

Why Launch A Presidential Campaign Three Years Before The Election?

How could the Democratic Party be brought back into existence as a real party? Only if its real, traditional constituencies decide to move in and take it over again. How might they do that? By rallying around candidacies, including a presidential candidacy, in a way which pulls the constituencies back together as a force.

Unless some mass-constituency ferment of considerable force does appear very soon, it will be almost impossible to reverse the past 15 years' disastrous policy trends in the nation. If the radicals stay in control of the Democratic Party, there is little hope for the United States.

LaRouche's campaign is a rallying of Democrats for America first, and the election of good Democrats second. The first and foremost battle, is to bring our nation to adopt the urgently needed changes

in policy. These great changes must be made by the joint efforts of this President, Ronald Reagan, and a greatly improved policy-outlook within the Congress. Unless we win those more immediate changes, the next presidential election might not be worth campaigning for.

suggested contribution \$10



LYNDON H. LAROUCHE, JR.

A Program for America

The
LaRouche Democratic
Campaign



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November 1985

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Foreword

In its Sept. 3, 1985 edition, one of the leading daily newspapers of India, the *Hindustan Times*, described the internationally renowned economist, Lyndon LaRouche, as "one of the greatest living original thinkers of the century." At the other extreme, a large part of the liberal news-media of the United States periodically publishes major features denouncing him. From being an obscure economist and management consultant, back during the 1950s and 1960s, he has become one of the world's best known and most controversial figures today.

Now, for the third time, LaRouche has announced his candidacy for the presidential nomination of the Democratic Party. From this moment onward, the Trilateral Commission-centered circles which presently control that Party, will do as they did during 1984; they will unleash every dirty trick their imagination suggests, to try to prevent LaRouche's name from being presented in nomination at the next Democratic nominating convention. Henry A. Kissinger, Edward Bennett Williams, and the Trilateral Commission continue to work the Republican side, using their influence inside the Reagan administration to escalate the "dirty tricks" campaign already being conducted by corrupt elements inside that administration.

The enemies of LaRouche are terrified. The mood of the electorate in the United States is beginning to change, rapidly. Poverty spreads and deepens, the nation's food supplies are being closed down, banks continue to collapse, the drug epidemic and crime spread, the news from abroad every week tells of new catastrophes caused by the Kissinger-like policies of the State Department. Now, daily growing sections of our population realize that the government itself is engaged in an attempt to cover up the most deadly pandemic known, AIDS. The mood of the majority of the U.S. electorate is shifting rapidly; the eruption of a fully justified panic over the menace of the deadly disease AIDS, is triggering a shift in political philosophy which must affect public reactions on all leading issues.

Any citizen today, who reviews LaRouche's nationally tele-

vised broadcasts during the 1980 and 1984 campaigns, will say, on issue after issue presented in those broadcasts: "He was right; if more people had listened to his warnings, we wouldn't be in the mess we are in today."

Those sections of the Democratic Party's leadership, who succeeded in dirty tricks against the LaRouche campaigns of 1980 and 1984, now have to face the most fundamental fact of politics: they can no longer continue to "fool all of the people all of the time." The ultra-liberal faction, which established its dictatorial control over the national party apparatus in 1972, faces a total shattering of its popular credibility in face of the AIDS crisis. As this shifting mood among the voters makes the LaRouche candidacy a factor of greater strength than ever before, voters will reexamine the candidate's televised broadcasts of 1980 and 1984. More and more of these voters will say, "He was right. I guess I should have voted for him then."

In this booklet, we have included either the entirety or leading portions of those nationally televised broadcasts from past presidential campaigns. Let that record speak for itself.

However, as the *Hindustan Times* indicates, LaRouche is much more than merely another presidential candidate. He is an influential international figure, who is personally at the center of major events in the world at large. He is, in particular, one of the most important economists in the world today, in the eyes of the leading bankers who hate him, as well as those who seek his counsel. The international drug-traffickers have retained mercenary killers and others hired to assassinate him. The Soviet government, which has been trying to destroy him since 1973, has stated repeatedly in its leading publications, during the recent years, that it considers him one of its most deadly opponents. And, of course, he is bitterly hated by Henry A. Kissinger and the Trilateral Commission.

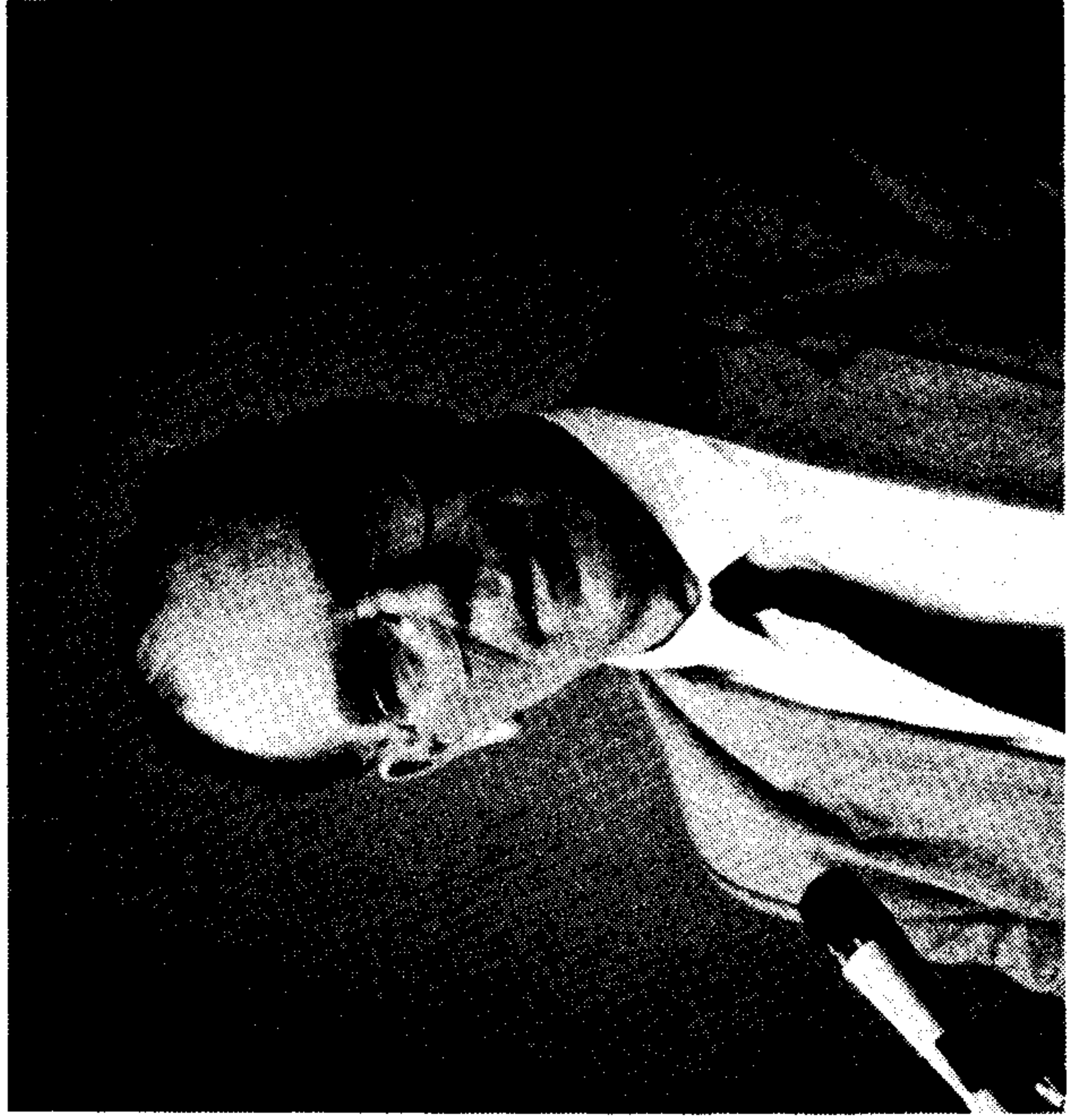
The new presidential campaign must not become another popularity-contest; it must not become just another "professional public-relations campaign." The pattern of consistent blunders in U.S. policymaking, over more than 20 years, has transformed the United States into a poverty-stricken second-rate power, and has steered world affairs to the point that the continued existence of civilization itself is now in immediate danger. Either the United States abandons the policies of the past 20 years, and resumes the political philosophy of the Declaration of Independence and

1787 Constitution now, or the United States as we knew it during the 1950s and 1960s, will soon vanish from this planet, and most of civilization with it. Ordinary presidential candidates, the pragmatic hand-shakers who make peace with the policies of the Trilateral Commission once in office, can no longer be tolerated by those who care about the future of their children and grandchildren.

LaRouche is no ordinary candidate. He is the type of influential personality who tends to come to the leadership of a great nation only under conditions of deadly crisis. He is a presidential candidate for this time of crisis.

I Announce My Candidacy for the 1988 Democratic Party Presidential Nomination

by Lyndon Hermyle
LaRouche, Jr.



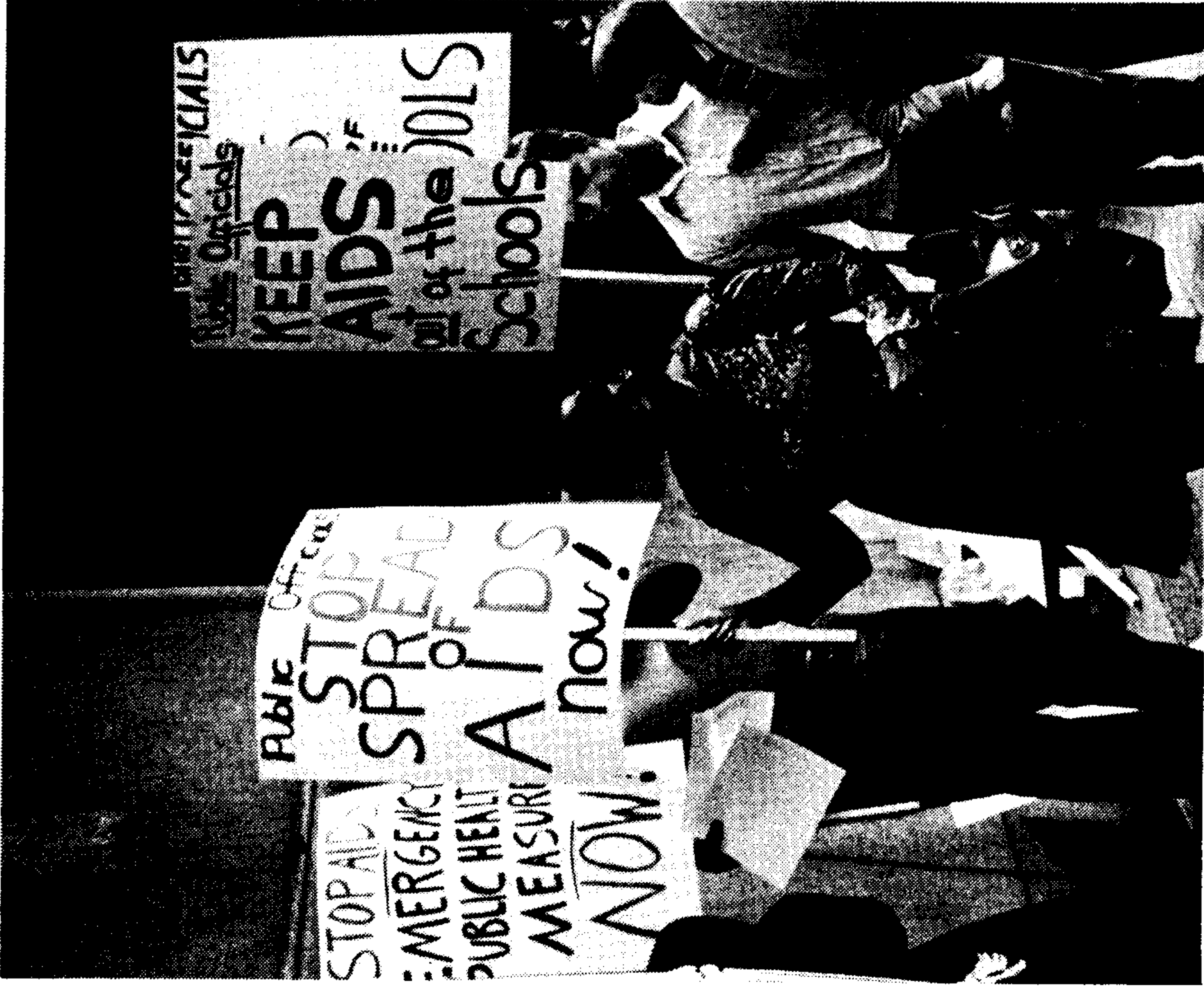
Lyndon H. LaRouche, Jr.

The world today is threatened by the most deadly pandemic disease so far known to mankind, a disease far more deadly to its victims than the Black Death which wiped out between one-third and one-half of the population of Europe during the middle of the 14th century. This deadly pandemic is called Acquired Immune Deficiency Syndrome, or simply AIDS.

During the recent six months, a team of specialists has been advising me on the nature and the spread of this pandemic. These advisers have included teams of physicians, of other scientists, and of other specialists. These teams of experts have reviewed the facts with leading epidemiologists and institutions in a number of countries, and have cross-checked the opinion of each expert with numbers of the world's leading authorities. The experts emphasize that many important questions about the disease can not yet be answered, but certain facts demand very clear courses of action by governments. Most of the world's leading experts denounce the Switzerland-based World Health Organization and the U.S.A.'s Atlanta CDC (Centers for Disease Control) as behaving irresponsibly, and many accuse these institutions of circulating false information as part of a political cover-up.

The facts which every citizen must know include the following:

1. AIDS is what is sometimes called a "slow virus." The person infected with the AIDS virus may not develop AIDS symptoms for years, but during that long period of incubation, the infected person can transmit the infection to others, even though he or she does not yet show AIDS symptoms. Such a slow virus, with such a high fatality-rate, is the most insidious kind of pandemic which could threaten mankind. An infected person can circulate for a year or more, spreading the infection to others, without revealing symptoms. They might die of AIDS-caused complications within a few years, or might die gradually of degeneration of the brain—since AIDS is an infection of the central nervous system.
2. The present best guess is, that as many as 100% of the persons infected with the disease will die, in either a few years or as many as 12 years after they are infected. This makes AIDS a more deadly pandemic than the Black Death.
3. The number of persons infected with AIDS in the United



Demonstration in Pittsburgh, 1985.

States is estimated to be not less than 1 million. Some experts estimate that about 50% of the United States' homosexuals are infected, and at least an equal percentage of drug-users. In cities with high concentrations of homosexuals, 70% could be presently infected. Some estimates say that more than 1 million Americans could already be spreading the disease to others.

4. The number of cases of Americans reported as having the disease has been doubling every six months. This would mean that a minimum of 8 million could become infected by about the end of 1986, and a minimum of 32 million by the end of 1987.

These estimates are only the best guesses which can be made on the basis of trends observed by medical experts so far, but they are accurate insofar as they indicate the seriousness of the danger to the entire population.

5. The argument, that AIDS can be transmitted only by sex or by needles, is already shown to be a dangerous fraud.

In central black Africa, teams of experts estimate that between 10 million and 32 million are already infected, with infection distributed without regard to age or sex. Medical experts report that AIDS is raging out of control already in Brazil. A similar pattern is found in parts of the United States where sanitation is extremely poor and the population badly nourished. It is absolutely clear, from these cases, that it is a fraud to argue that AIDS can be transmitted only by persons who are already showing symptoms of AIDS, or can be transmitted only by homosexuals or by hypodermic needles. The tracing of most cases to homosexuals and drug-users, applies only to environments where levels of sanitation and nutrition are still within normal standards.

True, AIDS is a medical problem. It is also a political issue. No epidemic in progress was ever stopped by the discovery of a cure. Since the Black Death, which killed one-third to one-half of the population of Europe, during the middle of the 14th century, civilization has learned that the only way to stop the spread of epidemics is public health measures, especially sanitation and isolation of infected victims. Only public health measures by governments can halt the spread of a pandemic.

At the beginning of the Constitution of the United States, the highest law of our nation, our forefathers compacted to "promote the general welfare." Until 1975, our federal, state, and local governments enacted laws, and created public health institutions, to enforce public health measures against communicable epidemic diseases. Most of these laws are on the books; they are the law. Any law, any act of negligence by the federal, state or local government, which attempts to overturn that provision of our Constitution, or to violate that law by negligence, is grounds for impeachment and other appropriate actions against any public official whose acts or negligence cause injury to the general welfare.

Yet, in violation of the law, today, agencies of our federal

government, as well as the municipal government of Los Angeles, are in such violation of their oaths to uphold the Constitution in the matter of the spread of the most deadly pandemic in the history of mankind. They are, in fact, guilty of complicity in mass homicide, in defiance of established law. Every person who becomes ill, or who dies of infection with AIDS, under conditions fostered by such mixed negligence and obstruction of law, should hold such officials personally accountable under the law.

Therefore, those who violate the law, or who attempt to overturn the public health law of the United States, have made AIDS the leading political issue of 1985. The attack on the law has been made chiefly by two classes of persons. The first, is composed of lobbyists representing themselves as working in behalf of the "civil rights" of drug-users and homosexuals. The second group includes officials of governments who are acting in collaboration with certain supranational institutions to falsify the facts about AIDS. Both groups are acting to assist the spread of a pandemic worse than the Black Death, a disease more deadly to mankind than a full-scale thermonuclear war.

Yes, we must have medical research, but to do nothing until medicine discovers a cure, would be a criminal act of negligence. Let us suppose that a cure is discovered three years from now. At the present doubling-rate, that would mean that at least 64 million Americans would be infected, many of whom would already be dead or doomed to die. Former Health Secretary Margaret Heckler proposed that 1990 is the target-year for a medical breakthrough. That means four years, by which time most Americans might be infected!

Medical support is necessary. We should be spending between a half-billion and one billion dollars for research, and should be providing hospital treatment-places for isolated infected persons, as we did for tuberculosis victims, adequate to the number of expected cases needing treatment. But, medical support by itself will not stop the deadly pandemic. Public health measures must be taken on the federal, state, and local levels, immediately.

We must identify and isolate the carriers of the AIDS virus, until we are assured that those infected are no longer capable of transmitting the virus. We must, especially, be certain infected persons are not employed as food-handlers, or in service occupations which require them to make bodily contact with non-infected persons. We must provide treatment centers for these

collapse of our industrial sectors, and to the deadly failures in our foreign policies. Those who remember those broadcasts, if they are men and women capable of learning lessons from experience, know that the facts and warnings I reported on those broadcasts were true. They know that those who doubted my warnings were mistaken. The same could be said of the several network telecasts I made during my 1980 campaign for the Democratic presidential nomination.

Suppose I had been nominated by the Democratic Party in 1980 or 1984. I might not have won the election, but the effect of my Democratic presidential campaign would have meant a better and much stronger Democratic Party than we have today. It would have meant a much stronger voice in government today, for the interests of our basic industry, our industrial workforce, our farmers, and our poor. Because I have earned more respect among countries friendly to the United States than any other presidential candidate, it would have meant that most of the terrible failures in the continuing conduct of our foreign policy, would be more easily corrected. Also, had I been the 1984 Democratic candidate, instead of Walter Mondale, Moscow would have stopped its attempts to bluff President Reagan on the issue of the Strategic Defense Initiative.

The proper function of any candidate for the presidency of the United States is not necessarily to become the President in the next election. The most important role which a presidential candidate must play during the long campaign, is to provide leadership on the great issues of our nation's domestic and foreign policies. The duty of a presidential candidate is not really to win a popularity-contest; the sacred duty of a presidential candidate is to educate the citizens of our nation on the life-and-death questions of policy, and to work to ensure that whoever the next President may be, that President will be greatly influenced by the policy-issues raised during the campaign.

For more than 20 years, the United States has been dominated by the wrong policies on most major issues of the economy and on foreign policy. Whether the President was a Democrat or a Republican, that President continued the same direction in policy left over from his predecessor. The crowd we associate with the Trilateral Commission, ran the policies of the Johnson administration, the Nixon administration, the Ford administration, the Carter-Mondale administration, and has dominated the policies



LaRouche supporters demonstrate against vote fraud carried out in Baltimore during the 1984 Democratic Party primary.

of the Reagan administration. Through all these administrations, only two important changes in policy have been made by any President; the one change was President Ronald Reagan's adoption of his change in strategic policy, the Strategic Defense Initiative; the other change has been the President's and Mrs. Reagan's commitment to fighting the "War on Drugs."

Over 20 years, the kinds of policies we associate with the Trilateral Commission today, have dominated our government, and have been the policies of nearly every one of the major parties' presidential candidates. Over 20 years, under these policies, we have watched the United States collapse into a second-rank power. We have watched our industries collapsing, our exports vanishing, inflation soaring, and our nation's farms and banks driven into bankruptcy. We have watched tens of millions of Americans

transformed into drug-users, wasting hundreds of billions of dollars a year on drugs and pornography, and the recruitment of millions of Americans into the ranks of AIDS-riddled homosexuality. Our cities are collapsing. Every year, the areas of burned-out slums resembling bombed-out cities in postwar Europe, increase. At least 30 million Americans are desperately poor. The material living standards of the majority of Americans are below the average of the 1960s, while the savings accounts of the 1970s have become the credit-card debt of the middle 1980s.

This ruin of the United States did not happen naturally. It happened because of bad policies of the Federal government, the kinds of policies we associate today with the Trilateral Commission. The United States was ruined because of the Presidents most of you elected, and because of the majority of the members of Congress which most American voters voted into office, over and over and over again. The faces of the elected officials changed, but the policies stayed the same or became worse. Don't blame the government; blame those who voted, again and again, for politicians who followed the line of the Trilateral Commission crowd.

Now, as a result of Trilateral Commission-style policies over 20 years, the once rich and powerful United States is a ruined, nearly bankrupt nation, whose diplomats and politicians beg for mercy each time a Moscow official makes an angry face. As a result of the worldwide impact of those kinds of policies, over 20 years, you and your family today are threatened by an epidemic of AIDS which could potentially wipe out most of the population of the United States by the end of this century.

As Abraham Lincoln is famous for saying, "You may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all the time." The AIDS epidemic, and the growing signs of a government cover-up of this epidemic, are beginning to move the majority of the citizens to a mood of political revolt. The spread of righteous anger among the majority of citizens is not caused solely by their legitimate terror of the AIDS threat; AIDS is the last straw. The citizens' willingness to sit back and hope that things will gradually get better, is coming to an end. The condition of the economy, the unpayable mass of private debt piling up on many citizens, the decay in the society around them, popular contempt for politicians generally, and now the AIDS epidemic, are sources

of a righteous discontent which will no longer confine itself to grumbling in private. The citizens are no longer willing to continue to be misled by the kind of political-party system which has existed the past 15 years.

You can't fool all of the people all of the time.

There is an earthquake in the political life of the United States in progress. People who, as I do, remember the moral standards and the pro-scientific outlook for which the United States used to stand, are thinking that over the past 20 years we have traveled down the wrong road. The course of events has determined, that the time for change is now ripe. My qualifications and my duty, are that I am the well-known political figure peculiarly suited to provide the kind of leadership for which a growing number of the citizens are now turning.

My candidacy reflects the rapid shift within the population, away from the radicalism of the past 20 years, and back toward the traditional American values of moral law and scientific progress. My candidacy for the 1988 Democratic presidential nomination, addresses that corruption in our political process which is echoed now in the continued cover-up of the rapid spread of AIDS.

AIDS is the leading issue which every serious candidate must face, but it is also a symbol of the economic and foreign-policy issues in the mind of the majority of citizens. The justified terror of the deadliest communicable disease known to mankind, means that over the coming 12 months the two major political parties will be split apart over the AIDS issue.

The popular demand for massive action against the spread of this deadly disease, will trigger an explosion of traditional American moral and scientific values.

Those who share traditional American moral and pro-scientific values, are the kind of people I represent, whether they are Democrats, Republicans, or independents. Yet, I must continue my fight to rebuild the Democratic Party, because the American Constitution's promise "to promote the general welfare," and the principles of our Declaration of Independence, mean that only a party which represents the vital interests of basic industry, industrial labor, the farmers, and the poor, is using the yardsticks of the American System.

Although I would hope that my campaigning would help to strengthen the best currents and candidates in the Republican

Party, my first commitment as a Democrat is to help free the Democratic Party of the sickness of radicalism, and to return control of the party back to those constituencies which choose the kinds of policies consistent with the yardsticks of our Constitution and Declaration of Independence.

It is also extremely important that I campaign for the presidency now, because of the succession of foreign-policy catastrophes created by the State Department. As an editor of an influential international newsweekly, I am in contact with governments and leading circles in Europe, Africa, Asia, and Spanish-speaking America. Our State Department is more hated by the friends of the United States than by our Soviet adversaries. Often, the Department's actions do the work of the Soviet empire. This growing anger against the State Department and the international financial policies of our government is more than fully justified on the most elementary moral grounds. Many foreign leaders have said that they like my approach, and wish I were more influential in Washington. My campaigning will, by itself, help to make possible improvements in the United States' relations with many countries which desire to be our friends.

I have decided to campaign for the Democratic presidential nomination now, because I know that it is indispensable that I exert greater influence on the 1986 congressional elections. What kind of a United States we shall have, going into the 1988 elections, will be decided by the conduct of the 1986 congressional campaigns. The most important of the political issues threatening us right now, AIDS, reflects the fact, that a 1988 presidential candidate who is not campaigning openly for the nomination now, is not serious about the future of the United States.

*Leesburg, Virginia
October 4, 1985*

2

How the AIDS Crisis Will Transform U.S. Politics

LaRouche Warns:
'Spread Panic,
Not AIDS'



Demonstration at City Hall in Pittsburgh, 1985.

It is now becoming clear, that during the period of the 1986, 1987, and 1988 election campaigns in the United States and Western Europe, the hottest political issue will be the spread of a new global pandemic more deadly than the bubonic plague: Acquired Immune Deficiency Syndrome (AIDS). Governments, political parties, and candidates will rise or fall, on the basis of a spreading, and entirely justified popular panic directed against those politicians and governments which either attempt to cover up the spread of this pandemic, or to use the immoral and fraudulent pretext of "homosexuals' civil rights" as a pretext for blocking urgently needed measures of quarantine and prevention.

My medical advisers from inside and outside the United States, and the public health professionals who have worked with those medical advisers, have collected facts and scientific opinions on the AIDS pandemic from around the world. I have conducted a series of fact-finding seminars with leading such professionals over many months to date, and have set up a worldwide daily monitoring of reports on the current outbreak of a series of old and new global pandemics, including prominent attention to the explosive spread of AIDS. Although there are aspects of AIDS' character and spread which are currently either unknown or debatable, there are several facts which are incontestable.

These facts show that AIDS is the most deadly global pandemic since the bubonic plague.

1. The number of known cases of AIDS in the United States is doubling approximately every six months. In Western Europe, the pandemic has reached the level the U.S.A. reached about 1982-1983, and is spreading in the same pattern as in the U.S.A.
2. The death-rate among victims of AIDS is currently indicated to be between 70% and 80%.
3. Although the known cases of AIDS are concentrated among those with dirty sexual habits or drug-users, studies of the spread of AIDS among heterosexuals in Africa correlate with trends in the U.S. and Europe: Every sector of the population is threatened.

If the present rate of doubling of the number of known AIDS cases were to continue, approximately every six months, the population of the United States would be wiped out by sometime during the 1990s. It is only a guess, to assume that the present doubling-rate will continue in that way, but it is no exaggeration

to assume that AIDS currently has the potential to exceed the death-rates caused by the Black Death during the middle of the 14th century. No part of the population of the Americas, Western Europe, or Africa is safe from the contagion.

Until the past two weeks, the Gay Rights Lobby, and politicians elected with a significant margin of support from the Gay Rights Lobby, had managed to frustrate growing public demands for screening of populations for this disease and for quarantine measures to assist in containing the pandemic. Politicians estimating the margin of the "gay" vote in the 1986 local and congressional elections, had often traded away their morals by identifying themselves as defenders of the "civil rights of homosexuals," and have supported measures which contribute to the spread of the deadly pandemic.

During the past two weeks, the lid blew off these attempted cover-up measures, as New York City parents and school boards revolted against the administration of Mayor Edward Koch over this issue. This New York City revolt, combined with the terrifying spread of this pandemic among non-homosexual parts of the population, makes it virtually certain that AIDS will become the central issue of the 1986 election campaigns in the United States, and also a central issue of the 1987 political campaigns in Europe.

At present, in the U.S.A., the political explosion against AIDS involves three sub-issues:

1. The role of homosexuals in creating the massive concentration of infection, from which the pandemic spreads to other portions of the population, and the strong concentration of homosexuals among such occupations as teachers, medical paraprofessionals, dishwashers, cooks, waiters, hair-dressers, and other service occupations through which contamination is most easily spread. The vulnerability of children to infection in schools, playgrounds, and so forth, will be the sub-issue around which the political fight is being concentrated now.
2. Rage against those governmental institutions which are discovered complicit in attempting either to cover up the threat of AIDS to the general population, or in ramming through legislation and ordinances designed "to protect the civil rights of AIDS victims."



What was once a hospital in New York's South Bronx.

3. Rage against those who cover up the role of poverty and breakdown of public health and sanitation programs, as a leading factor in fostering the spread of the pandemic.

It is probable, as the worldwide political movement against AIDS gains strength, that the order of priorities will be reversed. Whereas sub-issue number 1, as listed above, will be the leading focus of the anti-AIDS political movement at the beginning, the order of priorities will shift to 3, 2, and 1, as the movement grows in strength.

Do we forecast that the AIDS issue will be the leading political issue of the 1986, 1987, and 1988 election campaigns? No one can be certain, but this would be a very good forecast, with a high probability. Very simply: The AIDS pandemic will increase at approximately the present rate of doubling, until adequate measures of quarantine and treatment are deployed. This will intersect the currently rapid spread of other major pandemics, and public awareness of the fact that our program of vaccinations has been almost destroyed with the help of ACLU legal activity at the state level. It is a fact, that unless AIDS and other pandemics are checked, the death-rates from these diseases, worldwide, will be greater than the death-rates in an actual nuclear war. Only perception of the immediate threat of Soviet thermonuclear attack would have sufficient impact to prompt an aroused public to drop AIDS to the level of a number-two issue, unless efficient containment of the pandemic is effected in the meantime.

Politically, the growing anti-AIDS political movement will develop a strong anti-liberalism character. Initially, this trend will center around the fact that legalized homosexuality, the "sexual revolution" generally, and quasi-legalization of the "recreational-drug sub-culture," are the most widespread social expression of the post-1963 eruption of the "radical counterculture." There will be a powerful "backlash" against the "radical counterculture" generally, a backlash which will spread and grow as an anti-liberalism backlash.

The anti-liberalism backlash, will have the effect of fostering a surfacing of traditional moral values from among what Vice President Spiro Agnew once called "the silent majority." Sizable portions of the sectors of the population caught up in the "youth counterculture" of the 1960s and 1950s, lacking such traditional moral values, will react to their terror of AIDS, either by causing



Migrant workers in the United States. Lack of sanitation and nutrition in such communities makes them a breeding-ground for AIDS.

the burgeoning of radical-right populist (quasi-fascist) political associations, or serving as a recruiting-ground for novel varieties of religious fundamentalism. The political danger is, that if the moderates from the "silent majority" fail to seize leadership of the government, the new "radical right" will form a fascist movement to fill the vacuum.

As the growth of the insurgent anti-AIDS political movement proceeds, the revival of the political currency of traditional American moral values, will tend to cause the movement to reexamine each and all of the leading political issues of today by the revived moral standards of the 1940s and 1950s. This tendency will bring the importance of the second of the three sub-issues up to the level of popular importance of the first, and will facilitate a shift of emphasis to the third of the three issues.

This process, of moving toward emphasis upon the third sub-issue of the anti-AIDS movement, will naturally converge upon the parallel issues of national economy and national defense.

Secretary of Defense Caspar Weinberger and Attorney General Edwin Meese would be very popular public figures, under such circumstances. "Enough of this disease-ridden radicalism! Let's get back to normal!" will become the popular outcry.

The fact is, right now, the Number One Political Issue in the United States, is not making the Soviet empire happy at the next summit conference; it is the AIDS pandemic. That's the way the political winds are now blowing. Every one in politics had better set their clocks accordingly.

Sept. 15, 1985

The Experts on the AIDS Pandemic

Dr. John Seale, a British expert on AIDS:

The potential for the spread of AIDS in developing countries is almost unlimited. The overcrowded and unsanitary conditions in which the bulk of the people live, combined with a high frequency of infections, injuries and sores which break the skin, make blood contact among family members practically inevitable, with the transmission of the virus likely.

If my hypothesis is correct, and we wait perhaps 20 years before we take drastic preventive action, half the population of the Western world will be wiped out. Meanwhile, the communist countries, sheltering behind their closed frontiers, will watch capitalism collapse in a way never predicted by Marx.

We are dealing with a virus that certainly is as lethal as smallpox, and possibly much more lethal. Nobody in their right mind would do anything other than restrict the activities of a person with smallpox.

* * *

Dr. William A. Haseltine, head of the Laboratory of Biochemical Pharmacology at the Dana-Farber Cancer Institute, Harvard Medical School:

... From our current vantage point, it seems as if this disease appeared in our midst as some unwanted guest, suddenly and

without warning. In this country alone, well over 1 million people are now carriers of this virus, and to the best of our knowledge, most of these people will remain carriers for life. About 100,000 of those people infected with the virus in the United States are women. The prospect in some areas of the world is bleaker still. Infection in many European countries is almost on a par with that of the United States. In Central Africa, within the so-called AIDS belt—over 10 million people are now infected, accounting for almost one-tenth of the entire population. These people also are likely to be life-long carriers of the disease as well.

* * *

Dr. Mark Whiteside, co-director of the Institute of Tropical Medicine in Miami, Florida, and director of the tropical clinic in Belle Glade, Florida, a town with a high incidence of AIDS:

The majority of our recent cases have been, in fact, No Identifiable Risk (NIR) or Caribbean-born cases, and we are seeing an increase in that group of non-characteristic patients, and we feel that slightly more than half of our patients are certainly not in the strict high-risk group. In fact, most of our non-characteristic cases are not explained by heterosexual transmission patterns (and we have other physicians, including physicians from the state and from CDC, also interview our patients).

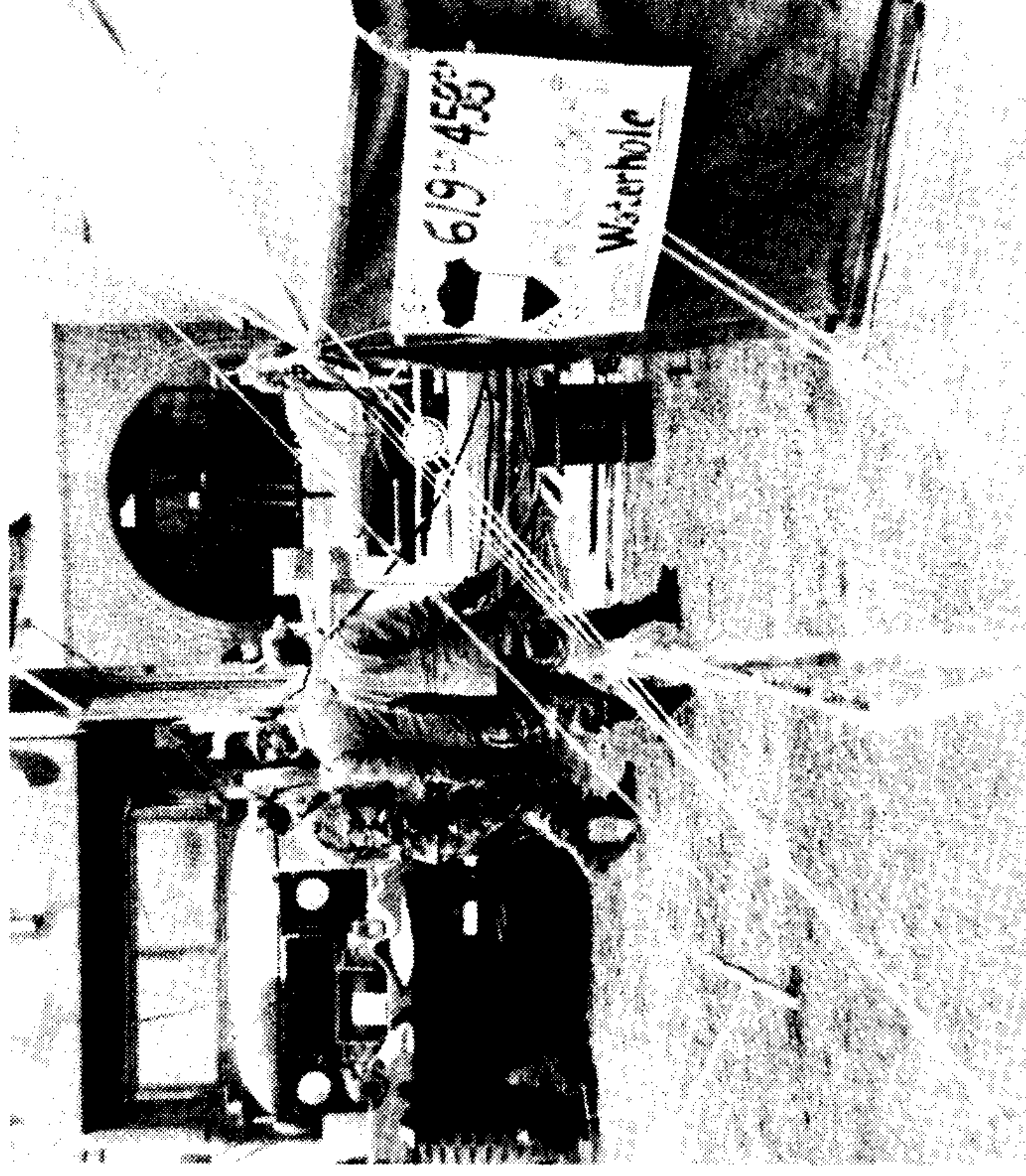
This is something that is only going to be further evaluated with time. We do feel that the tremendous parallel between diseases like tuberculosis and AIDS in these environmental and poor areas, are indirect evidence for relation to living conditions and perhaps socio-economic conditions. And we are seeing the same kind of pattern develop in other areas of south Florida.

... We're looking at environmental factors, perhaps even insect-transmitted disease, as the primary mode, with secondary transmission through sexual contact, especially specific sexual practice and other blood mechanisms; that's what we're talking about: blood.

* * *

Dr. Richard Restak, a Washington, D.C. neurologist and medical author:

Paradoxically, the truly humanitarian position in the face of an AIDS plague is that we not identify with the victims and instead cast our lot with what in earlier times was dubbed "the



The collapse of basic urban infrastructure: The U.S. Army had to be called to McKeesport, Pa. in April 1984 to stop an outbreak of dysentery that resulted from unsanitary water.

common good." ... Plagues are not new. . . . What is new are efforts by medically unsophisticated politicians and attorneys to dictate policy in regard to an illness that has the potential for wreaking a devastation such as has not been encountered on this planet in hundreds of years. The AIDS virus has no "civil rights." Quarantines have been very effective in beating outbreaks of scarlet fever, smallpox, and typhoid in this century.

* * *

Peter Plot, of the Institute of Tropical Medicine in Antwerp, Belgium:

On current data we estimate the incidence of AIDS in Kinshasa (Zaire) is about 17 per 100,000. This is a minimal estimate and is comparable to or higher than the rate of San Francisco or New York.

* * *

Dr. Myron Essex, chairman of Department of Cancer Biology, Harvard University:

We need to act fast if those numbers are not to be 40 to 50 million Americans infected, and 4 million to 5 million with AIDS outright.

... Unfortunately our blood supply is not safe. . . . The blood supply is safer than it was a year ago, but it would be totally misleading to have people think the blood supply is safe. If I were considering the possibility of elective surgery, I would donate my own blood in advance. . . . It's extremely unlikely that the test is picking up more than 90%, and my guess is it's 75-80%. I'd be shocked if it's any better than that.

* * *

Dr. Debra Freeman, doctor of public health and health adviser to the National Democratic Policy Committee (NDPC):

If we don't act from the United States to protect our own population, and alleviate the kinds of economic conditions that led to the outbreak of this disease in Africa, then not only will we kill a significant portion of the population of the world with this epidemic, but we will be faced with many others, and will kill ourselves.

3 From Obscure Economist to International Fame



LaRouche directs the economics staff of Executive Intelligence Review in implementing the LaRouche-Riemann Model.

Until the Soviet operations against him, in both Europe and the United States, beginning February 1973, former management consultant Lyndon Hermyle LaRouche, Jr. was an obscure economist who had happened to play a behind-the-scenes part in spoiling some of McGeorge Bundy's "New Left" projects during the late 1960s. His name remained unknown to the general newspaper readership, until the Sunday *New York Times* of Jan. 21, 1974 published the first of a series of violent attacks upon him. He remained all but unknown outside the United States, until he delivered a press conference to announce his proposals for international monetary reform, held on April 24, 1975, in Bonn, the capital of West Germany.

The proposals presented at that press conference soon attracted interest and sympathy among a number of governments of the Non-Aligned nations, and significant interest among some governmental and banking circles in Western Europe, as well. He proposed the replacement of the shattered Bretton Woods system, by a new system of gold-reserve parities among national currencies, and the replacement of the International Monetary Fund and World Bank by a new international banking institution, which he proposed be named an "international development bank." LaRouche ran as a candidate for President of the United States in 1976, to promote the proposed monetary reform; key features of his proposal were incorporated in the resolution adopted by the August 1976 conference of the Non-Aligned Nations, in Colombo, Sri Lanka.

