

LAROUCHE TO BERLINER SALON

## The Role of the Sublime in World Politics Today

On Dec. 18, 2003, American Presidential pre-candidate Lyndon LaRouche addressed the Berliner Salon, a cross-section of leading political and cultural figures of the German capital, in a several-hours' presentation and discussion session. Following the text of Mr. LaRouche's speech is a selection from the question and answer period; the questions are paraphrased from German. Mr. LaRouche was introduced by Dr. Manfred Böse, director of the Berliner Salon.

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### Dr. Manfred Böse

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Dear Mr. LaRouche, ladies and gentlemen, I heartily welcome you to our presentation today.

For those who do not know the Berliner Salon, I want to say a few words about it. The Berliner Salon is reviving an old tradition, here in Berlin, of bringing together personalities from politics, economy, and culture; it sponsors economic and cultural cooperation. In the meantime, the Berliner Salon has been opened in Moscow and St. Petersburg, and we plan to open it also in Beijing, in the Spring.

I am very happy, that Mr. LaRouche has come to us today.

Lyndon LaRouche is one of the pre-candidates for the nomination of Democratic Presidential candidate in the U.S.A., where the elections will take place next year. As an economist, during the Clinton Administration, he has already internationally presented his proposal for a reorganization of the global monetary system. In the year 1982, he elaborated, for the Reagan Administration, the basic economic features of a concept of strategic defense—later known as the SDI. Furthermore, he was advisor to the Indira Gandhi government and various governments of Latin America in their fight for independence from the IMF, and for the establishment of a new, just world economic order.

Since the Fall of 2001, Mr. LaRouche has—outspokenly, like no other U.S.



Lyndon LaRouche addresses the Berliner Salon on Dec. 18, 2003. At right is Dr. Manfred Böse, the Salon's director. "What Schiller defined as the Sublime," said LaRouche, "is actually another way of stating the principle of outflanking the problem. We face terrible, dangerous problems: the danger of world war, the danger of a financial collapse. How should we deal with these enemies? Outflank them. The Sublime."

politician—articulated his critique of the plans for the Iraq war. In the past days, he has presented a call for withdrawal of U.S. troops from Iraq. It is not to the least thanks to these clear statements, that, according to official statements of the Federal Election Commission, Mr. LaRouche now ranks on the second position, in terms of numbers of supporters, among all Democratic candidates.

Mr. LaRouche will be speaking tonight about the economic situation in the United States, one year before the Presidential elections, and he will speak on the subject "Ways Out of the Great World Economic Crisis." We will have a discussion after the presentation.

Mr. LaRouche, I cordially invite you to begin.

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## Lyndon LaRouche

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I understand we will have a consecutive translation.

I shall situate the period ahead, the next year or two, in terms of the two crises which we face today. I shall indicate a few terrible things which are happening, but I shall also focus primarily on the Sublime. For we look in any crisis, especially a world crisis, for the way out of the crisis, and that is the Sublime. When one sees the way out of the crisis, then one applies that vision to the crisis itself, to determine what resources we have to overcome it. Under those circumstances, I can say that I'm cautiously optimistic about the future of humanity.

I'll begin with identifying the two great crises which affect humanity.

One, we are faced with the launching of a kind of war, which, unless stopped very soon, will engulf the entire planet, in an impossible type of asymmetric nuclear-armed warfare. At this time, of course, the center of that war impulse is coming from within the United States. It's coming out of a doctrine of preventive nuclear-armed warfare, associated with the Vice-President of the United States, Dick Cheney. Every part of the world that is informed, is anticipating this kind of warfare, this problem.

When we think of the implications of this type of warfare—if it's not stopped, billions of people on this planet die—then we say, "Isn't it true that we've reached the point, that we must find a solution for the threat of warfare?"

