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Now, More Than Ever: The Big Four

*Lyndon LaRouche delivered this address to an audience in Washington, D.C., Oct. 1, 2008; it was simultaneously carried on the Internet at [www.larouhepac.com](http://www.larouhepac.com), the website of the LaRouche Political Action Committee (LPAC). LaRouche's opening remarks were followed by two hours of discussion, moderated by LPAC national spokeswoman, Debra Freeman. A [Video Archive](#) of the event is also available.*

**Debra Freeman:** Good afternoon, ladies and gentlemen. My name is Debra Freeman, and on behalf of LaRouche PAC, I'd like to welcome all of you to today's event.

Certainly there no moment more dramatic for our nation, and in fact for the world, than this one. And it is indeed fitting, that after the stunning defeat of the bailout package, if you will, by the House of Representatives, just a couple of days ago, that we would be hosting this event today. It is my understanding that we have the largest audience gathered around the world that we have ever had. That doesn't surprise me. But I don't want to keep them waiting. So, without further ado, please join me in welcoming the statesman and economist, Lyndon LaRouche.

**Lyndon LaRouche:** Thank you. We have come into times like those you have never, in your lifetimes, experienced before. As a matter of fact, there's nothing in all modern European history, globally extended, to compare with what is happening, globally, and in the United States as well, right now. There's been nothing like the crisis that faces us today, since a comparable crisis in Europe during the medieval period, called the New Dark Ages: We are on the verge of a complete collapse of the entire planet into a New Dark Age.

On the 25th of July last year, I announced that we were on the edge of the beginning of a breakdown crisis in the U.S. economy. At that point, I indicated the measures that would have to be taken, to deal with this crisis which is going to hit us, measures which if they had been taken, between the 25th of August and recently, we would not be in the crisis we're in today. We're in a crisis today, because people like Senator Dodd and "Bailout Barney," in the House of Representatives, prevented the actions which I had specified, which would have *prevented the kind of crisis which the nation and its people are suffering today!* So, if you don't like what's happening, blame "Bailout Barney" and Chris Dodd. Chris Dodd's a stooge for Felix Rohatyn, one of the worst right-wingers in our country today.

Now, I also indicated a proposal for certain other actions, in addition to the warning, which should be taken by the United States, to avert and begin the correction of this problem. The first was known as the Homeowners and Bank Protection Act of 2007, which I specified at that time. It was actually set into motion as a formal proposition in early September of that same year. This had much support at the state level, and counties, throughout the United States. It was voted up by county organizations and state organizations. But it was never formally adopted, because of the blocking from interests controlling people like Dodd and "Bailout Barney."

So we're in a crisis, because Bailout Barney and Dodd, and people like them, acted to *prevent* this action from occurring, which would have *saved our banks* which are now in trouble, and which would have saved the homeowners, who are threatened with continuing and accelerating evictions today.

This is one of the reasons, why the House of Representatives displayed such *hatred* against the Congress as a whole, in the recent vote on Monday, against the bailout.

Now, the bailout bill might be voted up. The danger is, that a desperate Bush Administration, and what it's tied to internationally, might try to make a military suppression of resistance to their policy now. They

might try to use military force, to force through the kind of legislation, the bailout, which is being attempted now.

### **On the Verge of Global Hyperinflation**

The other side of this proposition, apart from other measures which I've indicated earlier, but will repeat again here today, the essential irony of this situation, is that this is no longer the kind of crisis which the lying government which we have, and the stupid President we have, have been talking about. This is not a mortgage crisis! This is a collapse, a disintegration of the entire international monetary-financial system! Something that has never happened in European experience before! And for which there's no one competent in the White House, right now. We are on the verge of a *global hyperinflation* like that which hit in October 1923 in Weimar Germany. When you start talking about \$700 billion, then a trillion, then \$2 trillion, then \$3 trillion, then \$7 trillion for this bailout, which is the direction we're going in, you're talking about a Weimar-style blowout of the *entire international financial-monetary system!*

And the problem now, is that the bailout method itself, is the *driving force of hyperinflation, global hyperinflation.*

And what you have, is, you have a sense like the French Revolution, in which the Marquis de Lafayette had the correct position, politically, with the Tennis Court Oath and similar kinds of things. But he lacked one thing: He lacked the guts to take on his own king. The king had been totally corrupted by a number of measures—and he was not too bright; you've got to let him off a little bit—he was kind of stupid. He was good at fixing clocks and making clocks, but he was not very good at politics. And his wife, Marie Antoinette, who was the sister of the Emperor of Austria, was framed up by a British operation called the Queen's Necklace Affair. She was humiliated publicly, and the Emperor of Austria, who had been a friendly fellow, a progressive fellow, relative to the rest of his relatives prior to that point, went berserk.