U.S. Secretary of State Henry A. Kissinger was very unhappy with these proposals; ugly threats were delivered to a number of Arab and other countries, ordering those nations to break off discussions with LaRouche—or else. The government of Peru, one of LaRouche's friends in this cause, was soon overturned by Kissinger. Since 1975, the international controversy around the presidential candidate, has skyrocketed.

That controversy has been based almost entirely on three issues: his proposals for international monetary reform, his exposure of the powerful financial and governmental agencies behind the international narcotics traffic, and his February 1982 proposal of what is known today as the Strategic Defense Initiative.

Naturally, the violent attacks upon him in leading Soviet publications, since President Reagan's televised announcement

of March 23, 1983, have concentrated on LaRouche's role in promoting strategic ballistic missile defense for the Western Alliance. In the left and liberal news media of Western Europe and the Americas, the published attacks upon him since May 1978 have all originated with the organized drug-lobby. In the press of Asia, Africa, and Latin America, favorable coverage of the candidate most often concentrates on his proposals for monetary reforms or his efforts to eradicate the international illegal narcotics traffic.

During the summer of 1979, a group of influential Democrats proposed that he campaign for the 1980 Democratic presidential nomination. He accepted the proposal, joined the Democratic Party, and began his campaign for the nomination in the New Hampshire primary. Immediately, the *New York Times* and the drug-lobby joined forces, to launch one of the biggest smear and dirty-tricks campaigns ever conducted against any candidate for major elected office in recent U.S. history. Interestingly, some of the key *New York Times* personnel involved were later proven, in an unrelated court case, to have been in collaboration with the Soviet KGB during that period.

When LaRouche began his campaign for the 1984 Democratic presidential nomination, the Soviet government, the drug-lobby, and radical circles of the Democratic Party, joined with NBC-TV to launch a campaign of lies outdoing even the lies which had been spread by the *New York Times* and the drug-lobby's Dennis King during the 1980 New Hampshire campaign. NBC-TV had an established record of close collaboration with the Chicago-based drug-lobby. Democratic Party Chairman Charles T. Manatt had business ties with the Soviet government through his law firm. The Minnesota Democratic farmer-labor machine of Walter Mondale had collaborated openly with the Soviet KGB on U.S. defense policy beginning the spring of 1983, and Chairman Manatt fully backed that agreement with the Soviets openly, at a Washington, D.C. press conference on Sept. 20, 1983. It was these actions of Soviet fellow-travelers Mondale and Manatt which prompted LaRouche to campaign for the 1984 nomination.

The coordinated actions of NBC-TV, the Soviet government, and Democratic Chairman Manatt, during March 1984, made the nature of NBC-TV's cooperation with the drug lobby clear enough.

On NBC-TV's "First Camera" broadcast of Sunday, March 4, 1984, NBC discussed SDI-booster LaRouche's relations to the Reagan administration. On March 8, 1984, Democratic Chairman



Lyndon and Helga LaRouche campaign in Philadelphia during the 1984 presidential primaries.

Manatt told the *San Jose Mercury*, that he "called on Reagan to end 'this shocking White House involvement with ... LaRouche.'" On March 12, 1984, the Soviet government's official newspaper, *Izvestia*, reported on the "First Camera" broadcast, and demanded of President Reagan: "The acknowledgement by the White House [of contact with LaRouche] not only exposes the true face of LaRouche, but shows that the current Washington Administration does not shy away from the services of neo-fascist provocateurs." Three days after the *Izvestia* blast, Democratic Congressman Parren Mitchell also attacked the White House on the "LaRouche involvement."

The Soviet government's motives in these actions were obvious. For almost a year, leading articles in the Soviet press had been denouncing LaRouche as a sponsor of the Strategic Defense Initiative. For Moscow, breaking the connection between LaRouche and the White House was an important step toward weakening the U.S. government's firm support for SDI. Manatt, an avowed supporter of the Soviets' "nuclear freeze" defense policy for the United States, joined hands with Moscow on the issue; so did the drug-lobbying NBC network. To "substantiate" its fraud-

ulent allegations, NBC relied upon drug-lobbyists "Chip" Berlet and Dennis King, convicted felon Gordon Novell, some non-existent "informants," and circles known to be linked to operations of the Soviet KGB.

Up to the present time, there is no known published attack on the candidate in the U.S. news media whose threats and insults did not originate, like NBC-TV's, either with the "left" or with drug-lobby circles.

Although the major reason for hating LaRouche, among Kissinger's controllers in the Anglo-American Liberal Establishment, is the proposed monetary reforms, up to the present time, they have avoided debating that issue in the news media. Their hatred of LaRouche's monetary reforms is expressed in other ways, such as Henry A. Kissinger's constant pressuring of the FBI to launch yet another illegal COINTELPRO operation against LaRouche or his supporters, or ugly Kissinger threats to foreign governments suspected to be harboring sympathies for LaRouche's conceptions.

These three issues—monetary reform, the drug traffic, and the SDI—are the policy-issues which have made LaRouche one of the world's most controversial figures today. Beyond those three issues, there is a fourth reason his enemies fear him, and are determined to eliminate him in any way possible. He is the founder and a contributing editor of an influential international newsweekly, the *Executive Intelligence Review*, also known by its popular abbreviation, *EIR*. Over 10 years of its existence, *EIR* has grown to be regarded by numerous governments as one of the world's first-class private intelligence news-services. It has earned such a reputation for quality, that when *EIR* speaks on an issue, governments around the world listen carefully.

EIR's single-issue price, \$10, and *EIR* special reports priced in about the same range as those of the *London Economist*, mean that only a small but influential portion of the population subscribes. To friends and enemies alike, the candidate represents an important, if small, element of the power of the world's press.

For 10 years, he and his associates have traveled throughout much of the world. Most often, these travels are on *EIR*'s news-gathering business. Sometimes, they involve *EIR*'s special expertise in economics, or in special areas of modern science and technology. Since February 1982, they have also involved *EIR*'s campaign to educate circles of friendly governments on the U.S.'s

Strategic Defense Initiative. To many influential circles, in and out of government in many parts of the world, the candidate is the side of the United States which patriots of other nations admire. They see him as the kind of American who is a patriot of the United States and also a true friend of their own nation. To these friends abroad, he is a symbol of the possibility of true partnership with the United States, a relief from the brutish, "imperial" arrogance of Henry Kissinger and his cronies.

In addition to these enemies, the candidate also has critics, some friendly, some hostile. One of the best examples of this is those who admire his work on the Strategic Defense Initiative and against the international drug-traffic, but who abhor his attacks on Adam Smith's *Wealth of Nations*. There are those in government who agree with the accuracy of the candidate's characterization of Henry Kissinger or Professor Milton Friedman, but who insist that it is unwise to report such facts publicly. Although there are numerous cases of just plain honest disagreements, the liberal news-media, so far, have not reported the issues of debates between the candidate and his honest critics.

For more than 10 years, most of the gossip against the candidate spread from mouth to mouth charges either that he is a "right-winger," or, because of his proposed monetary reforms, a "radical." The Soviet KGB denounced him as a "cave man" in the Nov. 15, 1983 edition of *Izvestia*. At the mention of his name, Fidel Castro's Cuba almost foams at the mouth.¹ A left-wing Manila newspaper described him recently as "to the right of Attila the Hun."² Supporters of the International Monetary Fund's "conditionalities" policies describe him as a "dangerous radical."³ Often, one of his enemies will denounce him as a "right-winger" in one statement, and as a "left-winger" in another, depending upon what issue is being discussed, or, according to whether the person to whom the gossip is being given is classed as a liberal or a conservative.

LaRouche is, and represents himself as a "conservative Democrat."⁴ When he says he is a conservative, that means, that his economic philosophy is that of the founding fathers of the United States, the economics of Benjamin Franklin, Treasury Secretary Alexander Hamilton, and the two famous Careys. It means that he believes that the highest authority for judging what is right or wrong, is universal moral law, echoing the definitions of natural law by St. Augustine, Nicolaus of Cusa, and the majority of



our republic's leading founders. It means, that he rejects the "new left radicalism" which has taken over much of government policy and popular opinion during the past 20 years.

The word, "conservative," as applied to LaRouche, has a meaning directly opposite to the meaning of the same word applied to a William F. Buckley, Jr. or a Henry A. Kissinger. As Kissinger explains in his 1957 book, *A World Restored*, his (and Buckley's) variety of "conservatism," is traced back to Prince Metternich's feudalistic Holy Alliance. In Central Europe, the word is traditionally understood to signify an anti-capitalist, pro-feudalist philosophy. When someone is described as a "conservative," ask what it is that that person is trying "to conserve." Is it the principles of a political equality of all persons under constitutional law, as LaRouche means "conservative"; or, does it mean destroying the institutions of the American Revolution, in

order to go back to Metternich's feudalism, as Kissinger defines his variety of "conservatism" in his 1957 *A World Restored*?

There is a funny side to the candidate's rise to international fame over the past 10 years: It was his enemies who made him famous. In the world of sports, if the World Heavyweight Boxing Champion challenges unknown Joe Smith for a 15-round match for the title, Joe Smith becomes famous in the sports pages overnight. If famous people like Henry Kissinger and the leading liberal news-media of the United States attack an obscure economist, such as LaRouche, repeatedly over years, "LaRouche" becomes famous, too. Perhaps, he "earned" fame by his own discoveries in economic science, by his proposals for monetary reform, and by his proposing a Strategic Defense Initiative back in 1982; but, as the fellow said when his paycheck bounced at the bank, "earning" and "getting" are not necessarily the same thing. Up into 1984, it was open attacks on him by powerful enemies, which made him world-famous.

During the 1984 presidential campaign, many millions of citizens saw one or several of the candidate's 15 national telecasts that year. Today, many of those citizens remember some parts of those broadcasts vividly, and say, approximately 12 months after the November 1984 elections, "He was right on the mark." More and more believe that he was right on the defense issue, on the farm question, on the banking crisis, on the collapse of U.S. exports, and on the collapse of U.S. industrial output. In that sense, the candidate has "earned" much of his increased recognition over the past two years.

Take the example of LaRouche's special authority on the major issue of today, the AIDS pandemic. This is one of the most convenient ways of identifying the way in which he has "earned" some of his fame.

It began back in the 1948-1952 period, when he first made his original contribution to economic science: the proof that the cause-and-effect connection between new technologies and increased economic growth could be measured. This is what is known today as the LaRouche-Riemann Method of economic analysis and forecasting. On the basis of this discovery, he wrote a March 1973 memorandum to a team of his associates, outlining the cause-and-effect connection between economic decay and waves of epidemics. For about 20 months following the issuance of that memorandum, a team of his associates applied his ap-

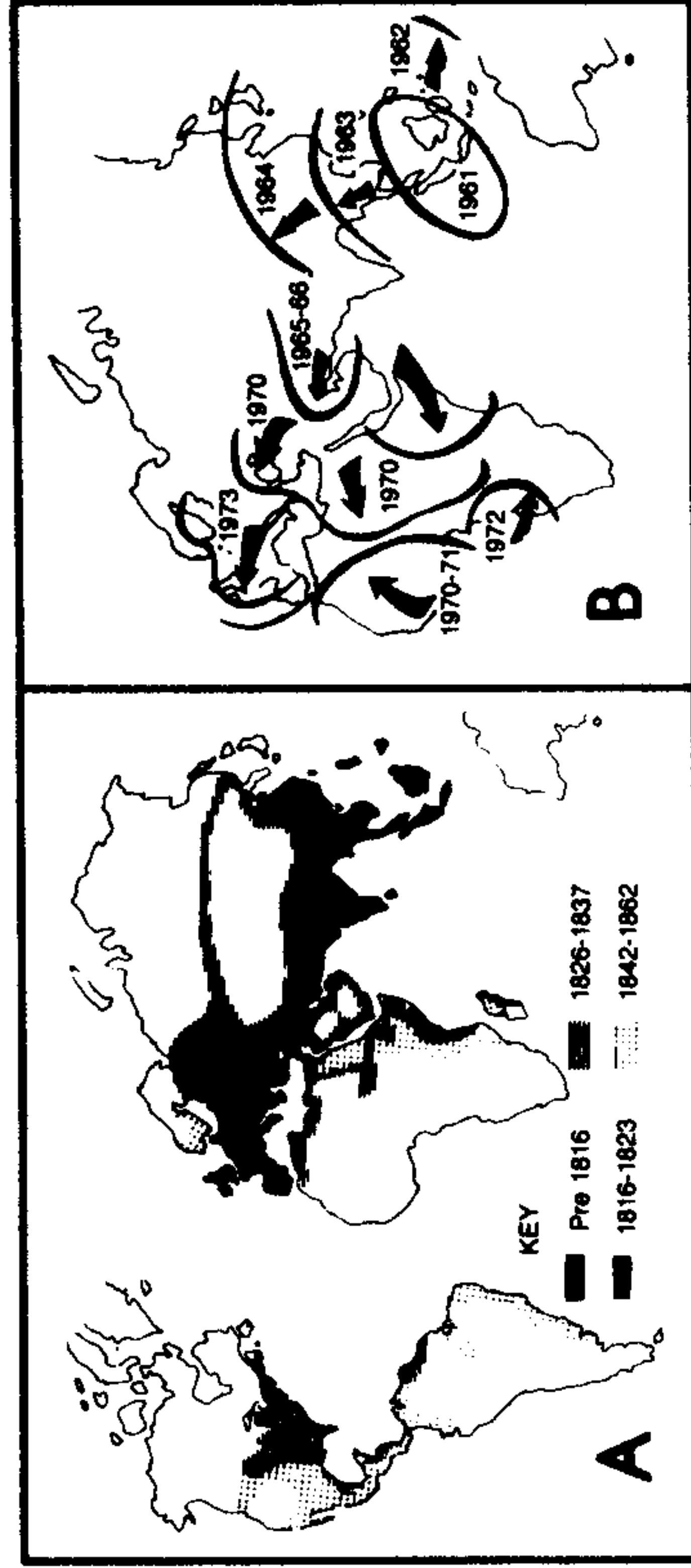
proach to classical knowledge from the field of epidemiology. The results of the study were released at a New York City conference, at the close of 1974. The accompanying three diagrams (**Figure 3.1**), originally published as part of that report, are notable.⁵

The study showed, that if the monetary policies of the 1971-1974 period were continued through the 1980s, there would be a gradual build-up in death-rates from combined effects of famine and epidemics, into the 1980s, followed by a zooming death-rate from these causes beginning approximately 1987. Although the study concentrated upon existing species of epidemic diseases, the study also emphasized that under such environmental conditions, new species of global pandemics would almost certainly erupt. The study forecast the probability, that during the 1987-1988 interval, the increase of famine and cholera in the Sahel region of Africa, would be accompanied by about 140 million deaths in Africa from the combined effects of famine and epidemics.

The monetary policies of the early 1970s were extended into the 1980s, and the rates of increase of death from combined effects of famine and epidemics have followed approximately the pattern of the 1974 forecast. As the 1974 study projected, at least one new variety of deadly pandemic, AIDS, has erupted. Exactly where AIDS originated as a disease of human beings, experts are not yet certain; it might have started to pick up speed in the tropical-disease zones of either the Americas or Africa, and spread from there, into Asia, and to the industrialized nations of Europe and North America. Presently, estimates of infection with AIDS in central Africa vary between 10 and 32 millions cases; in Brazil, one of the nations identified as a potential epicenter for pandemics in the 1974 study, AIDS is suspected to be so widespread that it may be raging out of control. Some of the world's leading experts have denounced both the World Health Organization and the U.S.A.'s Atlanta Centers for Disease Control as deliberately falsifying facts, to argue that AIDS is transmitted only by contaminated blood, or as a venereal disease. Wherever AIDS cases are discovered under environmental conditions of bad sanitation, crowded living quarters, and poor nutrition, both sexes and all sections of the population are more or less equally affected.

More recently, LaRouche summed up the basis for his 1973-1974 mathematical model for pandemics in a section of the July 1, 1985 *EIR* Special Report on Global Pandemics:

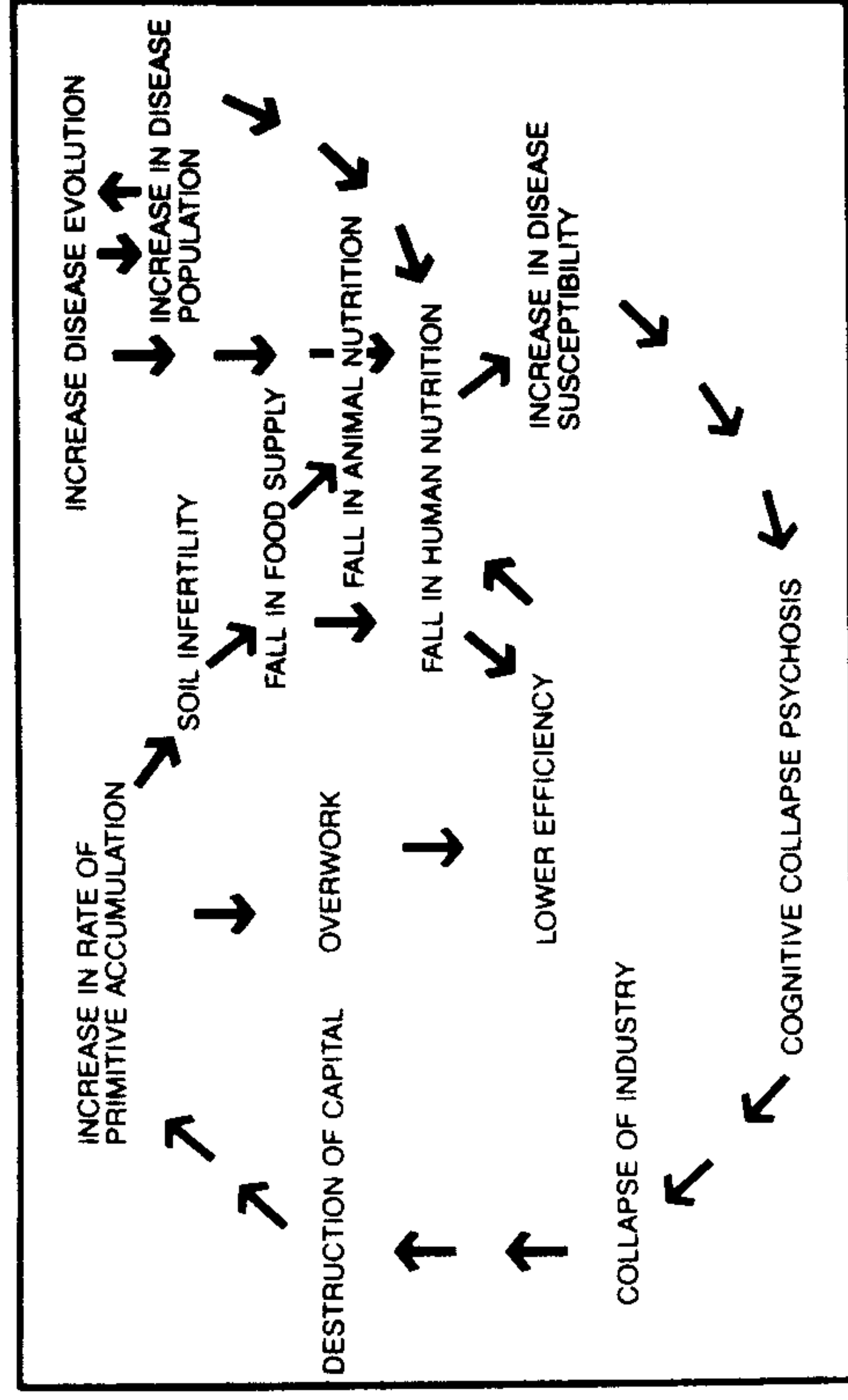
Figure 3.1



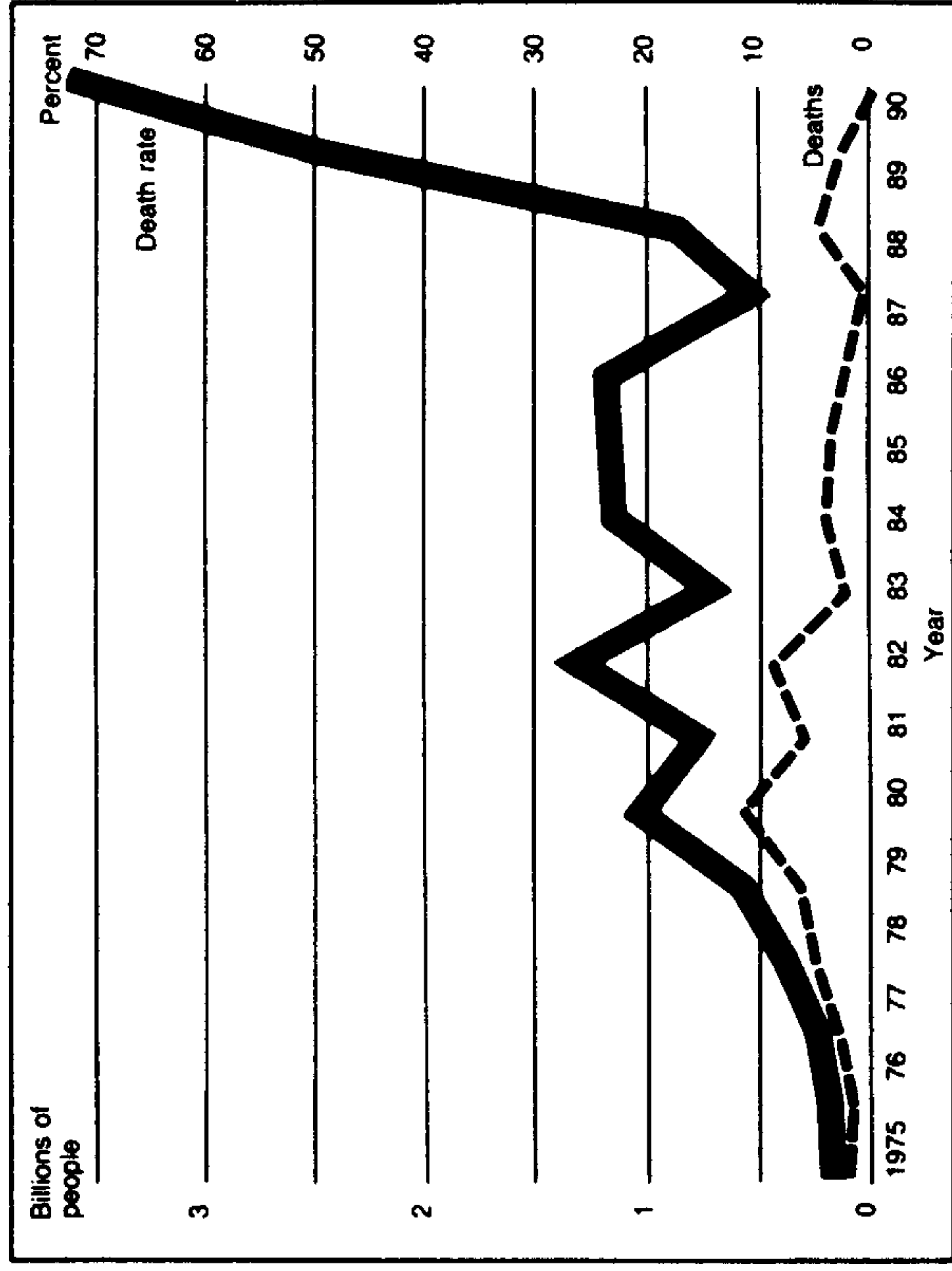
The spread of pandemic cholera. Cholera swept the globe in the early mid-19th century. Originating in India, cholera spread rapidly to Southeast Asia, Japan, the Mideast, the north and east coasts of Africa, Western Europe, and from there to the Americas, as shown in Map A.

Map B traced the route of the El Tor cholera pandemic, which originated in Southeast Asia. Geographical progress of the two pandemics is noticeably similar: In the 1970s' pandemic, however, Africa (and especially the famine-wracked Sahel) is hard hit, unlike the earlier one, where a relatively unexplored African continent was touched only peripherally.

Maps are reproduced from the 1974 study.



Schema showing process of ecological holocaust, which would advance devastatingly if diseases spread unchecked, production collapses, and primitive accumulation and starvation drive humanity into psychosis. Source: New Solidarity, Jan. 16, 1975.



The graph, first published in December 1974, shows schematically the expected increase in deaths (dotted line) and the catastrophic increase in the death rate (heavy line). The study projected blight and collapse of basic agricultural production capacity in 1980, 1982 and 1984, leading to a full ecological holocaust in 1987-88, if the policies of the International Monetary Fund were not stopped.

The notion, that a collapse of potential relative population-density, should transform populations into breeding cultures for eruption of pandemics, is a possibility implicit in the proper choice of mathematics for living processes. . . . Let us say that a collapse of society obviously requires the affected portion of the biosphere to function at a reduced level of relative negentropy.

. . . This must tend to be adjusted, by increasing the role of relatively lower forms of life (such as insects, bacteria, fungi, and viruses). . . . The population generates a pandemic which becomes the biosphere's adaptation to its own reduced state.

Not only must balanced nutrition balance the individual's requirements for both growth and physical output; there is a minimum level of physical output which corresponds to a "break-even level" for maintaining healthy human life. In such a healthy state, excepting the effects of aging of tissue, the human organism is negentropic. If the physical output is in excess of the level of balanced nutrition, or if the level of input and output falls below the "break-even level," the organism becomes entropic.

This can be shown to be a proper approach to understanding of pandemics, in two ways. First, since the Black Death of fourteenth-century Europe, civilization has learned and proven repeatedly, that control of the environment by public health measures of isolation of infected persons, sanitation, and proper nutrition, is the only effective way to stop an epidemic of communicable disease. Second, the science of public health is saying exactly what the LaRouche-Riemann Method says on this subject: As we collapse both the quality of the public health environment, and lower the state of large portions of populations below "break-even levels," the weakest parts of the population become the breeders of the diseases which then spread rapidly to the relatively healthier parts of the population, exactly as the Black Death spread from the Middle East, throughout most of Europe, during the fourteenth century.

Despite much that still remains unknown about AIDS, we do know that an infected person who shows no symptoms can already transmit the disease to others, and the evidence is overwhelming that AIDS can be communicated in many ways, in addition to blood-transfusions and sexual intercourse. In the re-

gions where AIDS has become a general epidemic of poor people, AIDS shows all of the characteristics of a virus which has been transformed into a deadly pandemic by economic deterioration of the environment.

How much credit does LaRouche deserve for his discoveries? In general, his economic science is merely a continuation of the earlier work of such founders of the American System of political-economy as Gottfried Leibniz, Benjamin Franklin, Alexander Hamilton, Ferrier, Chaptal, Dupin, the two Careys, and Friedrich List. On most of the issues between LaRouche and other living economists, his arguments are the same arguments proven more than a century ago by leading economists of the American System. The one thing which he has accomplished, which Hamilton, List, and so forth failed to solve, is to discover the method by which thermodynamics, technology, and rates of growth of the physical economy, can be combined for mathematical analysis.

On most of his arguments against the economic policies of the Reagan administration, for example, he says nothing that Franklin, Hamilton, and the Careys would not say if they were alive today. On issues of public policy, his only original contribution is to show how to shape policies for promotion of scientific research and investment, to sustain the relatively highest rates of increase of average productivity indefinitely. On most of the issues of the debates on U.S. economic policy today, LaRouche's original contributions to economic science play a relatively minor part, in the sense that any qualified student of Leibniz, Franklin, Hamilton, and the Careys could have presented the same criticisms. On most of these issues, LaRouche's importance is that he is the world's leading spokesman today for the American System of political-economy, at a time when most economists are rather fanatically opponents of the American System.

The other most conspicuous contribution by LaRouche, is his 1981-1982 elaboration of a new approach to strategic ballistic missile defense, the predecessor of the SDI. Here, again, it is important to distinguish between what he coopted from the work of others, and his original contribution. Most of the particular elements which he included in his proposed package for "layered defense based upon new physical principles" (such as electromagnetic pulses), were already proven through the work of others. The conception, that "nuclear deterrence" was not an absolute guarantee against winning a thermonuclear war with "acceptable

losses," was already adopted by the Soviet military, as early as Marshal V.D. Sokolovskii's 1962 *Military Strategy*. The original feature of LaRouche's 1982 proposal for a new U.S. defense policy based on SDI, was a by-product of his original discoveries in economic science: that the net physical growth in the U.S. economy caused by spill-over of a "crash program" for deploying SDI, would be far greater than the costs of that program. In other words, not only is SDI physically workable; it is highly feasible economically.

There is a simple illustration of this point. There is no such thing as an irresistible weapon, or an impenetrable defense. The history of military science is a history of changes in military technology. As soon as one power develops what seems to be the ultimate weapon, another power can potentially develop a new weapon which makes the seemingly "ultimate" weapon of yesterday obsolete. This factor in warfare is usually called "technological attrition." The ability to win an "arms race," depends upon which power has the combined will and economic potential to race ahead of the other in competition over "technological attrition."

The ideal situation, is one in which the production of the kinds of weapons created, causes both the technological level and per-capita productivity of the economy as a whole to grow at a relatively rapid rate. In this case, in effect, the cost of producing ever-better weapons-systems is less than zero.

It happens that coherently organized electromagnetic pulses, used as weapons of defense, have vastly greater combined firepower and mobility than any thermonuclear missile conceived. This means, that for some time to come, the defense based on such physical principles will be cheaper and far more effective than thermonuclear offensive arsenals.

LaRouche's 1982 proposals, and the supplementary proposals produced by some of his collaborators, did emphasize the types of defensive weaponry obviously available under a five-year initial crash program. However, his policy for defense was not based on any such specific types of weapons-systems. His policy was based on the principle of "technological attrition": that the United States could produce generation after generation of improved defensive weapons, and that, once the crash-program effort was under way, the net cost to the U.S. economy would be less than zero. The gains in per-capita productivity in the econ-

omy as a whole, caused by the spill-over of these military technologies into civilian production, would be significantly greater than the costs of defense.

This brings us back to the apparent paradox we identified earlier. On the one side, LaRouche's rise to international fame, over the past 10 years, was "earned," in the sense that it is centered around two kinds of his accomplishments: learning valuable but neglected knowledge contributed by others, and adding a few important discoveries to that knowledge. Yet, as we have emphasized, his international recognition as a controversial figure, has been bestowed upon him more by the attacks of powerful enemies, than by the influence of his accomplishments.

So, it has been with most of the outstanding figures of history. Their personal merit, they earned chiefly by their own accomplishments, but the recognition they received was bestowed upon them by forces beyond their control. His is by no means the first famous personality whose initial fame was bestowed upon him chiefly by his enemies.

Footnotes

1. This is made clear by the following sequence of events. As an outgrowth of a series of 1983 discussions of the crisis in relations between the U.S.A. and the Federal Republic of (West) Germany, Helga Zepp-LaRouche founded the Schiller Institute at a meeting in Leesburg, Virginia, on May 12, 1984. At the Institute's third international conference, in Crystal City, Virginia, on Nov. 24-25, 1984, an American (hemispheric) Trade Union Commission of the Institute was founded, by leaders of trade unions from Argentina, Peru, Colombia, Panama, Mexico, and the U.S.A., with support from trade-union groups in Europe. The Trade Union Commission then resolved to convene a conference, tentatively planned to occur in Panama, by mid-1985. By May 1985, Fidel Castro's government acted to attempt to destroy the Schiller Institute conference. At the request of the Trade Union Commission, at the end of May 1985, Lyndon LaRouche wrote an open challenge to Castro on the debt-issue, published in June (in Spanish) under the title, *Ni Kissinger, Ni Castro!* The book was used to defeat Castro's efforts to sabotage the work of the Trade Union Commission. As a result of his failure to destroy the Schiller Institute's work, the frustrated Castro erupted in a series of public fits, defending the drug-traffic in the Caribbean, and cursing violently against Peruvian President Alan Garcia. The book, *Ni Kissinger, Ni Castro!* has injured Castro's "macho" ego very roughly.

2. *Veritas*, Sept. 22, 1985.

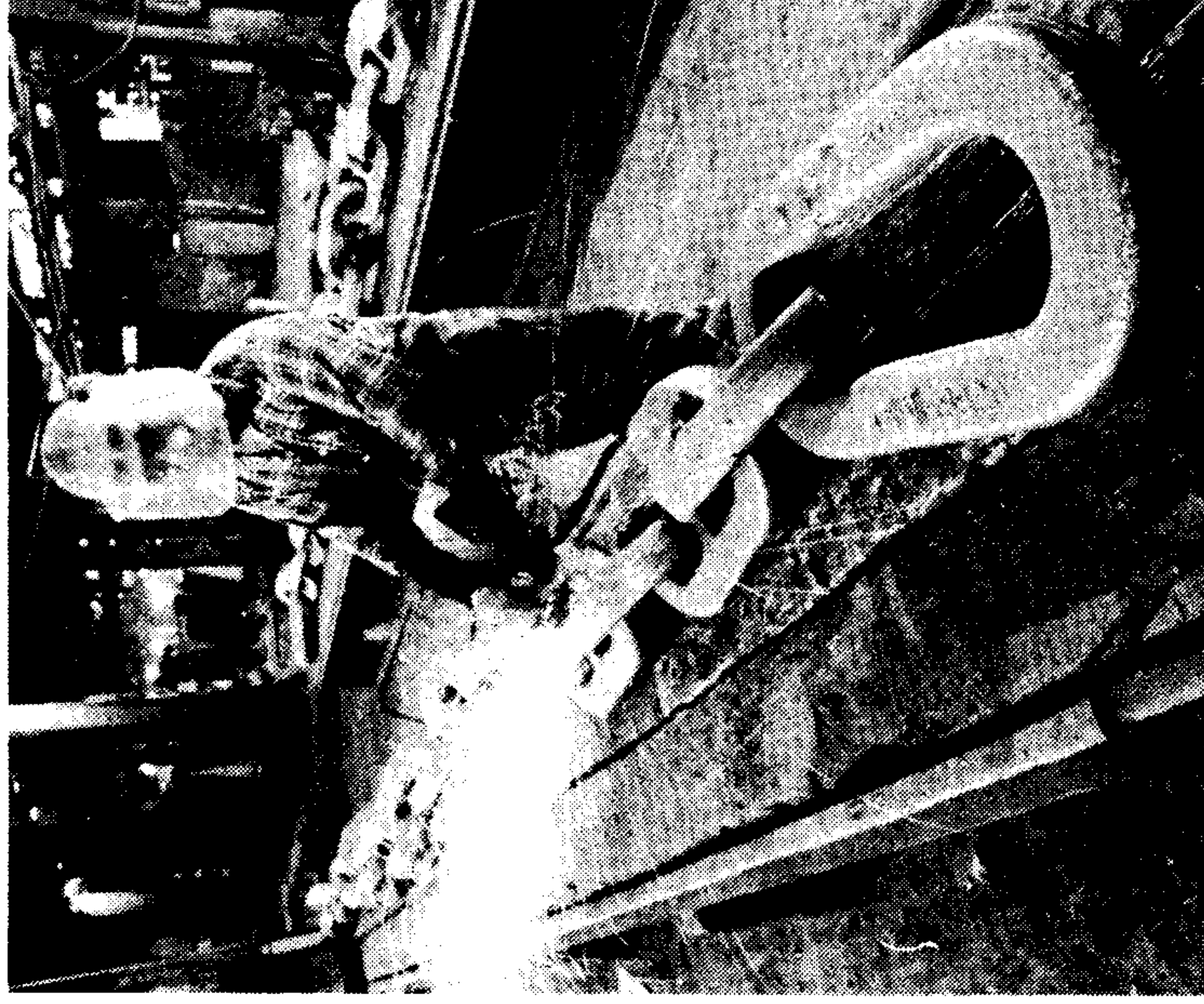
3. This characterization of LaRouche, as representing a "dangerously

radical" position on the debt-issue, is the standard line of Henry A. Kissinger and such State Department cronies of Kissinger's as Luigi Einaudi.

4. After being accused of being a "conservative" for several years, LaRouche adopted the epithet in a book written for the 1980 presidential campaign, *Economics for Conservative Democrats*, New York, 1980.
5. For a summary of the 1974 report, see "Economic Breakdown and the Threat of Global Pandemics," *EIR* Special Report, Washington, D.C., July 1, 1985.

4

LaRouche's Proposals for Economic Reform



The U.S. industrial operative: a vanishing species.

Larouche instructs beginners in economics: "As a first approximation, look at the entire physical economy of any relatively large nation as if the whole economy were a consolidated agro-industrial enterprise.¹

"Next, concentrate first on the various ways in which the nation's labor force is employed. Start with the percentile of the labor force which is directly employed in producing the physical output of agriculture and industry, plus the portion employed in producing and maintaining such elements of basic economic infrastructure as fresh-water management, production and distribution of power, general transportation of freight and passengers, essential communications, and public sanitation. This (operatives') portion of the employed labor force corresponds to the direct labor costs of our national firm."

The change in the numbers and percentiles of the U.S. labor force employed as operatives, over the period, 1940-1982, is shown in **Figure 4.1**.

"Next, estimate the per-capita content of the market-baskets of household goods and producer-goods needed to sustain the whole population at that level of productive culture, and per operative employed in direct production of goods."

Measuring the average required market-basket of household goods, as a percentile of the average output of a U.S. operative, the level of gross operating profit per operative has changed over the 1950-1982 period as shown in **Figure 4.2**.

"Next, divide the total land-area of the nation among wastelands, agricultural land, land for industrial uses, land used for household residences, land used for transportation, and other uses. Now, measure the density of both habitation and employed operatives by such classes of land-use. Correlate output and consumption of market-baskets of goods, for both households and operatives, analyzing these figures for population-density by total land-area and by class of land-use."

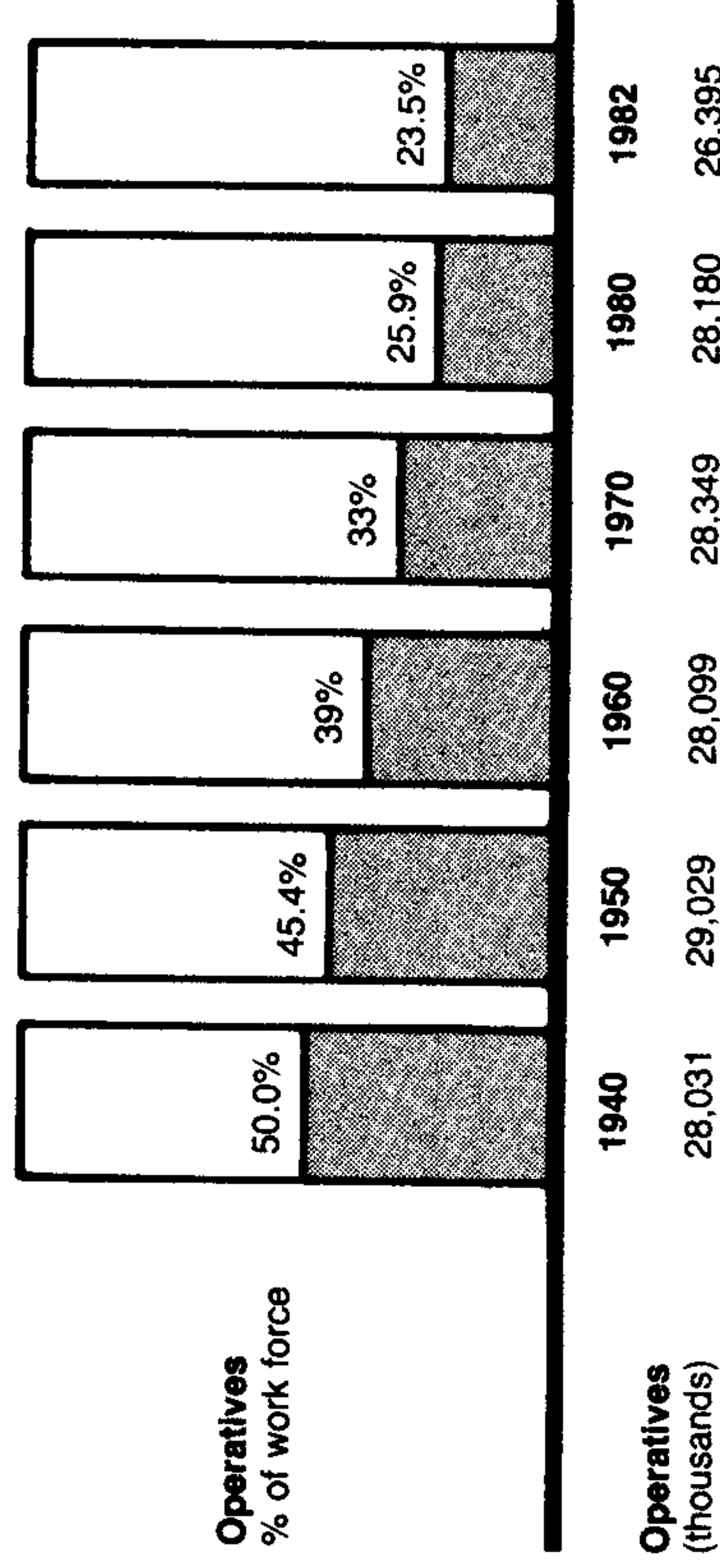
In 1982, the densities of habitation and market-basket output for residents and operatives, respectively, for these classes of land-use, are shown in **Figure 4.3**.

"Next, compare the per-capita production and consumption of energy with the population-density figures for households' and operatives' requirements."

The 1982 U.S. consumption of energy per-capita, for residents

Figure 4.1

The composition of the U.S. labor force



and operatives respectively, by type of land-use, is shown in **Figure 4.4**.