Then, we look at the other crisis. We're now in the midst of the greatest financial crisis in modern history. Things as small as a 1% shift in interest rates, or things of that type, could set off the detonation, which would blow up the U.S. economy. Such an event could happen any time, soon. One can not predict in financial matters, because free will is operating among nations. For example, the printing of money on a vast scale, by electronic means, can postpone a crisis, by inflationary means.

But this crisis itself, is inevitable, but beneficial. Because it forces us to look at the kind of cooperation, among nations, which might bring the world together in a way, that it could resolve on preventing the continuation of this war. For exam-

ple, we have already elements in Eurasia, of tendencies toward cooperation, which are moving in this potential direction.

## Eurasian Development

Western Europe is really bankrupt. But, there's a solution. The solution has two aspects.

First of all, Western Europe—Germany, France, Italy, and so forth—together with Russia, have a potential for cooperation with East, Southeast, and South Asia, which could be the basis for great growth and prosperity throughout Eurasia. For example, China is engaged in a series of great infrastructure projects, which will probably extend over a quarter-century, which are probably the greatest infrastructure projects, in total, being considered on the planet today. China is moving inland, away from the coastal areas, to develop the inland, western territories. This prospect involves about a quarter-century of development of infrastructure. China does have some high-technology capabilities, some of which will be unique in the years to come; but, it does not have enough. It needs more technology. It has a vast population, which it must uplift. This is going to require infrastructure development and similar kinds of development. This creates the potential for Western Europe and Russia, to play a very large role, in participating in that aspect of Asian development.

Then, you look at North Asia, Korea, Siberian Russia, near the Pacific coast, and Japan. In this area, provided we negotiate a peace between the two Koreas, which I think is possible, there's a very important development in Asia, is also possible there. In Southeast Asia, the Mekong River development project, which has recently been upgraded, is also a great driver of progress, for a large section of humanity. The tripartite cooperation among Russia, China, and India, is a fulcrum around which the nations of Asia can cooperate.

Out of these vast populations—1.3 billion reported in China, over a billion for India, and so forth throughout Southeast Asia, other populations—we have a great need for technology. We must conquer poverty. We're faced with increasing population-densities of habitable areas. Without development of infrastructure, and improvement in technology, we can not meet these problems satisfactorily.

But this picture of Eurasia has a pivot to it: A great concentration of abiotic raw materials exists in Central and North Asia. This is largely arid or tundra area, so to get at these raw materials, requires the development of this area of thinly populated North and Central Asia. This, as Russian work has shown, is one of the greatest concentrations of these types of resources on the planet. But even this is not going to be enough for the long run. We have to make breakthroughs in science, where we will be able to regenerate the resources we require, and develop new kinds of resources to replace some of these we're using now.

If we can then bring peace to West Asia, the area of Iran, of Turkey, Syria, the Middle East generally, Egypt, then we

have a possibility of Eurasian development, a very long-range development.

Now, we can not globalize this process of Eurasian development. The ability of a human being to assimilate scientific and other discoveries, depends upon a process, which depends upon the culture of the person in that part of the world. Therefore, the sovereignty of national cultures is essential, in order to develop the individual members of society, to be able to assimilate important ideas, in an organized way. Which means that we must affirm the principle of the sovereign nation-state; the sovereign nation-state, based on its culture. Which means that we must have a community of sovereign nation-states. A community based on principles, not world government, but principles.

## Dialogue of Civilizations

This poses another problem. We have the cultures of Asia, we have European culture, which dates from the shadow of pyramids in ancient Egypt, and so we have the problem of developing an ecumenical community of principle, among nation-states who represent various cultures, not all in the same tradition.

Now, in Europe there are impulses, especially from the recent cooperation among France, Germany, and Italy, which are a thrust in that direction. They'll not carry us to that end, but they're a thrust in that direction. We have an interesting development in Russia, a tantalizing development in the recent Duma elections, and also we're looking forward to the March election of the Presidency in Russia.

