail of the British Empire and the Saudis. "You're dealing with empires which hate nation-state authority; they use religious conflicts—artificial religious and ethnic conflicts—as ways of playing one group of people against the other."

George Bush; that's the fact of the matter. So, therefore, you're dealing with empires which hate nation-state authority. They use religious conflicts—artificial religious and ethnic conflicts—as ways of playing one group of people against the other.

The British Empire was established in February of 1763, at the time that the people of what became the United States recognized it as the enemy, through the Peace of Paris, out of the Seven Years War. The British—the banking circles—became an empire by play-

ing various nations of Europe in wars against each other. And when the nations had been worn down by wars against each other, organized by, and partly financed, by the British financiers, then they had a Peace of Paris in which the British Empire, or the empire of the British East India Company, was established.

Every war run by the British is run like that. For example, World War I. The British Empire organized a war between Germany and Russia. Germany at that time was headed by the Kaiser, who was a cousin of the Czar of Russia. And the British monarchy organized a war between Russia and Germany, like a Seven Years War, to again, control continental Europe.

World War II: Roosevelt Intervenes

World War II was organized in the same way. The different thing in World War II was that Roosevelt intervened. And Roosevelt changed the thing; otherwise you would have had British support of Hitler against the Soviet Union. But then Hitler made a deal with the French fascist government, then the French fascist government allowed the German Wehrmacht to occupy a militarily inferior France. This got the British upset, because now Germany was in a position to threaten the British Empire, the British naval power. So, then the British screamed for rescue from the United States, and out of that, with the Pearl Harbor event, then suddenly, the United States did agree to collaborate with the British, under Roosevelt. And therefore, the British then, who had been the enemies of the United States on this issue, except for their fascist friends in New York, suddenly changed their policy to become anti-German. But even Churchill was *pro-Hitler* until that happened! And that's the way the British operate as an empire, and they do it to this day.

Anybody who thinks the British state is a monarchy, a kingdom: It's not. The British are an empire. Yes, they may have a Queen—they have many queens, actually—but the British Empire is essentially an Anglo-Dutch Liberal Saudi Empire, of international financier interests, which control the empire and orchestrate politics by the method of Julian the Apostate: *of playing people against each other*. You see, you had this Roman Pantheon, and you had the Pantheon of all these little

niches. In each niche is a different god, and a different religion. And the Roman Emperor controls all the religions.

The same thing was done again with the Byzantine Empire. And Julian the Apostate did this: He took the idea of having the religions fight each other as his way of controlling the empire. That's what the British do—create synthetic religions, pit actual religions against each other, play ethnic issues against each other, and, by getting everybody to fight everybody else, they control the fools who believe in these conflicts. And the problem, what Russia has been a victim of, is a typical British religious manipulation, in the manner of Julian the Apostate, of playing one power against another.

The fundamental interests of Russia, however, lie in one area, which is very important here, because of the institution that sent this message: The problem in Russia, is that, in economic and related policy, historically Russia—and especially since the Soviets—has been very good in using science for taking imperfect capabilities, and making them effective military capabilities, strategic capabilities. Russia at times, has done similarly good work in basic economic infrastructure, as in the case of the development of the Russian railway system. But, in the question of economics, production economics, Russia often stinks. And the Marxist problem didn't help them any, because the problem is, that industry, production, is motivated—when it's successful—by a commitment to scientific and technological progress, to innovation, based and driven by scientific progress. The problem in the Russian system, especially in the Soviet system, as the Soviet literature would advise you, the Russians *stunk* in terms of manufacturing! See, when they're motivated by military considerations, they muster scientific capabilities even contrary to their Marxist instincts, or whatever. When they're motivated by a strategic project, which is not necessarily military, but strategic, which is infrastructure, they've achieved great things. When it comes to

running a factory or a farm, the performance stinks!

The Nature of Man

And this is the area in which the traditional German, or traditional American, approach to industry was superior to the Russian approach. And there's a lack of real understanding, still to this day, in the Russian system on one thing—and it's not limited to a Russian problem; it involves the nature of Man. It involves a peculiar kind of religious problem about the nature of Man. That Man is not an animal, and the Marxist theory tends to be that of Man as an animal.