So, what happened, is, that the French king, who was a bit of a jerk, brought in foreign—not French—troops, to occupy the area around Paris, to *suppress* the French people. And this led to what became, inevitably, the French Revolution, the bloody French Revolution. Because of this kind of mistake.

We are on the verge of things like that, today. You have a situation, in which—as you saw with the House of Representatives' vote against this bill, despite all the pressure on the Representatives—and the pressure was not just from the Representatives, it was from *people who are represented!* It's the people out there, who hate this. And there's an instinct in this Administration, to use military force against the people of the United States, to suppress the opposition to this bill.

*That is reality, right now!* Not something "coming down": That is already the reality.

If this bill were to be pushed through, with or without the aid of military force against the American people by American troops—which are now being stationed for this kind of operation—the United States will disappear, in very short order. And civilization would crash, globally.

The world would go into a Dark Age, like that of a similar situation in Europe's 14th Century, during which, within a period of a generation, the number of parishes in Europe collapsed by one-half. The level of population of all Europe collapsed by one-third. And mass insanity dominated the population of Europe at that time. That was the end of the authority of the feudal imperial system which had ruled Europe from about 1000 A.D., up until that point.

We are on the verge of a situation, in which, if the bill is pushed through, the chain-reaction effects of the bill, will ensure that the population of this planet drops from about 6.5 billion people to less than 2—and

that in a fairly short period of time. Entire languages will disappear, entire countries will disappear as entities, and we will go through a Dark Age *worse* than Europe experienced in the 14th Century.

Now, there are some people in the Congress and elsewhere who say, "Ohhh, ohh! We're frightened! We're frightened! You can't do this! Don't you know what you're doing? You can't do this, we can't vote against this bill!" Why? "They'll kill us!"

*If American troops, ordered by the President, turn on the American people to suppress the opposition to this bill, the United States will cease to exist! This is worse than treason! Any such action, from any part of government, is worse than treason! And anyone who accepts such an order, is a traitor to the United States.*

So that's the situation we face.

### **There Are Remedies**

Now, what're the remedies? What're the alternatives? There are some excellent alternatives, but there are no alternatives for Wall Street. Wall Street has earned its death. It is a dead, stinking fish, lying in the streets of Lower Manhattan. The investment banking system *is dead!* And it should have been *killed*, before it rotted into death! [laughter]

So this is our particular problem.

Now, if we want to save the country, and save civilization, and avoid a Dark Age, there are some very elementary remedies, some of which I've already stated earlier, a year ago. One, as I said, we must keep the homeowners in their houses. No evictions. We can make other arrangements to manage the downsizing of the debt. Because most of the mortgage debt is fraudulent. That is, the agencies which generated this level of indebtedness, this level of a housing crisis, committed by fraud—*fraud against the nation*. Therefore, they are not entitled to the full price of the mortgage in any case. But what the full price should be, we don't know. But, we'll find out. We will put this housing situation under bankruptcy protection, by the Federal government, with the cooperation of state government and local government. People will stay in their homes, if they wish to, if they are actually the mortgage holder. Because we must also keep the banks functioning.

Now, we have a problem here: In 1999, when Clinton was in deep trouble, because of the frameup against him, by Republicans and others who were trying to stop his attempt to make a change in the financial architecture. Remember, at the time, back in 1998, there was a great collapse of a speculative bubble, which was created about Yeltsin candidacy for reelection in Russia, the GKO cases. So, at that point, the system was collapsing. I warned the government at that time, that the collapse was on; it was inevitable. And the President at that time—this was in August—agreed with me, that this was the problem. He moved, with the Secretary of the Treasury of that time, to initiate what became the intent to launch a change in the architecture of our financial-monetary system, to eliminate this factor of corruption, and to create remedies for it.

However, at that time, there was a frameup, organized by forces which were opposed to this reform, which moved toward the impeachment of President Clinton. So, President Clinton, during the following year, was living most of his time, under the dictatorship of Al Gore! Who was acting as a man in occupation of the White House. And the ability of the President, Clinton, to deal with these kinds of problems, which were building up in the year 1999, was limited.

Under these conditions, and a confused and corrupted Congress—and it was confused and corrupted—the repeal of Glass-Steagall occurred. If Glass-Steagall had not been repealed, we would not be in the kind of

crisis we're in today. We should restore Glass-Steagall immediately. That's one of the things the Congress should do. But that's not enough. There are new problems, in addition to those addressed by Glass-Steagall, which have been created by this process, so therefore, we have to have a larger piece of legislation, and I'll get to that.

I also proposed a protection for our banking system, in terms of currency: I proposed that we have a basic, minimum 4% interest rate, as the lending rate for our banking system. Except in cases of government projects which are in the national interest, government projects certified by the Congress, which would have a lower rate of borrowing. That would have protected us against some of the worst things that went on in this period.