During this period, we will see great changes in the world situation. We will have an intense effort to deal with, push and pull, for and against the continuation of the wars that Cheney has launched. The onrushing financial crisis, including the financial crisis about to explode in the United States, will also change the world picture. Russia is now emerging, and will tend to emerge, as more playing the role of Russia, than it has in the recent period, since 1988.

So, under these conditions, you have Western Europe, Russia, and the growing potential in Asia. We have a world financial crisis. The IMF in its present form will not exist for long. So, we're going to have to make some titanic decisions in the period ahead. Decisions that will test the nerve of many people. But there are excellent solutions for the crisis. They'll take patience and hard work, but the solution exists.

That brings us to the other major thing: What about the United States itself, and its role in this?

## America's Constitutional Distinction

The United States has some secrets, which are not really secrets—it's just that people blind themselves to their existence. The United States has quite a history, sometimes little understood, because Europeans tend to look at U.S. history from the standpoint of the Anglo-Dutch Liberal parliamentary system. The United States is quite different. The United States is, in the first instance, from its inception, a melting-



Lyndon LaRouche with Berliner Salon Director Dr. Manfred Böse.

pot nation. Even though it's dominated by European culture, it is a melting-pot nation.

Secondly, we are not an Anglo-Dutch Liberal parliamentary system. We are actually a product of the influence of people such as Colbert, and Gottfried Leibniz. That is, it was Colbert who led France out of the period of the Thirty Years' War, to launch the rebuilding of Europe, on the basis of scientific and economic progress. It was Colbert, in his period, who fostered the development and influence of Gottfried Leibniz. This was spoiled by the wars of Louis XIV of France. But the impulse continued, for the same kind of progress, including notably from within Germany. For example, the emergence of the German Classic, during the middle to latter part of the 18th Century.

And then, in the middle of the 18th Century, Europeans, influential Europeans, from all parts of Europe, looked at North America, with fresh eyes. People like Kästner, the teacher of Lessing and so forth, adopted our scientist, Benjamin Franklin, as the likely figure inside North America, around which to build a new movement. And as a result of that, the greatest minds of Europe developed a perspective of treating the English colonies of North America, as a republic, a republic whose founding would be the basis for introducing the idea of a true republic, back into Europe.

Out of this process, with this backing from Europe, we transformed our free nation into a model Presidential form of constitutional republic. The distinction of our Constitution, from the kind of constitutions you see in other parts of the world, is the following: Now, remember, that both the Declaration of Independence, and the Constitution, were crafted under the direction, the personal direction, of Benjamin Franklin. For example, the essential principle of the Declaration of Independence, comes directly from Leibniz's New

Essays on Human Understanding. The U.S. Constitution is based on a principle, not a collection of basic laws. The first principle, first of all, the perfect sovereignty of the nation-state. The second, is the obligation of government to promote the general welfare of all its people. The government has no legitimacy, except as it is committed to defend the general welfare of all of its people. And third, that the test of government, and of the state, is its efficient commitment to posterity.

When properly understood, every part of the U.S. Constitution, and every Federal law, is subject to this Preamble. That is, the Preamble is not a foreword: It is the fundamental law, of a fundamental principle of our Constitutional law. And this is the difference between the systems.

Also, the key to the system, is the Presidential system. And this is what Europeans must understand, to really understand the United States, and how the conflicts in our system work.

### LaRouche's Role in the Presidency

For example, in a sense, I'm a part of the U.S. Presidential system. The Presidential system in one part, is the professional members of government, such as the diplomats, the intelligence services, the military, and so forth. But also, the Presidential system is of private citizens, who are outside government formally, often had been in government, and are advisors to the Presidency.

For example, take the case of the SDI, the Strategic Defense Initiative. In 1975, I discovered that Zbigniew Brzezinski was heading a group of people who were determined to have a nuclear confrontation with the Soviet Union. I responded to that by running a Presidential campaign, denouncing this. Our exposure stopped the operation, and made me a permanent enemy of Brzezinski. But when President Reagan was elected, I was invited to Washington—actually, before he was inaugurated—to discuss with his circles, what my recommendations were for the incoming administration. And among the proposals that I made to his Administration then, was what became known as the SDI, that is, the speech that the President gave on March 23, 1983. In this connection, between February of 1982, and beyond February of 1983, I conducted a back-channel discussion with the Soviet government, on behalf of the U.S. government.

