

LaRouche International Webcast

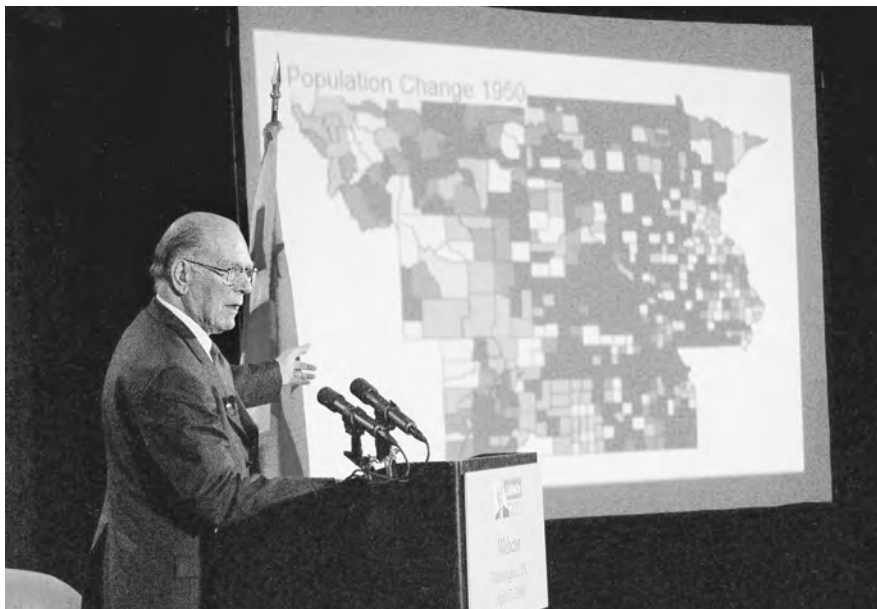
How To Organize an Economic Recovery

In opening remarks to an April 7 international webcast in Washington, D.C., Lyndon LaRouche confronted his audience with a shocking truth: Although the United States has been destroying itself “yard by yard” since Aug. 15, 1971, Americans can’t simply blame the then-Nixon Administration, or the Administration of George W. Bush today. *The destruction of the U.S. has been caused with the consent and complicity of the population of the United States, including the Democrats themselves!*

President Franklin Roosevelt had an easier task in the 1930’s than we do today, LaRouche argued. FDR was able to mobilize the resources we still had in the farms, the industries, and the labor force. But today, we have destroyed a large portion of those resources, and we have a generation of Baby Boomers who have lost the fiber of morality which the FDR generation had, and needed, in order to win the war against fascism.

The destruction of the Baby Boomer generation made possible the anti-industrial mentality that poses the threat of fascism today. This threat began to be realized with the Nixon Administration, not so much because of Nixon, but because of George Pratt Shultz, the representative of the financial oligarchy who played the crucial role in getting Nixon to abandon the Bretton Woods system on Aug. 15, 1971. Nixon fell by the wayside, but Shultz is still a powerful player on the political scene, having brought Condoleezza Rice and others into the Bush Administration, and Arnold Schwarzenegger into the governorship of California.

There were three phases to the destruction Shultz set off. First, there was the abandonment of the Bretton Woods system *per se*, an abandonment Shultz then imposed on the world at the 1971 Azores meeting. Second was the Brzezinski-supervised phase, in which, under the aegis of the Trilateral Commission, the U.S. adopted a policy of “controlled disintegration of the world



Lyndon LaRouche uses animations at April 7 webcast to show collapse of U.S. economy.

economy.” This policy was carried over into the Reagan Administration, which contained more Trilateral Commission members than Carter’s. Third, there was the phase beginning with the 1987 financial crisis, which brought in Alan Greenspan as head of the Federal Reserve. Greenspan initiated the era of replacing the real economy with sidebets and speculation, which has brought the world financial system to the point where a chain reaction collapse could happen at any time.

Reorganize the Economy

LaRouche then identified the principles by which the physical economy has to be reorganized. The first aspect is to reverse the shift into “suburbia” begun in the 1950’s, by going back to rail systems, and to a denser utilization of power overall. Mass transit should be increased, and the auto industry largely retooled in order to produce the new rail system which we need.

To carry out such a mobilization, LaRouche said, we have to start from the top, the machine-tool sector, which involves the highly skilled workers who

provide the basis for new production. Then, as supports for the high-technology sector, we should bring in semi-skilled and unskilled labor to fill out the projects. This would operate in a way similar to FDR’s organizing of the TVA. What’s crucial is the commitment to utilizing the machine-tool sector in the U.S., Europe, and Japan for long-term industrialization worldwide, over the course of the next two generations.

Defeating the ‘Slime Mold’

What must be understood, LaRouche said, is that the financial system has been taken over by a *slime mold*, an international financier oligarchy which is intent upon imposing a feudal system on the world. To organize a recovery, we have to get governments to stand up to the slime mold, and declare the financial system to be bankrupt. The banking system is a private enterprise, which can be put through bankruptcy reorganization if governments decide to take that action. Then, governments can ensure the creation of 25-year credit at 2% simple interest, for the creation of the physical capital we need to rebuild the economy.

EIFRNS/Stuart Lewis