

How Liberalism Created Fascism

by Lyndon H. LaRouche, Jr.

This statement was issued on March 14, 2003 by the Presidential pre-candidate's political committee, LaRouche in 2004.

The principal source of the difficulty which most Europeans experience in attempting to understand the present U.S. internal crisis, is that the current eruption of wild-eyed U.S. imperialist practices is rooted in the same Anglo-Dutch Liberal model admired by most popular and official opinion in today's Europe. I describe some of the essential mechanics of that connection.

The Liberal system of government, economy, and social philosophy is chiefly a copy of the financier-oligarchy-ruled maritime power of Venice's former imperial hey-days. Under the influence of Venice's powerful Paolo Sarpi and his successors, the Venetian model of financier-oligarchy-managed liberalism was imposed upon two emerging imperial maritime powers in northern Europe—the England of Francis Bacon, Thomas Hobbes, and John Locke; and the Netherlands of William of Orange and the radical empiricist Bernard Mandeville. The philosophical liberalism reigning within the society was complemented by a thrust toward that relatively global maritime supremacy consistent with the adopted self-interest of the financier-oligarchical class as both merchant and usurer.

The crucial feature of the Anglo-Dutch Liberal model which was thus essentially consolidated in conception over the course of the Eighteenth Century, is the relative independence from elected government, enjoyed by a privately controlled central banking system. In effect, that central banking system is the agent of the collective assembly-in-fact of the society's financier-oligarchical class.

During the interval from approximately 1763 to 1945, the chief challenge to the power of the Liberal model within extended European civilization was first expressed in wide

support, among Europeans, for the struggle for independence of the English colonies in North America. Over the course of the 1763-1789 interval, the shaping of the emerging American constitutional republic produced a Constitution whose Preamble represented the intellectual triumph of the leading U.S. patriots, who reflected the influence of Gottfried Leibniz over that of John Locke. Even today, despite the success of Britain's Edward VII in foisting what became the Federal Reserve System on the U.S.A., the American System of political-economy, as described by Franklin, Hamilton, the Careys, Friedrich List, et al., is based on a principle of the authority of constitutional national banking—over that of any foreign power, or domestic financier-oligarchy—in matters of monetary and financial regulation.

The best way to understand the way in which Chickenhawk captive President Bush's imperial hubris is being expressed today, is to look at the way in which a concert of Anglo-American financier-oligarchical power led by Britain's Montagu Norman, using Norman's asset Hjalmar Schacht, et al., imposed Adolf Hitler's dictatorship on Germany. The "independent central banking" interest, so expressed, put Hitler into power, both to prevent a Franklin Roosevelt-like option in Chancellor von Schleicher's Germany, and to arm Germany for a world war intended to destroy both Germany and Russia.

Shift in the U.S. World Role

The war did not proceed as Montagu Norman et al. intended. Germany decided to strike West first, instead of East. That put London in the position of screaming for help from the Roosevelt they hated; and the U.S. role left post-war Britain to be faced with absolute U.S. economic superiority worldwide—not exactly the original goal of Hitler's London backers. In strategy, always expect the unexpected as the most

likely outcome.

Look at today's bankrupt U.S. system against the lesson of 1933-34 Germany.

Over the course of 1964-2003, the U.S.A. has been transformed from the world's leading producer nation, to an economically parasitical "consumer society" like the ancient Roman Empire, one which lives on the loot garnered by a brew of nuclear weapons and other predatory power over the world at large. In this process, for about two decades now, the leading U.S. political parties concentrate upon a constituency of the upper 20% of family-income brackets (e.g., the so-called "suburban" dogma of the neo-conservative Democratic Leadership Council—DLC), controlling elections, top-down, through vast masses of raw financial power and control of the principal mass media of the nation by those same oligarchically-minded financier interests. Conrad Black, a leading "fallen angel" of the Chicken-hawk flock, like the so-called "Mega Group," is typical of those corrupt connections.