You will find in the history, the modern history, of the United States, many figures and personalities who play that kind of role, with respect to the Presidency, from outside the formal institutions of government.

The other characteristic of our government, is that we have never had an overthrow of our Constitution. No other government can say that. There is no government which has had the same Constitution since 1789. Therefore, we do not overthrow our governments. We show a certain elasticity. And therefore, we work to reform the government from the inside, not to create a crisis to overthrow it. Because we understand that adhering to maintaining our Constitution, with its Preamble, is vital to the security and stability of our country.

And that's the way we approach things.

Now, our approach is the following: Because of our Leibnizian roots, our Colbertian roots, the American System of Political Economy is not the Liberal system. Our system is essentially, Constitutionally, national banking. That is, under our Constitution, we should not allow any group of bankers to form a central bank, which exerts any independence of the government. And although the British monarch, Edward VII, managed to plant the Federal Reserve System in New York, the way that Franklin Roosevelt dealt with the problem of dealing with the Federal Reserve System, shows how our system works under the best circumstances.

Now, I should make clear why I've gone through this.

### A New Bretton Woods System

The problem that Europe has, with the many good suggestions, such as the Tremonti Plan, and so forth, which we've heard of recently, that while these plans talk of \$100, or more, billion dollars in credit for infrastructure, what is required in Eurasia, is not hundreds of billions, but trillions worth of euro investment. To meet the appetites which are generated by this attempt to rebuild Eurasia, around the kind of objectives I indicated, we need a scale of treaty agreements among governments, of 25- to 50-year duration, which create trillions of dollars of credit, for such things as basic economic infrastructure, in the development, say, for example, of the North and Central Asian areas.

To give you a sense of this: In a recent period, we used to estimate that the scale of world output was about \$41 trillion, when the dollar was worth a little more than it is today. At that time, the U.S. Gross National Product was estimated at \$11 trillion. On that scale, in the area of basic economic infrastructure alone, the United States now has a deficit, a crucial deficit, of at least \$4 trillion in infrastructure.

Now, Europe has comparable problems. For example, the transportation system in Germany. You don't want to run an economy, where your superhighways are parking lots. That is not good for a society. It's bad for family life. At two or three jobs, to travel to, that's also bad for family life.

Now, you look at the poor in China, look at the poor in India, look in the poor in other parts of Asia. What is the scale of development required, to lift these poor up sufficiently, in time? We're talking about, in the order of trillions of euro.

Now, the United States' role in this, with its history, is that we, because of our character—if we go back to a Franklin Roosevelt reflex to this present world crisis, we can do, from the United States, play a role similar, but not the same as, but similar to what Franklin Roosevelt's administration did, in 1944 at Bretton Woods. At that time, the United States was the only power in the world. We're no longer the only power in the world. But what we did, we used the strength of the U.S. dollar, the strength of our economy, to set forth a program for reconstruction of the planet.

The most successful example of that occurred in Ger-

many, in West Germany in particular. It occurred because Hermann Abs, who was not exactly stupid, supported the idea of using the Roosevelt use of the Reconstruction Finance Corporation, to get the United States out of the Depression, as a device which became known in Germany as the Kreditanstalt für Wiederaufbau. That was the most efficient use of reconstruction funds in any part of the world, during that period.

Now, what is needed now—the United States is not the world power it was then, but the principle we used, under Roosevelt, for the reconstruction of the post-war world, for creating a fixed-exchange-rate monetary system, that would work today. But, in my view, that will not happen, unless there is a President of the United States, who says to the nations of Eurasia, and other nations, "We meet now, and we do it again."