### **The Big Four Powers**

Now, the third thing, which is the big one, which is of crucial importance right now, is, I proposed that the United States approach Russia, China, and India, as the big four powers on this planet; not to establish a dictatorship by these four powers, but to take a group of four nations, which aggregately are so powerful, the world has to listen to them, and obey some of the suggestions they make. They would immediately be supported in these kinds of measures, by Japan, by Korea, by some nations in Europe—some forces in Italy, some forces in France, like President Sarkozy in France, right now. There's a movement in Italy, also, organized by the Finance Minister of Italy, which is moving in the same direction. The Italian motion is directly done in *my name*: That is, the idea of a New Bretton Woods, my policy, is specified by a motion, a bill presented in the Italian Senate, now, for a New Bretton Woods system.

Now, that is the solution, the key to the solution to this situation, internationally. We have a world system: The entire system is bankrupt! The entire world monetary-financial system is already in a Weimar-style hyperinflationary takeoff! We are weeks or so away from a crisis beyond belief! And all the troops that Bush might wish to deploy to the streets to try to get that bill through, will not save the United States from destruction by the effects of his doing that!

Therefore, we need the cooperation of Russia, China, and India, as a "Big Four," around which other nations can gather, and simply get rid of the opposition to doing this! It's in the interest of the people of the world, so why not mobilize the major part of the world's population, in these and other nations combined, and let's say, the people of the world, through their respective national governments agree: This is going to be stopped!

What would we do? We would take a leaf out of the book of President Franklin Roosevelt, who's much smarter than these jerks that we now have in government, today. He had some better supporters then, too.

We would then say, we're going to set up—as what the language is, in Russia, in Italy, from the President of France, and from others—a *new Bretton Woods system*! And they mean, *a new Franklin Roosevelt Bretton Woods system*. Nothing different. The difference between that, and what Truman did, is notable. What Roosevelt did, is, Roosevelt followed the Constitution.

### **FDR's Post-War Intention**

Now let me explain what the problem was then, because it's relevant to understand the problem today. Roosevelt's intention, during the war, was to engage in a reluctant alliance with the British, in order to crush the Nazis, and some other pestilences running loose. But Roosevelt's intention was also, at the end of the war, to eliminate colonialism and everything like it from the planet. Now we had had, as some of you are old enough to remember (or very few of you I guess; you'd have to be my generation to remember that), we had launched, as a recovery measure, from the Depression created by Coolidge and Hoover and people like that,

which we used as our mobilization, with the role of Harry Hopkins and others, to mobilize the United States economically, to prepare for our obligation to deal with this menace of Hitler and so forth in Europe, and in the world in general. We created, from the poor people of our streets, through Harry Hopkins and other Roosevelt programs, we created the greatest economic machine, physical-economic productive economic machine, the world had ever known, in our United States. Yes, we had allies that we depended upon. *But!* It was the margin of the United States' mobilization by Roosevelt, which enabled us to defeat Hitler, and similar problems! Roosevelt's intention was to get at the root of these global problems, by eliminating the power of *British imperialism!* And that was the big fight between Roosevelt and Churchill all during the war.

So Roosevelt's intention, as he said, clearly, was, at the end of the war, as he said to "Wi-i-n-ston!"—"At the end of the war, Winston, no more British crap! People are going to be *free*. There are going to be no more colonies." We're going to use the mighty military war machine, the productive machine of the United States, to free people, to enable them to develop, to gain their freedom, to eliminate colonies from this planet, and to allow nations to develop to the full dignity of mankind.

Now, we didn't do that at the end of the war, because Truman was a Churchill-lover. He was a bum, too. He was only stuck in, because he was a right-winger, and Roosevelt was under pressure in 1944, from the right wing, which was resurgent at point. And they put this character, Truman, in place. And Truman kissed the butt of Winston Churchill—there's no bones about it. He may have kissed some other things, too, but the butt was noted.

So what Truman did—under the Truman Administration, we didn't follow Roosevelt's post-war policy. Roosevelt's post-war policy was to convert the military productive machine, which we had generated to win the war, to convert it into a production machine for the benefit of the world, for capital goods and other things for the world. What the Truman Administration did, was say, "No, we like the British." The Truman Administration endorsed the recolonization of Indo-China! The Japanese soldiers were imprisoned in Indo-China; they had been freed by a revolution which was supported by the United States, by OSS people and so forth, from the United States. Under British orders, the Japanese troops were taken out of the camps, given their weapons again, and told to occupy Indo-China. Out of that, came the Indo-China war, which we spent some time on during the 1960s-1970s. We did the same thing with the Dutch in Indonesia. We did a modified version of the same thing India. We did the same thing in Africa.