"Next, correlate energy-throughput per-capita with population-densities for both residents and operatives, respectively. Do this for each class of land-use, as well as for the total occupancy and use of land. Divide the number of hectares or square kilometers of land occupied, by the number of persons occupying that land; this is, simply enough, a measure of the amount of land per-capita: in other words, the population-density of that nation or that category of land-use in that nation. Next, examine some countries which have approximately equal levels of technology, such as the United States, West Germany, and Japan;

Figure 4.2

Gross operating profit per operative

Year	1950	1960	1970	1980	1982
U.S. household goods sector	11.0%	12.8%	16.2%	13.8%	13.2%

These calculations assume that 1967 levels of consumption of household goods were adequate for maintenance of the population for this entire period. The overall gross profit for the household goods sector was approximated by the gross profit for the following five market-basket items: domestic refrigerators, passenger cars, private dwelling units, meat, and dresses. The gross profit per item was approximated as: production per operative - consumption required per household/production per operative. The values were averaged for all items, and the result was adjusted to reflect the percentage (in labor terms) which household goods represents of the total productive economy. Unadjusted values: 48.2% (1950), 51.3% (1960), 57.7% (1970), 50.8% (1980), 48.5% (1982).

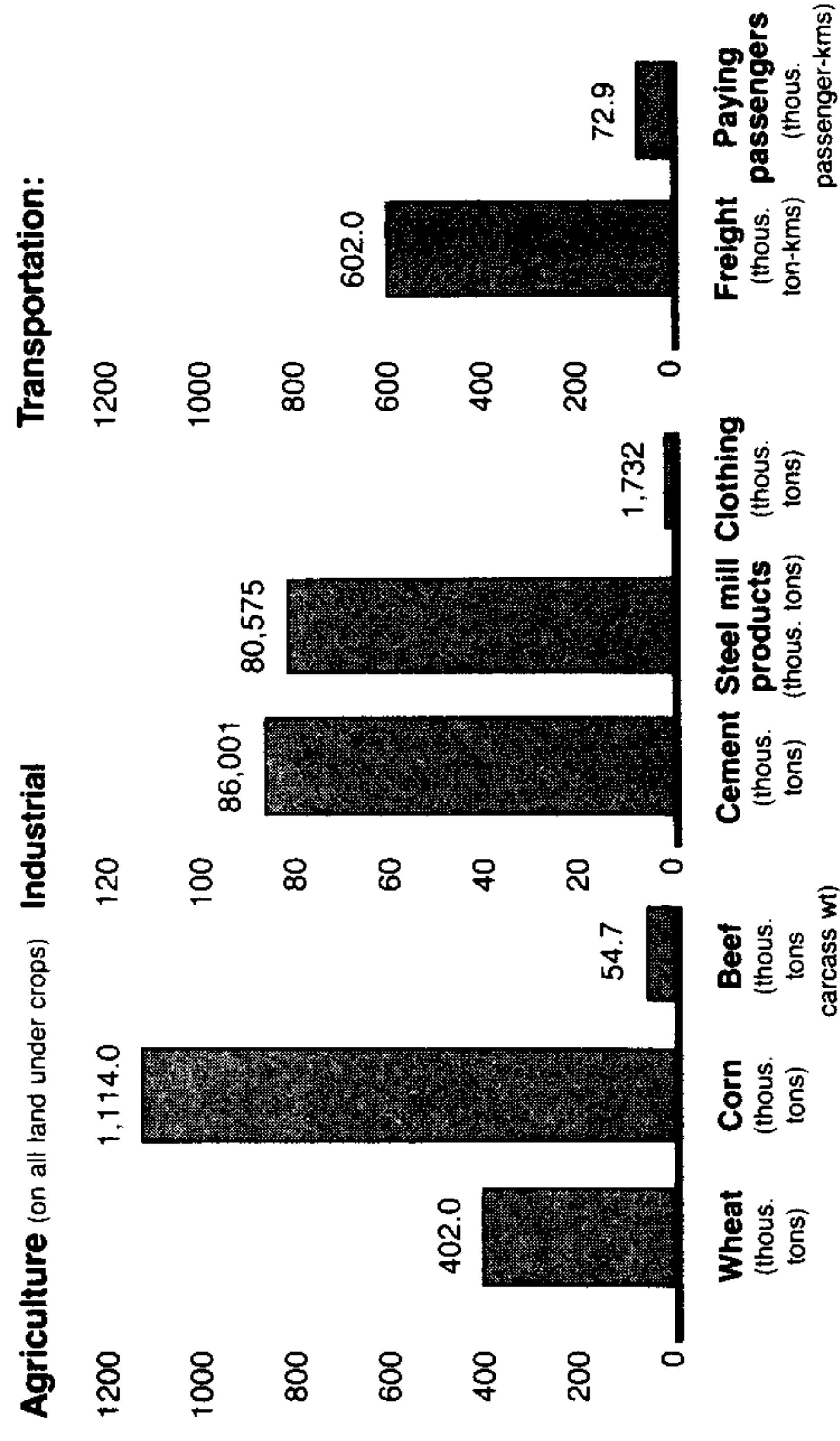
Figure 4.3

Density of population and of operatives, United States, 1982

Persons/thousand hectares residential land	285.62
Agricultural workers/thousand ha agricultural land	0.19
Industrial workers*/thousand ha industrial land	230.50
Transport workers/thousand ha transport land	7.54

* Industrial workers are operatives involved in mining, manufacturing, and public utilities

Market-basket output density per hectare, United States

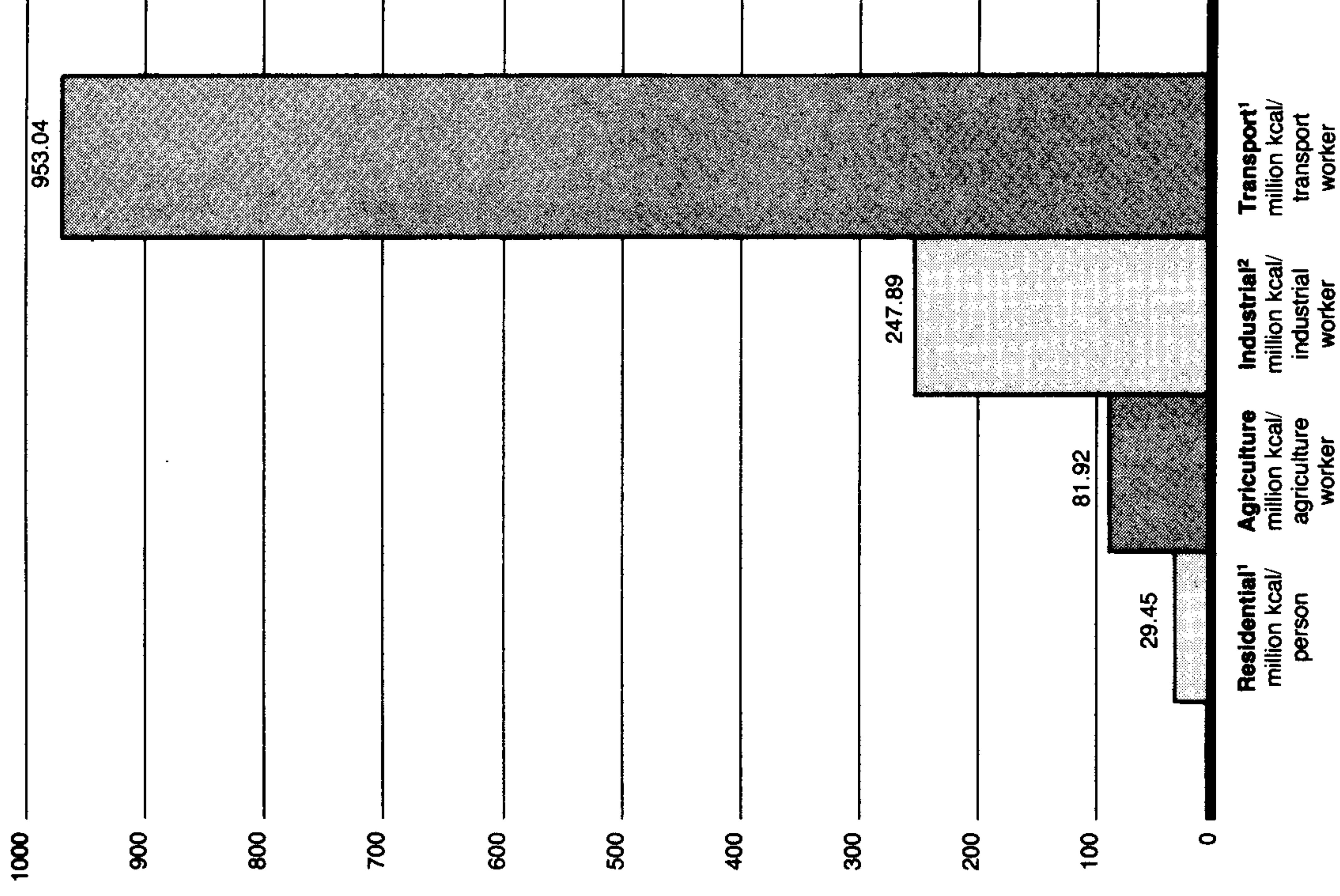


measure the amount of energy used, per person, and study how this per-capita amount changes as the population-density increases."

Figure 4.5 compares the 1982 data for the United States, West Germany, Britain, France, and Japan, for energy-throughput per capita and energy-throughput per hectare. If we assume that the United States and Japan have the same levels of technology, the comparison of the two cases implies a graph like that shown in Figure 4.6. In other words, the greater the population-density, the less energy per-capita is required to maintain the same level of technology.

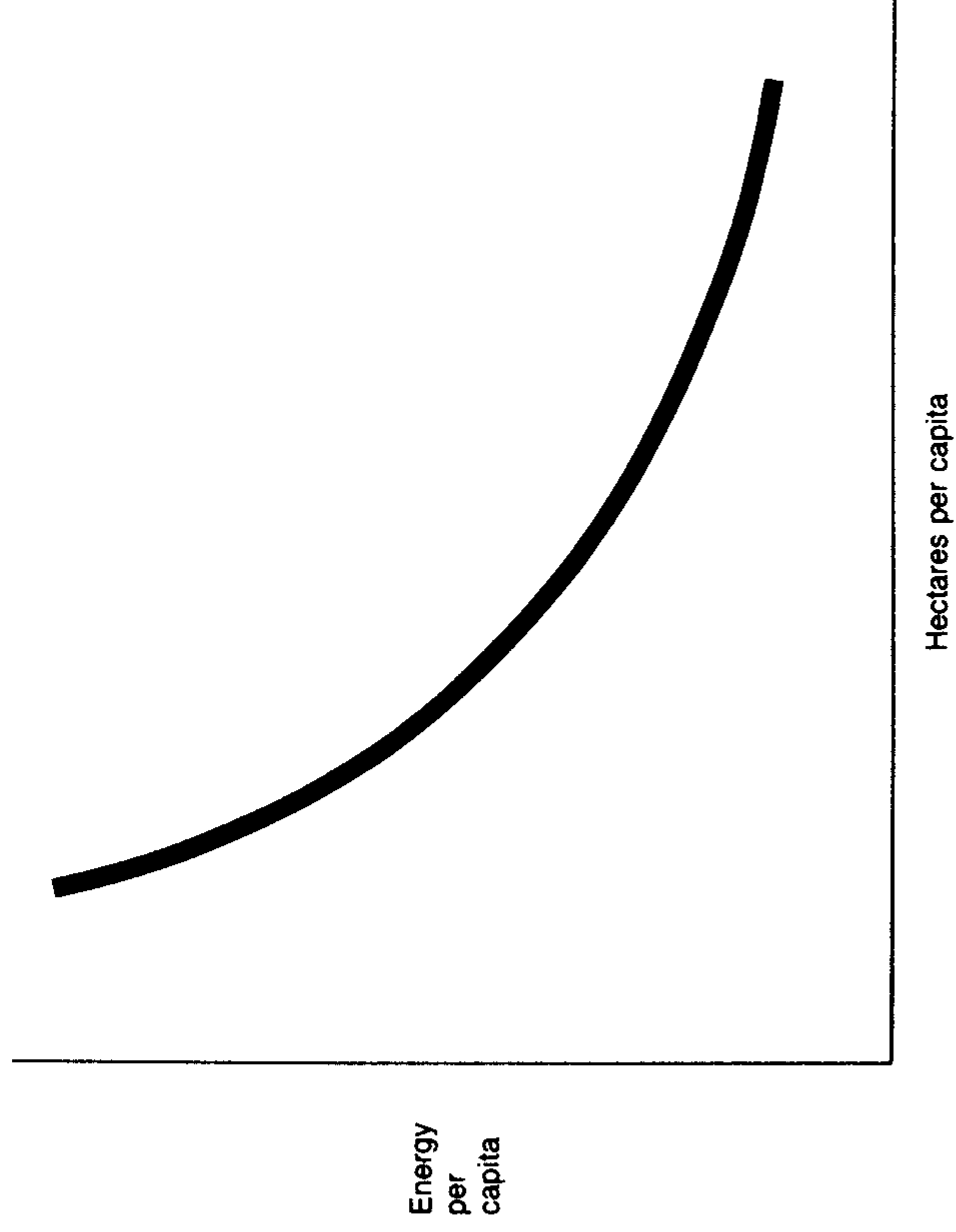
Figure 4.4

Energy density per capita for residents and operatives, United States, 1982



Notes: Figures include electricity converted by the kcal's required for production (4000 kcal/kwh).
 1 Energy for cars for personal use is included in residential energy, excluded from transportation energy.
 2 Industrial workers are operatives involved in mining, manufacturing, and public utilities.

Figure 4.6



"It should be obvious to any layman familiar with the most obvious facts of life in a modern agro-industrial economy, that there are three dominant factors in determining per-capita energy requirements. First, at the point of production of physical goods, increases in the per-capita rate of output of goods require increased supplies of energy. Second, the relative amount of energy required to maintain basic economic infrastructure rises as the number of hectares per person increases. Third, the higher the level of productive development of an economy, the greater must be the per-capita expenditures for building and maintaining basic economic infrastructure.

"Several years ago, *EIR* conducted a special computer study of the relationship between U.S. expenditures for improvement of infrastructure and changes in per-capita productivity." **Figures 4.7 and 4.8** show some of the results of the portion of this study which examined the data for the period following World War II. **Figure 4.7** and **4.8** show increases in spending for infrastructure and increases in productivity, through 1980; infrastructure-build-

Figure 4.5

Total energy consumed per person and per area

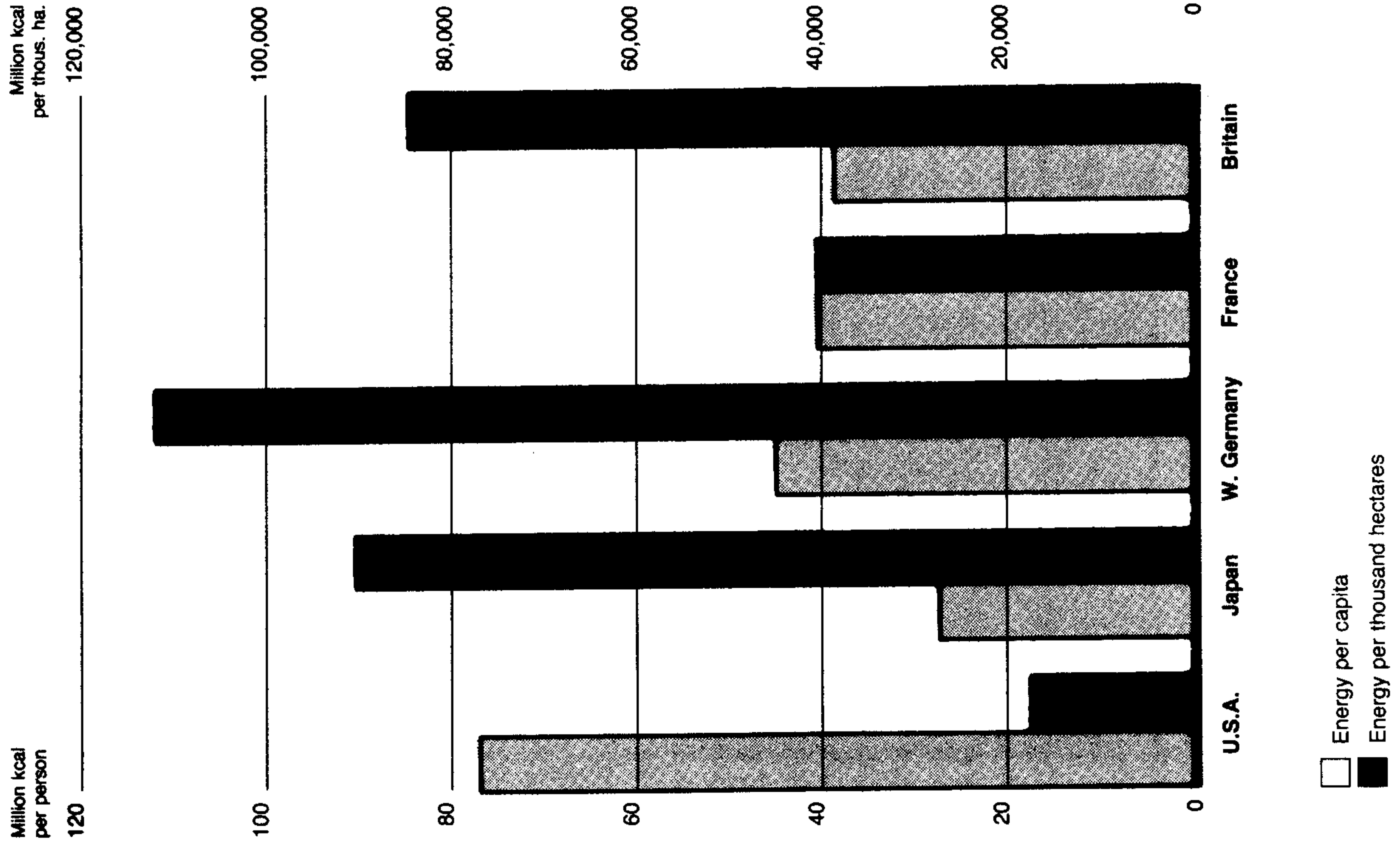
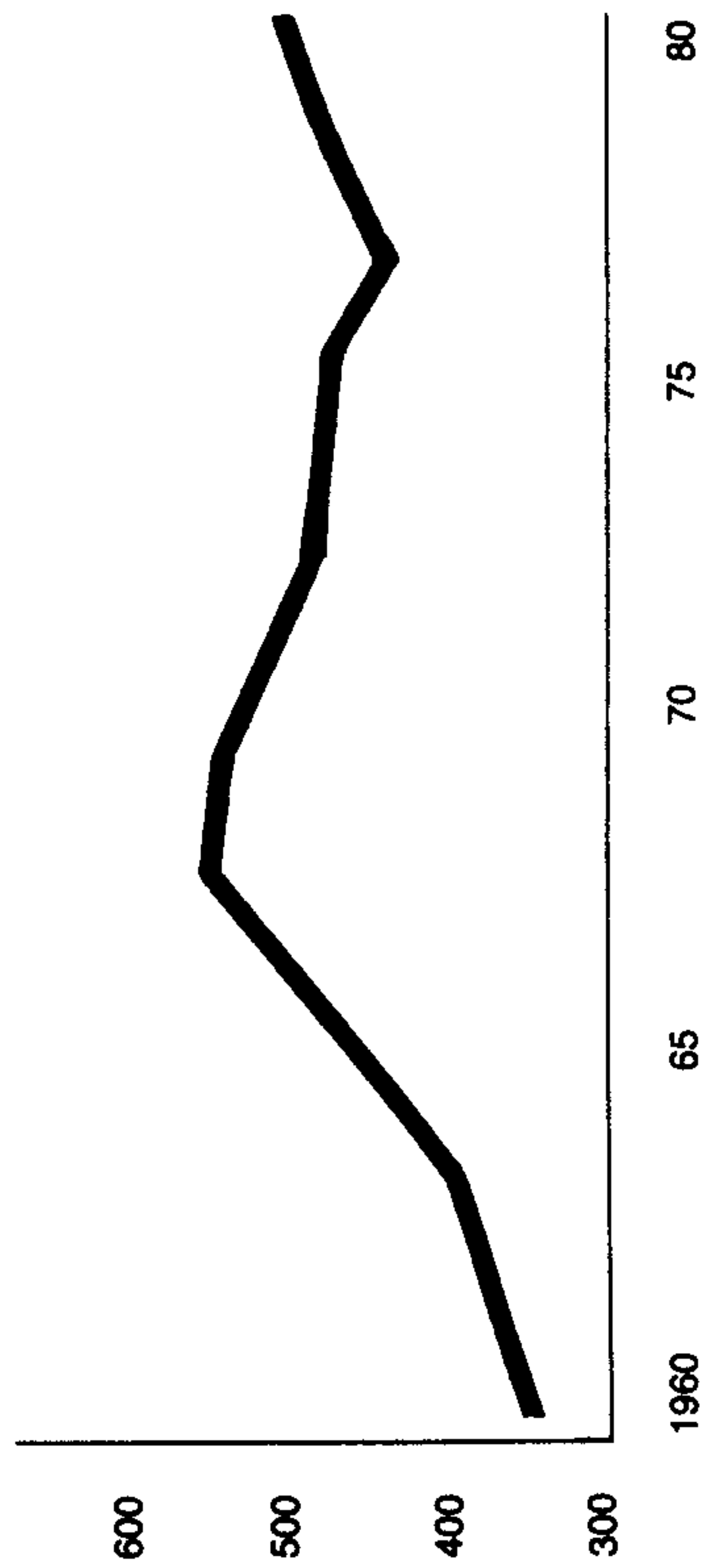
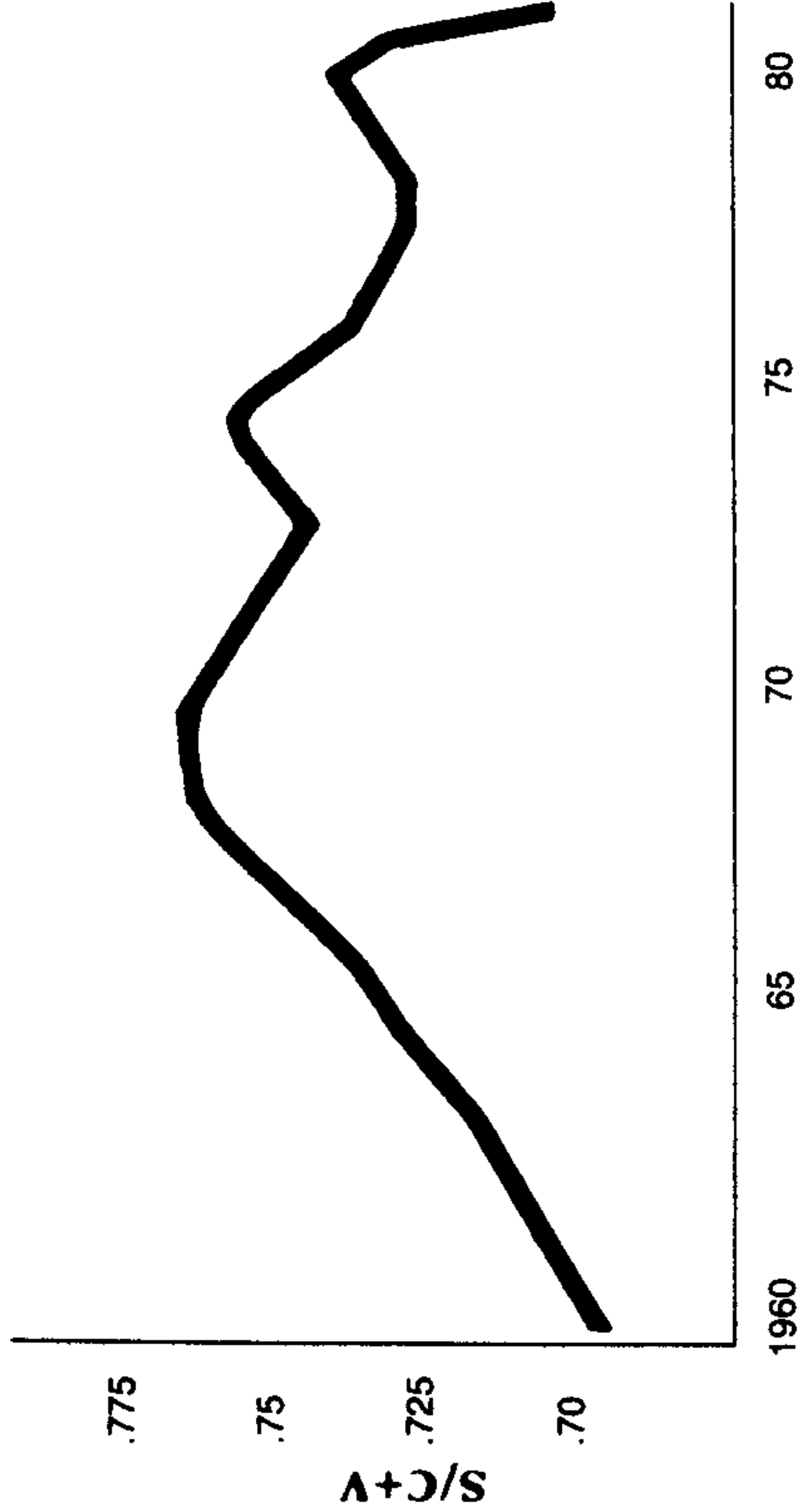


Figure 4.7
a) Average U.S. infrastructure investment, 1960-80
 (million constant U.S. dollars)

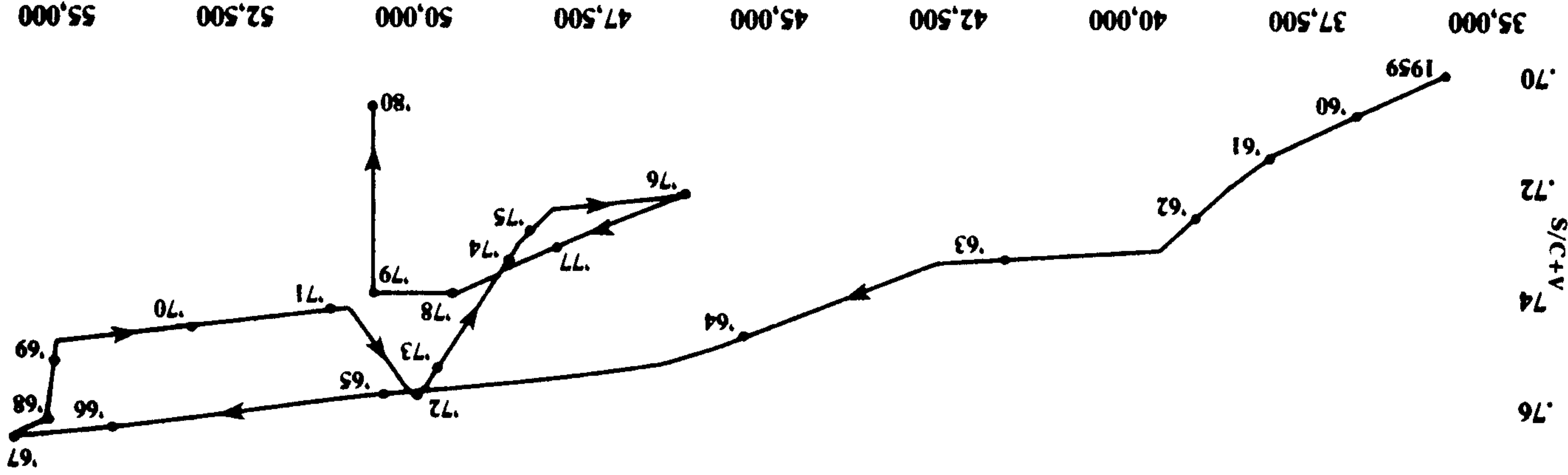


b) Reproductive ratio of the U.S. economy, 1960-80



ing preceded increases in productivity by about 12 months.
 "The rate of increase of U.S. investment in improved infrastructure slowed down during the middle of the 1960s, at about the same time that the Johnson administration cut back savagely on aerospace research and development; by 1967 and 1968, the rate of increase of productivity was declining. Some infrastructure improvement continued, at a slower rate of growth, during the second half of the 1960s, and then, after 1970, there was an

Figure 4.8
Reproductive ratio of economy compared to infrastructure investment in previous year



EIR's 1982 analysis compared infrastructure investment with productivity. The improvements in infrastructure, shown in Figure 4.7 (a), were assessed as the sum of constant-dollar spending on industrial plant, farm construction, railroads, highways, water, and sewer systems, and electric, gas, and telephone utilities.
 The model demonstrated that the measure of productivity which is most directly correlated with infrastructure spending is the overall capability of the economy to generate surplus, or the ratio of total surplus to real operating costs (S/C+V, where S is total profit generated by the economy, C represents the total cost of maintaining the economy's productive plant and equipment, and V represents the consumption of the productive work force.) This measure, called the economy's "reproductive ratio," is charted over two decades in Figure 4.7 (b). The interrelation of the two variables is shown in Figure 4.8, where the vertical axis represents the reproductive ratio, and the horizontal axis the infrastructure spending for the previous year.

accelerating decline in expenditures for maintenance of infrastructure, and a progressive decline in average productivity of labor. Today, the United States would be obliged to spend more than \$3 trillion, merely to bring the quality of U.S. infrastructure back up to the levels of 1970.

"There is another leading factor in the relationship between energy and productivity. A good yardstick for measuring energy is one photon of yellow laser-light at some definite wave-length. This is a far superior yardstick than calories or BTUs, for two reasons. First, the intensity of energy, its power to do work, increases as the wave-length becomes shorter. Second, the power of energy to do work decreases as the form in which energy is transmitted becomes less coherent. Instead of measuring the number of BTUs produced, we calculate the number of photons of coherently organized energy, at some definite wave-length, needed to accomplish the same amount of work as the energy we are supplying to a process. Coherent energy at some definite wave-length, then serves as a measure of what we call the energy-flux density of the thermodynamic process. As the wave-length becomes shorter, the energy-flux density increases, relative to the amount of power transmitted.

"The increase in energy-flux density is the basis for measuring what we call 'technology.' One of the simplest examples of this principle is the superiority of a knife with a sharpened edge over a blunt-edged knife; the knife is a very simple kind of machine, which increases the concentration of energy supplied to the handle at the place the work is done. Powered machines enable operatives to employ vastly larger amounts of energy than could be supplied by muscles, and to concentrate that energy on the point at which the machine's work is done.

"In the history of technology, we are confronted with two leading sets of facts. We include under the heading of 'useful energy,' the energy supplied to people through food. First, we compare the amount of energy the average person expends per day, with the amount of useful energy society collects per day per person. Second, we measure the relative energy-flux density at which quantities of useful energy are applied to productive processes. By combining the two kinds of measurement, we have a very good yardstick for measuring technological progress."

Figures 4.9 and 4.10 are taken from an *EIR* study of the history of the U.S. iron and steel industry. This illustrates the fact, that

How technology elevated the power of labor in blast furnaces (1700-1974)
The graph shows a series of hyperbolic relationships between productivity and energy flux density, one hyperbola for each of the following blast furnace types: charcoal-fueled, anthracite coal-fueled, the coke-fueled furnaces built by Andrew Carnegie, the World War II period, and the period of the space program. Energy flux density measures the total energy passing through a cross-section of the bosh of a blast furnace.

Figure 4.9

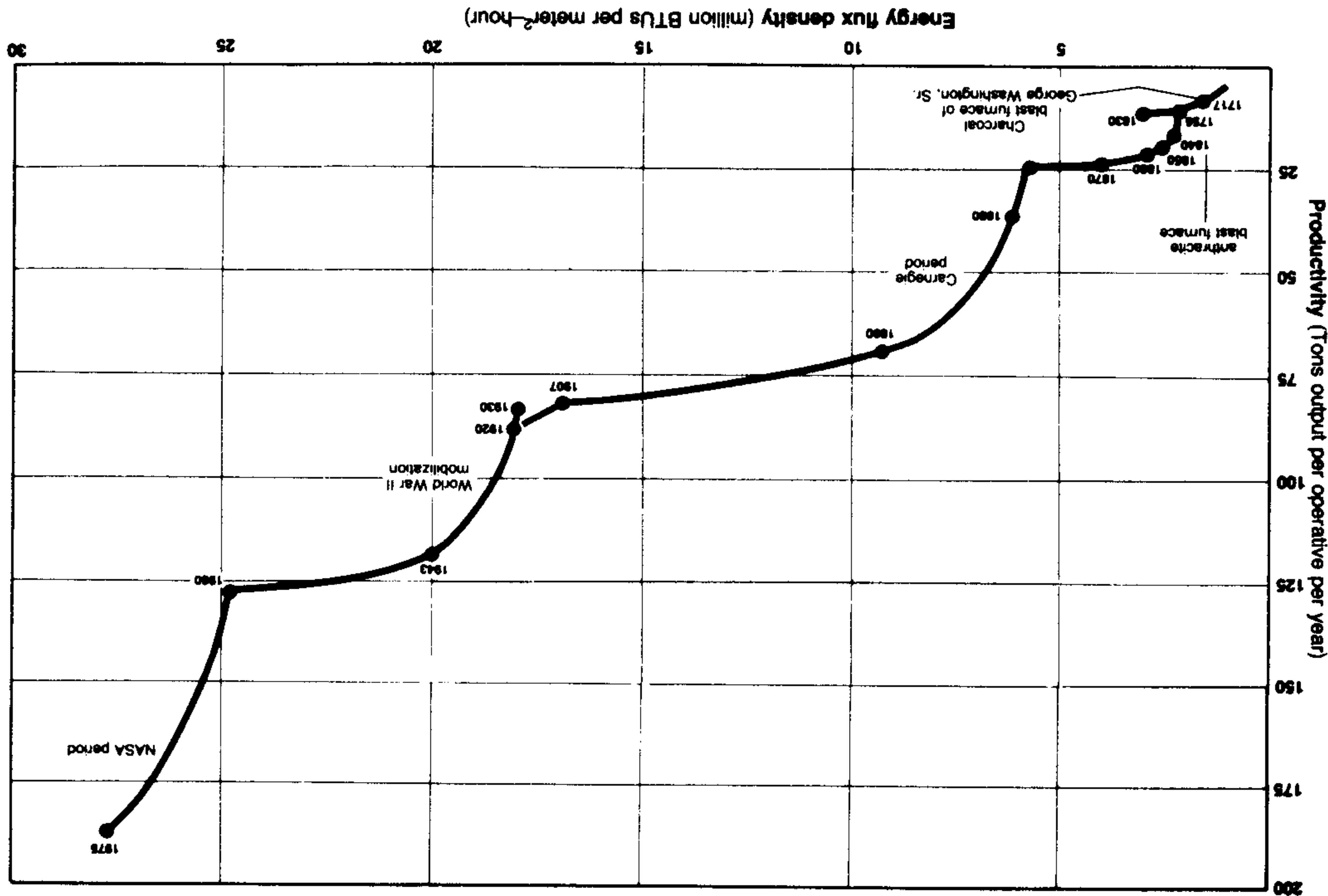
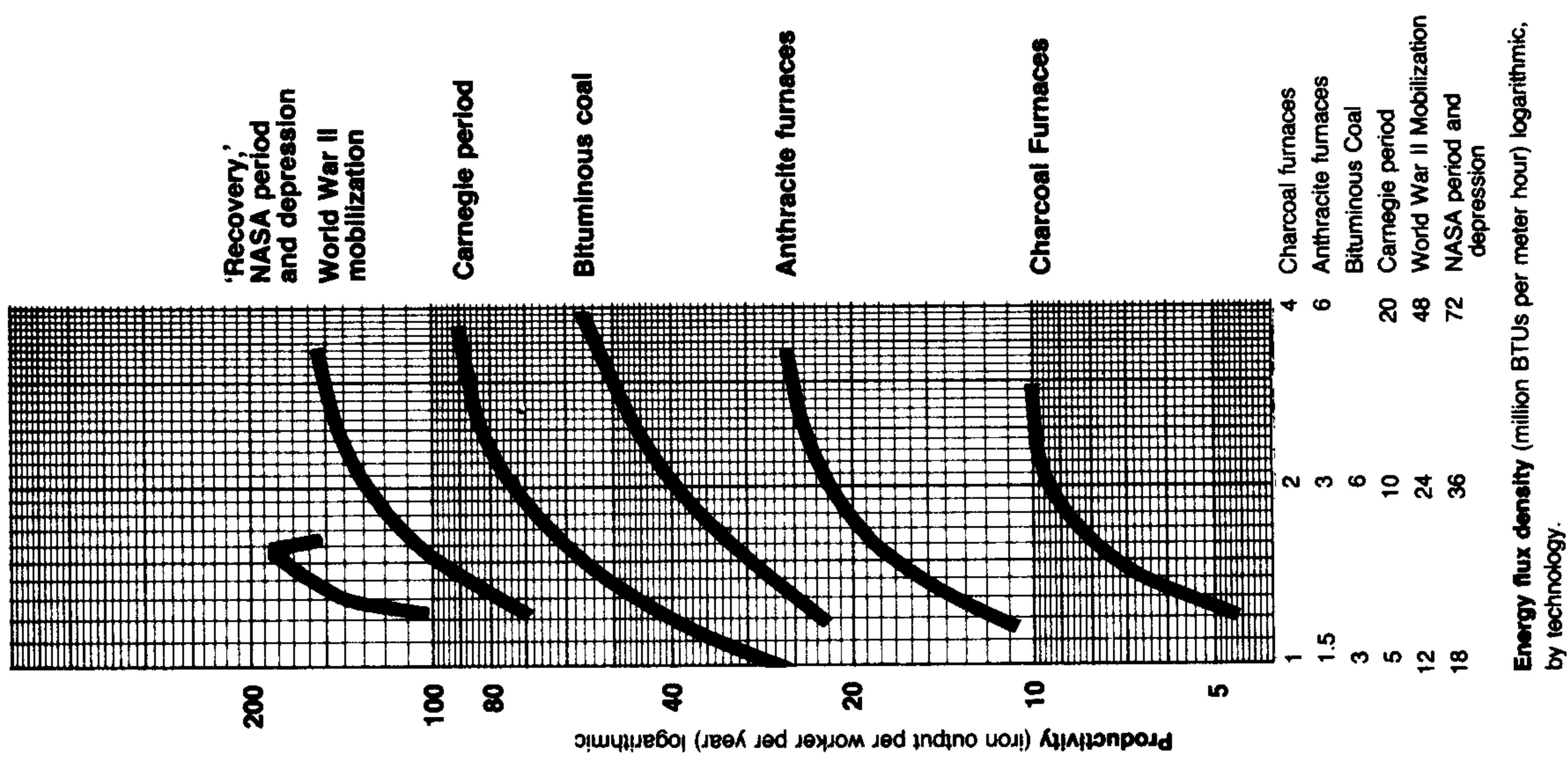


Figure 4.10
Increasing density of technology
transformations with economic development



This logarithmic graph represents the data of Figure 4.9 in the form of a transfinite progression of species of reducing power, a series of increasingly dense transformations in the power of labor. The vertical axis represents (iron output per workers, in tons).

Figure 4.11

Overhead Expense

Economic	Institutional	Waste
Services	Governmental	Unemployment
Science, Engineering	Non-Economic	Undesirable
Teaching	Services	Financial Usury
Medical	Administration	Ground-Rent
...	Police	Commodity Spec.
Production'	Military	Crime
Administrative	...	Immoral/Legal
Supervisory	Non-Governmental	Non-Functional Luxury
Prod. Mgmt.	Other Services ²	...
...	Selling	...
	Financial	
	Legal	
	...	

¹Includes all categories of production flows, including transportation.

²Not elsewhere classified.

the productivity of operatives is limited by the level of energy-flux density achieved.

"So, continuing to look at a national economy as like the 'company town' of a consolidated agro-industrial enterprise, we have two general classes of facts to consider. The first class of facts concentrates on the increase of the productivity of operatives in agriculture, industry, and in the building and maintaining of basic economic infrastructure. The second class of facts, examines the relationship of these employed, goods-producing operatives, to both the activities of other portions of the total labor force, and to the daily existence of family households as 'consumers.'

"The incomes and other costs and expenses, associated with the activities of every section of the labor force which is not employed either as goods-producing operatives or in maintenance of basic economic infrastructure, are the society's 'overhead expense,' like the overhead expense of a manufacturing firm."

In his introductory textbook in economic science,² LaRouche divides "overhead expense" among the following categories (see **Figure 4.11**):

"The direct supervision and maintenance functions of agricultural and industrial goods-production, are an integral part of the productive process. This is the portion of administration which integrates the productive process as a whole to a single, desired result. The productive powers of labor, both as the productive potential of members of households, and the technological de-

velopment of the process of production itself, depend in the most direct way upon those elements of overhead expense including science and engineering, teaching, and medical services. These elements of overhead expense are usefully called 'economic,' because they tend to increase as required expenditures, as society raises its level of technology and increases the productive powers of labor.

"The second general class of overhead expense, I have named 'institutional.' This includes overhead expense which, unlike 'economic' overhead expense, makes no significant contribution to increasing the productivity of operations, but nonetheless represents necessary functions of administration of either government or business. The third class of overhead expense, includes items of expense whose elimination would be beneficial to society, including that waste of productive power called 'unemployment.' This third class is called 'waste,' for obvious reasons.