Now, under those conditions, if Europe and the key Asian nations and the United States agree, to create a fixed-exchange-rate monetary system, to put the old system through bankruptcy reorganization, everything that Eurasia desires, now becomes possible.

### Look Two Generations Ahead

No other present candidate for the Presidency is equal to the job. Because of my concern with the world at large, and my concern with Europe in particular, I realize what the limitations are of Europe's ability to deal with certain of these problems. Therefore, the primary global mission of the United States, must be to meet with these nations, and to play a key role in making possible what these nations can not do for themselves.

What we must do, we must look two generations ahead. Take the case of China as an example of why: China has committed itself with infrastructure to develop the western lands. This involves large infrastructure projects of, probably, a generation duration. The benefits in terms of the population, will come a generation later. Therefore, we're looking at two generations' cycle.

We also have a bankrupt world. The bankruptcy will not go away immediately. It will take time to work our way out of it. So therefore, we must come to long-term agreements, on not only monetary-financial and economic problems, we must use our joint needs, our joint interests in the security of this new economic order, to define a common principle of relations among states, in which we plan for a duration of 25 to 50 years, and then let the two generations later on revise it, if they have to.

Finally, as to the feasibility of this, we have, with the help of many of my friends in the institutions of the Presidency, as I have described the Presidency to you: We have so far succeeded in jamming up some of the worst ambitions of Vice-President Cheney. We act more or less in concert in the way that I described to you. These are the people on whom I would rely, in large degree, for my Presidency.

So, it's possible we could succeed. If we dump Cheney, if he goes, we probably will succeed. And that is not something to occur after the next election: That is as soon as possible. And I can tell you, Mr. Cheney considers me his number-one enemy, today.

Just take the problem in warfare, it's like the case of Frederick the Great in a certain battle with the Austrians, where he was vastly outnumbered, and they were trying to do a classical "Cannae"-type operation against him: And he moved his troops as they had never been moved before. He outflanked the Austrians twice the same day, and routed them. When you're in leadership of a government, or anticipating leadership, you often have to find in yourself the qualities to do the equivalent of what Frederick the Great did on that particular occasion: You must learn to outflank the situation, once or twice, even on the same day.

What Schiller defined as the Sublime, is actually another way of stating the principle of outflanking the problem. We face terrible, dangerous problems: the danger of world war, the danger of a financial collapse. How should we deal with these enemies? Outflank them. The Sublime.

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## Dialogue With LaRouche

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Question: If the Democratic Party wins the elections and you become President, what will you do about Iraq?

LaRouche: As I issued a statement,<sup>1</sup> which is widely circulated in part of the world's press these days, I proposed that the 1958 Constitution be a point of reference for Iraq to solve its own problems, to maintain its unity and integrity as a state, and I have said, that if I were the President of the United States, I would take responsibility for Iraq personally, as the resident occupying power. But, unless I were the President, no forces in Iraq would trust the United States at this time.

Normally, an occupying power has a moral responsibility to care for the people, and the institutions, of the country it's occupied, and to restore it to peace and prosperity as soon as possible. The present government of the United States is incapable of understanding that; the series of mistakes they have made exhibits that point. And nobody will trust them. I think they would trust me.

All right, but in the meantime, what I say, is we take the thing to the United Nations Security Council, again. Prepare to get the United States' forces out of there. And proceed with a responsible problem, with the agreement of an assembly of the Iraqi people, based on the 1958 Constitution.

Because, what we must also do, is we must also deal with the Israeli-Palestine problem: What we've done with the Iraq War, is, we've set fire to the region in such a way, that unless

we stop the Israeli-Palestine conflict, we will not have the credibility to bring about any peace in the area.