Man is inherently creative, as no animal is. We make fundamental discoveries of universal physical principle, and those discoveries we then, hopefully, apply to improve the way we behave, to make discoveries of principle which we apply to Nature in order to increase Man's power over the universe, per capita. No animal species can do that, only mankind. The tradition has been, under empires, to deny this. You have, for example, the famous Prometheus issue. Zeus says, Man is not allowed to discover the principle of fire, and/or use it. The principle of fire is the creative power of discovering a universal physical principle. The way that many empires have prospered, is by controlling societies, by



Library of Congress

Russia's construction of the Trans-Siberian Railway system was launched as part of the influence of the American System of economics during the late 19th Century. Expansion and modernization of rail today offers the promise of uniting Eurasia for development.

prohibiting them from making changes in science and technology practice. Just like the Greenies of today. The Greenies are the same thing. They say progress is bad. Concentration of power through scientific progress is bad; we must go back to old ways, old primitive, peasant ways. And that's what the problem is.

So therefore, the fact that the official science as taught in U.S. universities today, or as taught in much of Russian tradition, does not recognize the role of the discovery of a universal physical principle as the proper basis for science and for economy, is the major problem. And what I propose, simply, is that. The Russians have a very great capability, inherently and historically, in developing resources which are crucial for Asia. For example, in the northern tundra area, there are mineral resources which are essential for the future of all of Asia. Russia is peculiarly capable of addressing that kind of problem, and coming up with solutions. And that is *typical* of the kind of cooperation we need with Russia.

The other side of Russia, is that Russia is a Eurasian economy, not a European economy, nor an Asian economy. This goes with the history of Russia, which is both Europe and Asia in terms of its development, especially since Genghis Khan. So, this means that Russia in Asia, is a link between European civilization and Asian civilization in a very meaningful sense in respect to Asia itself, in terms of the nations of Asia. The development of the undeveloped region of Siberia is typical of this, and you find the typical relations between India and Russia, in many areas, are also typical of this.

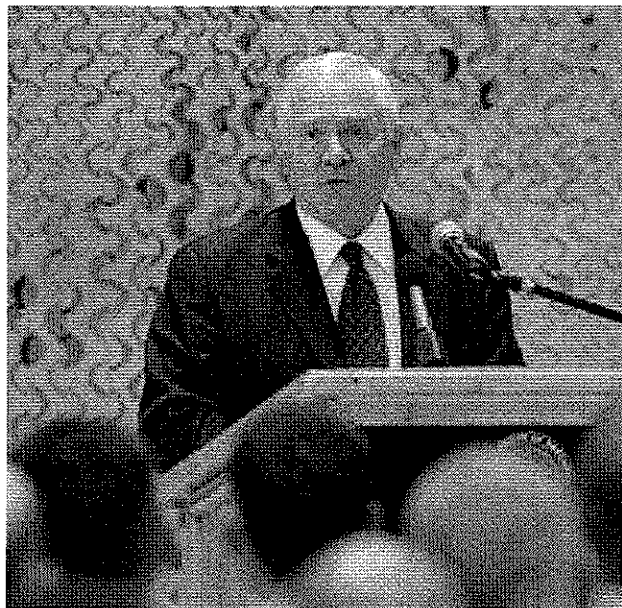
So, therefore, Russia's importance, for us, is what it is, on the one hand. On the other, the United States needs now to deal beyond Europe, with the question of the development of Asia. And therefore, Russia is, for us, the ideal Eurasian partner in promoting the development of Asia.

Thank you.

The U.S. Institution of the Presidency

Freeman: The next question is from, again, the Director of the Institute for Research on Development and Security in Minsk, Belarus.

He says: "Mr. LaRouche, many people right now have great hopes for the new U.S. President Barack Obama, who has taken office. After the deafening foreign policy failure of the Bush Administration, people link the arrival of the new President with very big changes, both inside the United States and throughout



U.S. Army/Spc. Brian A. Barbour

Secretary of Defense Robert Gates was brought in to try to prevent a war with Iran.

the world. However, a number of experts say openly, that the new President is far from being independent, and that he was installed in this post by world elites to serve as a scapegoat. The scale and depth of this crisis is too great, and there is, so far, little basis to hope that this young President will take extraordinary steps.