We worked with the British and Dutch to recolonize the planet, to restore the British Empire, which is what the Anglo-Dutch system is. And what we did in the United States, instead of converting our war machine into production for the world, and its development, we shut large parts of it down! We took the war *debt* we had inherited from the war, but we shut down the means of getting rid of that debt, by converting military potential into industrial and related potential.

And thus, we, the United States were on the way down: We've gone down in successive stages. We went down, in the first stage under Truman. We went down after the killing of Kennedy. Johnson was terrified; he thought these three guys were going to shoot him next, in the back of the neck, or something like that, and he said so. Johnson was not a bad President; he was terrified President.

### **We Will Rebuild the World Economy**

Then you had the Baby-Boomer factor, in 1968. And that destroyed the United States and let Nixon be elected. And we had that right-wing turn, and we've never recovered from it since. Since 1967-68, as measured in *physical* productive output, not money, but *physical productive output*, the United States has been declining in economic power, physically, per capita, per square kilometer, *over every year, under every Presidency*; from 1968 to the present time, there has never been prosperity in the United States: There has

been prosperity for *some*, in terms of money, like the thieves who are backing this thing about the bailout. But there was not improvement in our infrastructure; we have lost industries; we lost *our* automobile industry—we have a Japanese industry, which is functioning quite nicely inside the United States. We don't have a *U.S.* auto industry—and we will never have one, never in the normal sense of an auto industry. Japanese are doing a good job, and similar people are making all the autos we need.

But we *do* need something else: We need a mobilization of the productive power of the United States, which is largely machine-tool design and related things, to build our infrastructure, to build systems, to build a railroad system to replace this crazy highway system; to fix our river systems which are about to collapse; to restore our agriculture; to restore our agriculture; to rebuild manufacturing and similar activities in the United States, instead of make-work. To rebuild our nation, *in the American tradition*, not the British slavery tradition which we're operating under now.

Now, we're faced with a period, in which under the present system, the U.S. dollar is right now *essentially worthless*. It has not become worthless, but it's becoming worthless, and there's nothing underneath there to stop it from falling. As a matter of fact, the Secretary of the Treasury is causing the dollar to fall at an ever-accelerating rate! We are in hyperinflation—now! Like Weimar in the Autumn of 1923: The world is in a hyperinflationary spiral, and it's going to blow out.

Now, what do we do? What do we do with the Four Power agreement? And Russia is ready to agree to this—now! Forces in Italy and France have declared themselves *for* it. What they mean by that is still up for some discussion, but it's there. China will support that, but not unless the United States comes in on it, because China is concerned about the price of the dollar; because China depends largely upon its trade with United States. India would join it. If Russia joins it, these countries would join it.

If this Big Four, joined quickly by other nations, comes to an agreement, we will put the entire world into bankruptcy reorganization. We will create an intention to form what we would call a "New Bretton Woods system." We will use the power of international government—that is, not an international agency, but the power of government pulled together as an international force—we will use that force *to regulate a fixed-currency system* throughout the planet. We will put the lid on hyperinflation. We will keep the banks of countries open—the real banks, not the fake ones. We will build the economy, by measures of economy-building: large-scale, needed infrastructure projects, using high technology, using engineering design. This will be a rebuilding of the world economy.

We will create new credit, not the fake credit you've been getting lately, but new credit, at low interest rates, long term, just as we did under Roosevelt: to launch the employment, in each countries, under a fixed-exchange-rate system which allows us to rapidly build back the productive power of nations. Yes, we're going to take time to clean this mess up that we have today. It'll probably take two generations, before we fully eliminate the results of the corruption which has been dumped upon us in the past 40 years.

### **A New Mission for Mankind**

But you have to understand something else, in real terms, in physical economic terms, every policy directive of the United States over the past 40 years has been a *miserable failure*, a mistake. The U.S. economy, as measured in *physical* productive powers and output, per capita and per square kilometer, including essential basic infrastructure, has been collapsing consistently *over 40 years*. Since the budgetary year of 1967-68, there has been *no net growth per capita, of real growth* in the U.S. economy since that period.

What this tells you is, that every government of the United States, every session of Congress, in the main, the opinion of newspapers, the leading newspapers and other publications, the opinion of most mass media, has been stupid! Because we have consistently made the decisions, one after the other, which have made the

conditions of life worse with each generation. The per-capita physical output of the United States today, is less than it was in any preceding period going back to 1967-68. The influence of the Baby-Boomers, the influence of especially the environmentalists, so-called, has been a key factor in this. We have been destroying ourselves. A similar process has gone on in Western Europe; a similar process has gone on elsewhere.