I emphasize the point, is, what we have done: We have unleashed, in Iraq, we have unleashed asymmetric warfare on a new scale. We've unleashed it in that country, but we had it already in Afghanistan; we threaten to spread it into other parts of the world; and we've stirred something up, which has to be put to rest. So, therefore, what we could have done with Iraq, prior to the attack by the United States, we can not do today, because of the mess we've created, especially after the point that Bremer was sent in, and told to dismantle the Iraqi military, which is the one organized force in the place which could have played a role in rebuilding the economy. And therefore, they destroyed the possibility of credibility of the United States as an occupying power. Because anyone who's an occupying power, moves in, under U.S. policy, and immediately invokes the existing institutions of a country you occupy to maintain order and to proceed with the process of reconstruction. That is, essentially, the moral law of war. The United States did not do that. It betrayed that.

Therefore, by uncorking, with this thing going on in Israel now, by uncorking that, at the same time Sharon is on a rampage, and the system is collapsing, they created the situation, where the world is now going into a potentially irreversible trend toward asymmetric warfare, at a time that Cheney would like to drop some nuclear mini-nukes on top of North Korea.

This is the situation. They would like to attack Syria. They would like to attack Iran. This is the situation, and the world knows it.

Therefore, we have to also get the Israeli question settled. And I think the Geneva Initiative is positive in being able to do that. Also, I think that there are some people around Sharon who are terrified of the implications. Because, Israel today is a nuclear hand-grenade: Now, when you throw a nuclear hand-grenade, the hand-grenade is destroyed. And therefore, some people in Israel, even in the right wing, understand this. The time has come, as reluctant as not, they must accept the Palestinians. And they must deal with it.

So, this is, I think, when you talk about Iraq, you must include the question of Israel and Palestine. Because we're dealing with a regional crisis. I think that Europe is of a temperament to do a good job.

And the United States should assist Europe in doing the job, rather than Europe being asked to assist the United States in doing a bad job.

### The 'War Against Terror'

Question: Thank you, Mr. LaRouche for your stand on these issues. I am from Jordan, the ambassador of Jordan. And, I have a lot of questions, but I will ask only one: If you are elected, how will you deal with the war against terror? We know how it started, but do you know how to end it?

LaRouche: Well, I think that terrorism as such, is not the problem. Take the case of al-Qaeda, which is a spin-off of the

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1. Lyndon H. LaRouche, Jr., "Restore Iraq's Constitution," EIR, Dec. 5, 2003.

old Muslim Brotherhood, which the British, and the Israelis, and the U.S., set into motion, under what was called, in the U.S., “Iran-Contra.”

Now the problem, which of course threatens your government and other governments of the region, is that al-Qaeda, in a sense, has now become a patriot of the Arab press. And therefore, that which was treated, in a sense, as an outsider to the Arab world—or the inside outsider—has now become, has been integrated into the general resistance against what’s happened in Iraq, what’s threatened against Syria, what’s threatened against Egypt, and so forth; and what’s going on in Palestine and so forth, at the same time.

So therefore, the problem is, how do we stop the spread of this kind of problem. There are a number of them around the world, which are used by various people, or try to use themselves. We have to isolate the problem. And the way we isolate the problem, is by stability and peace.

Now, what we have to do, in general, we have to have several policies: One policy, stop the Iraq War. Force a peace on Israel, because I think we have the correlation of forces in Israel, and among Jews around the world now, who will put the pressure on, if the United States puts its pressure on, to bring this thing to terms. To get back, at least, to Oslo, or something better. If we stop the problem of Iraq, stop this nonsense, then I think we still have a chance to bring stability.

But, we also will have to do some other remedial things: We have to recognize that we have Iran, Turkey, Syria, Egypt, and other countries, which are the keystones of Southwest Asia. This Asia region has to have a program of stability, to complement a peace in Israel, a peace in Iraq. And I think we need all these measures.

## Asymmetric Warfare

The danger is, it comes from the United States, itself! It comes from the United States, through Cheney and the so-called neo-conservatives, which are actually a modern name for “fascists”: They’re the same thing as Franco, Hitler, Mussolini, and so forth—there’s no difference, in principle or political character. They are pushing a policy of general warfare; they’re pushing into asymmetric warfare. And those of you who know what asymmetric warfare is, from military studies and related strategic studies, know what we’re talking about.