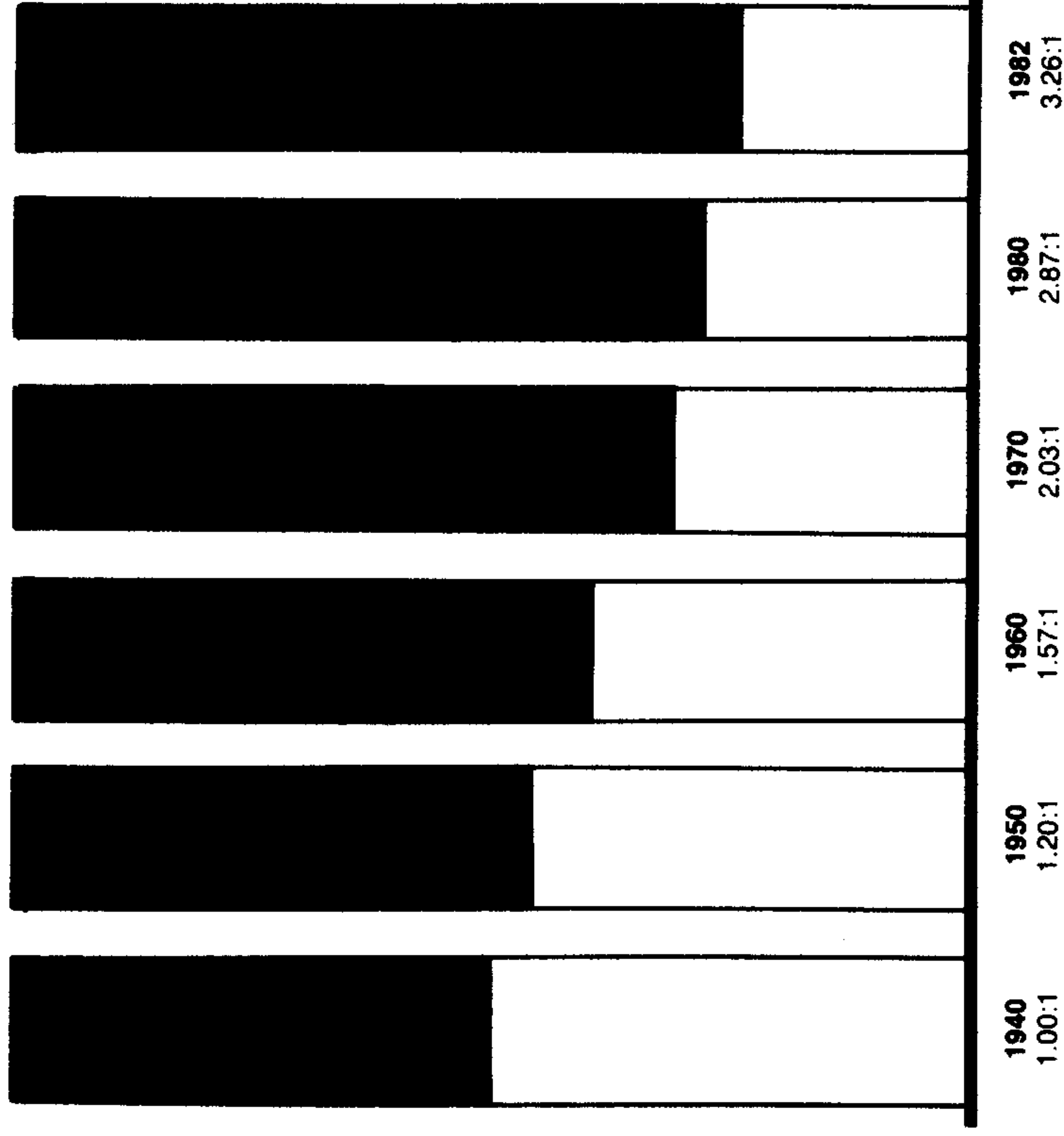
"It should be clear that one of the most important economic measurements to be made, is to calculate the ratio of overhead expense to costs of operatives. It should also be clear, that we must analyze the ratios of the three classes of overhead expense differently. 'Economic' overhead expense, must increase somewhat as the level of technology is raised. 'Institutional' overhead expense should increase much less rapidly than 'economic,' and there must be a constant effort to eradicate both unemployment, and expenditure and employment in wasteful activities."

Figure 4.12 shows the growth of an out-of-control, cancerous increase of the ratio of overhead expense in the U.S. economy since 1946.

"Once we have studied these factors involving the employment of the nation's total labor force, we must extend the study to include the nation's population as a whole. The creation of new members of the labor force is a function of households, and the costs of maintaining the population are also functions of households, rather than individuals taken in isolation from their households. In economics as such, the production of consumer goods and supply of economic and institutional services to households, is examined as a household requirement for standard market-baskets of goods and services; this input to households affects the regeneration of the labor force, in terms of both quantity and quality. The development of the labor force by households, closes the economic cycle of inputs and outputs.

Figure 4.12

Increase of overhead costs
(Overhead workers per productive worker)



"Even President Reagan has been misled to believe, that there was a U.S. economic recovery beginning 1983. To a very large degree, the figures given to the President are simply lies, faked figures cooked up chiefly by the Federal Reserve System and the Labor Department.³ For example, it is easily proven, that the actual rate of inflation has been between two and three times that reported since the beginning of 1983.⁴ There is another reason for the President's error, in addition to faked statistics; a totally incompetent interpretation of the data by his economic advisors.

"Throughout the post-war period, the United States and other UNO members have been using an incompetent yardstick for measuring the gross product and gross income of nations: the so-called Gross National Product method of national-income ac-

counting. Essentially, the GNP system (or, the Gross Domestic Product system, as it is called by the UNO), counts all gross profits on sales plus income, as 'product.' Under this system, the increase of expenditure for wasteful categories of overhead expense, is counted as having the same value as output of useful product and services. Also, recently, the Federal government has been falsifying its reports, by confusing debt-spending by households and businesses with purchases paid for out of net income of households and income.

"A nation's financial gross receipts include the paid income of businesses, farms, and households, plus increase of public and private debt combined. A great part of the increased purchases in the U.S. economy, during the 1983-1984 period, was purchases paid for by increasing the level of public, business, and household debt. Worse, much of the increased spending was for products and services whose price reflected an average inflation-rate of about 12-15% per year, nearly three times the rate reported.

"The proper calculation of a nation's financial income is:

New indebtedness
 -(Savings + Debt-Service Payments)
 NET INCREASE OF INDEBTEDNESS
 + Net Income of Farms, Businesses,
 and Households

GROSS FINANCIAL RECEIPTS

In assessing the significance of purchases of goods and services, we must not include debt-service payments. We must measure the percentile of total purchases, excluding debt-service payments, made out of the portion of income remaining after debt-service payments. We must watch very closely, the ratio of debt-service to income, and the ratio of debt to income. Unless net income, after-debt-service, is increasing more rapidly than debt-service obligations, this years' spending-levels for goods and services are a disguised economic recession, at best. Under the usurious interest-rates which have prevailed since October 1979, the kind of false recovery we have been experiencing since 1983, is economic insanity, whose full price will come due in 1986, or, at the very, very latest, 1987, when the banking system collapses almost entirely—unless this lunacy is reversed very soon.

"The only solution: back to the fundamentals which Treasury Secretary Alexander Hamilton outlined in his famous reports to the Congress on Public Credit, a National Bank, and Manufactures. We must return to a policy of rapid technological progress in building infrastructure and producing agricultural and industrial goods. We must include as our national targets, bringing the percentile of the labor force employed as goods-producing operatives back up toward 50%, and doubling the present levels of employment of scientists, engineers, medical professionals, and teachers of classics and scientific subjects in the public schools and universities. We must launch large-scale investment by government and public utilities in water-management, general transportation, production of energy, and sanitation. We must promote exports of U.S. capital-goods, to help build up our capital-goods sector. We must mobilize plentiful credit, at low borrowing costs, for these efforts, while cutting back the indebtedness in other categories.

"If we look at our national economy, and other nations' economies, in this way, the diagnosis of our problem is a simple one, and the corrective measures are more or less obvious. Cut out wasteful overhead expenditures in the private sector, which is the core of our economic problem today, and shift the economy back to emphasis on rapid rises in productivity of the economy through energy-intensive, capital-intensive investment in improved technologies, for an increased number of operatives' workplaces.

"Our economic policies toward foreign nations are seen more clearly, by looking for a moment at the way in which advances in energy-intensive technologies cause rapid increases in productivity. New technologies flowing out of scientific progress, come into the economy chiefly through improvements in the class of products called machine tools. It is improved capital-goods supplied to infrastructure, farming, and industry, which enables operatives to increase their productivities. Therefore, we should desire very high rates of investment in such capital goods. We should also desire very high rates of turnover of production in the capital-goods industries.

"One of the best ways to increase the turnover in capital-goods industries, is to promote capital-goods exports, especially to nations of Latin America, Africa, and Asia. These exports increase the turnover in our capital-goods industries, and so permit

those industries to increase the rate at which they invest in improved technologies. This means a more rapid growth of productivity inside the U.S. economy itself, as well as the best way of customers' paying for increased volumes of essential imports. This also helps developing nations to increase their own nation's productivity, and so to become an expanding market for our capital-goods exports.

"Sustaining the growth of world-trade in U.S. capital-goods exports, requires that exporting and importing nations have stable values for the currencies. The only technique ever proven for maintaining stable currencies, is a gold-reserve system of approximately the type which existed from the end of World War II until the crises of 1967-1968. In 1971, the Nixon Administration destroyed that gold-reserve system, an action which introduced ever-worsening chaos in the fluctuations of values of various currencies, and which set off a spiral of collapse in levels of world trade.

"For that reason, unless we return to a gold-reserve system, and scrap the International Monetary Fund and World Bank in their present form, and also make drastic revisions in the functioning of our Federal Reserve System, the entire economy of the West will collapse into a bankruptcy far worse than that of the 1930s Great Depression. If that occurs, Soviet imperial hegemony will easily dominate the world by about 1988.

"Already, despite the ritual babbling about an 'economic recovery' heard from Washington, D.C., and the major news-media, there is incredible misery in the United States, with about 30 million Americans already living in 'third-world'-like conditions of squalor and disease. Apart from the vast sea of misery in our spreading urban slums and centers of rural poverty, the average American can no longer afford the standard of living of the 1960s and early 1970s. After the past 15 years of downward-spiraling into a 'post-industrial paradise,' for us to maintain the moderate standard of living of a skilled industrial operative supporting a family of four, which existed at the beginning of the 1970s, would require a take-home income of about \$40,000 a year today; obviously only a small percentile of families reach that level of income today.

"These conditions: collapsing infrastructure, lowered relative standards of living, and large and growing pockets of sheer misery, have produced the environmental conditions under which

large portions of the population become breeding-centers for epidemics which are then spread to the population as a whole. Although drug-users and homosexuals have been the chief vectors through which the deadly pandemic AIDS has been spread to threaten our population as a whole today, the resurgence of tuberculosis in slums, and the skyrocketing of tropical-type and other epidemic diseases in sectors of the population suffering the worst environmental conditions, are conditions produced by the combined effects of 'post-industrial utopianism' and the so-called 'economic recovery' of 1983-1984.

"Either we change U.S. monetary and economic policies, both domestic and foreign policies, or the stupidly stubborn refusal to make needed changes means the early doom of us all."

LaRouche Proposes International Development Bank

Speech in Bonn, West Germany, April 24, 1975

We propose the immediate establishment of an International Development Bank as a three-way agreement among the three principal world sectors, the industrialized capitalist sector, the so-called development sector, and socialist countries. The Bank would discount letters of credit and bills of exchange authorized by treaty agreement among nations and self-constituted groups of nations, and would thus act as a rediscount bank for those other letters of credit and bills of exchange generated in the course of supplying needs of final commodities producers producing for bookings issued under relevant international development bank treaty agreements.

For example, several key developing sector nations have demanded that the industrialized sector negotiate interlocking agreements concerning three items: energy, raw materials, and food. Our essential criticism of this agenda is that it included only three principal items, instead of the necessary four. The fourth item should be "development." Our remarks concerning this example are not conjectural, provided that suitable initiative proposals are generated by significant forces of the industrialized

sector, key forces within the so-called "Third World" will be prepared to immediately begin working negotiations along the lines of such a four-point form of general treaty agreement with the industrialized sector.

On the basis of our own organization's studies, and our discussions of these studies with governments and leading political forces within the "Third World," we have determined to the point of certainty that the activities of an International Development Bank in connection with present wishes and consumption capabilities of the developing sector, would be sufficient to generate a higher rate of industrial expansion in the advanced sector than has been seen during the most prosperous intervals of the past quarter century.

The feasibility of this proposed program demands understanding of certain often neglected ABC's of Political Economy. Without understanding those principles, we should all be hopelessly caught in the worst disaster of human history.

The basic fact on which all political economy depends is the characteristic feature of economy. That is, that a proper use of means of production and means of personal consumption generates levels of output in excess of the prime costs incurred. The second basic fact, essential to this solution, is that all general development, including industrial development, depends upon creating a basis for growth in an abundant supply of adequate nutrition at relatively low social cost. To the extent that these two principles are observed in practice, and advancing technology emphasized to that end, it is feasible to generate very large amounts of long-term credit without inflationary effects.

We emphasize that a combined concentration on both industrial development and expanded food production are the absolute imperatives for this period. To the extent that long-term development credit to the developing sector places priority emphasis on rapidly increasing the amount and social productivity of world food production, any amount of credit can be issued over a 10 to 15 year term ultimately payable in expanded food, in increased masses of productive labor, and in the social productivity of human labor generally.

The immediate problem the new bank will face is this. In addition to the immediate potential for substantially increasing agricultural output and productivity generally, there are three regions of the developing sector which represent massive oppor-

tunities for increases in agricultural output. One of these, the Rio de la Plata region of South America, offers short-term major benefits for development as an agro-industrial region. The other two, the Sahel, and the India-Bangladesh-Pakistan region, represent potentially major world food-producing regions, but will require 10 to 15 years of massive engineering efforts and development to approach their enormous surplus potentials. Therefore, our problem is to provide a level of development equivalent to approximately a quarter trillion current transferable rubles annually, concentrated on low-interest loans and grants with a typical maturity in the order of 10 to 15 years required for loans.

The apparent difficulty of conducting such programs is only apparent and not actual. To the extent that the industrialized sectors can generate large surpluses in excess of immediate reinvestment requirements within that sector, that portion of surplus can be issued as credits and grants without adverse economic effects. The only real problem involved is that of raising the gross level of industrial outputs to the scale the indicated undertaking requires. . . .

Final Resolution of the Colombo Conference of the Non-Aligned Nations

Colombo, Sri Lanka, Aug. 19, 1976

Introduction

. . . The heads of state of the Non-Aligned countries consider that economic problems have become the most grave in international relations. . . . The developing countries are victims of this world crisis. . . . It becomes more and more evident that the present system cannot promote the development of the developing countries nor hasten the elimination of hunger, disease, and illiteracy. . . . Also, the institution of the new international economic order is of the highest political importance. . . . The

developing countries have as their primary task to break the resistance of those who oppose themselves to the struggle for the economies of the developing countries. . . .

The New World Economic Order

1. The heads of state . . . are strongly convinced that alone a complete restructuring of international economic relations will bring a solution to the world's economic problems. The weaknesses and repeated failures of the extant economic order have been demonstrated by the recent series of crises in the market economy countries: collapse of the monetary system, the appearance of restrictive and protectionist policies, recession, inflation, unemployment, etc. . . . Notably, this state of crisis has also dramatically emphasized the fundamentally interdependent nature of the elements constituent of the world economy, and provided the necessary impetus leading towards conceiving a new world economic order.'

2. The heads of state . . . demand the establishment of a new world economic order, which begs bold initiatives, demands concrete innovative and global solutions, and is not compatible with the fragmentary and improvised reforms designed to keep the current economic difficulties in check. . . .

3. The heads of state denounce the unacceptable policy and practice of the transnational corporations. . . .

4. They reiterate the right of every country to exert its sovereignty. . . .

5. They reaffirm that alone such a complete restructuring of international economic relations will provide a durable solution. . . . They reaffirm their resolute determination to obtain by collective action the establishment and implementation of a new world economic order, which is envisioned and enunciated in various resolutions. This order must, among other things, include:

- a) Fundamental restructuring of the whole apparatus of international trade so as to achieve an indexation, improve the terms of trade. . . .
- b) Deep restructuring of world production on the basis of a new international division of labor through the following

means: improvement of the access of developing countries' manufactured products, transfer of technology. . . .

c) A radical overhaul of international monetary arrangements in vigor, which are characterized by the lack of a rational equitable and universal system, the anarchy of floating, the growth of liquidity . . . inflation. . . . The new system should abolish the dominant role of international currencies in decision-making, and forge a link between liquidity creation and development finance,

d) Guarantee an adequate transfer of resources,

e) Urgently determine a satisfactory solution to the problem of public debt, especially for the least developed and most affected countries,

f) Input, at favorable conditions, of the desired resources and appropriate technology to permit investments ensuring growth of food production and means of agricultural production in the developing countries. . . .

Interdependence in the world economy

. . . International cooperation has today become an imperious necessity. . . .

The heads of state recognize that the introduction of a new era of fair and balanced relations is the responsibility of all, but falls more particularly upon those who retain economic power. Furthermore, the creation of a new world economic order implies, on the part of the developed countries, resolute and efficient measures in all the main domains of international economic relations. The developed world as a whole cannot any longer escape their responsibility under any pretext whatsoever, and can no more afford to misinterpret the fundamentally indivisible nature of the world's prosperity.

The heads of state . . . therefore invite the developed world to convincingly express their faith in the principle of interdependence of the world, by adopting a series of measures that, alone, will permit them to conduct authentic international cooperation and the creation of the new world economic order. . . .

Conclusion

[This] announces a new step for the establishment of the new world economic order, and in particular, this essential element of such a new order, a new monetary and financial system. . . .

LaRouche Warns: Volcker's Measures Will Lead to Disaster

Oct. 16, 1979

I herewith submit a demand for the prompt impeachment of recently appointed Federal Reserve Chairman Paul Volcker.

Yesterday, appearing before a committee of the United States Senate, Volcker either lied or manifested gross incompetence in the course of a reply to Senator Paul Sarbanes, Democrat of Maryland. He stated, falsely, in his response, that the Federal Reserve System could not channel the flow of constricted liquidity in such a way as to ensure adequate credit for maintaining the operating capital of business employers.

In fact, the Federal Reserve System has the capability, with the consent of the Executive Branch and Congress, to conduct precisely the sort of anti-depression measures which Senator Sarbanes proposed.

Mr. Volcker either knows this, in which case he committed perjury in sworn testimony before the Senate, or he does not know this, in which case he is impeachable for incompetence.

In earlier public statements, Mr. Volcker has stated himself to be a supporter of a doctrine of "controlled disintegration" for both the United States and the world economy. Now, under the semantic pretext of "anti-inflation" "fiscal austerity," Volcker has abused his powers as Federal Reserve chairman to implement measures which constitute an efficient effort to plunge the U.S. economy into misery, chaos and confusion of the sort ultimately worse than the conditions experienced during the Great Depression of the 1930s. In light of the evidence of a conscious intent behind Mr. Volcker's attempts to ruin the U.S. economy, his conduct in office must be regarded as no better than treasonous in character,



Paul Volcker

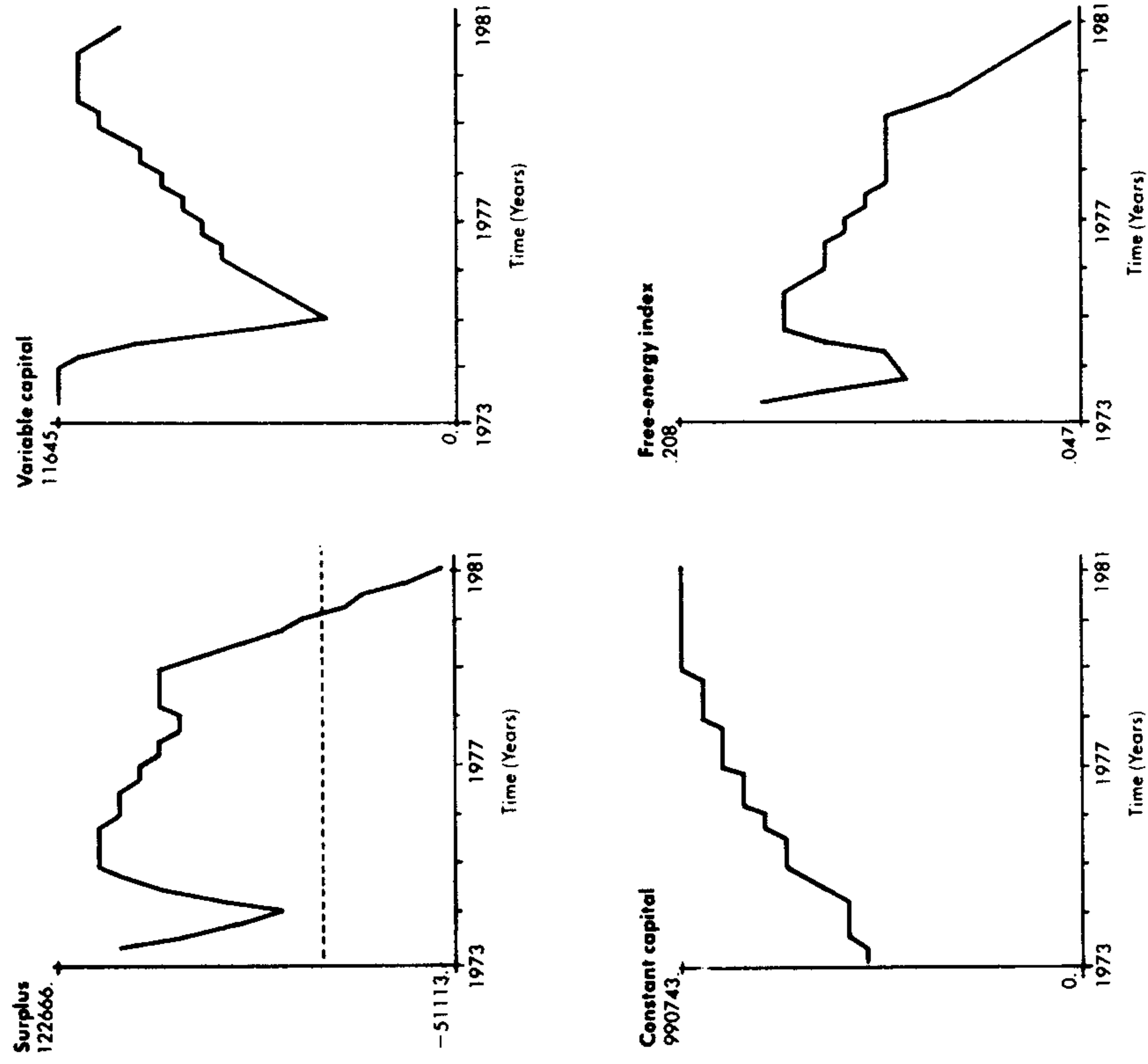
if not formally treason by the strict language of the U.S. Constitution.

As one of the world's leading economists, I have caused my staff to conduct a computer-based analysis of the near-term consequences of Volcker's measures (Figure 4.13). Those results, coinciding with the estimates of other analysts reporting independently, indicate that the measures already enacted by Volcker will cause a 15 percent recession in the U.S. economy, probably putting the United States into a recession twice as severe as that of 1974.

The computer-based analysis has been conducted for two cases. In the first case, the computer run assumed no increase in the average price of energy materials. The computer run showed

Figure 4.13 (A)

U.S. economy: effects of Federal Reserve credit policy

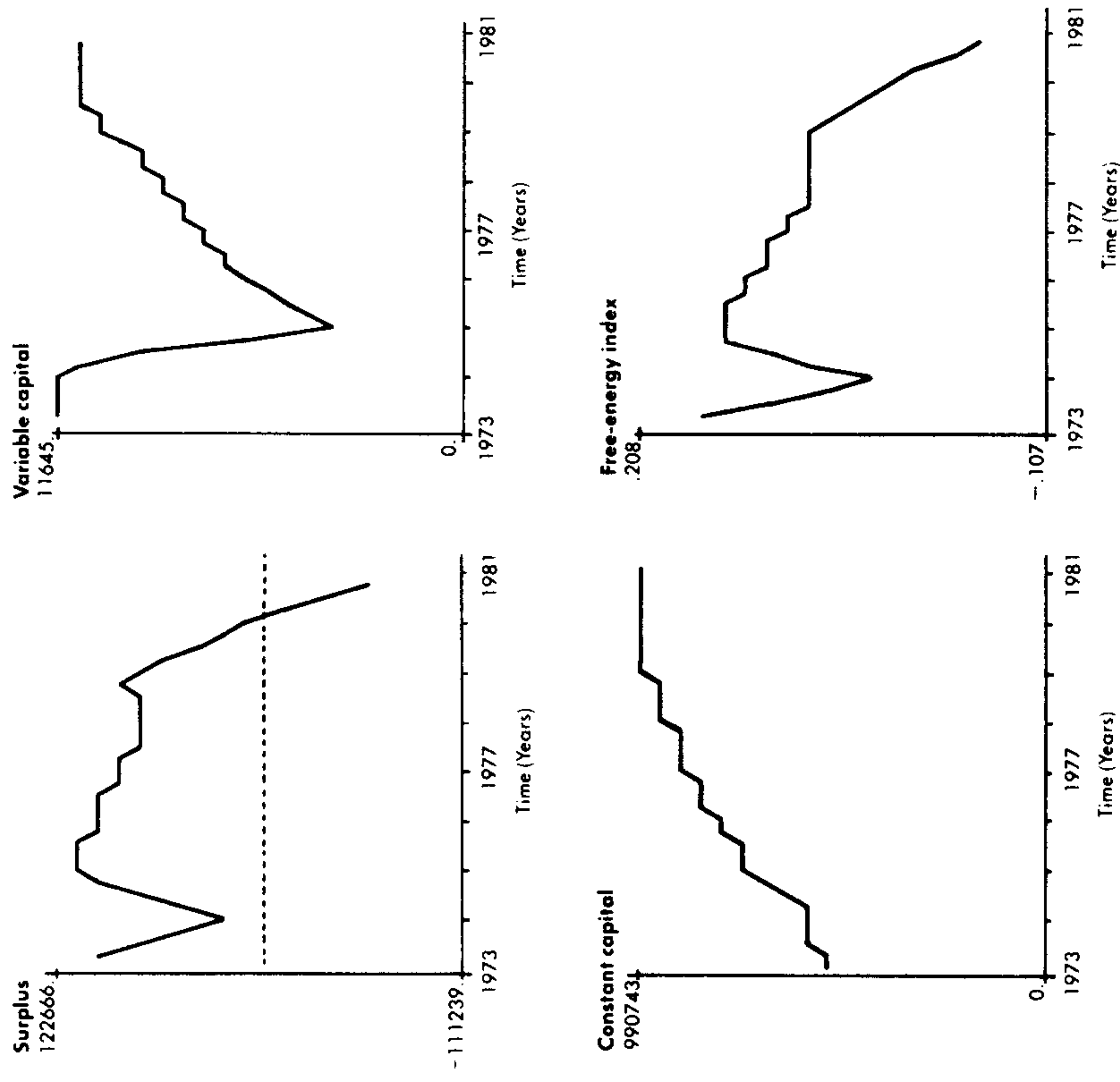


Surplus shows the total volume of tangible goods production available for investment the following year; variable capital is the total volume of tangible production required to employ goods-producing workforce; constant capital is the cost of maintaining productive facilities plus the cost of raw materials; free-energy index measures the economy's capacity to grow in the future (surplus divided by variable plus constant capital).

the 15 percent decline in the U.S. economy over the months immediately ahead. The second case took into account the estimated 15 percent further increase in the price of world-market petroleum expected to occur at the end of this year. That case would bring us close to a depression. If loose money measures were used by the Carter administration beginning next Spring, because of

Figure 4.13 (B)

U.S. economy: effects of Federal Reserve credit policy plus \$30 per barrel oil price



election-year considerations, the near-depression might be postponed, but at the price of pushing present 20 percent inflation rates up toward triple-digit inflation rates around the close of 1980.

Furthermore, the argument that Volcker's "fiscal austerity" will hinder inflation is a hoax. Although there might be some temporary leveling off of inflation-rates during the weeks just ahead, by about January 1980, Volcker's measures would begin to send inflation-rates spiraling upward again. This new spurt of inflation would be caused by the effort to offset higher borrowing costs for operating capital plus efforts to bring total income-

volumes of firms back above break-even levels under conditions of a substantially shrunken market.

There are two immediate measures which would ameliorate the present crisis. First, the U.S. gold reserves must be valued at an adjusted current world market value, a value to be negotiated with both the European Monetary System member-nations and the OPEC "petrodollar" holders. This would stabilize the value of the dollar and take the worst pressures off dollar liquidity. Second, the Federal Reserve must immediately implement the kind of selective credit-flow controls which Senator Sarbanes proposed. This would not solve our nation's problems, but would give us breathing-room for developing a comprehensive, long-term set of monetary and investment-incentive measures.

A depression is not necessary. Any official who adopts a policy of "controlled disintegration" of the United States economy is engaged in a treasonous undermining of our nation's overall security at this juncture.

It is time to cease playing political theater with the election campaign. It is time for the citizens to cease treating politics as a matter of attaching oneself to popular political actors in an electoral beauty-pageant, and to pay attention to the fundamental interests of our nation, especially to those vital interests which determine the condition of individual life and the kind of world and nation we work to leave to our posterity. It is time to force the impeachment of treasonous influences such as Paul Volcker.

Operation Juarez

Excerpts from a document issued by LaRouche on Aug. 2, 1982

2) A Three-Level Approach to Debt-Reorganization

If presently prevailing policies of the U.S.A. and Western Europe continue, it is presently just slightly less probable than certainty that there will be a general financial "crash" within the Bretton Woods system's remains during the month of September

1982. That is the prevailing opinion expressed by the highest financial circles in London and Switzerland. It would be technically conceivable that "papering-over" agreements could postpone the general financial crash into early 1983; however, that "papering-over" would require an active role by the London and Swiss gentlemen who are presently planning for the September crash.

This crash might be prevented. That prevention would require a profound shift in U.S.A. monetary policy executed during the present month. If President Ronald Reagan had considered such action earlier, he appears presently to have lost his nerve for any overt policy-shifts of importance prior to the November 1982 round of elections. Some shock of unusual force would be required to awaken the U.S.A. to the realities of the world situation.

On performance to date, the Reagan administration confuses "public opinion" for scientific objectivity, avoidance of unpleasant facts as intellectual courage, and stubborn adherence even to proven follies as firmness of leadership. There is a certain goodness manifest in the President and some of his immediate circle, but nothing of Solon, Alexander the Great, Cardinal Richelieu, or even Franklin D. Roosevelt. Yet, were Reagan to be lost at this moment, the only visible alternatives would be disastrous. Only some shock awakening the present, personally limited President to a sense of reality, could probably bring the U.S.A. to its senses in time.

At the present moment, there are principally two "scenarios" for an Autumn-Winter 1982 worldwide financial crash. The first of these scenarios implies a depression far worse than that of the 1931-1933 period. To find a precedent for the consequences of the second, we must look back in European history to the fourteenth century.

The first scenario involves a possible technical default in Eastern Europe debts, combined with certainty of a chain-reaction collapse within the totality of Third World debt. Such defaults, prompted chiefly by the continuation of the monetarist policies of the U.S. Federal Reserve System, will bring down large chunks of the highly irregular, \$1.8 trillions "Eurodollar market" and will strike most powerfully against the rotted-out U.S.A. banking system.

The case of the Ibero-American external debt exemplifies an



LaRouche's "Operation Juárez" proposal is now the central agenda item for governments throughout Ibero-America.

important aspect of the problem. We have a debt in the order of approximately one-quarter trillion dollars' denomination. As a result of a continued downward-spiraling in world-trade levels, and depression of raw-materials prices, all compounded by highly artificial, externally imposed currency-devaluations, it is certain, under current international monetary policies, that the entire Ibero-American external debt collapses into general default during the months immediately ahead. Not one Ibero-American nation could survive twelve months of continuation of present trends. Only fearful, wishful thinking could prompt any government of such a nation to imagine a prettier picture ahead.

Those U.S.A. commercial-banking institutions heavily engaged in international markets are heavily exposed to both the petrodollar flows and to the Ibero-American debt. Meanwhile, in respect to the U.S. banking system's domestic-U.S.A. positions, their liquidity-rates are already catastrophic. They could not survive, on their own power, any significant blow against their positions. A sudden draw-down of petrodollar deposits would threaten to collapse every major New York City commercial bank excepting possibly Morgan Guaranty. A shock to the structure of the Ibero-American debt, would certainly start a chain-reaction of consolidating loan-positions, starting a financial crash in the internal U.S.A. as a whole. A combined Ibero-American debt-crisis and petrodollar withdrawals, occurring in the context of a Eurodollar market crisis, would mean presently, a general collapse of the financial system of the United States of America.

Among leading European and some U.S.A. circles, it is presently intended that the projected financial crash will be employed as a pretext for putting the U.S.A. itself under "conditionalities" dictatorship of a radically reformed International Monetary Fund. Formal signature to agreements giving such new powers to the IMF, is currently scheduled to be made during September. Signature to proposed agreements would, if tolerated, sweep away the sovereignty of every nation within the IMF system, at a single stroke of the pen of the signators. . . .

NATO 'Out-of-Area Deployments'

That is not yet the worst of it all. One must look behind the British success in pushing the "out-of-area deployments" policy through NATO. One must know what this really means.

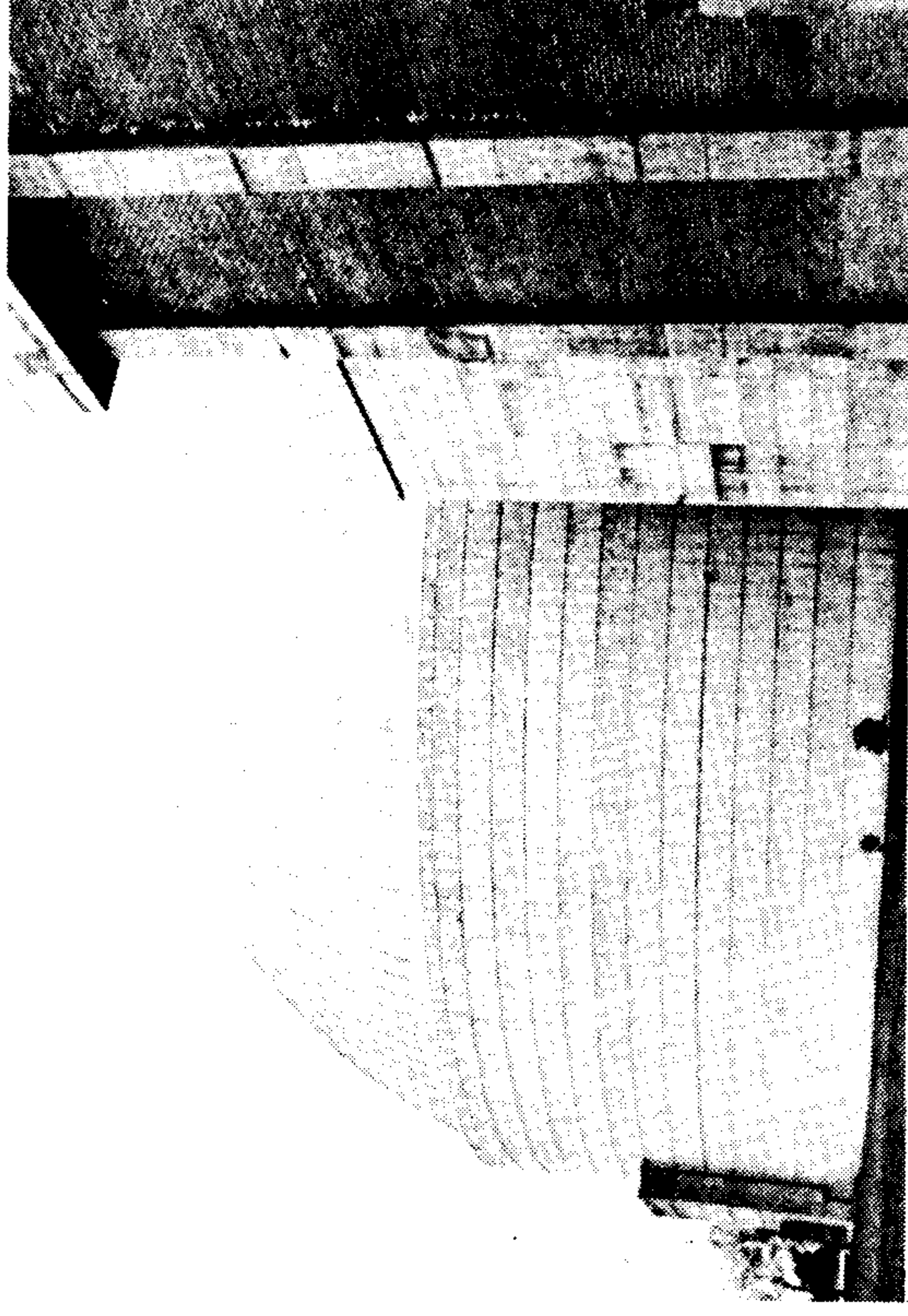
Most simply, the NATO "out-of-area deployments" policy is a rallying-point for NATO warfare against the developing-sector nations generally. The key to this policy is the Club of Rome's neo-Malthusianism, and kindred genocidal doctrines, such as Chatham House's "Year 2000," the Carter Administration's Global 2000 and Global Futures, and the "Brandt Commission Report," among many others.

The combined forces of the northern-tier and southern-tier European black-oligarchical "families," for which Lord Carrington represents the British Commonwealth element, is committed to a general destruction of both the nation-state institution and institutions of technological progress worldwide. The policy-objective of these forces is best described as "Malthusian world-federalism."

The object is to destroy all existing nation-states, on every continent of the world, through a combination of monetary and economic devolution and a proliferation of tribalist and other "separatist" insurrectionary and terrorist movements. It is indeed, as the Kissinger-sponsored Bernard Lewis Plan projects for the "Arc of Crisis" region, to break up existing nations into regional confederations of semi-autonomous "tribalist," "ethnic," "religious," "cultural," microentities. The regional over-government of each region is to be brought together with similar regional over-governments of various parts of the world, to create a world-federalist government on the basis of the United Nations Organization (an organization whose principal permanent organizations are already under long-standing British secret intelligence control). The UNO, overlapping supranational monetary and military institutions, is to become a world-dictatorship—all this intended to be more or less fully established by the close of the present century.

Since such devolution means a sharp reduction in the potential relative population-density of the world, a savage and rapidly accelerating reduction of the "non-Anglo-Saxon populations" of the world is intended to be launched during the 1980s, and more or less accomplished by the early decades of the next century.

Under the new, Malthusian world-federalist order, world-rule is to be secured forever in the hands of a supranational cabal of oligarchical rentier-financier "families." These include the Venetian-centered black-oligarchical families, such as the old aris-



The Atucha nuclear power plant in Argentina. Nuclear energy is essential for the future development of a unified Ibero-American continent.

tocratic families of the Austro-Hungarian Empire, of Bavaria, the French Orleanists, the Swiss Protestant oligarchical families (Schlumberger, de Neufelize, Mallet, et al.), the Anglo-Dutch Scandinavian oligarchical families, the Braganzas of Portugal and Brazil, and such colonial additions as the Morgans, Moores, and Harrimans of the U.S.A.

Let there be no protests of "I can't believe that!" on this point. The documentation on the Harriman family's support for both Mussolini and Hitler is massive and conclusive. Moreover, W. Averell Harriman and his family, led by his mother, supported Hitler in 1932, on the basis of Hitler's "racial purification" doctrines, explicitly. The Harriman family, and the Harriman-Morgan, New York City American Museum of Natural History, have been and continue to be in the forefront of demanding genocide against the populations of developing nations. Not only do they advocate such policies, but they are typical of the major forces, within the leadership of both the Republican and Democratic parties, who are pushing vigorously for immediate actions to unleash genocide in Asia, Africa, and Ibero-America.

Although these are the forces behind the birth-control campaigns of earlier decades, these "eugenicists" are not so ignorant

of demographics, that they believe they can substantially reduce populations within a span of two or three decades by birth-control methods. These birth-control campaigns were merely a political-psychological conditioning-process, to "soften up" populations for toleration of the real measures the Harrimans, et al. are pushing forward presently: accelerate the death-rates.

The general methods of decimating the populations of Asia, Africa and Ibero-America, all fall under the heading of "unleashing the Four Horsemen of the Apocalypse." There are three principal classes of such operations: 1) Financial and economic warfare against the economies of targeted nations, such as IMF and World Bank "conditionalities"; 2) Wars, insurrections, and other forms of "destabilization" of both governments and economies, to promote preconditions for famines and epidemics; 3) Direct mass-murder, such as that being unleashed now by the "Pol Pot" of Guatemala, Rios Montt.

If we reduce the potential relative population-density of a nation or entire region of the world below the existing levels of population, then famine and epidemic, by themselves, will reduce the level of actual population to a plateau significantly less than the reduced potential relative population-density.

If we add to this the introduction of homicidal varieties of religious cults, such as the homicidal cults of the fanatical irrationalist Khomeini or Rios Montt, or the quasi-religious cult of Kampuchea's Pol Pot, ruinous economic and social conditions will unleash that cult-force as a force for massive genocide, lowering the population levels way below the potential relative population-density.

These are not only scientific facts of demography; this is the conscious intent of the forces behind IMF, World Bank, Paris Club, GATT, and Bank for International Settlements' "conditionalities" . . .

Collective Negotiation of Debt-Reorganization

During 1266-1268 A.D., the evil forces behind the Inquisition, the Venetian oligarchical families, defeated the forces of the Stauffer in Italy, and forced the abdication of Friedrich II's cousin, Castille's Alfonso el Sabio. A flood of usury and pseudo-Christian cults was unleashed upon Western Europe by the Inquisition's victory. Lombard usurers, typified by the evil banking-houses of

the Bardi and Peruzzi, piled monstrously refinanced debts upon the monarchs and lesser feudatories of Christendom.

To pay their debts to the Lombard usurers, the feudal debtors slashed the holidays of their serfs, forcing a reduced number of serfs to till an increased per-capita acreage. Labor on the feudal lord's portion was increased, looting of the peasantry became increasingly ingenious, increasingly wicked, increasingly savage. IMF and World Bank "conditionalities" prevailed.