Prior to that 1964-1981 cultural-paradigm shift, during 1933-1963, the U.S. political system was based in relatively large degree on the social and economic forces associated with independent farmers, manufacturing, regulated basic economic infrastructure, and so on. Today, nearly forty years since the assassination of President John F. Kennedy, the true entrepreneur is a vanishing species. The economic-political landscape of power is dominated by predatory forms of financial speculation, such as Enron and Halliburton, rubbing shoulders with the multi-billionaire barons from organized-crime pedigrees. Thus, we have a President, whose family ties are to a facet of that financier interest, but who, although nominally lord of the Federal estate, is being controlled by a pesky pack of wild-eyed "Leporellos," the "Chicken-hawks." This is the pack of lackeys associated with the pro-fascist ideological legacy of Chicago University's Leo Strauss, Carl Schmitt, Nazi philosopher Martin Heidegger, et al. The rascals appear to be running the Presidential chicken-coop, at least for the time being.

Choice Between Roosevelt and Hitler

The role of those Chicken-hawks represents an active and immediate, new Hitler threat.

As I shall explain in a forthcoming sequel to today's brief report, the world has only two significant choices: between today's Franklin Roosevelt and today's Hitlers; between Roosevelt-style recovery programs and Chicken-hawks wielding, and intending to use, nuclear weapons. It should be obvious that an FDR strategy means putting the Anglo-Dutch Liberal system into cold storage, at least for the duration. Thus, Europe may recognize the homicidal lunacy of Rumsfeld's and Cheney's Chicken-hawk Hitlers; but to prevent those Hitlers from taking over, the Anglo-Dutch Liberal models must be replaced by reorganization of the presently hopelessly bankrupt world monetary-financial system according to the principles of the American System of political-economy, List's system of national economy — at least "for the duration."

Revenue Crash, War Fear Hang Over Budget Debate

by Carl Osgood

Unlike past years, this year's Federal budget process began with unanswered questions about the budgetary implications of a possible war with Iraq. More than a month after the Bush Administration submitted its Fiscal Year 2004 budget plan, questions related to the potential costs of war and its aftermath remain unanswered; the pressures for addressing domestic needs remain unabated; and most ominous, Federal tax revenues are continuing to "disappear" as the nation's economic depression deepens. Many members of the Congress from both parties are complaining about the Bush Administration's unwillingness to talk about what the costs of a war against Iraq, and its aftermath, might be. But the costs of the depression collapse of the economy—and of failing to take any action for recovery—is a far larger and darker cloud looming over the entire process, than the costs of war.

That collapse factor was again highlighted by the Congressional Budget Office (CBO) on March 7, when it released its report on the Fiscal Year 2004 budget proposals put forward by the Bush Administration. The report dealt, in particular, with the costs of the Bush Administration's latest tax cut plan; but what grabbed headlines was the CBO's revised projection of the Fiscal Year 2003 budget deficit, even if the tax law is not changed. As recently as January, the CBO projected a deficit of \$199 billion. In its March report, it revised that projection to \$246 billion, an increase of 25% in only two months. And this worsening uncertainty, in "forecasting" a fiscal year which is already half over!

"Almost two-thirds of that change," the report says, "stems from lower projected revenues, reflecting weaknesses in collections to date." That collapse in revenues is a reflection of the overall collapse process, the same collapse process that has hit the budgets of at least 48 out of the 50 states.

Economy Won't Return From a War

Neither does the revised forecast include the costs of a war with Iraq. Since the Bush Administration has, so far, refused to provide estimates for how much that operation might cost, Congress has been left flailing about in the dark. The CBO estimates that the force buildup in the Persian Gulf might cost as much as \$14 billion, with the war starting out at \$10 billion for the first month, and then about \$8 billion a month after that. Returning forces back to their home bases will run about \$9 billion, with any post-war occupation of Iraq costing anywhere from \$1-4 billion per month.

The CBO admits, however, that "multiple unknowns exist