Just imagine asymmetric warfare, like we saw in Indo-China, for example. Imagine it fought among nations, in which Russia is defending itself with nuclear weapons; China is defending itself with aid of nuclear weapons; India is prepared to defend itself with nuclear weapons—and asymmetric warfare is spreading throughout Eurasia, and around the world. We must stop this thrust, which is impelling people to—just, let me go through one thing—

The problem is, that most people do not understand this concept of a nuclear-armed asymmetric warfare. This is understood by specialists—even they sometimes don’t un-

derstand it adequately. I’m talking about a kind of warfare, which could start to erupt very soon, which would engulf this planet, and in which billions of lives would be lost!

Therefore, this must be understood, and people must understand, we must not set the detonators, which put this kind of warfare into motion. That’s the danger. And governments do not appreciate, significantly, what this danger is. Politicians are so busy arguing about the particular issues they’re interested in, they overlook the thing that can destroy us all.

I go on on this subject, of course, at great length, and this is my specialty, so—but, the point is, yes, we need these things. We need to get the Iraq thing settled—quickly. We need to get this Israeli-Palestinian question under control, quickly. We have to have a new kind of configuration of stability, which involves keystone nations, such as Iran, Turkey, Egypt, Syria, and so forth. And, then bring the Arab world together, in a sense they can function, with stability and with prospects for economic development. We need economic development programs, which are understood by these nations. We need, for example, in the Middle East: water projects! Without new sources of water, without water projects, we haven’t got a chance of long-term peace. So therefore, we must have a positive approach, as well as opposing these two problems: the Iraq problem, Palestine-Israel problem, we must have positive, affirmative action, in the direction of collaboration. The collaboration must be physical economy-oriented, toward giving the Arab world, in particular, new hope for peace. If there’s hope for peace, people will not go to war.

## Downward Paradigm-Shift in U.S. History

Question: I am a politician from the German liberal party [FDP]. We looked on with concern, as the last American elections took place, and also were concerned about the results of the Israeli elections. The policies being pursued are leading to World War III, potentially. The change you propose must come from within America. Do you think it is possible to change the American mind?

LaRouche: Again, I would say, ours is a Presidential system, and it works in a way which is not easily understood in Europe. Because in Europe, we have parliamentary governments. And parliamentary governments, the minute there’s a financial crisis, the parliamentary government collapses. Sometimes it goes into a dirigist mode, and sometimes it goes into a dictatorship. But, the bankers try to collect, the government collapses, and that’s what happens—repeatedly.

So, in the United States, we’re somewhat different.

We have a crisis. You know, the characteristic of humanity, is that we operate through crises. I said this before. I think the only competent answer to what you’ve asked, is the following: We’ve gone through crises. We’ve gone through crises since the French Revolution, which is the beginning of a whole series of crises, in globally extended European

civilization. Instead of the reform of crisis-ridden France, by the proposed Constitution of Bailly and Lafayette, we had what? We had Philippe Égalité and Necker, as British agents; Danton and Marat, as British agents, the whole Jacobin crowd, as British agents, destroying France, on behalf of Britain's quarrel with France as a power in Europe. Then we had Napoleon, who's the first modern fascist, on which all fascist systems since then, have been modelled, in the 20th Century.

But, so what we have in U.S. history, in particular: We have a series of shocks. We have the shock of the French Revolution and Napoleon. Except for individual friends in Europe, we were shut off from Europe. When we had the War of 1812-1815; as a result of the Vienna Congress, we were isolated in the world. And we had forces developed inside our country, which were treasonous. Then, we went, under the leadership of Lincoln, into the Civil War, but we emerged as a power on the planet. All sorts of bad things began to happen after that, as an attempt to destroy us.