To pay the debts to the Lombard usurers, desperate feudal lords looted their feudal neighbors, financing these wars by borrowing, at usurious rates from the Lombards.

Intensification of labor on estates led to neglect of improvements of land. Periodic famines erupted, and accumulations of wealth in forms of inventories, of improvements of land, and of livestock, were depleted. The per-hectare productivity fell. Famines increased, nurturing epidemics.

Large portions of the population were driven into vagabondage and banditry. The cathedral towns shrank into ghost-towns. During the hundred years following the defeat of the Stauffer, half of the parishes of Christendom vanished, and half the level of the population. England's and other debt-ridden potentates sovereignly repudiated their debts; the Bardi and Peruzzi were wiped out. The debt-repudiation came too late; the Black Death was already being borne upon the ruined, depleted populations by the rat, from the depredations of the Mongol holocaust to the East.

Europe sank into what has been frequently described as a "New Dark Age," from which only the fifteenth-century Golden Renaissance saved European civilization.

Today, as during the fourteenth century, the collective bankruptcy of the debtors becomes the extinction of the creditors. We must put this hard-gained lesson from history to present use.

Unless the bankers of the United States of America are collectively insane or babbling imbeciles, they will joyously embrace a proper proposal for collective financial reorganization of the Ibero-American debt. However, they will probably resist such a proposal to the teeth unless it is made by collective action of several prominent nations of Ibero-America in concert.

We now examine, one by one, the key aspects of such a debt-reorganization negotiation.

To put our minds into the proper frame of reference, we begin

by noting to what degrees the financial reorganization of a nation does and does not parallel the financial reorganization of a large industrial enterprise.

In the case, a large industrial enterprise become technically illiquid because of inability to carry currently contracted debt-service payments, and that enterprise is economically viable, it is in the interest of the creditors to provide generous terms of debt-rescheduling, plus new lines of medium- to long-term credit for that enterprise.

Among such classes of cases, we have two general categories of debt-reorganization problems. In one instance, the operating policies of the enterprise leave nothing important to be desired; the illiquidity was caused either by a special circumstance beyond the firm's control (such as a recession in the economy), or by poor terms of financing. In the second instance, the essential viability of the enterprise can not be realized without rather significant changes in operating policies of practice.

We have another sort of case of corporate bankruptcy, in which the enterprise is not economically viable by any reasonable standard of competitive viability. In such a case, we minimize losses to all concerned by mercifully putting the firm out of existence as quickly as possible.

The difference is, no matter how lacking in economic viability a nation may be, unless we are Adolf Hitlers, we never put a nation out of business "mercifully." No matter how bankrupt a nation may be, we are morally obliged, under any and all circumstances, to make it economically viable at whatever cost.

In the first kind of financial reorganization, in which the economic policies require no significant alteration, the firm's financial management may have committed several varieties of error. It may have used too much medium-term borrowing to cover long-term investments, or short-term borrowing to cover medium- or long-term investments. If an investment begins to reach profitable maturity at about seven years of development, financing the investment over a three-year term can be disastrous. Or, the firm may have borrowed for things it should not have borrowed for, which have no proper bearing upon its economic operations—such as outside investments in real-estate or something else, as investments for its financial portfolio. Or, creditors may have been in a position to force upon the firm unconscionable conditions. Or, a foolish government may have permitted cut-

throat varieties of competition or foreign dumping, forcing the firm to sell a competitively-produced product below its cost of production. Or, a foolish government may have permitted a recession or depression to occur.

In such cases, it is sufficient to rewrite a new series of debts, and debt-payment schedules, to replace the previously-existing debts and payment schedules. The new issues of debt replace, or "buy up" the old.

We take the same approach to debt-rescheduling in the second variety of case. However, before we can determine what will be a feasible schedule of debt-repayments, we must design a new program of investments and operating policies for the enterprise. The reasonable performance of the enterprise under that new investment and operating program informs us what a reasonable debt-payment schedule would be. We design the debt repayment schedule accordingly.

In the case of a nation which appears technically an unsalvageable "firm," we follow the same procedure as in the second case, except that "common sense" may recommend to us that a great portion of the debt were better simply written off—a common condition among "least-developed nations" today.

In negotiations of such matters, we must be guided by an eye to the principle of equity. In much of the post-1974 period, the condition of finances of developing nations would not have occurred but for the virtual thuggery of Henry A. Kissinger and others, in enforcing the irresponsible and incompetent policies resolved at the 1975 Rambouillet conference and subsequent such conferences. Many of the debtor-nations were forced into refinancing debts at immorally usurious rates, and with other lunatic arrangements, at the point of a gun—sometimes, quite literally, Kissinger's guns. Such features of the carried-forward debt of nations can not be considered exactly a debt contracted in good faith. If there are any complaints of losses from debt-renegotiation among creditors, appropriate reference should be made to the injury to the debtors imposed by the wicked Kissinger and others, at Rambouillet and in related conspiracies.

The commercial banks of the U.S.A. (for example), heavily exposed in Ibero-American debts, are frequently on the verge of technical bankruptcy themselves, because of margins of debt in their portfolios which are already or imminently in default. We propose to them, to help to save them from bankruptcy, if they

will only be collectively reasonable, with suitable help from their federal government.

We propose to establish a mutually agreed cut-off date for further accruals of existing contracts of indebtedness of Ibero-American republics. After that date, no further interest-payments will accrue on those contracts. Effective that same date, each of the debtor-nations will deliver to the creditor-banks a portfolio of bonds equivalent in total value to the accrued value of the previous debt-contracts up to the cut-off date. The old debt is thus "sold" for the new debt.

Naturally, it is not quite so simple as that, but that is the crux of the matter.

The portfolio of bonds delivered by each debtor to each creditor will have the following most notable features.

1. The interest-rates on the bonds will be nominal, approximately 2 percent per annum.
2. The final date of payment of principal on the total indebtedness will be significantly later than the schedule indicated by the canceled contracts.
3. In some cases, there will be a period of grace, before payments mature—a deferred-payment provision.
4. Maturities of debt-payment will be determined by maturity-dates of each of a series of bonds issued.

Unfortunately, more or less inevitably, some among the bankers of lesser intelligence will howl with protest: "We are being cheated out of the interest-income we would have received under the old contracts." Such imbecilic gentlemen need to have matters explained to them in very basic terms: "Try to collect the old contracts, and you force us to default, in which case your banks cease to exist." The advantages of the new arrangement may then begin to be apparent even to the most stupid among New York bankers.

There are other important advantages, which require explanation here. We identify some of these advantages first, and explain how these advantages are developed in a later part of our analysis of this matter.

The new bonds will have low yield, but they will be discountable for certain categories of issuance of new medium-term to long-term loans. The new bonds will be a negotiable asset in

that way, and should be a very high-grade variety of asset for these bankers, provided they behave sensibly.

Through a combination of debt-rescheduling and correlated economic measures, the bankers involved will have a very important market for new lending on very sound terms throughout much of Ibero-America. This lending may not be significantly profitable in terms of income on the loans themselves; however, this lending will be very rewarding to the banks' clients among U.S.A. capital-goods exporters, and, consequently, to the banks themselves.

Unfortunately, the rotted condition of both the U.S. dollar and the commercial banks is so advanced, that the commercial banks could not dispose of such a debt-reorganization by their own independent resources. If the problem were merely need for debt-reorganization in foreign accounts of those banks, what is proposed could be accomplished through negotiations with them. What is proposed would work to the advantage of the banks and the U.S.A., as well as Ibero-American republics, but this would require coordinated implementation of an already overdue monetary and banking reorganization in the United States.

We are not insisting that acceptance of these proposals by the United States, is the only hope for the Ibero-American economies. It is the best alternative to be considered, and by a wide margin. Were the U.S.A. to refuse, for a period of time, the tasks of Ibero-American republics would be much more difficult tasks, but the alternatives are both workable and indispensable. Moreover, as we shall show, the steps to be taken by those republics toward bringing about successful negotiation with the United States are the same steps to be followed should the U.S. refuse that proposed debt reorganization. . . .

Ibero-American Monetary Order

In any case, the cooperating republics of Ibero-America, must each and collectively effect reforms of their credit, currency and banking institutions identical in principle with what has been projected for the United States of America.

All that we have said respecting proper practices of the U.S.A. apply to each and every case in Ibero-America, including:

1. In no republic must any other issues of credit be permitted,

as a matter of a punishable violation of the law against immoral usury, excepting: (a) Deferred-payment credit between buyers and sellers of goods and services; (b) banking loans against combined lawful currency and bullion on deposit in a lawful manner; (c) loan of issues of credit created in the form of issues of national currency-notes of the treasury of the national government.

2. Loan of government-created credit (currency-notes) must be directed to those forms of investment which promote technological progress in realizing the fullest potentials for applying otherwise idled capital-goods, otherwise idled goods-producing capacities, and otherwise idled productive labor, to produce goods or to develop the basic economic infrastructure needed for maintenance and development of production and physical distribution of goods. This is, at once, an anti-inflationary policy, and also a steering of limited national resources into those choices of governmental and private-entrepreneurial ventures most beneficial to the nation as a whole.

3. In each republic, there must be a state-owned national bank, which rejects in its lawfully permitted functions those private-banking features of central banking associated with the Bank of England and the misguided practices of the U.S.A.'s Federal Reserve System over the period from the latter's establishment into the present date of writing.

4. No lending institution shall exist within the nation except as they are subject to standards of practice and auditing by the treasury of the government and auditors of the national bank. No foreign financial institution shall be permitted to do business within the republic unless its international operations meet lawful requirements for standards of reserves and proper banking-practices under the laws of the republic, as this shall be periodically determined by proper audit ("transparency" of foreign lending institutions).

5. The treasury and national bank, as a partnership, have continual authority to administer capital-controls and exchange-controls, and to assist this function by means of licensing of individual import-licenses and export-licenses, and to regulate negotiations of loans taken from foreign sources.

Admittedly, the great problem in administering governmental functions of auditing, export-import controls, capital controls, exchange controls, is corruption of governmental officials. Not

astonishingly, the more elaborate the bureaucratic procedures employed in the intent to discourage corruption, the greater the incentive for corruption becomes. Sooner or later, a frustrated applicant will reflect on the point, that perhaps some official has a friend of a friend of a friend.

The effective control of such problems lies not in investigating each matter case by case, but, directly the opposite, by considering the pattern of decisions shown on the record, the pattern of choices of favorable administrative decisions in respect to the total population of cases for such decisions. The problem faced by this approach to anti-corruption enforcement is often the indignant official's retort, "prove one case in which I have been corrupted, and naturally I shall resign immediately," and so forth and so on. The policy ought to be that an official in such areas is judged on performance by the pattern of his decision-making, not on the basis of a case-by-case examination of his decisions.

The problem becomes acute, if the government itself has no clear policy—no clear, dirigistic policy. Then, in such case, by what criteria as to pattern of decisions can an official be judged? If a function operates under clear, dirigistic economic objectives as to quantified priorities of nationaleconomic development, then the officials of that function are to be judged as they attempt to fulfill such objectives in their overall performance. They expedite what known national, dirigistic policies inform them must be expedited preferentially, and give lesser priority to those matters of decision which are low on national-economic dirigistic priorities. There is no greater root of corruption of governmental officials than a lack of dirigism in national-economic policy.

6). The policies of taxation of the national government must be designed to expropriate ground-rent and usury income, to foster well-being of households, and to give preferential treatment to those classes of ventures which are established to be in the relatively greater national interest. Economic-development policies must inform taxation policies.

7. In a number of instances, it is simply desirable, or even indispensable, that a severe currency-reform be implemented immediately.

Tax-evasion and the related problems of "black economy" are endemic problems of nations today. The curse of Italy, for example, is that more than one-quarter of its national income is

sequestered in a black economy. Ibero-America suffers infection with the same disease; the "black economy" of the U.S.A. is greater in size than the entire national income of numerous nations.

This problem was addressed in a book written by this writer during 1980, *A Gaullist Solution for Italy's Monetary Crisis*. The proper execution of a currency-reform—the purchase of old lawful currency with new—can demolish as "black economy" in the process. The essential thing, is that the amount of currency presented for purchase by residents or foreigners must be not in excess of an amount they might have accumulated lawfully without practices of tax-evasion or violation of capital-controls, exchange-controls, and import-export licensing. Often, the holder of "black economy" gains would prefer burning the old money, rather than having it largely confiscated, and himself sequestered in prison for offenses against the law.

Such a currency-reform cleans up the condition of a currency, and also provides the government and national bank with an indispensable audit of the republic's direct and implicit currency-related obligations, domestic and foreign. It provides, at the same time, an improved accounting of the roster of proper taxpayers, and better estimates of the amount of tax-liability those taxpayers represent.

A currency-reform is a necessary measure in the worse cases of inflation; it serves as one of the indispensable weapons needed to bring inflation under control.

8. Sovereign valuation of the foreign exchange value of a nation's currency must be established for Ibero-American nations. The first approximation of the value of a nation's currency is the purchasing-power of that currency within the internal economy of that nation. What are the prices of domestically produced goods and services, relative to the prices of the same quality of goods and services in other nations. The emphasis must be upon domestically produced categories, almost exclusively, at least for first approximation.

By this standard, many Ibero-American currencies are presently monstrously undervalued. The result of artificially depressed valuations of national currency, is that the nation is being massively, savagely looted by foreigners, especially foreign debt-holders.

The determination of exchange-rates by the IMF, etc., has

often represented, during recent years especially, nothing more nor less than pure and simple theft, on a massive scale, by foreign lending institutions and others.

This commonplace swindle of developing nations is premised on the fallacious argument, that the value of a currency in international markets must be determined by "supply and demand" for that currency, rather than the intrinsic value of that currency as a medium of purchase of domestically produced goods and services in its country of origin. By manipulating international exchange-markets, to artificially rig "supply and demand" in a currency, a "case" for devaluation is presented as a demand upon the targeted victim-nation.

How much less domestic purchasing power does the Mexican peso have today, at one-third its nominal exchange-rate valuation, than a short time ago, at 24 pesos to the U.S. dollar? The devaluation has been outright swindle of the nation and people of Mexico, almost at the point of a gun.

An Ibero-American 'Common Market'

We propose that, within the Organization of American States, such republics as may choose to do so, should form an Ibero-American "common market." This "common market" would be based chiefly upon these institutional features:

1. Bringing their respective, internal institutions of credit, currency, and banking into order, as specified here, earlier.
2. Establishing a common banking institution to facilitate exchange of credit, currency and trade among them, and as an institution of common defense of the financial and economic interests of the member-nations and the continent as a whole.
3. To make more effective use of the limited resources at their common disposal, to the equitable advantage of each and all.

Taken as a whole, Ibero-America represents a spectrum of existing and potentially existing capabilities of natural resources, agriculture, capital-goods industries, and other economic resources. What is not immediately at the disposal of the republics taken individually, is in large part at the disposal of those republics taken as a whole. Given the limited means for creating technologically advanced industries of each and all, the attempt

of the republics to meet their needs in parallel represents a costly duplication of investment, by comparison with the better use of limited resources if a rational division of labor were to be developed among those republics.

What is required is: 1) Agreement to prefer trade within the community, rather than trade without it; 2) Medium-term and long-term trading agreements, through which it will specialize for export to members of the community, thus assuring a medium-to-long-term market for products of this sort, are intended to foster the most efficient use of the limited capital and credit available to each and all. 3) Fair-pricing agreements, combined with cohering tariff agreements, which have the effect of establishing a customs union among the members of the agreement.

If a sufficient portion of the Ibero-American nations enter into such an agreement, *the result is the assembly of one of the most powerful economies in the world from an array of individually weak powers.*

Although the proposed customs union would develop quickly some of the same advantages as the European Common Market enjoyed prior to the electoral defeat of President Valéry Giscard d'Estaing, the proposed customs union is not modeled on the principles of design which informed the European market.

That Common Market was based upon British-style central banking of the member nations, and was integrated with Switzerland's banking in a most highly significant manner. The included objective, although not the objective of President de Gaulle, was the dissolution of the sovereignties of the member-nations, by aid of such institutions as the European Parliament and NATO. These features and included tendencies of the European Common Market are abhorrent.

The keystone institutions of the proposed customs union is the inter-republic bank. This bank is established by treaty, to function as the common facility of the national banks of the participating sovereign republics. Its functions are, categorically, inclusively, these:

1. Inter-Republic Banking Functions

- (a) To serve as a central clearing-bank among the participating republics' national banks.
- (b) To mediate exchange of credit and currency among the national banks.

(c) To act as a clearing institution for settlement of multinational agreements among members respecting tariffs and trade.

2. Monetary Functions More Generally

To facilitate maintenance of parity of exchange-values among the currencies of the member republics, and to defend those currencies as a bloc against external manipulations.

3. A Development Bank (Investment Bank)

The bank serves as a coordinating agency for planning investments and trade-expansion among the member-republics. To aid in implementation of such agreements, the bank coordinates the mobilization of money-capital needed to ensure that all aspects of the agreed programs are adequately supplied with investment-development capital.

There are two principal sources of money-capital for expansion: intra-system, and foreign.

We have specified a monopoly for creation of money-credit by sovereign governments, denying this power (e.g., outlawing the "Keynesian multiplier") to any private agency. We have thus ensured that the otherwise idled, salable goods, goods-producing capacity, and labor of each and all nations shall be adequately employed, insofar as performance-worthy borrowers-entrepreneurs are willing to borrow at low interest-rates, to put those idle resources to work in a manner consistent with national priorities for categories of development.

The establishment of a customs union of the type proposed, means that the currency-notes of each republic can be issued as medium-term to long-term capital-goods export-loans-capital to fund exports of its capital-goods production within the customs union. We have eliminated the need for a third-party lender among those republics. We have established a greatly enlarged autarkical development-potential among the members of the customs union.

This system of intra-bloc medium-term to long-term capital-goods-export lending will operate soundly, on condition that the payments for such loans are predefined in terms of the importing nation's repayment through earnings from its own capital-goods or other exports within the bloc. There is, therefore, an underlying, medium-term to long-term barter basis for these agreements.

Furthermore, for this and related reasons, it is desirable that the member-republics should prefer to purchase their imports from within the bloc, rather than from without it. A sharp and growing reduction in relative columns of imports from outside the bloc should occur relative to existing categories of imports. The extra-bloc purchasing and borrowing potential of the bloc's member-republics should be concentrated for purchases of high-technology capital goods.

This is not a dilution of the sovereignty of the member-republics. In negotiations for lines of medium-term to long-term credit, to implement multi-member-republic projects, the representatives of each republic will negotiate sovereignly, but with backing from the common banking institution, and thus, implicit backing from other member-republics of the bloc.

However, respecting financial relations within nations outside the bloc, the sovereign member-republics seek to negotiate loans for capital-goods through the facilities of the common bank, and to clear payments against such loans through that same common bank. This strengthens the bank's power to maintain a common defense of the currencies and credit of the member-republics. Not only are the members better defended, but the creditworthiness of each nation is increased; the creditworthiness of each and every nation of the customs union is greater than it could be outside that customs union.

To aid this, a common currency of account should be established for the customs union. Loans negotiated through the common bank will be denominated for payment in this common currency of account.

However, the bank will not be responsible for the debt of sovereign republics. Rather, the sovereign republic will settle its debt through its account with that common bank, and will settle in denominations of the common currency of account.

This bank will soon become one of the most powerful financial institutions in the world, especially in the opinion of capital-goods exporting nations.

BROADCASTS FROM LAROUCHE'S 1984 PRESIDENTIAL CAMPAIGN

Stopping the Worldwide Economic Collapse

Feb. 4, 1984

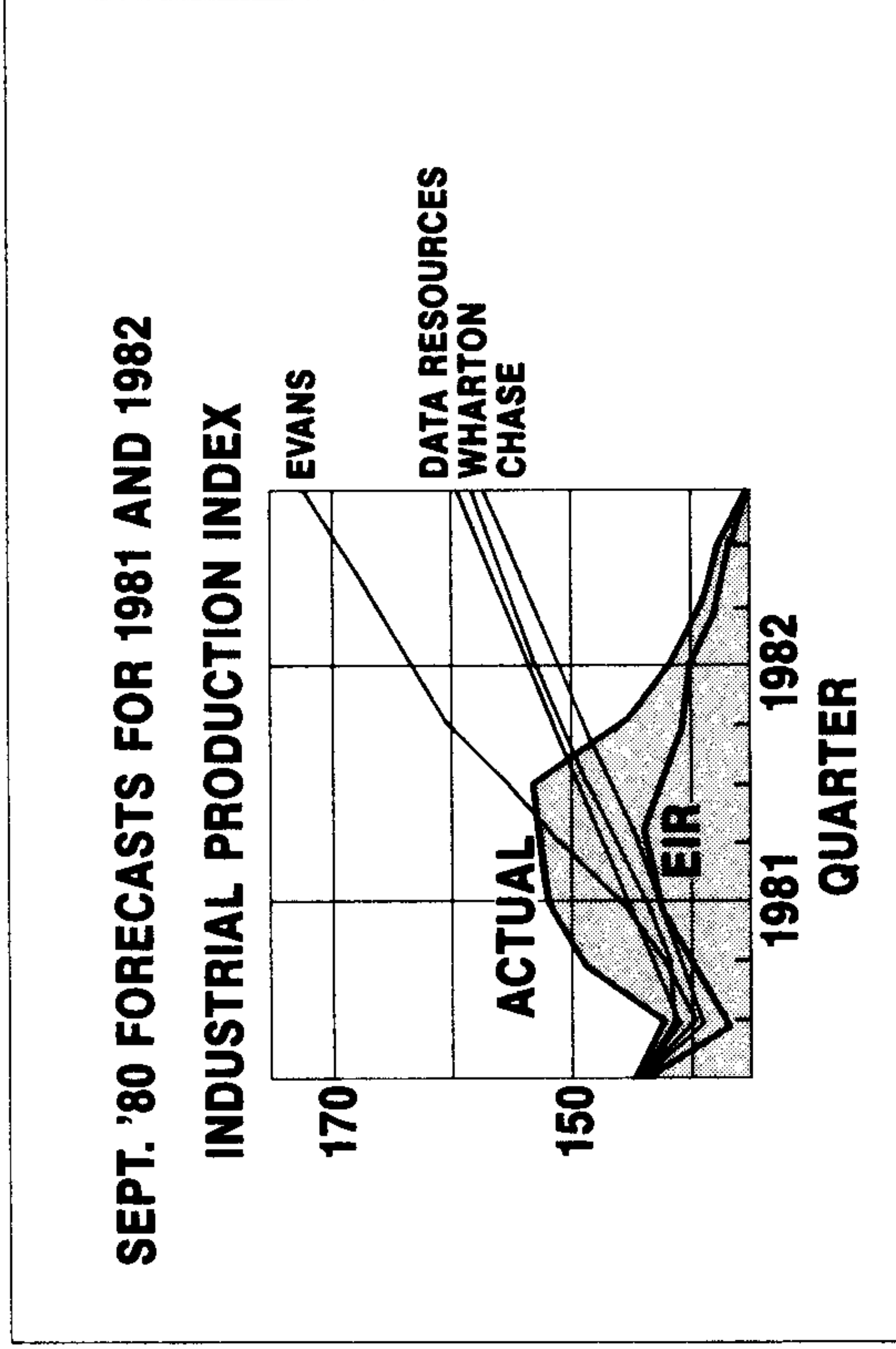
... This afternoon, I want to report to you some of the highlights of a disastrous situation in our nation's economy. What I shall report to you will contradict directly what the President said to the nation in the State of the Union address on January 25. While I have not had the opportunity to discuss this matter with the President, I have excellent reasons to believe that he has not intended to mislead you; he has simply accepted in good faith a mass of deliberately falsified statistics concocted by the Federal Reserve and the Bureau of Labor Statistics.

Since what I say will directly contradict what our President so far believes to be the truth about our economy, I should give you an indication of the authority for what I say before I turn your attention to some of the charts and tables prepared by my staff.

First, as many of you perhaps already know, I am an economist as well as an editor by profession. Beginning November 1979, the international newsweekly with which I am associated, the *Executive Intelligence Review* (sometimes called *EIR*) has published a regular quarterly forecast for the U.S. economy. Since the period our general forecast has been published, it has been consistently the most accurate ever published by any agency. During the same period, the official quarterly forecasts of the U.S. government have been consistently wrong, and all the major competing private forecasts have usually been wildly off the mark. The chart on your television screen now shows a comparison between our forecast's performance and some of the leading private forecasts of our competition (Figure 4.14).

At the end of the first quarter of 1983, we were shocked to notice that both the Federal Reserve and Bureau of Labor Statistics were faking the figures for both industrial output and for unemployment by very wide margins. Later, we discovered also

Figure 4.14



that the reported rate of inflation was being faked as well. It was being faked as much as three times—that is, the rate of inflation during 1983 was about three times as much as the government has reported to you. During early 1983, we saw that the Bureau of Labor Statistics was faking unemployment figures by about one million, by the simple trick of dropping from the labor-force statistics about one million persons whose unemployment benefits had run out.

By the summer of 1983, the fakery by the Federal Reserve was really becoming awful. We attempted to warn the Reagan administration of those efforts to hoodwink it, but apparently we were unsuccessful in our attempts to get the facts into the Oval Office. We investigated the way in which the Fed was faking its recovery reports, and talked about some of these problems with economists and business-association specialists who had similar complaints against Fed fakery. Here are a few examples of what they said to us:

A statistician for a transportation association said to us:

I'm not surprised about what you say about the Fed Index and the CPI [Consumer Price Index]. We never use

them. We look at the PPI [Producer Price Index] for comparative purposes, but we don't use that either, because there's lots of distortion there.

A statistician for a Federal agency complained:

I ran into that problem with the Fed Index when I used it for autos produced from 1968 to 1976. We got badly stung in our results.

An economist for a major association told us:

There is no way to reconcile our figures with the Fed or the BLS [Bureau of Labor Statistics]. . . . We represent over 90 percent of our industry, so we have the actual figures.

A Federal economist warned us:

You're checking the Fed Index? Don't bother. All you'll find is lies.

We also checked with some key officials at the Federal Reserve itself, to get their side of the story. Mary Hilliard, a Federal Industrial Index economist, was infuriated by the mere fact that we were investigating the Fed's work. So she said to us:

If we gave you the equations, you could calculate them [PAFs], but I will not release them. You'd better drop it [the investigation] before I get angry with you. You've already made several people around here very angry, asking about this.

We had two conversations with the boss, the Fed's Associate Director for Research and Statistics. In the first of these conversations, Mr. Helmut Wendel said to us:

I told Mary Hilliard not to release the extrapolation equations for the Production Adjustment Factor to you, because they really don't work. Most of what goes into the PAFs is judgmental. The reason we don't release them

is that other people would use them, but no one would ever get the results we get. . . . They would predict [the Index] wrong, and get mad at us.

In the second conversation, he said to us, telling us a few facts about the way Fed upswing reports were being faked:

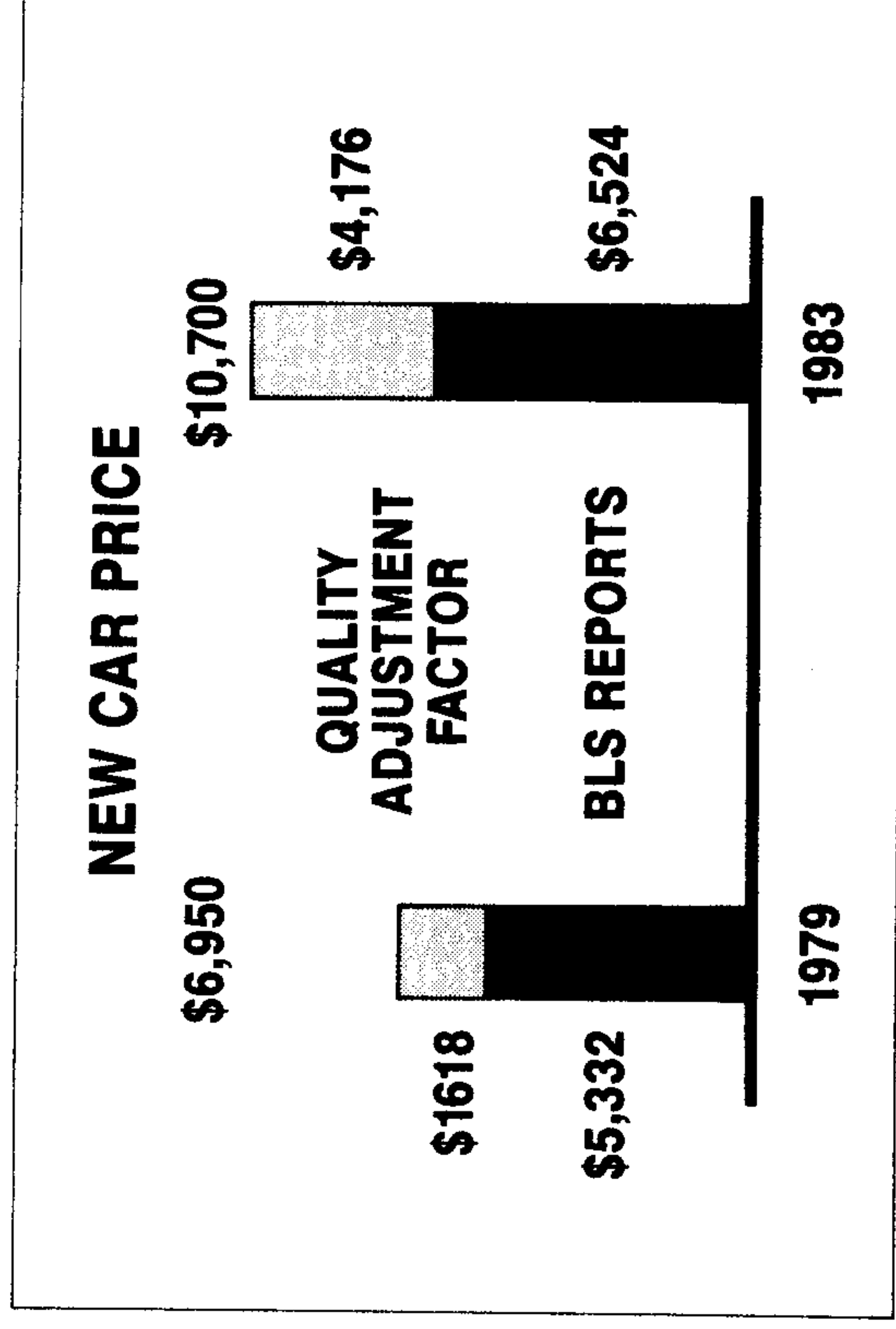
We assume that since it's a recovery, production per manhour must be rising. . . . So, we add 3 percent for productivity. Then we have 3 percent plus 6 percent (for manhours), equals a 9 percent annual rate of growth in machine-tools. But then somebody might say 'orders are down for machine tools,' so we decrease it to 7.5 percent.

In fact, contrary to what Mr. Wendel said, spokesmen for the machine-tool industry report that the machine-tool industry is collapsing at a rate that means the United States will no longer have a machine-tool sector by about a year or so. In fact, during 1983 the levels of activity of the machine-tool industry fell below the threshold level at which existing government law should oblige our government to step in to rescue the industry from collapse.

Overall, the output of useful physical goods in the United States fell about 4 percent below 1982 levels during the twelve months of 1983. It's true that a flow of low-priced credit did uplift the automobile sales by increasing the ability for people to borrow money, for them to buy autos, and this increased auto sales significantly during 1983. There was also a spurt in prefabricated housing; but, the net effect of rising sales in auto and housing, combined with continued collapse of the farm sector and continued collapse of other industrial sectors, brought the 1983 physical-output levels for the economy as a whole about 4 percent below 1982 levels.

A significant lowering of interest-rates during most of 1983, combined with a flight of foreign capital into the United States, running away from Europe and running away from the Third World, did ease the tight-money situation during 1983 relative to 1982. This also sparked an increase in the apparent money-value of the Gross National Product overall. And this softened the blow of continued collapse in the goods-producing sector in the economy as a whole. For these reasons, despite the continued depression in the economy as a whole, in the goods-producing

Figure 4.15



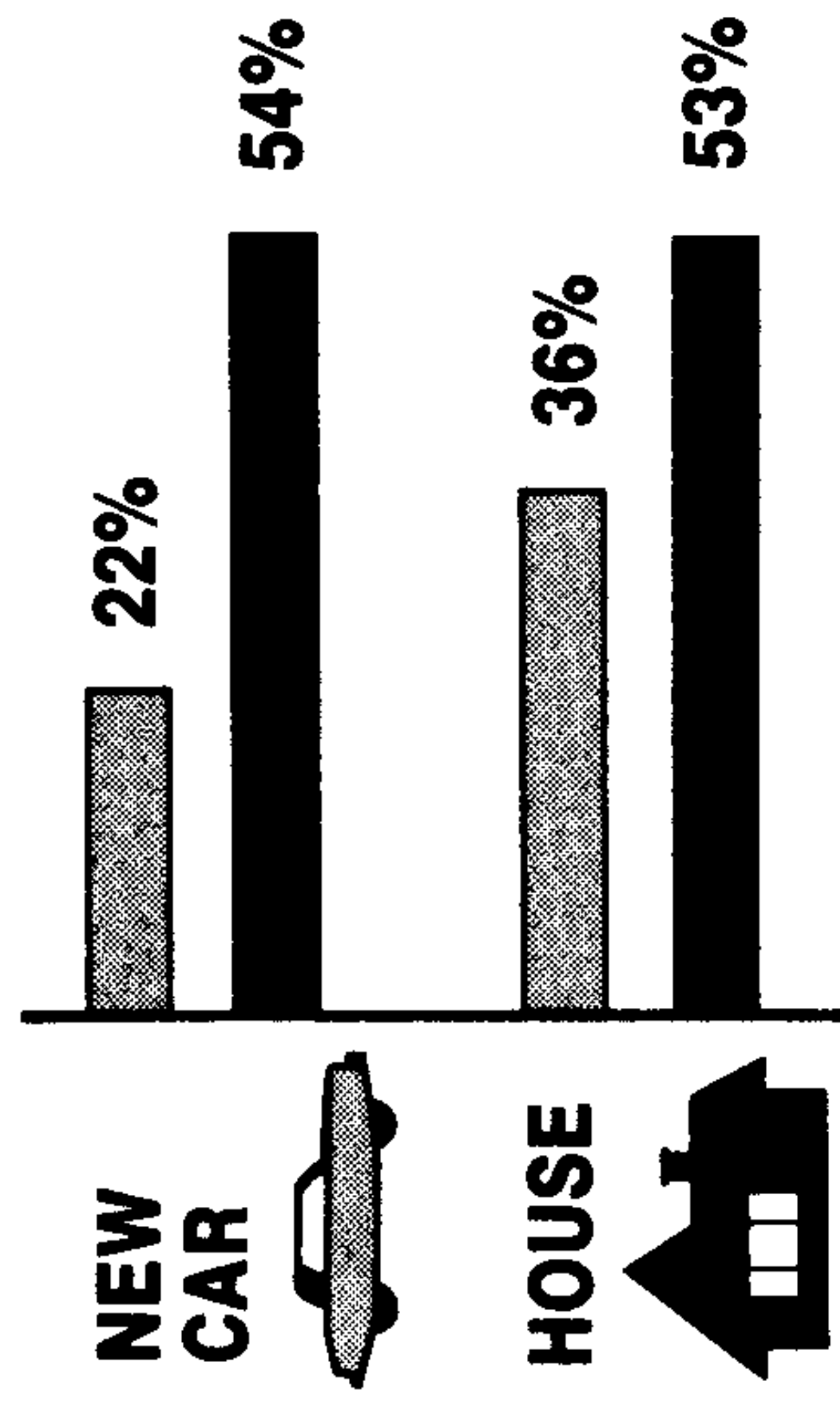
sector, for many people conditions felt better during most of 1983 than they did during the last months of 1982. However, there was no genuine economic recovery during 1983. And, remember this, if the economy had gone through a recovery during 1983, the Federal budget deficit would have shrunk. If there had been a recovery on the scale our President has been misled to believe occurred, the Federal budget deficit would have nearly halved during 1983 by comparison with 1982. The Fed and Bureau of Labor Statistics simply lied to our President.

If we look at the inflation figures, the picture is even worse. You see in this case that the Federal agency involved, which has done this piece of fakery (Figure 4.15), has dropped away \$4,176 of the increase price of 1983 over 1979, and thus has said that the inflation was less. Now what about this amount called the quality adjustment factor? That means, essentially, that in the opinion of the agency responsible for this particular piece of paper work, that the car you got in 1983 was bigger and better than the car you had in 1979. And of course the spare tire on that small car was much better in 1983 than the spare tire you had on the car in 1979.

Okay, here's what the slicksters at the Bureau of Labor Sta-

Figure 4.16

BUREAU OF LABOR STATISTICS VS. ACTUAL INFLATION 1979-83



tistics tell you is the rate of inflation on new cars and houses comparing 1983 to 1979 (Figure 4.16). By all this, done by aid of that magical thing, that "Quality Index." In this picture we see that the black line is the real inflation. You see the difference, 54 percent against 22 percent, 53 percent against 36 percent. That's just a sample of the way the "Quality Index" works. By aid of a bit of fakery known to statisticians as the "Quality Index," the rate of inflation was falsely reported at about one-third the actual rate of inflation overall during 1983.

This is the reason, or these are the reasons, that I proposed a Federal Defense Emergency Mobilization of our economy in my CBS-TV broadcast to you this January 21. The rot and misery in our economy is increasing, and unless we launch an emergency economic mobilization, that rot and misery will begin to spread much faster and very soon. This weakness in our national economy, combined with worsening depression-conditions in world trade, has become already a major strategic threat to the future of our nation, especially under present conditions of the Soviet onslaught against us.

In a few moments, I shall present to you several charts on some key problem-areas in our economy. I shall indicate to you

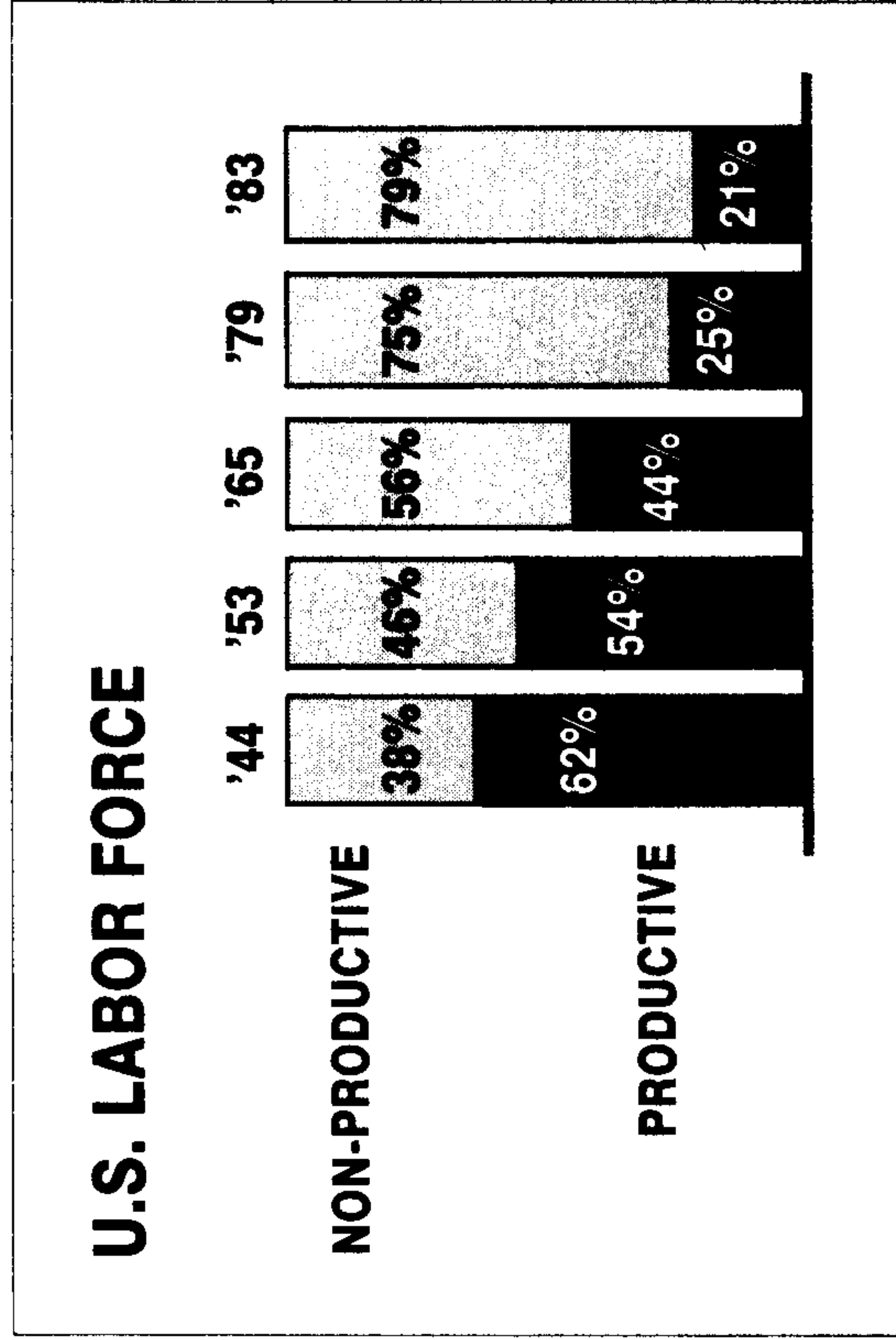
the kind of economic catastrophe threatening us, and what measures we must take to get a genuine economic recovery under way. However, before I come to that, I must report to you another major problem threatening our economy, the danger of an international financial collapse which could come as early as sometime during the immediate months ahead.