Now, we have a global situation, in which there has been an implicit shift of power, a shift of power from Europe and the Americas, toward Asia. The future of the planet lies in the development of Russia, China, India, and other Asian countries. These are areas of large populations in which 60-70%, or more, are extremely poor, poorly developed. This represents a social crisis, a planetary social crisis, with all kinds of side-effects possible. *But!* If we're going to have a successful planet, we have to concentrate on large-scale infrastructure projects and similar things, which will, over two generations, raise the productive powers of labor of populations from all around the world. This means that the major investment, in the planet, in the period now, will come, first, in Asia; second, the second-largest component will be black Africa, especially black Africa; the third component will be development in Central and South America.

The United States and Western Europe, must be mobilized as a driver, an economic driver, as well as a political driver, to bring about the success of development of the whole planet, by what we do in support of the development in South and Central America, in Africa, and in Asia. We need a new mission for mankind.

We don't have any enemies in the world, who are any worse, any more our enemies than President George Bush is. It is the people who are controlling us, and the British, the Anglo-Dutch Liberals, these characters are inducing us to destroy ourselves. We don't *have* real enemies in Asia, as nations! We don't *have* real enemies in South America. We don't *have* real enemies in Africa—not if we think like Franklin Roosevelt! If we think like Roosevelt, we don't have enemies there. These are our friends—and *our government is our enemy!*

So, essentially, if the American people are able to stand up to this, as many of the people of the lower income brackets, as represented in the Congress, in the House of Representatives—are able to push through the changes that are necessary, I can guarantee you, absolutely, if that change is made, Russia will fully cooperate; China will cooperate; India will cooperate. Then Japan will cooperate, Korea will cooperate, other nations will cooperate! The nations of Africa will greet this as—they're being *mass-murdered* now under British policy!—they will rejoice, at our coming back into the picture in this way.

*The world will be on the side of the United States.*

### **What the United States Is**

Now, the other thing we have to appreciate, is what our United States is.

In modern history, there was an evolution, coming out of a long period of religious warfare, from 1492 to 1648, from the same time as Columbus's first exploration across the Atlantic, until the Peace of Westphalia in 1648.

Now, during this period, the forces that were trying to crush the nation-state institution, were not able to crush the nation-state, because the improvements in productive powers of labor, and the increase in intellect and freedom, among the rising citizenry in the cities which were emerging in this period, were such that, as Machiavelli describes this process, the city could defeat the forces of the opposition. And so, you had an adaptation, by the enemies of humanity, called the movement of Paolo Sarpi. Paolo Sarpi was a slick character, a Venetian, who, among other things, moved the operations of his part of Venice, away from the Mediterranean base, into Northern Europe, centered in parts of Germany, in the Netherlands, and in

England.

So that the emergence, which is a process which began with the Venetian restructuring of the marriage policies of Henry VIII, which was done from Venice: They sent him a marriage counselor, and he got rid of the wives; he sort of cut off their careers, at the head. He said, "You don't need a head any more, if you don't please me." So, in any case, there was a process in which the power of development or the power of civilization shifted from the Mediterranean to Northern Europe. And the two areas were the Netherlands and England.

So now, there was a split, and the split occurred in 1763, in February of 1763, with the Treaty of Paris, the Peace of Paris, in which *we*, in the United States, or what became the United States, broke with England, because England had become an empire, and was trying to loot us. Because of this cultural factor, the dominant characteristic of global civilization has been *English-language domination and control of global civilization, from that time to the present day*. Especially from 1763 to the present. *Thus*, the division between two English-speaking peoples, those of *us*, in the United States, today, and those who represented the British oligarchy or the Anglo-Dutch oligarchy—the bankers, the thieves—became the leading force on the planet—not necessarily the entirely controlling force, but the leading force. And thus, the role of the United States is built into the history of Europe! It's built into the history of civilization, like an organic quality: That *we* in the United States have adopted, and been given the destiny, of creating the leadership, to assist the rest of the world *in becoming free*, of the British, Anglo-Dutch Liberal Empire, and its practices.

That was Roosevelt's intention, his explicit intention. That was the intention of every great President we had, every great patriot this country had. We were considered a threat to Britain, to the British Empire, for this reason. Thus, it's built into the cultural relationships within the planet, that when the United States takes the moral role, as it did under Roosevelt, and says, "We are concerned of finding ways of cooperation with other nation-states on this planet, *to form a society of perfectly sovereign nation-states*, which enter into forms of cooperation in their common interest. We'll not try to dictate the internal characteristics of the government of these other nations, we simply cooperate with them *as national personalities*. And we as a national personality cooperate with these other nations, as their national personalities. And come to common goals and common ends, the common aims of mankind."