Then, in the last century, what have we gone through? We went through the First World War. Look at the gravestones in Europe; look at the effect of that war. My parents' generation fought that war. My generation went through the Second World War, and the horrors that were involved in that.

Then, when we thought we had peace, at the end of the war—the right wing turned over and took over the U.S. government; launched a totally unnecessary and unjustified nuclear bombing of Hiroshima and Nagasaki. Under Truman, the United States began to move in the direction of a police-state. Truman got us into the Korean War, with his idiocy, by threatening preventive nuclear war, then against the Soviet Union. The Soviet Union did not capitulate; China did not capitulate, and therefore the Korean War became a trap for the United States.

Then, the Soviet Union developed the first thermonuclear weapon. We had to call off preventive nuclear war, for the time being. We told Truman to disappear. We had Eisenhower for two terms.

But, when Eisenhower was out, the right wing came back again. They came back in the form of the Bay of Pigs, the Missile Crisis, the assassination of Kennedy. And then, the Indo-China War, which was the first major asymmetric warfare on the continent of Asia.

As a result of these effects, the American people changed their character, especially the terror of these effects. The young generation, entering university in the middle of the 1960s, went crazy. We had the phenomenon of the rock-drug-sex counterculture. We had the shift, an ideological shift, from a producer society to a post-industrial society. We went then, into a phase, with the 1971-72 change in the monetary system, the United States and Britain became pure predators. We would stage a run on a national currency on the London market. Then we'd go to the country we had attacked, and say, "Call in the IMF and World Bank." We'd drive down the value of their currency, under the floating-exchange-rate sys-

tem; we'd impose artificial debts on them. And then we'd tell them, "You're our cheap labor."

## Post-Industrial Consumer Society

So, we stopped being a producer nation, and became a parasite nation, like ancient Imperial Rome. We sucked the blood of the world.

Then, we did that internally. We shut down our industries. We shut down our farms. Since 1977, the condition of life of the lower 80% of our family-income brackets has collapsed. Our rail system is almost non-existent. We have a vast deficit in power generation and distribution. Everything is collapsing.

So therefore, what we've had, we had 40 years of mass insanity, by the majority of the U.S. population, in the sense of tolerating a cultural paradigm-shift, from the world's leading producer nation, to a parasitical, post-industrial society.

This is characteristic of human history. Populations and entire cultures adopt dominant cultural paradigms, which are clinically insane. These paradigms become the basis of prevailing popular opinion. So the population reacts to each crisis in the wrong way, to make things worse. What they do, is they react to something, the way the Baby-Boomers react today: The typical American in their fifties has abandoned all realistic view of the future. What they look for is, satisfaction in what they call sometimes the "comfort zone." What they do, is they adopt a "lifestyle," an individual "lifestyle." If this lifestyle is available to them, this gives them "comfort." If they don't quite get it, the belief that they might get it, gives them "comfort." What you have in the U.S. population is, the lower 80% no longer participates in society, in a political way. The upper 20% operates on the basis of the "comfort zone" principle of the "lifestyle." And that's the way political behavior, and political parties, have been determined in the recent period.

So, this defines a typical cycle, a cultural cycle. Now we've come to the end of the cycle. The comfort zone is turned off. The financial collapse will finish it. It would take about a 1% increase in interest rates, to collapse the real-estate bubble inside the United States. And shrink-wrapped tarpaper shacks, flung around Washington, which are going now for \$400,000 to \$600,000, would drop to \$150,000.

See, what we've got before us, is a series of shocks. Shocks which disrupt the cultural paradigm, which has prevailed over the past 40 years. In U.S. history, this is comparable to the United States coming out of the Coolidge and Hoover Administrations, with the shock of the Depression, and going to Roosevelt.

So, what I represent today, is, I represent a revival of the Roosevelt syndrome. We have a depression, like 1933, but worse; but the same principles define the remedy. You have to do what was proposed by Lautenbach in Germany: that you have to use state credit, or state-created credit, in large amounts.