As most of you know, a short time ago, our President, President Reagan, put his shoulders behind a so-called "IMF bill," and as result of his pressure the Congress voted up a multibillion-dollar bailout of the Swiss bankers, conducted through the International Monetary Fund. The passage of this bill enabled people in the government, together with some groups of major banks, to push through a number of paper-juggling measures at the last minute. These patch-work measures prevented what was threatening to be a collapse of the international banking system on or about December 31 of last year.

Now, for an example of how this worked, instead of being more than 90 days in default, as it would have been without this paper-shuffling at the last minute, Argentina was miraculously kept at a level of merely 89 days in default. This difference of one day saved the United States bankers from having to write the entirety of Argentina's foreign debts off their books. The same thing happened in Brazil, Brazil closing out the year at only 88 days in default, again due to magical paper-shuffling instead of United States bankers having to write the entirety of the debt of Brazil off their books. The same thing is true of most of the economies of Latin America. The economies of these countries are generally collapsing as a result of this kind of situation. When March 31 rolls around, the threat of international collapse is going to have to be faced all over again, and it's going to be much more difficult to fake up the paper the way they did the last time. The problem will be much bigger, and it will be much worse than it was at the end of 1983.

The problem is not just Latin America. The international bankers have already written off the nations of black Africa, and as a result of these decisions by bankers, millions are now dying in black Africa of famine and epidemic. The Philippines are also being destroyed as a nation as a result of the same kind of operation by various international banking groups. For quite similar reasons, Israel is forecast to suffer a rate of inflation of about 300 percent during 1984, and, in addition, under the austerity-

Figure 4.17



pressures from our State Department, our ever-loving State Department, a dangerous situation is being created inside Israel itself.

There are several nations in Western Europe that are approaching the same threshold for financial crisis as many Latin-American nations. We have reached the point in the world that a major financial crisis within any one of several nations in various parts of the world could now, or by March 31, set off the financial chain-reaction collapse, worldwide, which would wipe out at least between one and two trillion dollars of paper values within these nations within the first round of collapse. And most of that wipeout would occur inside the United States.

Those people, who speak of recovery, who talk of prosperity just around the corner, are falling into the same trap that brought down poor Herbert Hoover after the effects of the 1929 world financial collapse. This depression, remember, like all modern economic depressions, is completely unnecessary. During the period 1939 through 1943, President Franklin Roosevelt proved that with the right measures, the Federal government can get us out of a depression any time it chooses, or can stop a depression at any time our government has the sense and the willpower to take

Figure 4.18

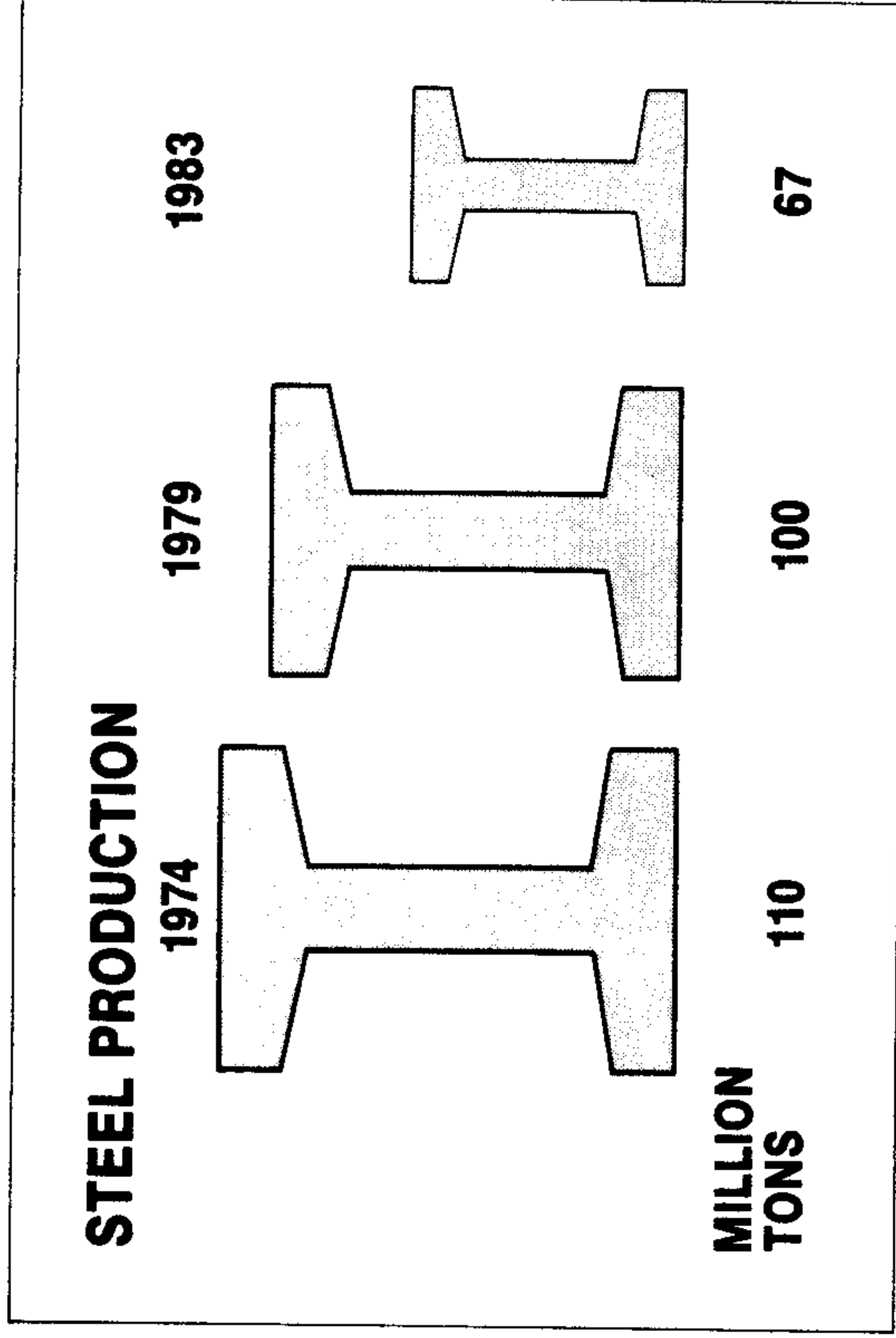


Figure 4.19

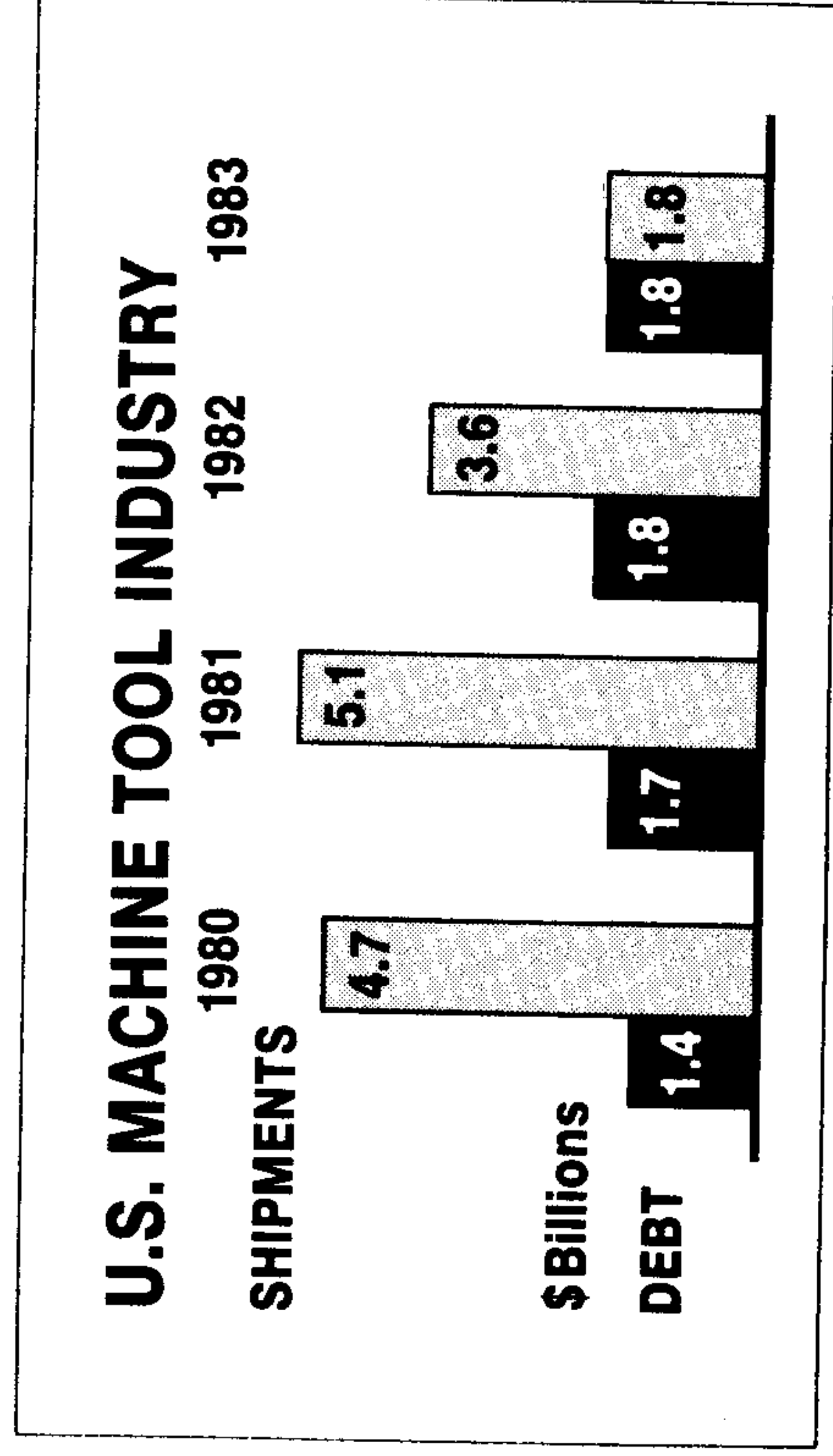
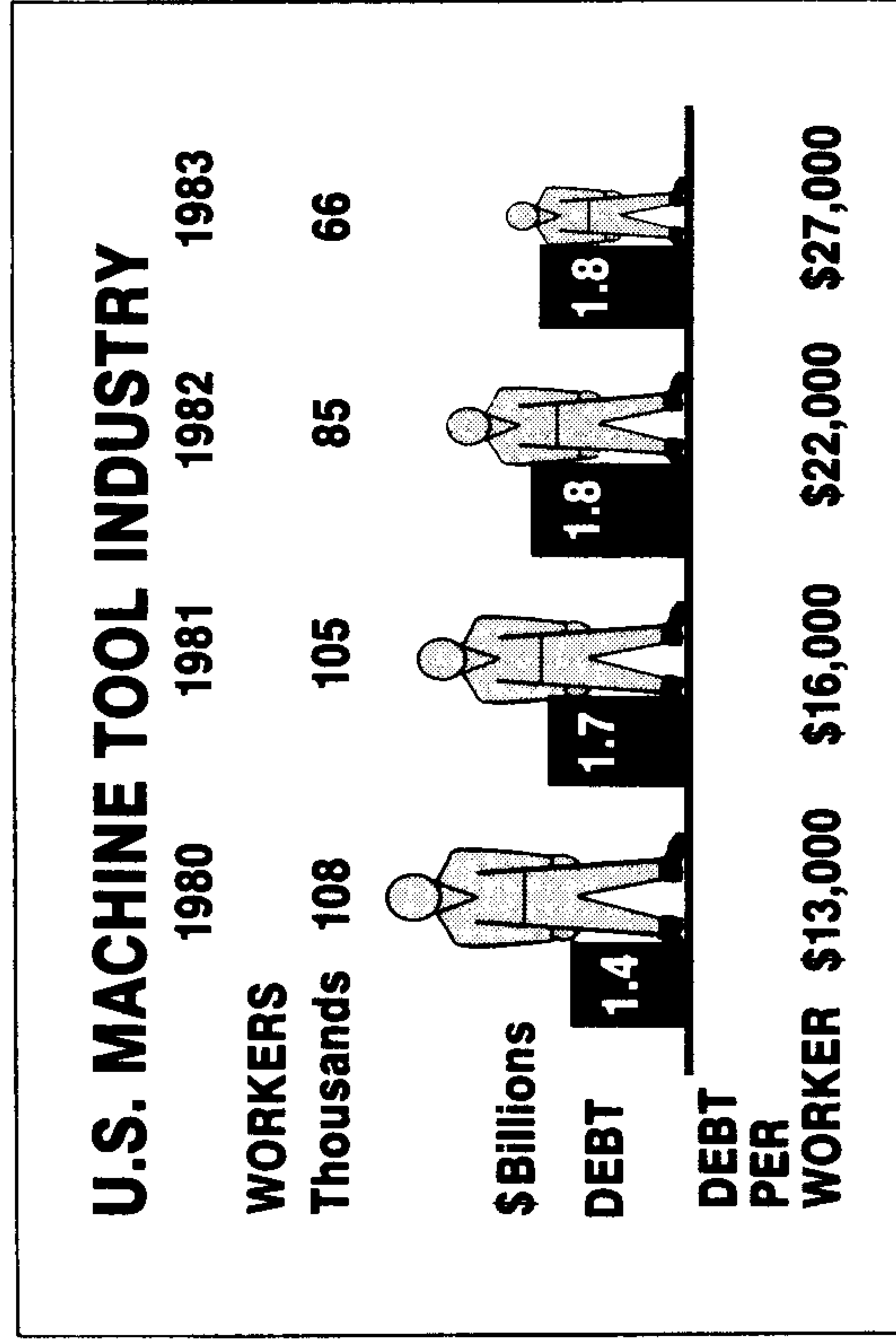


Figure 4.20



the necessary measures. It is for this reason that I proposed a national Emergency Mobilization in my TV broadcast on CBS on January 21—to do essentially what Franklin Roosevelt did to stop the last depression, or to get us out of it, to use the same methods now. The same methods will also help us stop a worldwide financial collapse as well as get us out of the depression in the United States itself.

The charts I'm going to come to in just a minute, which were prepared by my collaborators under my request, are only a few samples from a much longer written report which we are now preparing for publication. Because of the obvious limited time available, here, I have selected a few key charts from that report. I shall concentrate on the few subjects such as employment, and the condition of rot in certain parts of our infrastructure and the rot also in other selected areas of production. . . .

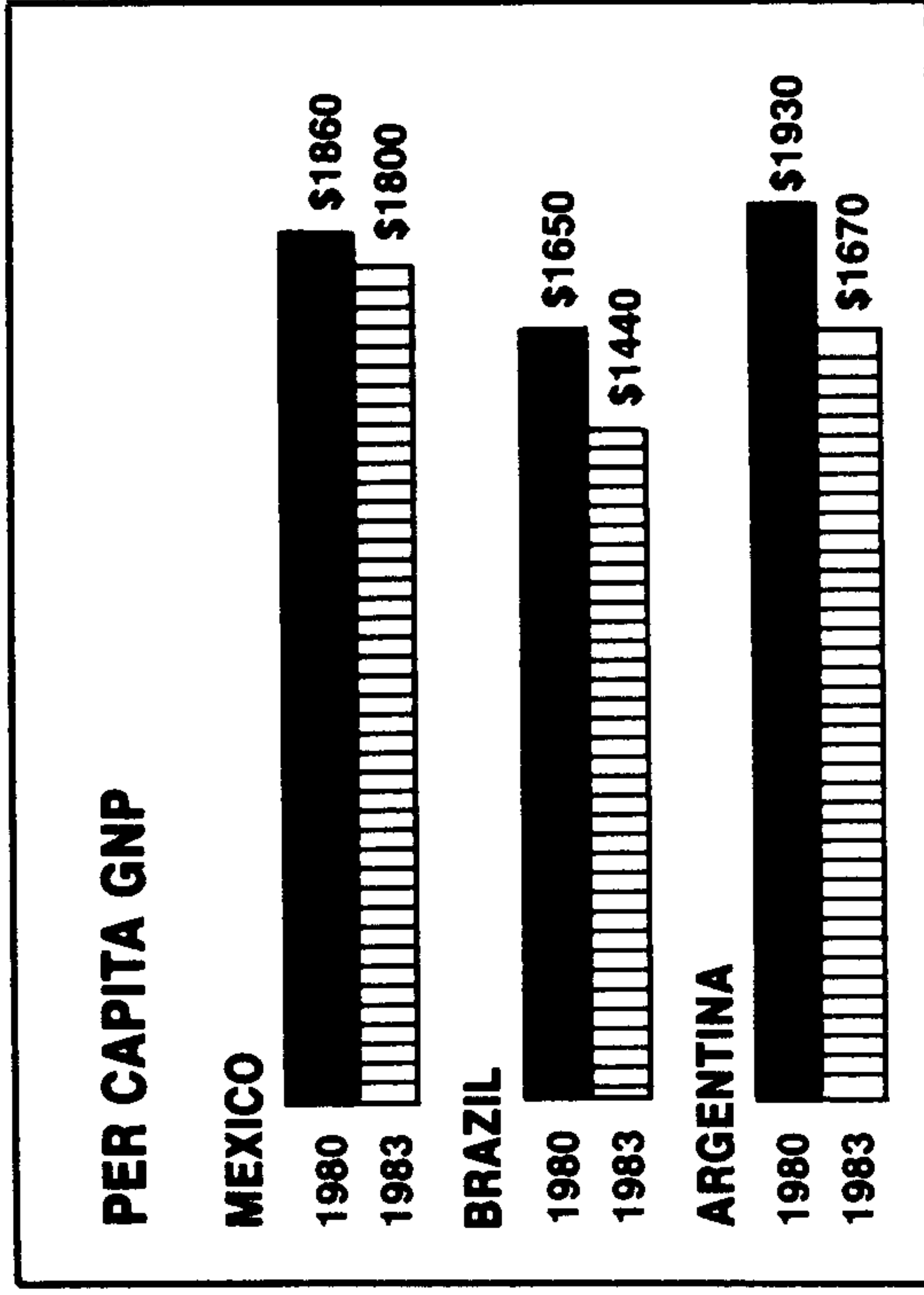
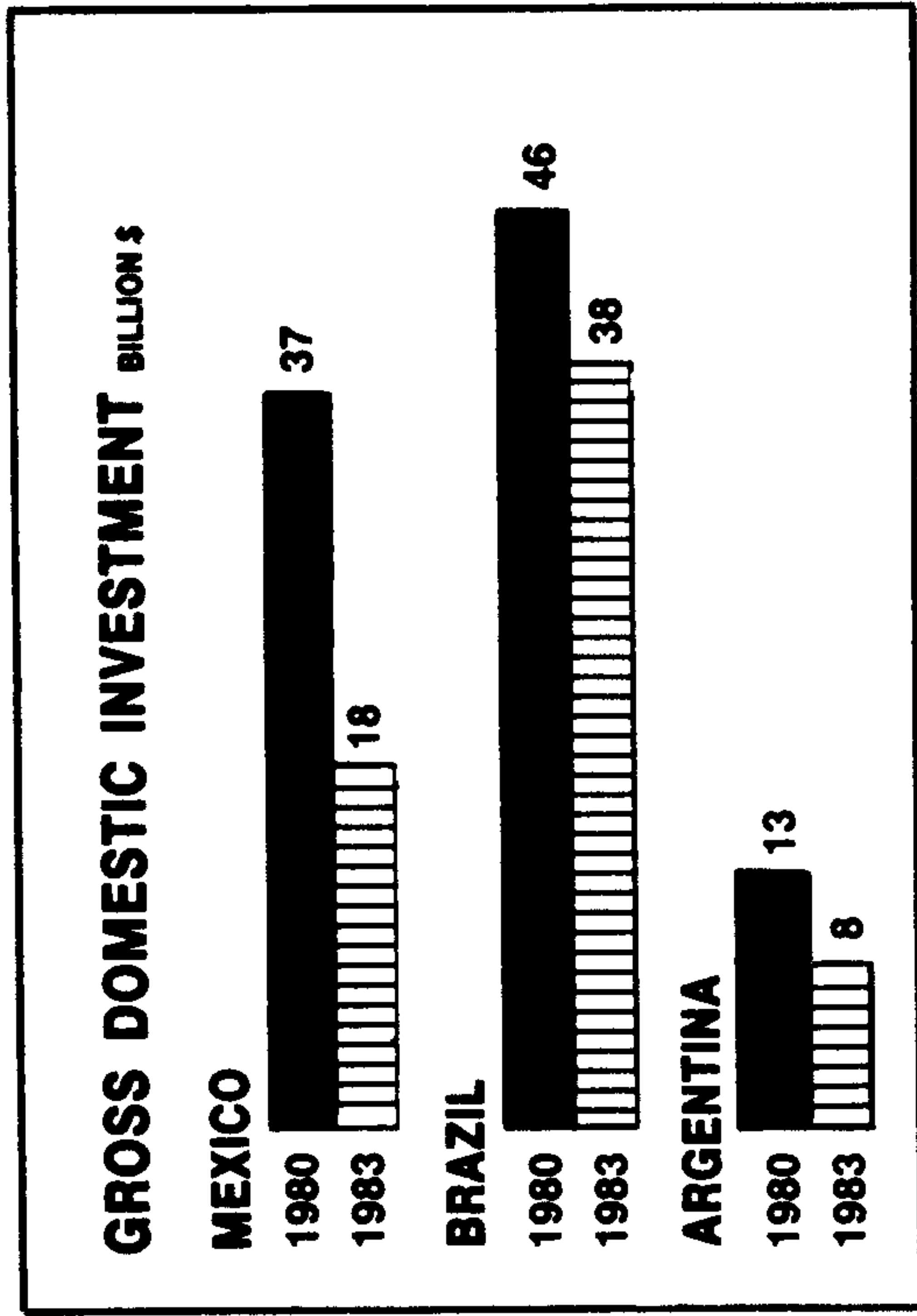
Great Projects Versus Kissinger Genocide

Television broadcast, March 17, 1984

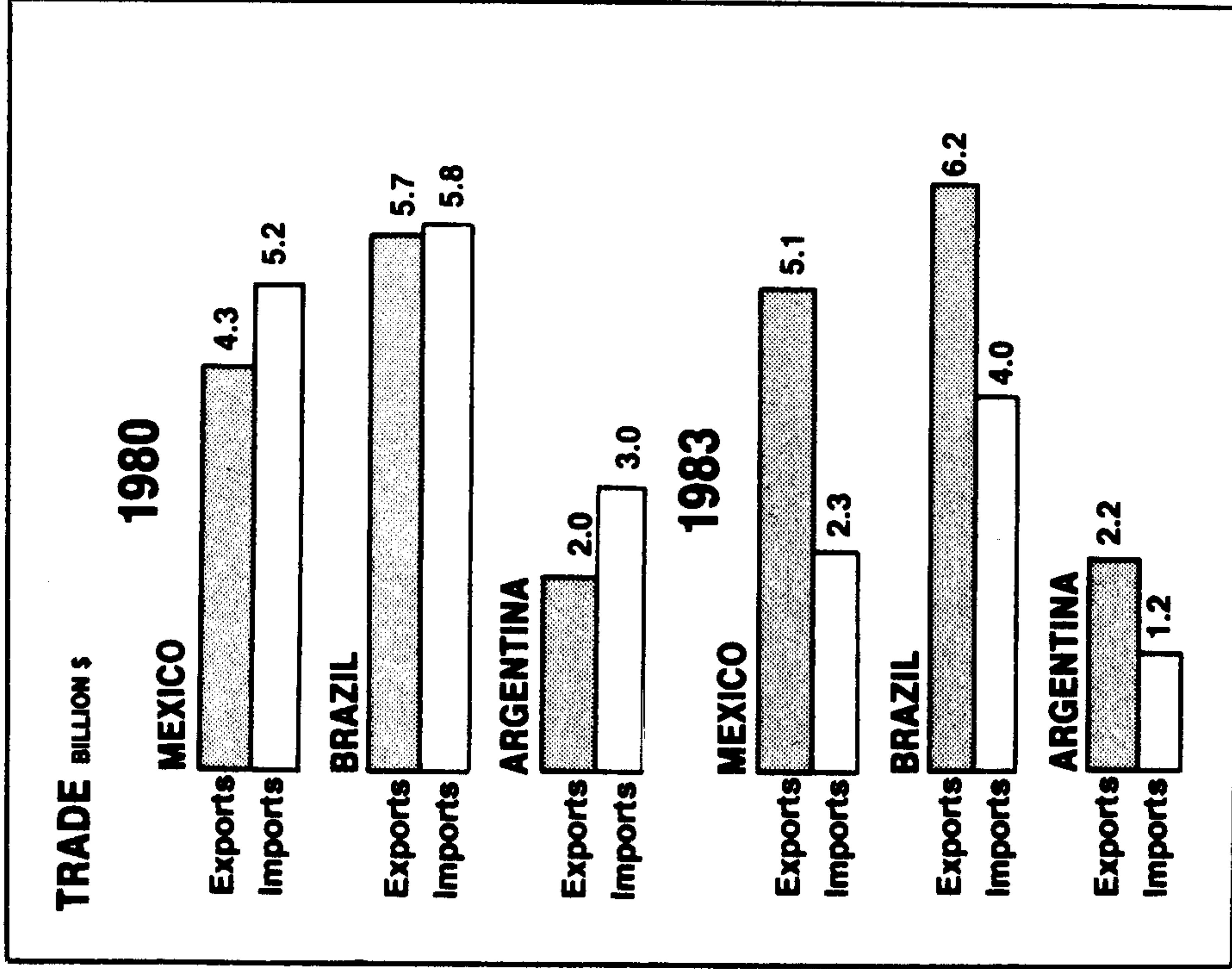
. . . There has been in the past three years a catastrophic collapse in gross domestic investment, trade and output per capita throughout Ibero-America (Figure 4.21). This collapse has been caused chiefly by the policies of Paul Volcker and Henry A. Kissinger. You see first the comparison of 1980 figures on gross domestic investment in three countries in Ibero-America: Mexico, Brazil and Argentina, leading countries in the debt crisis. You see next the 1983 figures. Look at the drop. Then look at the effect on per capita GNP output—1980, 1983. You see the process's ominous drop. Then we turn finally to trade figures from 1980 and 1983. Again, what do you see? You see that imports are collapsing, which means lost jobs inside the United States while exports are rising.

It's worse than these figures show. 2½ percent of the alleged growth in product in the United States in 1983 was due entirely to stealing 100 million dollars from our friends abroad, including our friends in Ibero-America. That is, what Henry Kissinger did is what the British Empire did to Egypt back in the 1870s and 1880s. Henry said, "We're going to steal and you're going to let us do it. You will drop the value of your currency and the prices of your goods to pay off my friends who are paying my firm, Kissinger Associates, Inc.," and 100 million dollars of free imports was taken by the United States and is listed among about 2½ percent of the argued growth in the U.S. economy during 1983. And the Soviets are about to exploit that grievance in Europe, in Ibero-America, Africa, Asia, and elsewhere. In other words, Henry Kissinger's foreign policies are working for the Soviet Union, and the Soviet Union is prepared to make a mess of all South America through Kissinger's policies. We are ruining these economies. Four hundred billion dollars worth of investments in progress as of 1982 have been shut down. Two hundred and fifty thousand jobs have been directly lost in the United States as a

Figure 4.21



result of Kissinger's policy in Latin America. Implicitly 2 million jobs have been lost because of Kissinger's policies in Latin America. My friends in Latin America are prepared to cooperate with the United States in reorganizing that debt and getting the trade



and investment flow again. *If we get rid of Henry A. Kissinger and his policies.*

I've been working on the development of Africa since 1977 in a concrete way, when some scientists working with me produced a study on the long-range industrialization of Africa. More recently, I've published a number of books which are studies on the same subject for a number of specific countries in Arab Africa, as well as in black Africa, and have done similar things in the Middle East, including a study now in progress in collaboration with some people in Israel for an economic policy which might help to get Israel out of its present economic and monetary mess.

I've been talking with my friends in government in Egypt, in Algeria, in Nigeria, Zaire and elsewhere in Africa, and among the projects which we've discussed is a high-speed rail trunk line across Africa running approximately from Dakar to Djibouti. Without such a rail link it is impossible to develop what is called the Sahel—sub-Saharan black Africa. This would begin with a rail line in the Northeast of Algeria to a railroad in Sudan, through Chad—which means we're going to kick that Soviet agent Qaddafi out of Chad, and Chad, one of the most miserable countries in the world is going to become a developing area. This is going to be a vindication of what President Roosevelt described to Churchill as American methods—American 20th-century methods.

To make that thing work, as the Mitsubishi Research Institute of Japan has proposed, we should proceed in cooperation with Zaire and Congo Brazzaville to develop a catch basin in the mountains of the watershed which feeds the Congo and other river systems, capture the surplus water, blow a tunnel through the mountains, move the water across the mountains and move it down into the Lake Chad region—not just into Lake Chad, which is a pretty miserable dying Lake, though a wide one, but into the Chad region—in cooperation with the four countries which already have an association concerning the Chad development area. That would transform one of the most miserable areas of the world into one of the richest.

These kinds of policies have not only economic significance. They would save sub-Saharan Africa from the chaos that Qaddafi and the Soviet Union are trying to put in there. It would also secure the positions of Kenya, Uganda, and Zaire against Soviet plans, and British plans in part, to turn all of Africa into an area of black genocide.

There are people in Washington, friends of Henry Kissinger, who say that the black population of Africa must be wiped out by famine and epidemic. That is not an inference. I am referring to explicit plans. Those plans are already in operation. Presently between 120 and 150 million people in black Africa are being murdered, through processes of famine and epidemic coming out of the friends of Henry Kissinger and the Swiss bankers. Presently, 60,000 people a day are dying in black Africa from famine and epidemic disease problems caused directly by the policies of Henry Kissinger and his friends. The United States government is no

longer going to participate in genocide against black Africa for the sake of Henry Kissinger and his friends.

This nonsense will stop. We will proceed with the development of Africa as Roosevelt proposed, in cooperation with the nations of Africa.

Now some fellows will tell you that the kinds of things I'm talking about won't work. They will say to you that everything is just fine, that Kissinger and his friends have solved the problem of the Latin American debt. Those fellows either don't know what they're talking about—don't know much of anything about this matter—or else, as in the case of Kissinger's friends, they are simply lying outright. The fact is that Argentina will not be able to pay its debts at the end of March. Neither will Brazil. These countries will be as much as 130-140 days in default. Other countries in Europe and other parts of the world are in the same situation.

Our own internal banking system is in desperate condition. Don't let this whistling in the dark fool you; we're in trouble. We're on the verge of a financial crash just like that that happened in 1931 under Hoover, and we're hearing from the government today the same kind of talk that we heard out of Hoover's administration back in 1931 before the crash occurred.

We're on the verge of an international financial collapse whose effect would be to wipe out half or more of the vulnerable paper values—real estate and others—inside the United States. Unless we do precisely the kind of thing that I've indicated to you in this broadcast, we haven't got a chance. This crash might be delayed in the summer or the fall of this year, but we're on the edge of the biggest financial crash in history. Unless these kinds of methods are taken, there's nothing we can do to stop it. So, don't believe those fellows who repeat the Hoover phrases about prosperity just around the corner. That's all nonsense. Sure there will be a chicken in every pot, but who'll have a pot? . . .

The United States Under President Reagan's 'Hoover' Recovery

Television broadcast, April 27, 1984

... Now, let us glance at the immediate threat of a worldwide financial collapse.

Many of you know that since the Mexico crisis of August 1982, the U.S. and European banking systems have been hanging over the cliff four times a year. At the end of each quarter, increasing numbers of nations around the world—not just in Latin America—are unable to meet payments due on their foreign debts. So far, each time this has occurred, four times a year the IMF and Washington have announced some last-minute debt-bailout miracle, and our silly Secretary of the Treasury, Donald Regan, announces that all of our problems on that front are solved. Then, comes the next quarterly crisis, and the same swindle is played out all over again. In fact, nothing has been solved; a few bookkeeping tricks, of the kind that would send corporate officials to prison if they copied the New York bankers' bookkeeping tricks, have postponed the crisis by methods which have made the next round of the crisis more explosive each quarter.

What the U.S. government has done, by supporting the International Monetary Fund and Kissinger's New York bankers, is to loot the U.S. dollar and to loot the indebted nations, both at the same time. We are being looted to bail out bad bankers in a scheme which must collapse very soon. Kissinger and his friends are also looting Western Europe and Latin America to the point of creating very deep bitterness against the United States. In fact, Latin America and Western Europe are being looted to the point of economic collapse, to subsidize the New York, London, and Swiss bankers for whom Kissinger works. In Latin America, the Reagan administration's submission to Kissinger's policies is creating preconditions for civil war which would make the bloody mess in Central America seem minor by comparison.

Kissinger's policies are turning Europe and the Mediterranean region over to Soviet hegemony, while bogging the United

States down strategically in escalating bloody crises in the Western Hemisphere, thus insuring Moscow almost assured victory for its policy of world-domination. On top of it all, the kinds of debt bail-out schemes which Kissinger and his cronies have introduced the Reagan administration to accept can not work. Sooner or later, perhaps weeks ahead, perhaps before or soon after the November 1984 elections, the whole shebang is about to blow out in the same way that the stupid policies of Presidents Coolidge and Hoover led inevitably to the world financial collapse of 1931. Meanwhile, the Reagan administration is trying to cover up this problem, hoping that the world financial collapse can be postponed until after the November elections.

Stopping the Present Spiral of Worldwide Financial Collapse

Television broadcast, June 1, 1984

Announcer: In a nationwide televised broadcast on May 10 this year, many of you heard Democratic presidential candidate Lyndon LaRouche's warning that the United States was on the verge of a new worldwide financial collapse, like that which occurred under President Hoover during the summer of 1931.

He told you that it was impossible to predict the exact date of a world financial collapse. He warned you that the collapse might begin next week, or might be postponed as long as into this fall, or, as a bare possibility, might not explode until early next year.

The next day, May 11, it was announced that the eighth largest bank of the United States, Continental Illinois, was at the edge of bankruptcy. Approximately a week after the Continental Illinois crisis began, the leading governments of Latin America announced the formation of a debtors' cartel. Then, on May 19, the thing which Henry Kissinger and the U.S. Treasury Department said could never occur, did occur. The governments of Mexico, Colombia, Argentina, and Brazil formed a debtors' cartel against the ruinous looting policies of the International Monetary Fund and the U.S. Federal Reserve. The thing that Henry Kis-

singer and top officials of the State and Treasury Department promised never would happen.

We . . . manifest our concern that the aspirations of our peoples to development . . . and the economic security of our continent are seriously affected by foreign acts. . . . We call for a meeting . . . to the end of defining the most adequate initiatives and courses of action, with a view to reach solutions satisfactory to all the nations involved.

Tonight, the world, and you, and your family, and your local community, are sliding downward toward the depths of the worst depression in modern history. President Reagan's Herbert Hoover prosperity has come to a screeching halt.

Yet, even after the first round of the new worldwide financial collapse has become headlines in the international press, top officials of the Treasury Department are still insisting that there must be no alteration of Henry Kissinger's monetary policies. On May 13, Treasury Secretary Donald Reagan said:

We're in the midst of a solid economic recovery. . . . Our policies are now bringing the world results. The recovery overseas couldn't occur without our own economy turning up first. It has, so now others are recovering and the process has accelerated.

On May 24, another LaRouche-hater in the Reagan administration, Treasury Deputy Secretary Tim McNamar, said about the South American debt crisis:

My conversations with the Fund indicate that there is excellent progress down there.

And, a May 25 UPI wire quoted Treasury Undersecretary Beryl Sprinkel assuring everybody of an endless U.S. economic recovery:

We believe that there will be an upbeat [economic] summit in London. . . . President Reagan will be reaffirming the kinds of sound policies being pursued in the U.S. and encouraging other leaders to pursue these elsewhere so that we can sustain the summit countries' current economic expansion. . . .

There is perhaps only one man who has the expert knowledge and will-power to bring the United States and the world out of the present spiral of worldwide financial collapse. If you care about your family and your country, millions of you will act now to make that man the next President of the United States. He speaks to you now: Democratic presidential candidate Lyndon LaRouche.

LaRouche: Those foolish officials who would try to say that there is no financial crisis, even after the collapse has begun, will try to tell you that the Continental Illinois crisis is only an isolated individual case.

It's true that certain powerful *foreign* financial interests did create a run against that bank, and it is also true that there were special circumstances which made it possible to organize such a run on that bank at that moment. The fact is that most of the banks of the United States could be hit by the same kind of crisis at almost any time. The reason that it was possible to plunge Continental Illinois into that crisis, is that the banking system as a whole is at the brink of collapse.

To recognize what the Conti Illinois crisis means, look back at the newspaper headlines from the time President Hoover was still promising that "prosperity is just around the corner." Look back for a moment to the newspaper stories of 53 years ago.

Announcer: The Hoover administration was saying:

Worst Stock Crash Stemmed by Banks. Leaders Confer, Find Conditions Sound

Stocks Collapse but Rally at Close Cheers Bankers; Bankers Optimistic

Then, in September 1931, the worldwide depression exploded into the headlines: "The Vienna Bank Has Collapsed!"

LaRouche: Like the Conti Illinois crisis of the past weeks, the collapse of the giant Wiener Kreditanstalt bank did not bring on the Great Depression of the 1930s all at once. Over the summer of 1931, foolish optimists, like those around Washington today, insisted that all would be well once a few technical adjustments took effect. The world waded through a crescendo of local financial crises throughout the summer of 1931. Then, in September of that year, the British pound collapsed. The Great Depression,

Adolf Hitler, and World War II became the worldwide realities set into motion by the foolish governments and big financial houses of Washington, New York, and London.

The only important difference between the Great Depression of the 1930s and the new worldwide depression erupting today, is that unless we act now to stop this new depression, it will be far, far worse than any of you old enough to remember from the 1930s could remember. This depression can be stopped, and stopped right now, but only by a U.S. President strong enough to force savage reforms upon both the Federal Reserve System and the International Monetary Fund, as well as on that silly bureaucracy over at the State and Treasury Departments.

I could stop this depression right now, if I were your President. I could stop this depression right now, if President Reagan would allow me to guide his hands through this deadly crisis. I am personally fully aware of my personal limitations, but with all those limitations, there is no other presidential candidate who has the knowledge and intellectual toughness to lead our nation and the world out of the new world depression which began to erupt with the crisis of Conti Illinois on this May 11.

History has repeated itself. The same stupid mistakes made by the administrations of President Calvin Coolidge and President Herbert Hoover have been repeated by the administrations of Carter-Mondale and President Reagan. The policies which have led us into this new worldwide depression-spiral this past month are very nearly exact copies of the policies of the Coolidge and Hoover administrations; the policies of Paul A. Volcker and Donald Regan, which have sent us plunging into a new worldwide financial collapse, are copies of the stupid policies of Hoover's Secretary of the Treasury, Mellon.

Not only have the Carter-Mondale and Reagan administrations learned nothing from the way in which Coolidge and Hoover brought on the Great Depression of the 1930s; the leading circles in Washington and the international banking community have listened to and have rejected repeatedly my forewarnings of exactly what has happened during the month of May.

As many of you know, I am the designer of the LaRouche-Riemann quarterly economic forecast for the United States. Over the period from November 1979 through the end of 1983, this published forecast has been consistently the most accurate forecast published anywhere in the world. During the same period,



LaRouche supporters in Youngstown, Ohio, April 1984.

the published forecasts of the U.S. government have been consistently absurd, and other published forecasts of private forecasting agencies correct only for a few isolated quarters.

In other words, these governmental and financial circles have been continuing a policy leading directly to the disaster which erupted this May, although they knew that the world's most accurate forecasting service had warned repeatedly that this new financial collapse would occur during the first half of the 1980s unless present Federal Reserve and IMF policies were drastically reformed.

It's a matter of record, that during October of 1979, in the early period of the 1980 Democratic presidential primary-campaign, I issued a statement nationwide which warned that continuation of the policies just announced that month by Paul Volcker and Jimmy Carter would lead to the outbreak of a major recession

during the spring of 1980, and would lead to a new world depression during the course of the years beyond.

In November of that year, the first LaRouche-Riemann quarterly report was issued, projecting the first major signs of a downturn in the U.S. economy to erupt by about the end of February 1980. That downturn appeared on time, as forecast. At the beginning of 1980, my colleagues and I presented a more detailed forecast of the way in which continuation of the Carter-Volcker policies would lead in the direction of a new worldwide depression. At every step over the period since November 1979, the U.S. economy has followed exactly the pattern we forecast at the beginning of 1980.

We warned that a continuation of the Carter-Volcker policies would lead into a new depression through a series of recessions and temporary apparent upturns. As we forecast, the first recession covered the period from February through the summer of 1980, and was followed by a temporary leveling-off of the recession until the summer of 1981. Between the summer of 1981 and the fall of 1982, a deep and accelerating new recession occurred, followed by a leveling-off of the rate of recession from the beginning of 1983 into the beginning of 1984. Since the first quarter of 1984, a new, accelerating recession has been under way, leading us into the May outbreak of the international financial crisis.

In other words, at the end of 1979 my colleagues and I forecast that unless the policies of Carter and Volcker were dumped, the United States' economy would go through a series of roller-coaster-like ups and downs until we reached the threshold for a worldwide financial collapse like that which set off the Great Depression in 1931. President Reagan continued the policies of the Carter-Mondale administration; so, we have now entered a new financial collapse-spiral, in exactly the way my colleagues and I have repeatedly forecast since the end of 1979.

I must emphasize that both Washington and the international banking community have not only been fully aware of my forecasts; they have insisted, sometimes almost violently, that my analysis was wrong. Events have now proven that I have been correct, and that they have been blind fools of the sort who refuse to learn anything from the history of the last Great Depression.

Just to pin this point down for you, look at my record on the issue of the debtors' cartel just formed by the governments of Mexico, Colombia, Argentina, and Brazil.