Now, if we take that policy—not, "Who's the enemy? Who're we gonna beat?" We've got one enemy to beat: the Anglo-Dutch Liberal. The other enemies are simply fools who don't know any better, but we're supposed to know better. We must become again, we must re-create in this country, a new political movement, based on the legacy of Franklin Roosevelt, based on the legacies which many Republicans bear, a new political movement, which adopts the idea of the United States as a unique, universal personality, which has a role to play, on this planet, for the benefit of humanity as a whole, and therefore, for itself: It's the principle of Westphalia, the Peace of Westphalia, "the benefit of the other"! It's the principle of the modern nation-state, the benefit of the other people, because if you care for the benefit of the other people, you're going to be cared for yourself. You're going to create the kind of society in which you'll be cared for. You create justice for others, you create a climate of justice for yourself; you create a climate of progress, you create a climate of progress for yourself.

### **An Agreement To Come to an Agreement**

You know, the experience that I had since I was overseas during World War II, in Asia, is to see the evil of the conditions of life and culture under which people live, largely because of the factor of imperialism—of British imperialism in particular, also Dutch imperialism, and so forth. And these people, then, when I was in India, for example, in the Spring of 1945-46, that was the aspiration: The Indians looked to us, and coolies on the street would come up to me, in American uniform, and say, "Is the United States going to send us agricultural machinery? Is it going to send us textile machinery, so we can be no longer coolies at eight

annas a day, but we can have our own life?" That was the image of the United States in the eyes of the world, as long as Roosevelt was President, and that continued for some time. Roosevelt represented the *best* tradition of the United States: Not trying to find out "who's the enemy to beat?" An enemy is somebody who's coming out to kill you; well, you fight them off. But you're not looking for a system of relations among states, based on adversarial considerations! Your system, while it may deal with adversarial problems, must, in the long run, rely upon *non-adversarial* issues, like that of the Peace of Westphalia.

Under those conditions, given how *terrible* the situation is, right now, with our monetary-financial system, if we—the United States—if we can force, in this United States, to take this piece of crap, this President, and force this Presidency to move, to make an agreement—that is, to make an agreement to make an agreement: It doesn't require a full-fledged worked-out agreement. It requires a process of getting to an agreement; an agreement to *come to an agreement*, among Russia, the United States, China, India, and other countries, which now, probably include Italy and France, and some others. Under those conditions, *we*, as a combination of powers, *can dictate* what the fixed-exchange rate of the monetary system will be! We can dictate and regulate against inflation. We can create credit, large-scale creation of new technologies, and new kinds of infrastructure. We can do these things!

But we have to agree to agree.

Then, *apply the power, represented by that agreement*, among these powers and others who join them, *to crush that force which is imposing this hyperinflation upon the entire world*, and is now threatening to use even U.S. troops to try to suppress anybody who opposes a bailout—which would, in itself, destroy the United States. These guys behind the Secretary of the Treasury don't care about the United States! They care about their class, their Wall Street class, their investment banking class: *They care more about Goldman Sachs than they do about the United States!* And they want revenge against the United States for allowing Goldman Sachs to go bankrupt; or, it is bankrupt, aptly.

So that's the issue.

### **Real Economics**

Now, the positive side has another aspect: There is a certain idiocy about economics, not only among our economists. Generally, if you want to become an idiot in economics, you have to study economics and become professional at it! You can not be a successful idiot without becoming professional!

And, there are good economists, in the sense that they do things which are useful, they know things which are important. But when it comes to the basic questions of international systems, we don't have economists—who are called "economists"—who know what the hell the score is. They just don't know it. They may be well-meaning people, they're often intelligent people. They know something. They are useful, at something. But they don't understand the basics of economics. Because they believe what they're taught in universities, and that's the first step down to absolute destruction of your intellect, these days.

The point is very simple: The idiot says, particularly the free-trader—I don't know who he's trading in, but he's a free-trader—says, "well, everything starts from the point of production." Well, that's nonsense. Economy does not start—not successful economy—from the point of production.

For example, let's take a case in about 1910-1912, in the area of New York City, in general, because Thomas Edison was in that area: And there was a development in improvement in electrical motors, the small electrical motors which could be attached to individual machines. And there was a *leap* in productivity in the greater New York area, through the Edison method of introducing these individual machines, of these new types, to attach them to machines, rather than belt-driven systems, or similar kinds of systems. It was a leap

in productivity. There was no significant increase, as such, to account for this increase in productivity, at the point of production otherwise. But it was the effect of changing the *environment* of production.

This is only an expression of something else which happens in economics: It is fundamental discoveries of physical principle, which are the source of the increase of productive powers of labor. And the adoption of a discovered principle, and the perfection of the implementation of the application of that principle, is something which is not localized to "some thing"—yes, the individual mind may have made this discovery; or groups of individuals minds may have made the discovery. But it's the application of these discoveries to whole areas of the society's production, or its living.

