

We face recovery or tragedy in 1992

Lyndon LaRouche made the following remarks as a contribution to ongoing discussions on rebuilding the European economy, especially the necessity to provide infrastructure, on Oct. 26.

This is Lyndon LaRouche, a candidate for the U.S. presidential nomination of the U.S. Democratic Party for 1992. I am also a political prisoner of my leading political opponent, President George Bush, at the present time.

The year 1992 will probably go down in the history books with the same kind of significance we have attributed so far to the year 1789, the year of the inauguration of President George Washington in the United States, the establishment of the federal form of constitutional republic, and the French Revolution. Of the French Revolution, Friedrich Schiller said appropriately, "A great moment has found a little people."

Nineteen ninety-two will see the collapse of the communist system of economy supplemented by the collapse, worldwide, of the Anglo-American financial, monetary, and economic system of the past 28 years, specifically the last 20 years most emphatically. If the world is composed of little people, who fail as did Jacobin France, then we will continue to try to perpetuate the kinds of policies which a bankrupt United States present government—and the Thatcher administration formerly in Britain—is currently trying to impose upon eastern Europe and the rest of the world. If that occurs, then the year 1992 will inaugurate the greatest planetary disaster Europe has known in its entire history. A greater disaster perhaps than the fall of Rome, a disaster comparable to that of the mid-14th century, the so-called New Dark Age.

This is what we must face; there is a solution. The solution essentially is to overturn and reject those policies that have dominated and shaped U.S. policy in particular over the past 20 years—that is since the assassination and coverup of the assassination of a U.S. President, John F. Kennedy.

What we must turn to ironically, is something which is called the American System of Political-Economy. The American System of Political-Economy is the legitimate chief opponent of everything which is called U.S. policy today. Under Article I of the U.S. Constitution, the power

to emit currency is a monopoly of the federal government. That is, the power to issue currency lies with the Executive Branch of government, subject to authorization by law by the Congress of the United States—that's Article I, it's never been repealed. The entire U.S. Federal Reserve System is in violation of the Constitution of the United States—it is unlawful as well as being foolish.

The financial monetary system is bankrupt

The only way the United States can possibly recover, financially, is to bankrupt the present financial monetary system, which cannot be saved. We're talking about \$23, \$24 trillion of combined public and private debt on the books and off the books—off-balance-sheet loans and debt, liabilities. That system is going to have to be bankrupted. It could have been saved in 1982 by reorganization, but it's too late now, nine years later—it's going to have to be bankrupted. The British are in a similar condition, except the smaller British, United Kingdom economy can and will attempt to parasitize off Europe, the way a vampire might try to parasitize off its victim.

The United States is a tragedy. So unless the United States goes back to the American System of Political-Economy as laid out by, for example, Treasury Secretary Alexander Hamilton, George Washington's treasury secretary, there is no hope for the recovery of the United States.

The proper use for credit

The same thing is true for the rest of the world. Where is the recovery going to come from? It will come from the prudent use of the credit, the power of governments to establish monopolies on the issue of currency and the issue of that currency as loans, as loan capital to a national banking system for basic economic infrastructure, projects of water management, power generation and distribution, transportation, education, medical care, infrastructure, in promotion of scientific and technological progress, that is, investment in scientific and technological progress in a capital-, power-intensive mode. This will mean using the resources of credit to take the idle capacity of agriculture, mining, industry, and labor force, to mobilize them for national efforts of building. What must also be done is to bring together such efforts on the part of sovereign national states in a coordinated form, so that the various governments of states may cooperate, so that their various efforts will mutually support one another.

That all can be done. It will be hard work, but a recovery is possible; whereas, if we do not take that course of recovery, then we are going to go into one of the worst periods in the history of mankind, a period for all of Europe and most of the world comparable to the Dark Ages in the 14th century.

The question again is: As in the French Revolution of 1789, the great tragic failure of modern European history, will 1992 be a great moment which has, unfortunately, found a little people?