"Moreover, despite being an active person, until now he has remained silent on many important issues, including the events in Gaza. On top of everything else, it has been observed that there is a stand-off inside the United States between the globalists on the one side, and the *siloviki*—government, military, and intelligence-oriented people like Gates and others, on the other side, and that the latter began to lean on Obama even before he took office. I am referring specifically to the publication of a poll taken among military people in an American military journal, where most of the officer corps was negative toward the President. Do you agree that in Obama's case, the court will make the king, and that in a critical situation, all the failures will be blamed on him? What role do you think Obama himself will play in the future of the U.S.?"

LaRouche: If you look more carefully at these things, a lot of the stuff you cited, you would pass over, because that is the frictional kind of considerations which are—including the reference to Gates; it's a complete misunderstanding of Gates. Gates was put in, in order to try to prevent a war with Iran, among other

things. Many of us screamed about this danger, and Gates was accepted and took a position in that, and has resolved, apparently, to continue to occupy that office in order to maintain the continuity of that function. He is a man of his own opinion. I don't endorse necessarily everything he thinks, but he is a responsible person, and he has functional responsibility, and he was a very important tempering feature inside the Bush Administration at the time when the Bush Administration was becoming very dangerous, in terms of the Middle East.

As you recognize that Cheney was a British agent—and people in Eastern Europe *don't get this point about the British*, and they make most of the mistakes I hear from them are *on the failure to recognize the British problem!* That's the threat! If you want to save civilization, *get rid of the British factor!* If you don't want to get rid of the British factor, if you're worried about the American factor, you don't have much—you're not going to get anywhere. You won't like the result of your own opinion.

But Gates is *not* the problem. Gates did a useful job. I was aware of this, I watched this all the way through, and in my estimation, Gates did an honest job. He did the mission for which he was put in, and that is, to counter people like Cheney, who is a British agent, who was using everything possible to get us into a war with Iran. And he did that job, but he did it *as a professional inside the U.S. institutions*, according to the rules of game inside the U.S. institutions. If he had not played the game, as you play the game inside the U.S. institutions, he would have failed. And he was experienced at that job, and knew how to do it, and did it well. So, that's not a problem.

What you have to look at, is where is the problem coming from? Don't look for signs, strange signs, or Satanic signs or symbols, or Freemasonic symbols. Look at the way institutions perform. *What is the policy of the United States?* If the policy of the United States is to save the United States, if it's our traditional policy, a policy that the American people will put up with, in terms of their own interest—and the way that U.S. institutions behave—then, the U.S. interest lies in a secure relationship with most parts of the world, including Russia, including China, including Japan, including the nations of South America. Yes, there are conflicts, but we're talking about basic interest. The United States' interest is not in this kind of penny-ante game; it's not in this witchcraft. The United States is a serious institution, especially now with this President.

And don't underestimate this President. Because the President of the United States is not some flunky stuck in there. We've had a flunky stuck in there—George W. Bush—and I think [former Russian President Vladimir] Putin did not make a mistake in trying to deal with Bush, because Bush was a representative of a major state. But I think there was a lot of mythology about this thing. The point here is, that the U.S. institution, the Presidency, is not to be compared with a parliamentary head of government. A parliamentary head of government is a foolish institution. Sometimes they do good things, but they are not a very good institution. They are a relic of feudalism.

The U.S. government, the U.S. institution, is a Presidential system, not a parliamentary system. The Presidency of the United States is not an individual. The President of the United States is part of a Presidency, which includes many people, and many institutions. The Congress is a subsidiary, but essential institution in this process. Ours is a Presidential system. When we have a bad President, we're in trouble. And even people in the Presidential institutions, who are decent people, have trouble functioning under a bad President, or a bad Presidential circle. But they try to stay on ship, and function, and hope for a better President.