Like a good mass transit system, as opposed to—instead of driving on the highway, and losing, what?, \$7 in going from West Virginia in tolls to here in the Washington area? And then spending three and a half hours, or so forth, commuting each way? On a high traffic area? Which means, what? A loss of *personal family life!* Take six hours out of each person's life, or five hours a day—for this! What have you done to family life? What have you done, in a system, where it takes two adult members of a household to supply the income to raise *any* kind of family in a halfway decent way? You are destroying the family! You are creating all the kinds of problems you wish to have in the family! You're probably creating the problems in the community: Because, you are saying, the time that people have to spend, wasting, going through this kind of nonsense, is not important—that's only personal life. It doesn't affect the economy. We're only concerned with how much work they do.

So, they travel, they work eight hours a day, and three or four hours of those days, or five, are spent in commuting! With fares and so forth. And when both members of the family are stuck in a situation like that, what kind of family life do you have? What kind of intellectual and emotional life do you have with your children? What's the school education like?

So that the biggest factors in productivity are not necessarily point of production measures, like this sort of thing. The biggest thing, are discoveries of universal principles, and changes in the organization of society which can take a person with the same level of productivity, and make them more productive, by changing the circumstances in which they work, including the technology which is applied to them.

So, the way in which we must operate, is directly opposite to what's done under greenie influence.

### **The Question of Power**

Take another case, the question of power: What is the nature of progress in power? Well, power is not measure in calories. You can measure heat, and you can measure it in calories all you want to, but that does not measure power. Power is measured in *energy-flux density*. This is a basic principle of nuclear physics: To get to a certain state, you must have a corresponding level of energy-flux density, or you can not enter that state. Therefore, to make certain kinds of production, you have to go to a higher energy-flux density. So, having low-temperature energy sources is *not* a substitute for high-temperature resources. Education which orients people to physical science, and to Classical culture, produces a more productive mind, from the same person, or the same population, as one who doesn't have that kind of education. A person who goes to rock concerts, is less intelligent than a person who doesn't. It's true: They got rocks in their head, it's hard to hear anything!

So therefore, what we fail to realize, is, it's not infrastructure in the broad sense of the term, it's a certain kind of infrastructure: It's efficient mass transit systems, it's the way we organize cities, as opposed to these super-cities, or super-areas, in which people have to go, five hours of commuting a day, to and from work, which destroys them. It's the better organization of society, a better transportation system, more available high-temperature facilities: Take the case of fuel. What *idiocy* it is, to haul petroleum from Saudi Arabia, to

the United States to run our cars! They're nuts! With a high-temperature gas-cooled reactor, of the Jülich type, the pebble-bed type of reactor, we can rather easily generate synthetic fuels from water! The synthetic fuels are essentially, hydrogen-based fuels. Now, if we have large-scale reactors of that type, in various areas of the country, one of the byproducts of this system of reactors in that part of the country, is to produce hydrogen-based fuels! Now, you've changed the whole structure of your fuel economy from an oil, or petroleum economy, and now you've shifted around so you now have hydrogen-based fuel applications, you have domestic systems of heating, all these kinds of things. Suddenly, everything is cheaper and better!

And so, what is *not* understood, what is not respected, is the fact that productivity is *not* how hard you work at the point of production, or how much skill you have at the point of production; those things can be significant, especially skill. But the important thing is the total environment: Transportation systems, power systems, all these things that define the environment.

This is a simple issue, which, on the one side, separated Leibniz from Descartes. Economics is taught, in most parts of the world today, based on a Cartesian conception. Whereas science, real science, is taught on the basis of a Leibnizian conception which is called "dynamics." And the important thing, is how you control the dynamics.

### **Maglev: A Gift to Africa**

Now, what we can do, therefore, internationally, is, by applying the highest technology, the highest degree of technology we have or can develop, and applying that on the broadest possible scale, through infrastructure, as well as education—through that, we create the environment, in which we can take people, for example, the Chinese—over 70% are very poor, very poor productivity; or India, the 70% very poor productivity; we can take, and by creating a different kind of environment of technology and systems, we can increase the productive powers of that labor, even before they're able to develop higher degrees of skill and knowledge otherwise.

And that's our job. *We*, in nations which have this kind of science-driven culture among us, and related culture, *must* mobilize ourselves, away from this whole green environmentalist nonsense—it's all a lie! It's all a fraud!—and get back to real science, and have science-driver programs, which *we* in countries which have a higher degree of development, and use our brains and our ability, to supply this kind of technology, technological improvement, to the poorest parts of the world.

For example, Africa: Africa, black Africa, has the largest agricultural region of the world. But they don't get much to eat! Why? Because the bugs and everything else kills off their food. They don't have all the protection system they need; they don't have a distribution system that protects them, so what do we do? We move in, we say, "Well, we're going to put an international railway, magnetic levitation system, so we're going to drive an international rail system, or maglev system, into Africa!" As a gift! From the other nations of the world, we're going to give them—as a gift!—a railway or maglev system, which is the basic system which means, that in these countries, they have the basic means to transport goods from one place to the other.