Toward the close of 1981, I warned that the foreign debt of the countries of Ibero-America was about to explode. I recommended that these countries, and the Reagan administration, take a series of cooperative actions to prevent that debt crisis from exploding.

During the spring of 1982, I was the first to use the term "debt bomb," to describe the debt crisis which was about to explode. During June and July of that year, I conveyed to various governments of Ibero-America and to our own government my recommendations for immediate action to prevent this debt crisis from triggering a collapse in the solvency of the U.S. banking system and thus triggering the conditions for a new worldwide financial collapse.

During August 1982, the "debt bomb" exploded in Mexico. For a period of approximately an hour that month, the entire world financial system was on the edge of a total collapse.

However, the Reagan administration refused to accept my proposals, which could have stopped the world financial crisis right at that time. Instead, the Reagan administration brought in Henry A. Kissinger and adopted Kissinger's policies. My proposal for solving the financial crisis of the Western Hemisphere is called Operation Juarez. This is the name of a report which I prepared at the request of leading circles in South America and Mexico, a report which I submitted to those governments and to our own government at the beginning of August, just weeks before the Mexico crisis exploded. Since August 1982, Henry Kissinger, Kissinger's associate Lane Kirkland, and officials of the State and Treasury Departments have concentrated the major part of their political efforts in Washington and in Mexico and South America in an effort to prevent the policies I presented in Operation Juarez from being adopted.

These collaborators of Kissinger have been insisting around the world that they have stopped Operation Juarez's policies and that the governments of Mexico and South America would never organize a debtors' cartel. On May 19, following the crisis of the Continental Illinois Bank, the four leading nations of Ibero-America organized the debtors' cartel, and announced policies echoing those presented in Operation Juarez.

The new depression which erupted this May could still be stopped. For example, if President Reagan would enact the same policies which I shall list for you at the close of this broadcast,

and do that right now, he could stop the depression. Since I am a patriotic citizen of this country, he would have available to him all of my special expertise and my personal influence in other countries to assist him in making his efforts a success. Every patriotic Democrat would demand that I act to assist President Reagan in that way, and I would accept that demand of my patriotic fellow Democrats.

This would be personally very difficult for the President to do politically. This would mean that the President would have to make a break with Henry Kissinger's circles, and also break with key factions in the State and Treasury departments, as well as with his own White House "Palace Guard." I do not know whether President Reagan is able to rise above the pragmatic delusions of an election-campaign year. On the basis of his performance over the past 12 months, I fear that his tendency for opportunistic wishful thinking would lead him to the kind of disaster which brought down Herbert Hoover in 1932.

In that case, the only hope that the United States might get out of the depression is placing me in the White House next January.

If Mondale or any other of the candidates approved by Mrs. Pamela Churchill Harriman were to become President, there is more than a hundred percent certainty that the United States will be virtually destroyed as a nation by the combined effects of a new world depression and Soviet aggression. With all my personal limitations, of which I am far more conscious than any of you could be, I am the only possible choice for President of the United States, unless we could assume that President Reagan himself would change course drastically right now. If President Reagan is not willing to constitute a bipartisan emergency government of the patriotic factions of both parties, to implement the kinds of measures I shall list at the close of this broadcast, I must become President of the United States next January.

You, as you watch and listen to this broadcast, wherever you are sitting or standing at this moment, you as an individual citizen of this republic, are facing one of the toughest decisions in your life. You must ask yourself the question, "Is putting this guy into power in Washington, the only choice I have, if I do not wish to put our country and my family through another Great Depression, worse than the one of the 1930s?" Whether you or I like that question or not, it is the question you are facing. This

is the tough question every sane voter must face, during this primary election.

The thousands of Democratic convention delegates, and the millions of you watching this broadcast today, represent the political power to put me into the position in Washington, D.C., where I can provide my proven expertise to steer this country of ours out of this new "Herbert Hoover" depression.

I shall report to you now the main elements of the package of Executive Orders and Emergency Legislation I would issue within the first hour after being sworn in as your next President.

Executive Order #1

Effective immediately, all new issues of U.S. currency shall be secured in value in international markets with gold-reserve denomination, pricing monetary gold in international markets for this purpose at \$750 per ounce.

Executive Order #2

A state of national, monetary, and economic emergency exists. The powers of the Federal Reserve System:

1. to issue currency in its own name and at its own discretion;
2. to set interest-rates;
3. to operate an inflationary "Keynesian multiplier" in the central banking system; are herewith suspended for the duration of the Emergency.

Moreover, the practices of the Federal Reserve System in these suspended activities are discovered to have been in violation of explicit and implied specifications of Article I of the U.S. Constitution. Regulation of national policy in these matters herewith reverts to the agencies specified by that Constitution.

Draft Public Law

In accordance with Article I of the U.S. Constitution, and in response to the national monetary, economic, and national-security emergency existing, the Congress authorizes the President to proceed to effect a new issue of \$500 billion of U.S. Treasury

currency-notes, and to suspend all prior legislation which might be construed to impede implementation of this action.

1. These currency-notes, as issued by order of the Executive Branch, shall be distributed solely in the form of loans for approved categories of lending.
2. These currency notes shall be loaned according to instructions of the Executive Branch, through the discount functions of the reformed Federal Reserve System.
3. The charge to regulated banking institutions for use of these monies borrowed for approved categories of lending shall be not less than 2% per annum and not more than 4%. The banks may add reasonable service-charges for administration and incurred related costs of risk, as such rates may be within reasonable limits stipulated by the Executive Branch.
4. There are five categories of lending for which these issues may be used:

- a) Loans to the federal government for emergency defense-expenditures.
- b) Loans for investment in repairs and improvement of basic economic infrastructure, to federal, state, and local governments, and to government-regulated authorities and utilities.
- c) Loans to farmers for capital improvements in land and equipment, and for crop and livestock production and marketing loans.
- d) Loans to industry producing physical goods for capital improvements in production capacity for research, and for operating capital of production and marketing of such goods.
- e) Export-financing credit for hard-commodity exports and engineering services.

Draft Public Law

Emergency legislation, mandating the authorization of an estimated \$22 billion to be expended over a period of four years, to develop and to deploy a first generation of strategic ballistic missile defense, using means called "new physical principles," within that period of time.

Diplomatic Action

The heads of government, and or their designated plenipotentiaries, of the Ibero-American member-states of the Organization of American States, are herewith invited to an emergency meeting to be held at Camp David, for the purpose of adopting a Draft Memorandum of Policy-Agreement covering two areas of relations with the United States of America.

The first item shall be measures for rescheduling the payment of outstanding debt to the government and nationals of the United States. It is proposed that action be taken on the basis of the Executive Order reestablishing the U.S. dollar's gold-reserve basis, and that issues of schedules of bonds, denominated at low interest-rates, and within gold-reserve terms, be adopted as the form of financial asset suited to be exchanged for, and replace currently outstanding debt.

It is proposed, on the same point, that member-states reaching accord on debt-reorganization adopt policies, methods, and procedures of cooperation for such case as a participating member-state may find it necessary to institute measures of comprehensive currency reforms prior to issuance of new denominations of debt-obligations.

Within the setting of debt-reorganization actions, it is proposed that new guidelines for cooperation in mutual trade among the parties be adopted, consistent with the desire of the United States to supply capital-goods exports needed for development of the internal economies of other states, and the desire of such other states to secure more efficient access to such technologies.

Unless President Reagan is willing to implement these emergency actions immediately, the only hope of you and your family is to make certain that I am President of the United States this coming January. My colleagues and I shall do everything in our power to make that happen. Do you care enough about our country, about your family, to do your part, too?

The Emerging Food Crisis in the United States

Television broadcast, Sept. 3, 1984

Lyndon H. LaRouche, Jr.: There is a milk shortage in the United States. Total milk production is already down by about 6% compared with a year ago, and it's dropping rapidly. The milk shortage has pushed the price up 20 cents a gallon in the southeastern states. Experts are predicting that the price of milk will reach \$2.50 a gallon by Christmas.

There are eight key milk-producing areas in the United States: New England, the Mid-Atlantic region around Pennsylvania, Western Pennsylvania and Ohio, Indiana and northern Michigan, Wisconsin and northern Illinois, the dairy belt around Iowa and Missouri, the southeastern states, including Alabama, Georgia, and western Florida, and, finally, California.

Look at the picture in each of these areas. In New England, from July of 1983, to July of 1984, milk production dropped by nearly 50 million pounds. That's down 4.1%. In the mid-Atlantic region, it was down, for the same period, by nearly 66 million pounds. That's down by 9.2%. In Western Pennsylvania and Ohio, down by 6.9%. In Indiana and southern Michigan, down by 3.2%. In Wisconsin and northern Illinois, also down by 3.2%. In the area around Iowa and Missouri, down by 8%. In the southeastern states, down by a whopping 13.5%. Only in California, was there a slight rise in production.

Since those figures for July were put together, milk production has been falling much faster. It is now falling at an average rate of more than 4% nationwide. With many farms being liquidated, and the average level of milk production per cow dropping, the picture is going to become much worse, rapidly.

That's why experts are predicting \$2.50 a gallon milk by Christmas. Some are predicting that very soon, milk prices will rocket up the way oil and gasoline zoomed back in 1974 and 1975.

You may not have taken count recently, but about 40% of the average family's consumption of animal protein is dairy prod-

ucts, including that artificial cheese some of you are already tasting at certain fast-food stands.

Prices will rise, because there are no giant food-surpluses in storage in the United States any more—unless you count warehouses filled with some moldy cheese.

Back in 1972, some of the giant financial cartels that control the marketing of most of the United States' food, began shipping vast quantities of our butter reserve to Russia. . . . They didn't sell it directly, it was against the law for them to sell U.S. government reserves of dairy products to Russia. . . . They sold it to New Zealand, and the New Zealand milk cartel shipped it to the Russians.

That started back in 1972. Not only did they sell it; they were given a subsidy of \$70 million out of the U.S. tax-payer's pocket for shipping the butter to New Zealand. By the way, New Zealand is the world's biggest exporter of dairy products to the world; the deals the New Zealanders make with the Russians aren't small.

The U.S. Government simply does not have the mountains of dairy-products in storage that many of you might take for granted our government does have in storage.

So, when milk production collapses, as it's doing now, the effects will be felt very quickly at the supermarket, and that means, at your family's refrigerator.

In a minute or two, we'll move along, to describe the shortages of meat and grains which will probably be hitting your supermarket sometime during the coming six months or so. First, look at the reasons why milk has dropped in production."

There are two basic reasons for the milk-shortage: First, farmers are killing their cows, and, second, the average remaining cow is giving less milk than the average cow did in 1983.

Since the U.S. government introduced its new program into dairy farming, dairy farmers are being paid to kill off cows. Farmers in this program are required to pay a tax of one dollar for every hundred pounds of milk they produce. Under this new government program, farmers are cutting the size of their herds, or going out of business.

The dairy herds in the United States have 300,000 fewer cows today than they did a year ago. That's nearly a 3% drop in the size of the entire milk-herd of the United States.

But, milk production is down now about 6% from a year ago,

not 3%. As we said, the average cow is producing less milk than a year ago. The reason is elementary; the cows aren't being fed as well as they were a year ago, and a cow that is more poorly fed will produce less milk.

Why aren't the cows being fed as well this year as last? The reason is elementary; the farmers can't afford to keep up with the feed-bills. Farmers are going broke by the thousands, and they're cutting operating costs where they can.

This brings us to the collapse in this year's grain-production and next year's meat-production.

You don't see a collapse in meat-production at the supermarket today. There is no shortage at the supermarket at this moment. The cattle farmers, like the dairy farmers, are killing off their cows. This means more meat at the store—but only temporarily. The cow you eat today, is not going to produce calves next spring. As the cattle herds become smaller, the farms will produce much less meat in 1985 than they did during 1983. You will eat less meat of all kinds, and you will begin to pay a much larger food-bill for as much as you do eat.

Milk production is collapsing, and milk prices are expected to zoom over the coming winter. What about grain?

The American farmers increased their productivity far greater than any sector of our economy over the past forty years. But, according to nearly every politician around Washington, the American farmer has produced much too much. Most people believe that even with the vast amount of grain we're shipping to Russia, there will be still too much grain left unsold back here. It just isn't true.

The talk about big U.S. grain surpluses after this Fall's harvest is mostly propaganda. The giant grain cartels are using and circulating this gossip about giant grain harvests as a way of talking the farmers into taking a very low price today. When the farmers have finished the harvest, the shortage will be seen, and then the prices of grain will skyrocket upwards. It will be the grain cartels, not the farmers, who will make the profits on that rising price.

There is a small bit of truth in the warnings of the giant harvest, warnings being peddled by the giant grain cartels. In some parts of the country, where the weather was better, there will be good crops, but in other parts of the country, there is already a disaster. Between what is produced and the gigantic

shipments which the cartels are making to the Russian strategic stockpile this year and next, there will be grain shortages inside the United States.

So, under present policies of the government, there will be severe shortages of food developing at the your neighborhood supermarket during the coming year. Already, the collapse of milk production is being felt at the store in some parts of the country; soon, it will be felt in most.

Once farmers finish slaughtering the stocks of beef and other livestock, the temporary abundance of meat will be over; there will be much less meat in 1985 than there was in 1983, and prices for that meat will zoom upwards.

Somewhere along the months ahead, the collapse of grain production will begin to be felt at the store-counter, too.

Fruits and vegetables have already shot up in price, and they will shoot much higher, if present government policies continue.

Perhaps you think that I'm being just another politician, knocking the present administration. The President never pretended to be a farmer, and he seems to know nothing about economics except the magic word, "marketplace," but he is a decent human being. I'm sure that the President is being taken in by the so-called agricultural experts. He's not a bad guy if you can manage to get the message through to him. I hope that enough of you watching tonight will join with me in trying to get that message past the President's Palace Guard.

The problem with President Reagan's farm policy is that he hasn't changed the farm policies of the Carter-Mondale administration. . . .

It was Cargill which set up the U.S. grain deals with Russia, and it is Cargill and its friends who profit from those deals. What makes profit for Cargill's is Walter Mondale's defense policy . . . just as it is Mondale's farm policy.

More than our food-supplies are going to suffer, unless we kick Cargill's, Kissinger's and Mondale's policies out of our government.

Some months ago, last May 11th, the eighth largest commercial bank of the United States collapsed: Chicago's Continental Illinois bank. Continental was set up to fall by the fact that it is heavily involved in the agricultural sector of our economy. Today, once successful farms are being shut down. Farm foreclosures have been spreading massively since the end of 1979.

There is no market today for the resale of those farms being closed down. Rural land-values are sagging as a result of this. When the value of mortgaged land collapses, the local banks suffer first. Sooner or later the big banks begin to collapse.

Right now, the world is slipping and sliding around the edge of a gigantic cliff. The name of that cliff is a new world-wide depression. There are many causes for this financial crisis, but one of the major contributing causes is those Swiss bankers who control the international food cartels. It is their policies which have undermined U.S. farming systematically over the twenty years since Cargill's Orville Freeman was Secretary of Agriculture.

The situation is dangerous, but not hopeless. It is not too late to change the policies which are causing this erupting food-crisis. **Billy Davis**, who is running together with me on this Independent Democrats' presidential ticket, is one of the farmers who built the miracle of American farming during the past forty years. He is other things, besides being a good farmer; he is trained as an attorney, and he is a proven leader of farmers and others in various parts of his own and other states. With what I know as an economist, and what Billy knows, we could turn this crisis around.

Billy Davis: The situation in your food chain and the situation in agriculture in the United States is at a point where very soon, if we do not do something effective, such as the rebuilding of our industry, the rebuilding of the productive sector in this country, and the infrastructure that supports it, then we are looking at an agricultural sector that will lose its potential to respond even under the best and proper stimulus. So, as a farmer, and as a citizen, I felt it was my duty, whether I wanted the job or not, to step forward, because, we the citizenry must retake and regain the control or we will not have a future. The Soviet Union in their deal with Walter Mondale, through Henry Kissinger, even into the USDA, where we have Amstutz as the undersecretary, and even John Block, either party, it doesn't make any difference, the deal is still cut. It's business as usual. And farmers know that that means the destruction of their independent way of life.

Rhetoric such as "family farmer," rhetoric such as "parity" used by these politicians, has a totally different definition than what most citizens understand. When they talk about family farmer, they talk about a guy with a grub-hole and ten or twelve

acres of land who has a job in town. They're not talking about the independent American farmer, the guy from \$40,000 to \$100,000 gross income that's been the backbone of this country. They intend to remove him completely from the scene. And they plainly state so. If he does not willingly go into a contract situation, where he becomes vertically integrated into these cartel corporations, then he will be wiped out.

Look at the bank failures. Where are most of the failures occurring? Continental of Illinois failed because of its farm sector corresponding bank. And it failed for a specific reason. It was no accident. If you look at where most of the grain is stored, compared to where most of those corresponding agricultural banks were, you will clearly see that they are the same. There is a reason. The Soviet Union has cornered the market this year and we will not be able to fulfill our contract and we don't have the right, contractually, to back out of it. We must deliver something that we will not have. Consequently, your food table, in milk, in grains, in leafy vegetables, is going to show a drastic [price] increase over the next two to three months. Some as much as four-fold. And this is no joke. It's reality up front and close. . . .

The Global Financial Breakdown Crisis

The world banking system entered a general crisis in September 1985, affecting every field of financial weakness in the entire system. Precisely this sort of "collapse of some large mass of debt, either in the U.S. internal economy, or by a number of developing nations simultaneously," was predicted for the end of 1985 by Lyndon LaRouche, Jr., in the introduction to *EIR's* April 1985 *Quarterly Economic Report*.

The political burning-point of the debt crisis is the debtors' revolt, with Peru's President Dr. Alan Garcia in position to assemble a well-organized debtors' opposition to the International Monetary Fund. However, it is by no means clear which of the following categories of debt exposure, or which combination of them, will trigger a global banking crisis:

1. \$360 billion of Ibero-American countries' bank debt, of which over \$200 billion is held by American banks;
2. \$1 trillion of U.S. consumer-installment debt;
3. \$240 billion of U.S. farmers' debt;
4. \$2 trillion of outstanding U.S. mortgage-paper;
5. \$1 trillion of U.S. Savings and Loan deposits.

While the ongoing scrap on Capitol Hill concerning the Treasury's authority to borrow funds to pay immediate bills must be regarded as a political charade, the reality behind it is unambiguous: The United States faces national bankruptcy. As the world's principal borrower, soon to be the world's biggest net debtor, the United States itself is positioned for the worst shock of any national sector.

The Flashpoints

The month of September 1985 brought to the surface a range of financial flashpoints, affecting every sector of world banking:

1. The debtors' resistance against the IMF, centering around Peru, and the consequences of the Mexican earthquake, have ripped off the band-aids holding together \$360 billion in Ibero-American debt to banks. Brazil and Mexico, which owe about \$100 billion each, have paid their debt service by exporting everything that isn't nailed to the ground, shutting off about a quarter of internal consumption in order to do so. The average price of their exports fell by 35% between 1980 and 1983, while the average volume rose by almost 150%. Particularly after the Mexican earthquake, there is no more blood left to suck. Merely to pay interest over the next year, Mexico will have to borrow an additional \$10 billion in bank loans that simply are not there. Peru, with \$12 billion in debt, has paid no interest for a year.

2. The imminent bankruptcy of the \$74 billion Farm Credit System, requiring a \$10 billion bailout within weeks, and a \$50 billion bailout over the next several months.

On Sept. 3, Farm Credit Administration Governor Donald Wilkinson declared that the \$74 billion Farm Credit System is about to go under due to more than \$11 billion in unpayable agricultural loans. "We cannot absorb the losses we face," he stated. Wilkinson asked Congress for a multibillion dollar bailout,

stating, "This is the most severe crisis the Farm Credit System has faced since the Depression." If FCS goes under, it will dwarf the \$40 billion bankruptcy last year of Continental Illinois, and rock world markets.

3. On Sept. 5, the Federal Deposit Insurance Corporation (FDIC) announced that at least \$25 billion of additional farm debt to private commercial banks is "uncollectable" and about to collapse.

4. Eighty-five Savings and Loan associations have gone under this year, and the bankruptcy of the Ohio and Maryland state insurance system is on the verge of repetition at the level of the system's national insurer, the Federal Savings and Loan Insurance Corporation.

5. The highest rate of consumer-debt delinquencies in history. Families, business, and government at all levels owed \$6.294 trillion in debt, or \$56,000 for every member of what the government calls the U.S. "labor force," as of June 1985. In the first quarter of 1985, home mortgage loans delinquencies were the highest ever in the 32-year history of the periodic survey done by the Mortgage Bankers Association.

6. South Africa on Sept. 1 announced a total debt moratorium on over \$12 billion in foreign debt to U.S. banks led by Chase Manhattan.

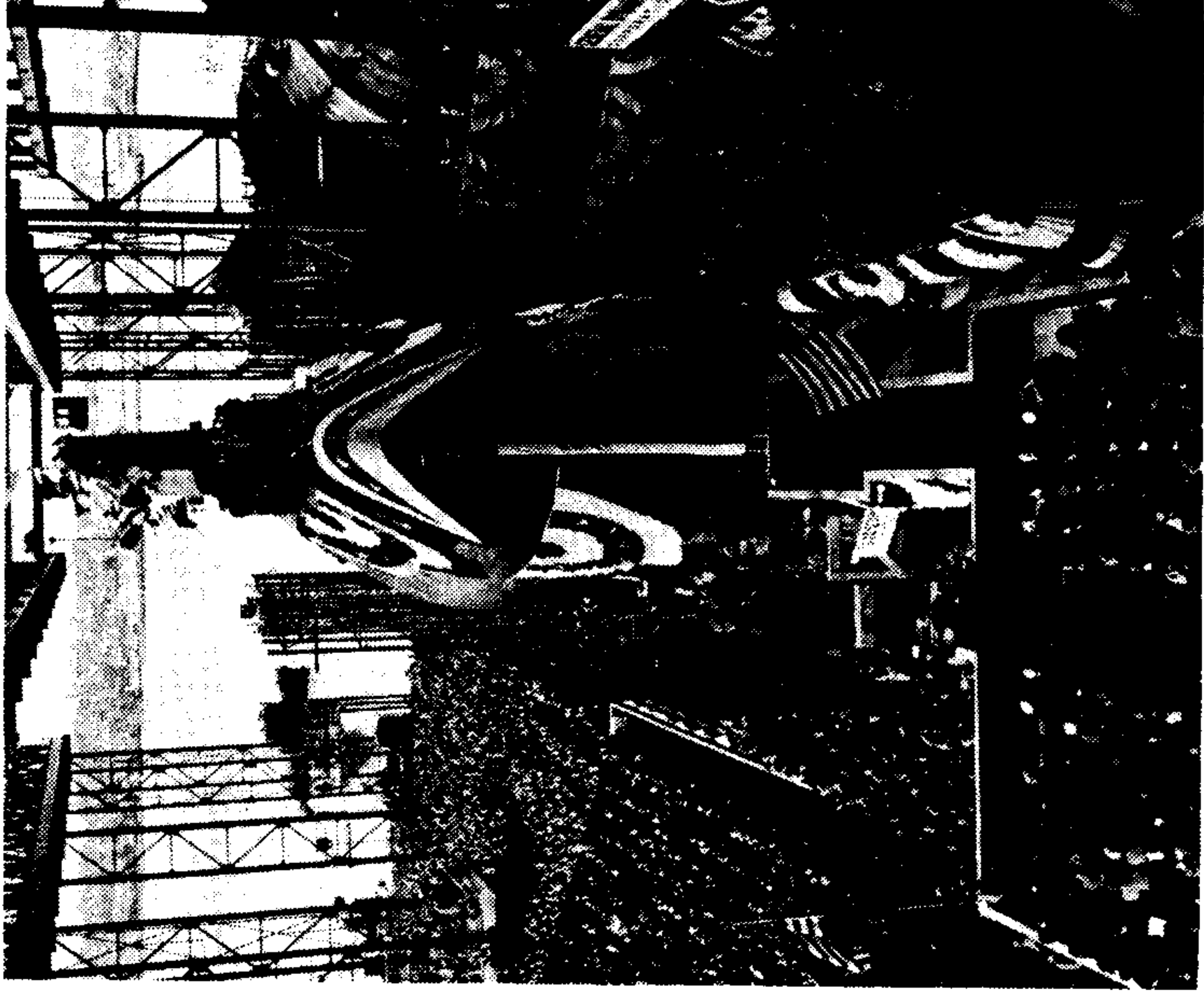
7. The Canadian government on Sept. 4 announced plans to liquidate two billion-dollar banks, the Canadian Commercial Bank and Calgary-based Northland Bank, which has assets of \$992.8 million, the first forced liquidation of a Canadian bank in at least 50 years; the \$4 billion Mercantile Bank is in a liquidity crisis, and two other even-larger banks are positioned as the next dominoes.

Footnotes

1. For an introductory textbook on economic science, see Lyndon H. LaRouche, Jr., *So, You Wish To Learn All About Economics?* New York, 1984.
2. *Ibid.*
3. On documentation of the Federal Reserve's and Labor Department's faking of statistics, see *EIR's Quarterly Economic Report*, October 1983.

4. *Ibid.* See also transcript of LaRouche national telecast, ABC-TV, "Stopping the Worldwide Economic Collapse," Feb. 4, 1984. The chief way in which the Labor Department fakes estimates of the rate of inflation, is by a trick known as the "Quality Index," by which it cuts the actual rate of price-inflation approximately in half.

5 LaRouche on National Defense



Gear up the economy for a military-industrial buildup! Shown is the launching of the USS Nautilus in January 1954. Today, the shipyards are closing down.

From the beginning of his political life, Lyndon LaRouche approached the question of national defense from the standpoint of Alexander Hamilton and the American System: The foundations for national defense require a strong economy. Thus the election of Jimmy Carter, the nuclear freeze, was a cause for considerable alarm on the national security front. His Malthusian economic policies would make the U.S. a push-over for its enemies.

Worse yet, the economic looting policies which Malthusianism represented carried the impetus for provoking new wars—both in the underdeveloped sector, and, when the loot dried up there, between the superpowers themselves. History had shown that the policies of looting adopted by the Versailles Treaty of 1918, for example, had been the indispensable backdrop for the emergence of World War II. And now, as LaRouche pointed out, the same looting policies then imposed upon Germany, were on the drawing boards for the entire world.

What was required, LaRouche insisted, was the massive injection of new technologies, from thermonuclear fusion power to directed-energy beam applications, to create a qualitative leap in productivity, and thus the capability of bringing mankind back from the brink of what would otherwise be an ecological holocaust.

As history has also shown, however, populations do not respond to the rational argument that they must reverse their economic policies, and enter upon massive programs of development of new technologies, which will lead to the next plateau of economic progress. Ironically, it has usually only been in periods of war mobilization, that the leading proponents of scientific advance have been able to organize society, to implement the programs which they require for maintaining the peace.

If this was not clear in the abstract during the Carter period, the huge leap which the Soviet Union took in preparations for world domination during his administration, under cover of the "detente" agreements of the Kissinger period, demonstrated its practical necessity. The Soviets became increasingly arrogant in the face of a bungling, near-psychotic Carter administration. When President Reagan took office, with a commitment to return the United States to policies of economic growth, the Soviets felt free to respond with a haughty set of demands for U.S. disarmament, and no "buts" about it.

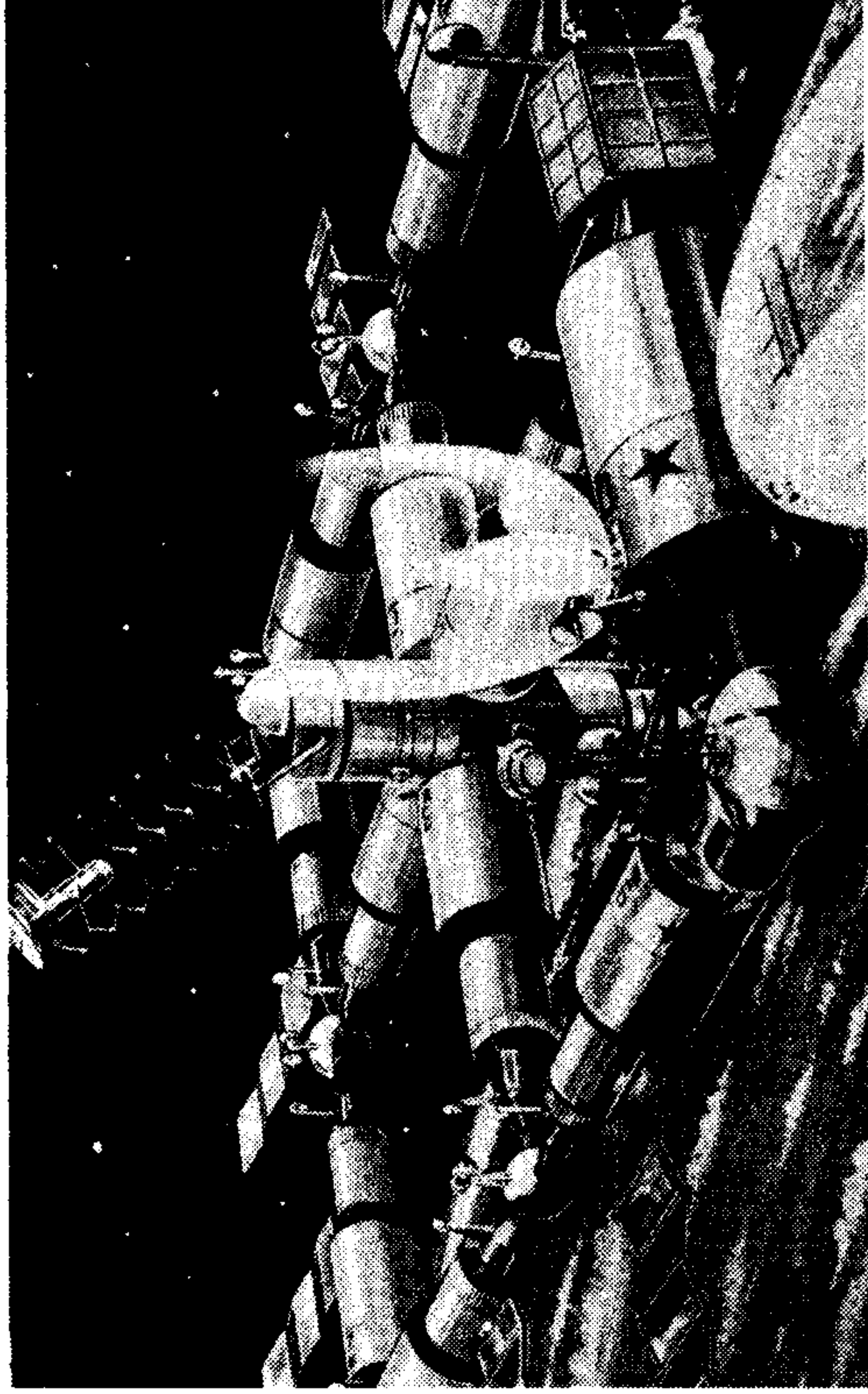
It would not have been difficult for the President to rebuff the Soviets, had he but taken the opportunity to dump the economic policies of the Carter administration, epitomized by Federal Reserve chairman Paul Volcker, in the early days of his administration. Volcker had clearly functioned as an asset of the Soviets through his usurious interest-rate policy, which had decimated U.S. industry and finance in the year before the 1980 elections. With Volcker in charge, it was impossible to carry out the policies of economic strengthening which would put down the Soviet challenge.

Under heavy blackmail by Trilateral Commission-linked forces within his own party, President Reagan decided to keep Volcker in office. Interest rates proceeded to soar into the mid-20-percent range, and any semblance of economic growth policy was doomed to failure. The fact that the Reagan administration has actually spent less on a military buildup than the Carter administration, is not due to its intention, but the disastrous control which Paul Volcker has exercised over the budget, and the economy as a whole.

To LaRouche, it became clear that the national security of the United States was being increasingly threatened. The in-depth economic, and strictly military, capabilities of the U.S. were being destroyed. At the same time, the insane economic policies of the Federal Reserve and the allied banking interests were stripping away U.S. allies one by one, promising to leave the United States as an indefensible "fortress America" in the extremely near future.

This was the thinking behind LaRouche's initial proposal in February of 1982 that the U.S. abandon the policy of the balance of terror, and make an offer to the Soviet Union to develop in parallel, systems of defense against thermonuclear weapons, which would simultaneously provide the basis for a massive leap in worldwide industrialization. That campaign was spread widely by both the Fusion Energy Foundation and the National Democratic Policy Committee, to the point that the FEF was in fact the first institution to be interviewed by the press, as *the* experts, after the President made his March 23, 1983 announcement of the Strategic Defense Initiative.

As the U.S. became less and less menacing, in any substantive sense, the militaristic, imperialist face of the Soviet Union became more and more obvious. Soviet "diplomatic" efforts to win the Western Europeans away from the NATO alliance with the



Artist's depiction of the Soviets' planned permanently manned space station, scheduled to be orbiting the Earth in the 1990s.

U.S., were complemented by increasingly open alliances with Third World separatist-terrorist groups, and the adoption of a scorched-earth policy, wherever they could get away with it—as in Afghanistan.

The proof positive, however, that the Soviets were operating from their own irrationalist, imperialist, Malthusian perspective—the perspective of Russia as the Third Rome—came in their response to President Reagan's overthrow of the policy of Mutually Assured Destruction, on March 23, 1983. If the Soviets had been carrying out their military buildup unwillingly in order to be the winner in a world of Mutually Assured Destruction, then they would have taken the opportunity of President Reagan's call for "making nuclear missiles obsolete" with great relief, if not pleasure. Yet, the result of the President's offer was to bring an even more barbarous policy toward the West to the fore. Who could explain why the Soviets should bare their teeth in defense of the policy of Mutually Assured Destruction, and the balance of thermonuclear terror? Obviously, there was something about the character of the Soviet Union which was not the same as the "thinktankers" had announced.

It was up to LaRouche to explain to the world what the significance of the Soviet response to the Strategic Defense Initiative was. It had been LaRouche's hope, and perspective, when

he first proposed a system of anti-missile defense, that the Soviets would respond to the rational hope of defusing the hair-trigger situation, which had been created by MAD, and its logical consequence of forward defense. But when the Soviets responded in the opposite manner, it was clear that the Soviets were not proceeding from a perspective of rationality on this question, even from a traditional Marxist worldview. There was a cultural problem here, which went beyond "communism" and other known explanations of Soviet behavior.

The cultural outlook which LaRouche identified was that of the Third Rome, the cultish, oligarchical outlook which commits the "blood and soil" of Mother Russia to world takeover. This standpoint, LaRouche pointed out, not only made the prospect of losing world domination through a system of mutual strategic defense, unpleasing for the Russians, but, worse, it made the Russians terrified of the wave of cultural optimism and scientific progress which the development of what become known as "beam-weapons" technology would unleash. Far from being "scientific socialists," the Russians were revealed as violent protagonists of cultural and economic backwardness.

It was such an oligarchical outlook that the Russians and the Trilateral Commission crowd behind Jimmy Carter, and the foreign policy establishment still running the show under Reagan, shared. As imperialists, they shared a vision of a feudalistic, depopulated world, while violently differing as to who should ultimately rule that world.

It was precisely for this reason, LaRouche pointed out, that the beam weapons policy had to be pushed through, unilaterally, in the United States. The beam-weapons program would create the necessary leap in productivity and economic health which the U.S. economy needed, in case there were a war with the Soviet Union. It would sweep the Trilateral Malthusians out of power in the United States. The U.S. could, in fact, leave the Soviets far behind in the dust, in the course of such a mobilization, as the rapid mobilization out of hideous depression from a virtual cold-start during the 1930s depression showed. But, equally important, the need to participate in an urgent crash program on the frontiers of science, to meet the U.S. challenge, would force the Russians to undergo cultural changes which would make the possibility of peace, in the future, more likely.

It was not that the Soviet military was more rational than

the rest of Russian society, but that they understood the realities of power politics. As long as the U.S. continued to languish under the Volcker regime of deindustrialization, to cut off its allies through economic looting, and thus to remain defenseless against either military or political assault, the Russians need not curb their appetite for world domination. But if the United States proceeded to go with a crash program for the SDI, with all the attendant economic benefits for both the U.S. itself and its allies in all sectors of the world, then Russia would be forced to "compete" in a high-technology race, and postpone any war confrontation until it had improved its position.

Thus, LaRouche and his allies have concentrated most heavily in the period since March 23, 1983, to force the United States to enter a crash program for development of the laser and directed-energy technologies, which are indispensable to a ballistic missile defense, and a full-scale defense mobilization of the U.S. population. Despite the fact that the Soviet threat is becoming more and more evident to all sane individuals, the program continues to be blocked by the very same forces who blackmailed President Reagan into keeping Paul Volcker to begin with. Time is running out, for the adoption of the Hamiltonian approach which only LaRouche has had the competence to put forward.

The Men Behind Jimmy Carter's Bid for a Thernonuclear War

Excerpted from LaRouche presidential campaign statement, Oct. 10, 1976

There ought to be no doubt concerning the time-table for such a thernonuclear war. Two elements intersect to determine that such a war must come most probably by no later than the summer of 1977. The first set of considerations is monetary-economic; the second purely military.

The fourth quarter of 1976 is the last gasp for the dollar-linked monetary system. The Columbus Day week's parliamentary discourse in London is potentially make-or-break for Wall Street. In Western Europe, all the capitals are presently predom-

inantly agreed that Wall Street's rule is finished; the only significant current issue in Europe is whether London or Rome will be hegemonic in setting the policy for a new Western Europe independent of New York control, with British and Italian factional influences notably currently fighting for the allegiance of Gaullist and other oppositional forces in France. The time has passed in which Rockefeller's bankrupt financial structures can be fraudulently rolled over yet once again. Now, this quarter, is make-or-break.

The purely military considerations of timing are indicated by a now-famous article of Paul Nitze's, an article whose broadest strategic assumptions are shared by most specialists, despite secondary differences concerning details. Toward the end of 1977, the Warsaw Pact's present preparations will produce the situation in which the Warsaw Pact has a decisive margin of strategic war-fighting superiority over NATO. Given the present qualitative scheme of NATO strategic military deployments and preparations, if any NATO leaders intend to go to war, they had better go to war before the end of 1977 or face an entirely hopeless prospect.

It is purely nonsensical to imagine that the kind of expanded military deployment built into present and proposed NATO military budgets would significantly alter those facts. The present budgets aim at fleshing-out existing qualities of NATO strategic war-fighting capabilities. Such an essentially quantitative expansion of existing varieties of NATO capabilities does not essentially alter the prospect as set forth by Nitze and others.

The mid-1977 "point of no return" is linked to matters cited some months past by Soviet Secretary Brezhnev. The nature of strategic military capabilities is about to undergo horrifying qualitative technological modifications, an area in which the Warsaw Pact has a wide margin of potential advantage.

The hysterical reaction of circles around the Federal Energy Agency, ERDA, and the Foreign Intelligence Advisory Board to Soviet physicist Rudakov's Livermore disclosures is symptomatic of this qualitative consideration.

Since the mid-1960s, the United States has been systematically tearing down its former margin of advantage in basic research and development, with results symptomized by the relatively rapid expansion in numbers and per-capita ratios of Soviet scientists and engineers. Rudakov's impromptu "declas-



Two presidential campaigns in New York City, 1976: Jimmy Carter and Lyndon LaRouche.

sification" of formerly secret Soviet research before U.S. physicists reflects the emergence of a potential qualitative advantage on the Soviet side. The sort of relative advances symptomized by Rudakov's disclosure typify the areas most relevant to new kinds of technological strategic capabilities.

Soviet exploitation of just such types of potential advantages is highly credible. The Soviet economy's specific limitations, tending to obstruct the types of proliferating sophistication in which U.S. electronics-aerospace relatively excels, compels the Soviets to seek compensating technological advantages in overall quality of performance, the kind of qualitative advantage best afforded by basic scientific and related advances. The straightforward exploitation of a basic new scientific technology, rather than a sophisticated super-refinement of an existing technology, is the indicated variety of Soviet option. Rudakov's proposal that U.S. firms contract to mass-produce Soviet-designed advanced devices underlines the ironies in an appropriate way.

Finally, since the policies of Rockefeller-linked forces emphasize de-industrialization and retreat toward low-energy-flux,

labor-intensive methods, with deemphasis on broadly based scientific and related developments, the position of the NATO countries relative to the Soviets must tend to become rapidly worse under Rockefeller-linked policies.

Allowing for the small possibilities of certain shifts in the configuration of events, it is barely possible, and so moot, that the thermonuclear war might erupt next week or be delayed beyond 1977. However, the overwhelming probability, as specified by the conditions we have identified, is simply that under continued hegemony of Rockefeller-linked forces, such a war must occur no later than the summer of 1977.

How Kissinger and McNamara Wrecked U.S. Military Capabilities

Excerpts from a May 13, 1977 statement, first published in "Sputnik of the Seventies, the Science behind the Soviets' Beam Weapon."

However, if the Carter administration were to force the Soviet Union to go to war, the United States would lose that war, and would in fact cease to exist as a functioning nation. Between 160 and 200 millions of our citizens would die in such a war—without the slightest margin for doubt that the casualties would be in that range. Although the United States' forces can inflict a hideous penalty upon the Warsaw Pact nations, killing perhaps 30 percent of the Soviet civilian population, the Soviet forces have a thin but significant margin of military war-winning capability over the USA and NATO, and a decisive margin of war-winning potential in depth in civil-defense capabilities.

Furthermore, on the basis of an existing Soviet marginal advantage in basic military-applicable scientific research, the Soviet war-winning margin will substantially increase over the period immediately ahead. The best current estimate is that in areas of basic scientific research applicable to military problems, the Soviets are advanced beyond the United States in the order

of two-to-four years. As those basic advances in plasma physics and related areas come down the line into finished military product over the period immediately ahead, a possibility exists for a decisive Soviet military war-winning capability.