But the policies, and Obama's coming in, and coming in the way he did, was a decision made by the *Presidential system*. Look at the people he brought on: Hillary Clinton. Look at the rest of the people he brought on: Yeah, you've got a few dummies in there, but who did he bring on? He composed around himself, the apparatus of *a Presidency, a U.S. Presidency*. And he represents a U.S. Presidency; he's not a stooge. And don't make that mistake. *The fate of Belarus and Russia, now depends upon achieving a positive relationship between the United States and Belarus and Russia. That's the way to look at it. Any other policy is fatal folly.*

Afghanistan: The Problem Is Soros

Freeman: The next question, and the last international question for this segment, comes from His Excellency Syed Ahsani, who is the former ambassador from Pakistan. And he says: "Mr. LaRouche, being a statesman of vision, you have the unique ability to present ideas in a historical perspective. My question to you relates to the advice you would give to President Obama about the dangers of getting involved further in Afghanistan. He began his Presidency with moves to implement the withdrawal from Iraq, but there is some

fear that he will next move to relocate 40,000 men to Afghanistan, in an effort to deal with terrorism and al-Qaeda.

"The NATO commander is reported to have said that a military solution in this region would not work, advising the President instead to resort to negotiations with the Taliban, currently being attempted by President Karzai. Besides this, the hot pursuit of Osama bin Laden may very well involve a violation of Pakistan's territorial sovereignty, engulfing Pakistan in war. Given this scenario, would it not be wise to solve the Afghan imbroglio diplomatically through the traditional tribal *jirga* system, which is local convention, instead of attempting a military solution that could result in a second Vietnam?"

LaRouche: Well, I am sympathetic to the question in some respects, but I don't think it implies a solution. I don't think United States troops should be involved at all in Afghanistan at this time. That I agree with; it's foolish.

You have to look at what the problem is. The problem is, that when a farmer in that region of Afghanistan or neighboring regions harvests a crop of opium, the crop may be priced at some hundreds of dollars—\$600, \$700. When that crop reaches Europe, its price is \$6 million, or the United States similarly, \$6 million. Now, the problem is, you go to a very specific gentleman you want to talk about—George Soros! George Soros: Remember who he is. At the age of 17, he was a young Jewish boy, of Hungarian provenance, who saved his life by adopting a non-Jewish identity, and doing work for the Nazis on the Jewish question. He was an instrument in what Ben Hecht described as *Perfidy*.

This was the deal which the Nazis proposed, that for so many trucks given to the Nazi system, from the British and Americans, that so many Jews would live. And if the trucks didn't come, they would kill that number of Jews. And they would assemble Jews, or people who were not necessarily Jewish by their own inclination, but who had Jewish ancestry. You know, one-fourth Jewish, partly Jewish, and so forth. From all parts of the Balkan region. And they herded them up, put them in camps, stripped them of their wealth, and so forth, the whole procedure. And he was the messenger boy, who



Ariel Gutierrez

If you want to stop drugs, stop Nazi apologist George Soros, who runs most of the world's drug traffic. Here he is shown (left) with his British controller, Lord Mark Malloch-Brown of the Foreign Office.

would send the message, "Hey, here's your ticket for the train." And he did this. He's a part of *Perfidy*.

Now, he doesn't do that today, exactly. But that's his character! And because of this character—he adopted this kind of character—you know, a person who would do that is a degenerate. I don't care how they became a degenerate. They're a degenerate! He defends it. He defended it publicly, repeatedly, in recent years, in public broadcasts, and said it was an experience that did him good.

Yes, and what does he do now? He's done many things. He's a British agent. Works through the British Foreign Office, the Commonwealth Office, with Lord Malloch-Brown. He's the biggest dope-runner in the world. He runs the drug traffic out of Asia, into Europe. He runs most of the drug traffic in Europe. He runs most of the drug traffic in South America. He runs the drug traffic from South America into the United States, notably from Mexico into the United States.

Now, look at this problem. Is this problem of terrorism in Afghanistan a Saudi problem? Yes. Did the Saudis create it? Yes. How was it created by the Saudis? By the Wahhabi cult, when they used that to train people as fighters in Afghanistan against the Soviets. So, out of that, all through the Arab world, this Wahhabi cult, run by the Saudi Kingdom, which is a British agent, created

this group of new-formed terrorists, Arab terrorists, including Osama bin Laden, including the Taliban organization, and created and used these and involved them in the drug traffic, directly or indirectly.