That, and also power systems, and so forth, delivered to them, *will enable them to do the rest*. And that's the point.

The way you develop a people, is not by coming in and telling them how to do everything. You give them the things which will enable them to do something for themselves. And you help them do it.

### **The Remedy: Love of Mankind**

In short, to conclude this presentation, before we get to the questioning and discussion: Any good solution, for a problem of the magnitude we face today, we're facing a New Dark Age, for all humanity, not somewhere down the line: We're facing it before Christmastime. Your neighbor may be hanging from your Christmas tree. You find that kind of situation.

In this kind of situation, there's only one remedy: And that remedy is love of mankind. And you're saying, "How can we fix this problem?" Not how to make somebody rich, how to give them what they want. But: How we can help them to achieve the betterment of their selves, and create a betterment of relations among states. And then, invoke the fact that we're doing that, to induce nations to come to agreements, firm agreements, which change the character of relations on this planet, in the way that we should see that we need, when we look at the PLHINO option in Mexico; when we look at other projects in South America that are there; when we look at the great needs of Africa, which are mass-starvation areas of the world; we look at the vast parts of populations of Asia, 70% are living a *miserable* existence, with no future: brutalized.

We have the power to change that, if we mobilize. We can make the commitment to *that change*, as a policy to bring nations together on that basis.

*Russia is ready to do that if the United States will accept it.* That we've determined; that's clear. Italy is determined to move in that direction with the New Bretton Woods. Sarkozy of France is determined to lead, from France, in the same objective. China will cooperate, if they're sure the United States will cooperate. India will cooperate. Other nations will cooperate.

We all need this! The alternative of not getting is *Hell!* So you can't complain about the prices. We need it.

And we have to have a shift from this *hate* attitude: Who to hate, who to kill, who to make a war against! They shouldn't have fired Musharraf—the United States did it as a favor to the Saudis, to fire him, and look at the chaos we're getting in Pakistan, now, as a result of that. We have to have a policy, not of conflict but of love: It has to be concrete. And on that basis, you can bring nations together—*they will trust each other on that basis!* If you don't do that, they won't trust you, and you can't do a damned thing. And that's your problem.

So, it's on the table. What I've proposed, last year, last July, on the 25th, *is the only damned good idea on this planet for dealing with this problem*, to date. Now either you got the guts to accept that, or you're going to go to Hell. I'm not going to send you there, you're going to send yourself.

And therefore, we need to end this bill, destroy it! Put the whole thing into bankruptcy reorganization, under which what we need to have functioning, will function. The essential part of banks, as defined by earlier legislation—we'll protect those parts of the bank, whether they're bankrupt or not, *because the communities need them!* They need their savings protected! They need them! We'll protect them! The government will protect them. We'll deal with the other people's claims later on, when we get around to it.

What? Why should we have to pay off a gambler who lost?! What is this, a gamblers' dictatorship? Why should we have a fool, like this Secretary of the Treasury? With his background? With his record? It's almost as bad as Alan Greenspan. Why should we listen to these fools? Why should we put these thieves and fools in power? Can't we trust ourselves, if we have good intentions?

I trust the American people, I trust those people out there who are enraged. I don't trust them to do the right thing, but I trust their rage: They are justly enraged! This government, this country has betrayed them! The Congress has betrayed them.

Now, specifically this: The problem lies largely in the Senate, as you may see today on the vote. Because

this thing's going to go back and forth. And the danger is, that somebody in the White House is going to think about calling the troops out to suppress the population, if they don't like the vote they think they're going to get from second vote in the House of Representatives. And people have to understand that. You've got *fascism* in this country, right now. And the center of fascism is right in the White House. And don't kid yourself about it.

Now, the White House occupant is an idiot—an immoral, vicious idiot. But, nonetheless, the power has been in his hands, and fools will let him have it and let him use it. Or, Paulson and his crowd will enforce it. You can have dictatorship here.

Remember: The grandfather of the present President of the United States was the guy who wrote the order to bail Adolf Hitler out, when his party was bankrupt, near the end of 1932. This crowd were Nazis! The grandfather of the present President of the United States was a Nazi. His father, of the present President, was in the direction; he's kind of silly—a silly kind of Nazi, but vicious. That power's there. And only if the American people make it clear, that they will not tolerate that—and I tell you, there are many people in the Senate who are gutless on this question. They want to survive. They're too much concerned with their survival to be concerned with the survival of the nation or humanity in general. And they have to learn, that sometimes, when you try to preserve your life, you lose it, exactly that way.

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