These forces are now being used. A section of them runs out of London under the protection of the Church of England, which took some of these terrorist agents of Arab origin—that is not to suggest that the Arabs in London are terrorists. Some are, but most aren't. Most of them are just normal Arabs, Muslim believers in London. So what? That's not a problem. But some of these guys are actually terrorists.

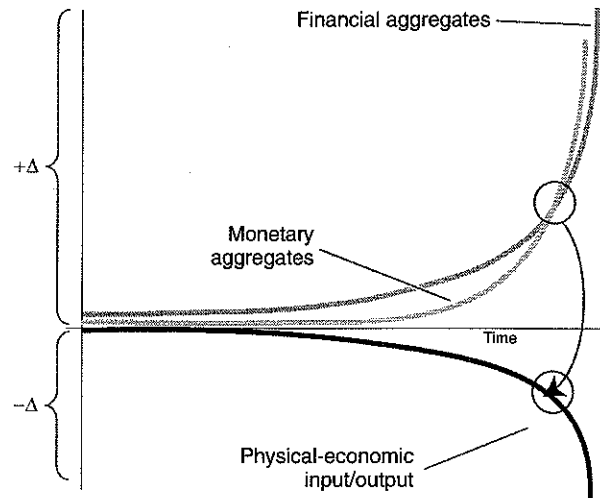
And how are they able to function? Because the Church of England declares them under protection as clergymen. Diplomatic protection as clergymen. So this organization, in London, is the organization which is part of, under British intelligence, through MI6, and formerly through the ISI in Pakistan which ran the Mumbai terrorist operation recently in the south, and this organization is prepared to run terrorist operations in every part of the world. It's the most mobile, repeatable terrorist operation we have on hand.

Now, the same thing applies to our border. Why are American weapons going across the border by these funny little wagons, desert wagons, running in there delivering weapons to the drug traffickers—including military-grade weapons—to the drug traffickers in northern Mexico? And why are the drugs coming from northern Mexico, or from various parts of South America through northern Mexico, across the U.S. border? Why are the guards turning the other way, looking the other way, when the drug shipments are coming across, or when the weapons shipments are going down? And this is now a major terrorist threat to the United States. The problem here is the failure to take perfectly accessible modes of action, to neutralize the transport of these goods, drugs and weapons.

Putting troops into Afghanistan to protect the area, or the Taliban area, is simply creating more targets! Why do you want to send more targets of the drug terrorists into Afghanistan? Pull them out! You may want to protect [President Hamid] Karzai and the capital, in order to maintain some integrity of that territory, but you don't want to put troops in there. That's not the cure. That's a diversion. What you want to do is *shut down George Soros!* And shut down everything like him. And if you don't shut down George Soros, you're not serious.

So, what you're doing with that kind of behavior,

FIGURE 1
The Collapse Reaches a Critical Point of Instability



LaRouche's Triple Curve schematic, first released in 1995, aptly describes what is now happening to the global economy. "How did he know?" the questioner wonders.

what you're doing is you're saying, "Let's play a game. We pretend we're chasing you, and you pretend you're chasing us, and we'll play the game. And we'll send some soldiers out to get killed in the crossfire." NO! *No U.S. troops put into Afghanistan*, except to ensure security of the city, the capital city. Dry it out! *No drugs leave Afghanistan*. No drugs leave that area. Enforce it. And take sanctions against any nation that doesn't enforce it. Why get U.S. soldiers killed? We've lost too many already. We don't need to.

LaRouche's 'Triple Curve'

Freeman: I'm now going to move to a selection of questions from institutions based here in Washington, who are tied to the new Administration. The next question comes from a section of the economic advisory group, and they say: "Mr. LaRouche, we represent a multi-disciplinary group centered at Stanford, Berkeley, and Princeton which, since early November, has been tasked with working on your 'Triple Curve Function' as a model for economic analysis. Little argument can be made right now as to its accuracy in defining our current predicament. However, it's my understanding that you developed this model long before our financial instruments, like derivatives, ever even existed. This