Furthermore, the Warsaw Pact command is presently committed to a policy of maintaining that technological superiority over the combined USA and NATO forces. . . .

Address to EIR Conference on the Strategic Crisis

Feb. 17, 1982, Washington, D.C.

. . . Turning to the question of the strategic arms debate itself. We have an insane policy, totally insane. Some of this is discussed as a matter of ridicule by people I don't like in the press. But the fact is, we develop a B-1 bomber and MX missile, which is essentially a conception which belongs to the early 1960s drafting board. But since we got around to developing it late, we said it was the newest thing—even though in terms of strategic geometry, it is already out of date and obsolete. We have not yet built the B-1, and yet it is already obsolete. Then, some people say, well, it's a political problem in terms of cost-benefit analysis to get the Congress to go along with the B-1, so let's go ahead with the MX. But the MX is supposed to go with the B-1! What are we going to do with the MX? . . .

What about second-strike capability? The word is out: submersible? Let's have submersible second-strike capability. Non-sense! At present, I'm looking into two methods for making any submersible a first-strike target! The assumption that a submersible is undetectable as a second-strike capability is utter nonsense technologically at this time. Every form of submersible is inherently detectable. It is simply a matter of doing adequate research and development into systems which can detect and pinpoint these at all times. A submersible in the next five years will be as inherently detectable as a fixed-place rocket. So why spend money on this?

Someone points out that our troops are illiterate and drug-

addicted and can't handle complicated weapons. So let's go back to electronically guided bows and arrows: the policy of Sen. Gary Hart over at the Armed Services Committee, a real stone-age Maxwell Taylor. Of course, in war, the infantry soldier with whatever technology is the basis of war-fighting. But we don't arm them, we don't train them, we don't select them. We have an "all-volunteer" army. We had a slogan for it in the 1930s: "USA"—"Useless Sons Accommodated."

A nation that cannot maintain an organized civilian army in depth is a nation unwilling to fight in its own defense. So why kid ourselves about it?

It has been calculated that a 10 percent exchange of thermonuclear capabilities between the two superpowers would mean a fall-out in long-lived radioactive isotopes which would swirl around the world to the effect that no warm-blooded animal life will exist two years after that exchange. So what the devil is the sense of even talking about reducing the number of missiles?! That is no solution to this problem. You want to go in the direction of a showdown, with a weapon you can't use! But you might use it, and therefore you live under the threat of nuclear suicide.

How do you get out of this? It's elementary. If I put into space orbit a number of platforms with particle relativistic beam weapons, chemical-powered x-ray or not, which can target any missile in mid-flight, and I proceed to develop that system of detection, I can kill the proverbial 99 percent of missiles and aircraft carrying nuclear weapons in mid-flight. You can't do it with laser weapons because they have problems, but with relativistic beam weapons which deliver a relativistic shock to a missile, you can fire as if with bullets and kill these things in mid-flight. That is the only solution to the nuclear weapons problem.

Then, why the hell don't we develop it!

Why don't we sit down and agree with Moscow to develop these blasted things? Because they are important to both the United States and the Soviet Union for the mutual defense of each nation from the sword of thermonuclear Damocles. Plus we have Israel with thermonuclear capabilities. Pakistan has been given nuclear capabilities by Israel and Britain in the form of the Islamic bomb which is scheduled to come on line this spring. Brazil is developing its own nuclear weapons capability. South Africa probably has it. China, which has gone insane, has a thermonuclear capability given to it by the British and others.

We have a problem. Not only do the superpowers have thermonuclear capabilities, but many nations wholly out of our control are increasingly coming into possession of nuclear weapons and access to missile delivery capabilities—we have a problem of third powers which could engage in nuclear war becoming the trigger for nuclear power between the superpowers.

Therefore, we must have the ability that if East Podunk decides to have a nuclear war and shoot off missiles, we'll damn well shoot them down. We must have a policy that we will not tolerate the actual deployment of thermonuclear missiles against any target on the face of the Earth by any nation. And we must agree with the Soviet Union on that question. We must agree that we will agree to destroy anybody's thermonuclear missile or airplane carrying a missile which goes up into the air. We've got to make this planet safe.

The idea that we can hold back weapons development, the idea that we ought to have as an objective holding back technological progress in arms and warfare, is sheer idiocy. It always has been idiocy. The only solution is to organize our civilian basis to expand our economic power, to funnel credit selectively into the places that will restore our economic power, and to follow a foreign policy based on credit for viable infrastructure projects for developing nations; to expand especially our corps of engineers to do such things as to build a high-speed railroad from the Atlantic Coast across the Sahel region of Africa; to build a large water-system between the Congo watershed and Lake Chad region of Sahel.

Our aim is to strengthen the stability of nations through an outpouring of American economic power and American technology in cooperation with each nation.

At the same time, we must have an orderly national defense and a policy of agreeing with Moscow, since we're both going to be around, we presume, for a long time to come, that we shall both insist on full-speed ahead arms-race development of relativistic beam weapons.

If we do this, particularly if we proceed in the totally opposite direction from the austerity policy, and the kinds of economic and monetary policy of the founding fathers of this nation are adopted, a dirigistic system of credit, promoting the development of high-technology agriculture, high-technology manufacturing and infrastructure, extending the same policy as a matter of re-

lations to the developing nations—then we can eliminate or solve the kind of crises we face in the April-May period. If we do not, but continue in this utopian nonsense which McNamara and Henry Kissinger typify over the recent period, or we proceed with such sheer idiocy as the China-Korean-Taiwan cooperation around a presumably sunken oil deposit in the China Sea—that kind of nonsense—or proceed with the Seaga-centered Caribbean Basin project the way that idiot David Rockefeller wants to do this, and continue to tolerate Volcker—we shall not survive because we have lost the moral fitness to survive, by refusing to make the kinds of policy shifts I have indicated.

Only Beam-Weapons Could Bring to an End the Kissingerian Age of Mutual Thermonuclear Terror

*National Democratic Policy Committee (NDPC) Policy Discussion
Memorandum, by Lyndon LaRouche, March 1982*

End the Age of Thermonuclear Terror

It is now approximately 30 years since the Soviet Union and the United States, respectively, developed a deployable form of thermonuclear bomb. It is now approximately a quarter century since the likes of John Foster Dulles and then-youthful Henry A. Kissinger introduced to the United States a thermonuclear strategic policy appropriately known by the acronym MAD—Mutually Assured Destruction.

So, for a quarter-century, the population of the world has lived under the perpetual terror of ever-ready intercontinental thermonuclear warfare. Since the inauguration of President Jimmy Carter, and especially since the first visit of Secretary Cyrus Vance to Moscow thereafter, the likelihood of actual intercontinental thermonuclear barrages has rapidly become greater than at any time since the "Cuba Missile Crisis" of 1962.

Beginning with the Watergate ouster of President Richard Nixon, and accelerating following Carter's inauguration, Moscow has embarked on accelerated preparations for possible thermonuclear war. It has been discovered recently that recent and current Soviet military expenditures have been approximately 50 percent or more greater than the earlier largest estimate compiled by the U.S. Central Intelligence Agency. Meanwhile, since the Arthur Burns recession under President Gerald Ford, and accelerating under President Carter, there has been a collapse of U.S. military capabilities at the same time United States' policy has been committed to attempts to roll back the borders of the Soviet Bloc and even, as stated official policy, to destroy the Soviet Union from within through promotion of insurrections among so-called national minorities. Meanwhile, it is rightly said by one leading European official, that Federal Reserve Chairman Paul A. Volcker has been doing Moscow's work destroying the military capabilities of the Western Alliance.

Beginning the April-May 1982 period, into the scheduled European-missiles showdown with Moscow during early 1983, the world is faced with an unprecedented scale and intensity of eruption of strategic hot-spots, under conditions Volcker's wrecking of the U.S. economy has plunged most of the world into the initial phase of a new general depression. All of this proceeds under the influence of a delusion, recently echoed by Senator Edward Kennedy and others, that the destructive force of the U.S. strategic thermonuclear arsenal affords our nation adequate protection, such that the other elements of our national military capability can be permitted to drift in the direction of the stone age.

It is true that the consequences of intercontinental thermonuclear barrages are beyond the imagination of most persons. The general best estimate is that the first thermonuclear assaults upon the mainland United States will kill between 160 and 180 million residents (and unlucky visitors). In a study prepared for a NATO government by a leading European scientific center, it has been estimated that if only 10 percent of the superpowers' thermonuclear arsenal were exploded, the long-lived radioactive cesium produced would eliminate all higher forms of life throughout this planet within two years of the barrage.

Can this nightmare not be ended?

The worst feature of the Kissingerian MADness doctrine is the false assumption that the foreknown consequences of ther-

monuclear warfare are sufficient to prevent any superpower from actually launching a general thermonuclear assault. This obsession with MADness has gone so far as to foster the doctrine that Moscow would tolerate a limited, Europe-based nuclear assault on Russia itself without unleashing a general thermonuclear barrage against the mainland U.S.A.

The consequences of thermonuclear warfare are an awesome deterrent. It is false, to the point of suicidal absurdity, to assume that that deterrent effect is an absolute deterrent. Assuming that the fingers on the superpowers' buttons are not insane, there is only one condition under which a superpower would launch a thermonuclear salvo against the homeland of its adversary. Any superpower would do so if it believed that failure to launch such a salvo meant the assured political destruction of its homeland, or if it believed the government of the other superpower is insane enough to be preparing a preemptive thermonuclear ("first strike") barrage.

Any dedication by the United States, either to theater-limited nuclear warfare in Central Europe, or to "rolling back the Yalta-defined borders between East and West," leads to the point of no-return at which a general intercontinental thermonuclear war becomes, under present arrays of forces, virtually a certainty.

If the government of the United States continues its adherence to the monetary policies set into motion August 1971, or, worse, the Volcker monetarist policies of the present moment, most of the world is already plunging into the depths of a new general depression far deeper, more prolonged and qualitatively more devastating than the economic depression preceding the war of 1939-45. The opening phase of the new depression was entered during the interval October 1981-February 1982. On condition the presently increasing role of the military consolidates and strengthens the relative stability and economic power of the Comecon and Warsaw Pact, the growing economic weakness of the Western Alliance nations, accentuated by eruption of strategic "hot-spots," creates a totally unacceptable strategic shift for the United States, a threat of the political subordination of the United States to emerging Moscow hegemony. Under such conditions, almost anything becomes possible.

On condition the friends of Walter Sheridan do not succeed in their present determination to oust President Reagan on pretext of manufactured scandal during the months ahead, the Mos-

cow-Washington confrontation-crisis almost certain now for the months ahead will lead to new, emergency forms of crisis-management negotiations between Washington and Moscow, as both capitals seek to adduce mutually acceptable options for avoiding what otherwise appears to be a certain thermonuclear confrontation between the two superpowers.

In reality, new agreements mutually acceptable to both governments are available, agreements which involve no capitulation by one side to the other, and which yet introduce new institutions of stability into superpower relationships. Unfortunately, especially under the influence of today's news media, there is usually a large discrepancy between reality and prevailing perceptions. Under present U.S. monetary and military policies, it will be impossible to bring about fruitful changes in Soviet policy. Unless the United States changes drastically its present monetary and military policies, the thermonuclear catastrophe born of Kissingerian MADness threatens to become the kind of war no one wished to believe could actually happen.

As we approach this early period of acute crisis, it is urgent that the government of the United States be prepared to proceed from both monetary policies and military policies fundamentally different than the policy-trends which have increasingly dominated our policy-making over the recent 15 years. It is also important that such policy-changes be discussed openly, within sight and hearing of Moscow's leadership. The immediate object of such open formulation of changed policies is, that when President Reagan enters into crisis-management negotiations with Moscow, at the virtual brink of thermonuclear confrontation, the President must have available new policy-options, options which Moscow's leading circles have studied earlier, and which therefore might be more readily considered by Moscow's negotiating-team under those conditions of crisis.

No workable solution to the impending crisis can be achieved through the present agenda of SALT or START negotiations. Moscow will not accept, under any conditions, an arms agreement which includes the emplacement of any quantity of cruise and Pershing-II missiles in Britain, the Federal Republic of Germany, Spain or Sicily. The point is that such nuclear missiles, especially Pershing-II's, decrease the warning-time on launch of attack on Russia from about 25 minutes (presently) to as few as several minutes. If the United States insists on deploying Pershing-II's

in Germany, for example, Moscow will retaliate by measures including probably placing Soviet nuclear missiles within minutes of the mainland cities of the United States—this does not mean automatically the emplacement of Soviet missiles in Cuba; 20 years in the advancement of technology of strategic weaponry have produced a range of new options for such deployments.

Apart from the particular issue of Pershing-II's, no mere reduction in the size of thermonuclear arsenals will accomplish anything of more than cosmetic importance. Reduced arsenals would remain many times larger than would be required to eliminate all higher forms of life on this planet. In any case, disarmament and peace negotiations were the diplomatic swindles preceding the last World War, together with those worse-than-usual "peace movements" which proliferated under the sponsorship of Bertrand Russell and Aldous Huxley during the late 1930s.

In any case, the only "sincere motivation" for negotiating some disarmament in either Moscow or Washington presently is the desire to reduce the economic burden of military-expenditures budgets upon the respective nations.

There are two additional, relatively technical flaws with the continuation of "thermonuclear deterrence." "First strike," the wishful doctrine which presumes that both sides will limit intercontinental thermonuclear salvos to enemy missiles and some other purely military targets, was always intrinsically absurd. Under the conditions a rational superpower will risk thermonuclear warfare, it will commit first salvos adequate to destroy the in-depth war-making potential of the adversary power, meaning the cities of the adversary nation. Now the belief that submarine-launched thermonuclear missiles represent an assured "second strike," retaliatory capability is becoming a delusion. Such submarines are themselves becoming intrinsically detectable and targetable as part of the range of "first strike" targets. Submarine-based missiles no longer represent an assured "second strike" capability; their military usefulness is now limited to forward-based "first launch" capabilities.

In brief, all strategic-arms-limitation diplomacy is becoming useless babbling, at least insofar as this diplomacy affects strategic military capabilities of the respective powers.

There is no solution to the continued balance of thermonuclear terror which is not premised on the ability of at least one of the superpowers to destroy a proverbial "ninety-nine and forty-

four one-hundredths percent" of the incoming missiles and thermonuclear-armed aircraft deployed against its national homeland.

In principle, such an anti-missile capability now exists, in the form of what are properly termed relativistic-beam anti-missile weapons systems. We propose, we insist, that the reformed military policy of the United States be premised upon a commitment to a "crash program" for developing and deploying such anti-missile beam-weapons systems.

We go further. We propose that the adoption of such a high-technology answer to the thermonuclear balance of terror become a central reference-point for a comprehensive reform of United States military doctrine and organization of the Defense Department.

On the assumption that the Reagan administration adopts such a comprehensive reform as policy prior to impending crisis-management negotiations with Moscow, this new U.S. military policy can be the basis for a new approach to armaments negotiations with the Soviet leadership.

Today, a growing number of nations have nuclear-weapons capabilities. Rapidly, those same nations will acquire missile delivery-capabilities for nuclear weapons. Most nations with an established fission-weapons capability have also the potential for creating thermonuclear weapons systems. Thus, even if the balance of terror between the two superpowers were regulated, third powers increasingly have the potential for starting a thermonuclear war which must more or less immediately embroil the superpowers' own thermonuclear arsenals.

Under these conditions, the military component of Washington-Moscow negotiations must include agreement to rapid development of relativistic-beam anti-missile weapons systems by both superpowers. Two urgent benefits are to be realized by such agreement. First, to the degree we create conditions of assured destruction for intercontinental thermonuclear weapons systems under war-fighting regimes, the value of such thermonuclear weapons is reduced, and then, and only under such conditions, both superpowers can agree to demobilize such components of their respective arsenals. Second, neither superpower must tolerate the use of even limited thermonuclear warfare by third powers. We must agree to shoot down third-power nuclear weap-

ons on launch by aid of means including orbiting beam-weapon-armed space platforms.

With such agreements, the age of mutual thermonuclear terror is brought toward its conclusion. . . .

BROADCASTS FROM LAROUCHE'S 1984 PRESIDENTIAL CAMPAIGN

LaRouche Calls for National Defense Emergency Mobilization

Jan. 21, 1984

Nearly two years ago, during a two-day seminar in Washington, D.C., I proposed a new strategic doctrine for the United States, to an audience which included Soviet officials as well as representatives of our government agencies. I proposed that we dump Kissinger's and McNamara's Flexible Response doctrine, and end the age of thermonuclear terror, through deploying the kinds of anti-missile defenses which science had made possible.

My proposals caught fire immediately among influential circles. With the knowledge of our government, I conducted exploratory discussions privately with Soviet representatives for a period of over twelve months. When Dr. Teller announced similar proposals in the fall of 1982, our news-media were no longer able to suppress the information about the fact of this discussion and the new doctrine from the American public.

On March 23, our President not only announced such a new strategic doctrine for the United States itself, but in that same nationwide television broadcast, he offered to negotiate with Moscow to bring the age of thermonuclear revenge-weapons to an end. If the Soviet leaders had accepted the President's offer at that time, tonight you and your family could sleep in knowledge that the age of thermonuclear terror was being brought to an end.

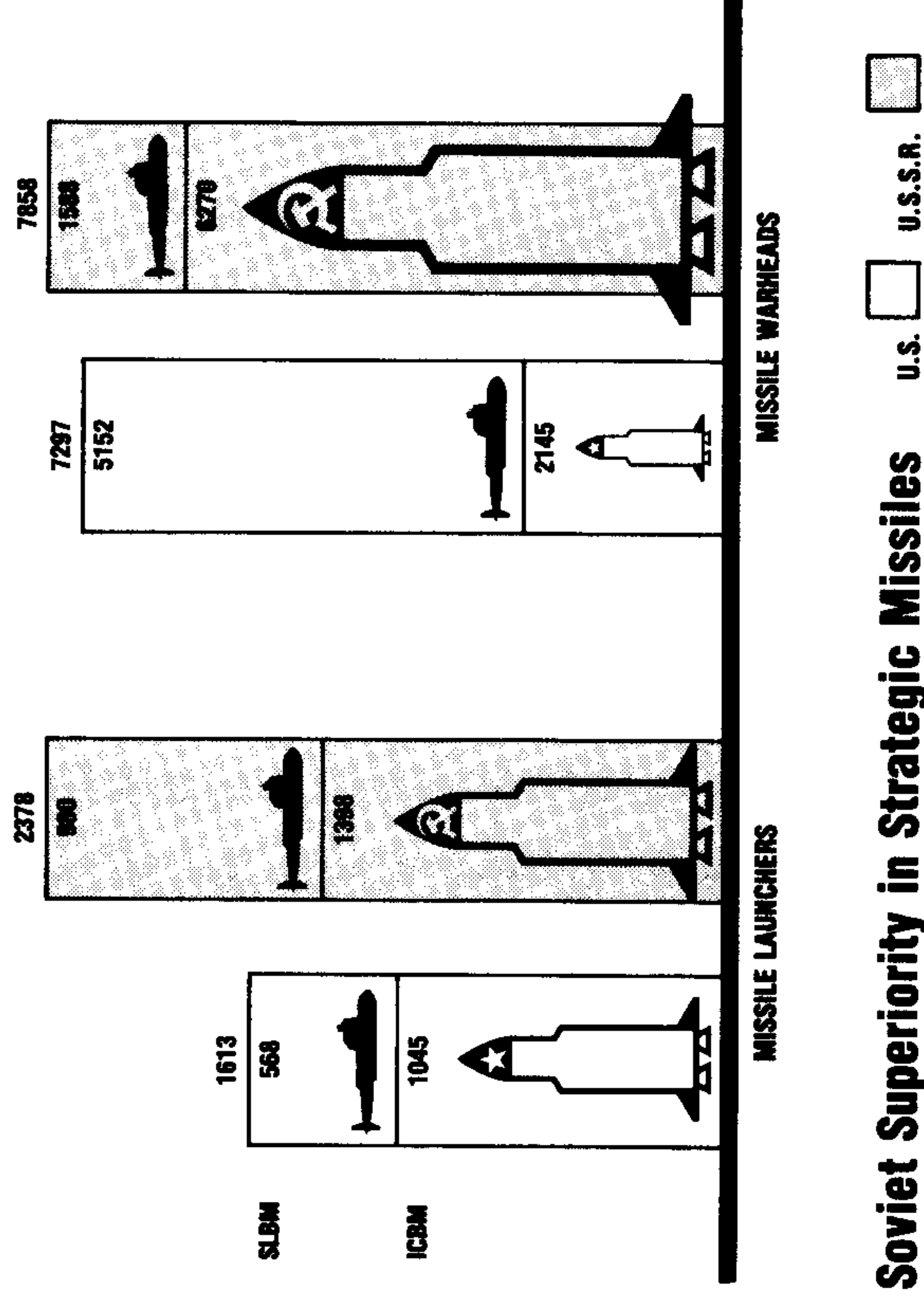
But, the Soviet Union did not wish peace. They rejected our

President's offer with a violence we have not seen from there since Nikita Khrushchev was kicked out. Soviet leader Yuri Andropov dropped out of sight in August and has remained so for nearly five months; in the meantime, a Soviet military junta has come to power over there. Since August, beginning with incidents including the shooting-down of the Korean civilian airliner on Sept. 1, the Soviet rulers are moving step by step toward a global thermonuclear showdown with us—in Europe, in the Middle East, and elsewhere. At the same time, the Soviet KGB's First Directorate is deploying scads of terrorists into the United States itself. The situation today, in general, is far worse than it was at the outbreak of the Berlin crisis or the Cuba crisis under President John Kennedy.

Soviet leaders are very good in military planning. While Henry Kissinger and Robert McNamara have been brainwashing politicians and newspaper editors into the delusion that thermonuclear war is impossible, since 1962 Soviet leaders have been steadily and carefully and competently planning, building up Soviet forces to the point that Moscow could survive and win a thermonuclear war against the United States. My military advisers tell me that Moscow has not yet reached the level that it could actually guarantee itself a victory in a thermonuclear war against us. But, Moscow believes that its military superiority has grown so large that our President would have to back down to a thermonuclear confrontation if this occurred during 1984 or 1985.

Moscow believes the time has come, and has believed this since June 1981, that it no longer needs to negotiate on terms proposed by our government. At present, they have deployed military units designed to take over Scandinavia. At the same time in East Germany they have deployed units trained and equipped for the special task of taking over West Germany. Soviet puppets such as Syria and Iran are being used against us. Right on our southern borders, the Soviet KGB controls the leadership of an opposition political party in Mexico called the PAN, and through the PAN circles, drug-linked circles, the Soviet KGB is deploying terrorism directly into the United States. Moscow's policy at present can be fairly described as: "We do as we please; there is nothing you can do about it, except submit to our unconditional terms." Generals in Moscow dream the old Russian dream of Moscow as the world-capital of a new Roman Empire.

Figure 5.1



Soviet Superiority in Strategic Missiles

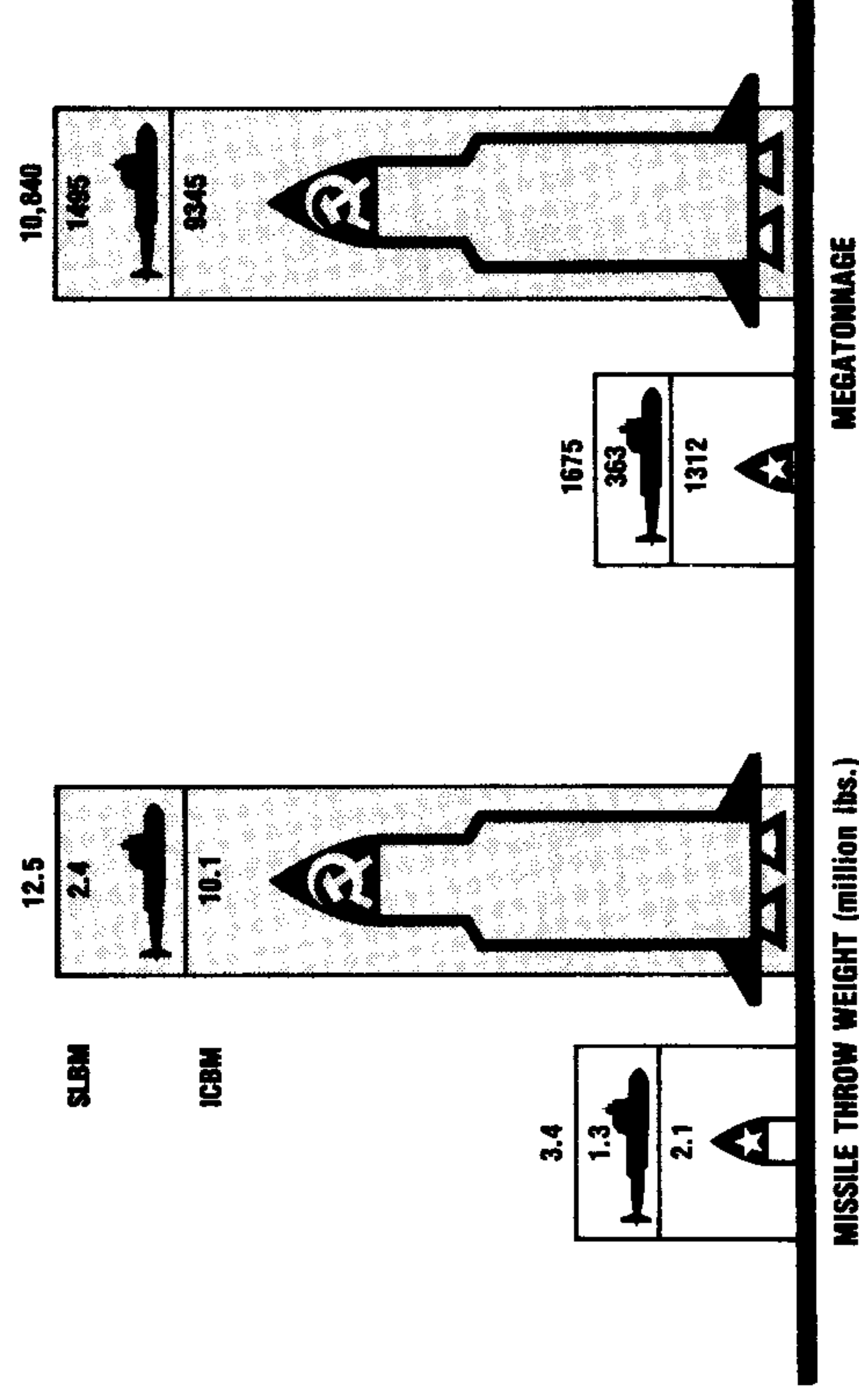
We must change this picture. As President Franklin Roosevelt said, so I say again to you today: We have nothing so much to fear as fear itself.

I must show you first the dark side, so that you understand what we must do, and why we must do it.

We'll go through five successive charts—three charts, a map, and another chart. And in this we'll look briefly at the overall balance in strategic missile capability between the United States and the Soviet Union today, as reported by agencies such as the London International Institute for Strategic Studies.

Now look first at this present chart (Figure 5.1). On the left we see a comparison of the number of launchers which the United States, the white bar, and the Soviet Union have. I do say that the Soviet Union is slightly superior to the United States in the number of land-based and submarine-based launchers. The picture looks somewhat better as you go to the right set of bars. You see that the white bar is almost as high as the gray bar, which means that we have almost as many warheads in service, ready for deployment, as the Soviet Union. You also see that our strategic strength is concentrated presently in our submarine-based

Figure 5.2



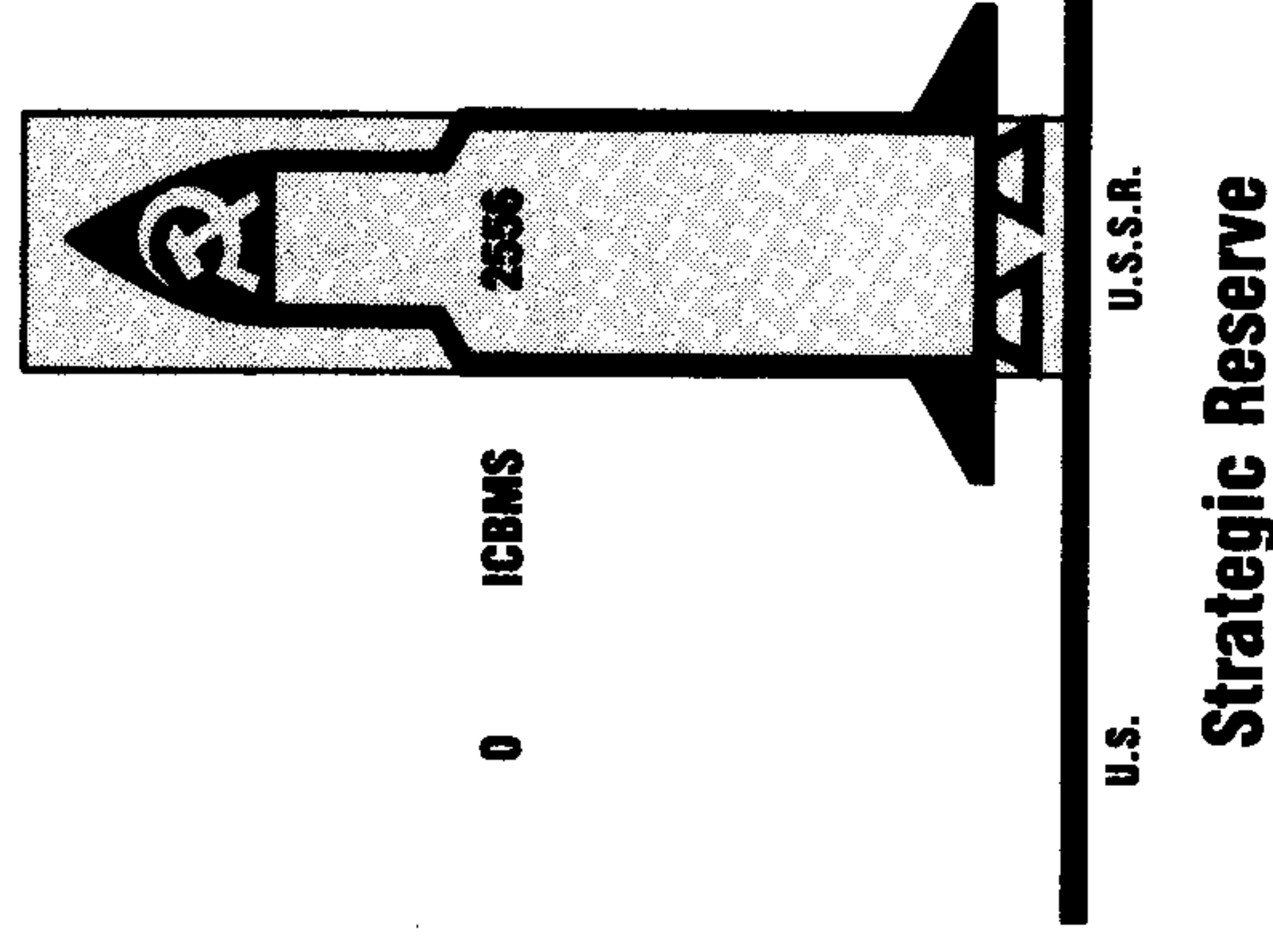
Sources: Keith Payne, *Nuclear Deterrence in U.S.-Soviet Relations*. Westview Press, 1982; International Institute for Strategic Studies, *Military Balance* series.

missile systems, whereas the Soviet capability is concentrated largely in the land-based missile systems, although their naval capability is rapidly increasing.

Now let's look at the second chart (Figure 5.2). Now you see in the second chart that the situation begins to look rather disastrous. On the left-hand side, we're comparing the number of millions of pounds of throw-weight of the two superpowers. And you see that we are outnumbered in that by an order of magnitude of more than 3 to 1. Now you look to the right and compare the amount of megatonnage, effective megatons, which the Soviet Union and the United States, respectively, can deploy against the other. And you see here, for instance, that we have less throw-weight in megatonnage than the Soviet Union does in even the submarine fleet. The Soviet Union way outclasses us in megatonnage. The significance of this will come in a moment as we come to the map.

But let's proceed first to the next chart (Figure 5.3), which takes into consideration another factor which is not much discussed but very important in the long run. Now this third chart is not a mistake. There is no white bar. This refers to the reserve

Figure 5.3



missiles in the possession of the two superpowers. The United States has none. And you see that the Soviet reserve is in the same order of magnitude as a major component of their regular first-line deployed missile capability.

Now let's look at the map (Figure 5.4) and we'll discuss what

Figure 5.4

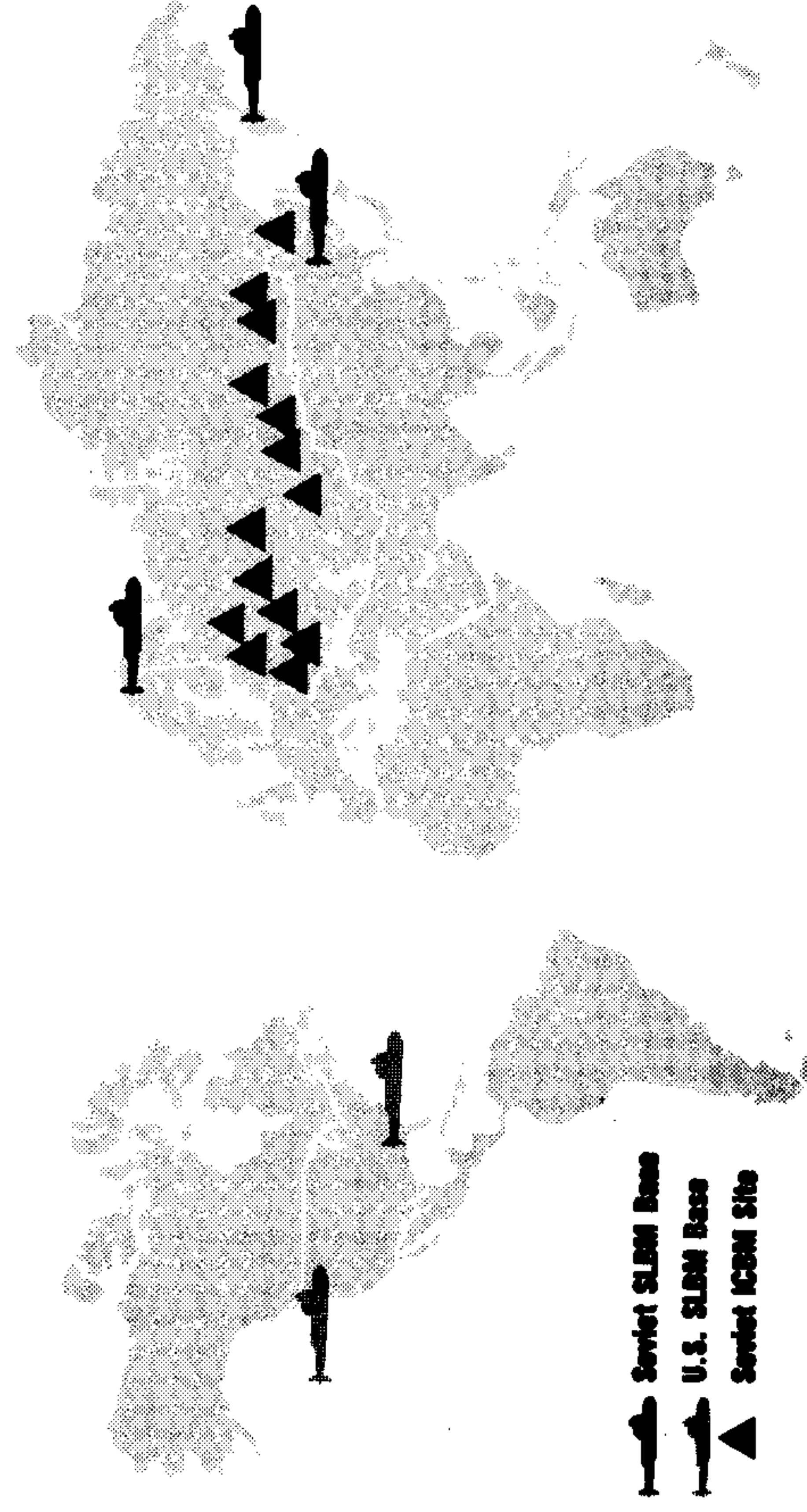
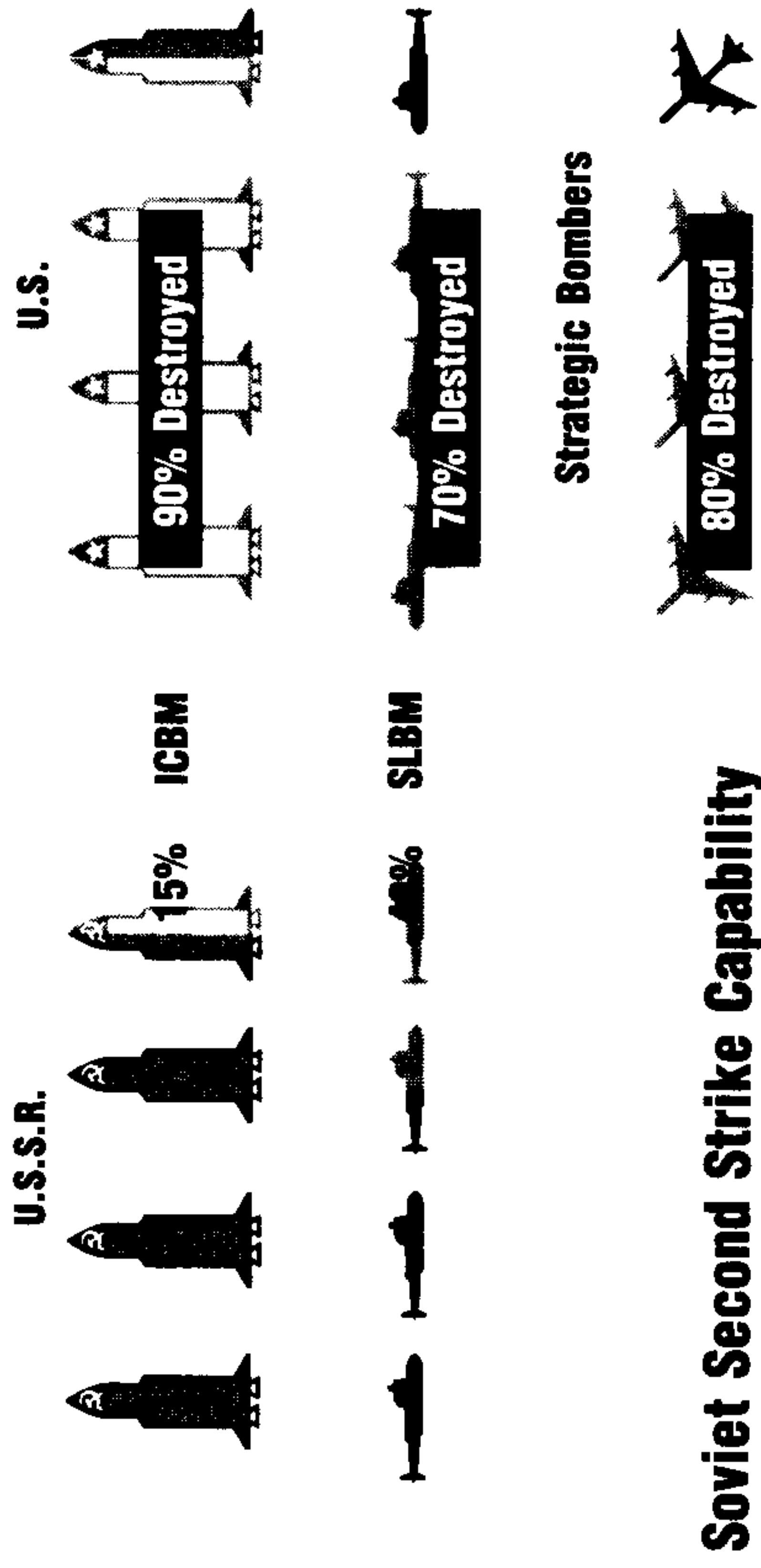


Figure 5.5



Soviet Second Strike Capability

that begins to mean. I show you this map to indicate a very particular problem. These deployments mainly indicate the position of the Soviet land-based missile force, strategic missile force. Now our strategic submarine system, based in large part under the Arctic ice, has the assignment to reach and destroy these missiles particularly with counterforce weapons. Now the point is that without rearming our submarine fleet, number one, with the Trident system of submarine-launched ballistic missiles, we have a little bit of trouble in trying to reach these Soviet targets we have to. Number two, if we for some reason should have most of our submarines in the ports, the naval ports of the United States, or off-station, otherwise, or if the Soviets could knock out our submarines, then we'd be in very tough shape and the Soviets would have preponderance over us. I'll indicate to you in just a moment what the problem is there. The point is that we must have an upgrading of our Trident submarine system or we'll lose most of our strategic capability, and we must have, very quickly, hunter-killer attack submarines, both to hunt down Soviet submarines, but more importantly, to get rid of Soviet attack submarines which are trying to track, trail, and kill our submarines. We can go with that, and go to the next chart (**Figure 5.5**).

What I'm going to show you is the calculations made by my military advisers of what it would look like, in terms of weapons systems capabilities, after a first strike against the United States

by the Soviet forces with presently known capabilities, and what the losses would be to the Soviet Union by our immediate response. And let's go now to the next picture on the same chart.

Now let's look at the percentile of the U.S. capabilities destroyed and then after that the Soviet capabilities destroyed under condition that the Soviets launch a pre-emptive first strike against the United States. In the event of a Soviet first strike of this type, my experts calculate that 90 percent of our land-based ICBMs would be destroyed by the Soviet Union in the first strike, plus 70 percent of our submarine missile capability, plus, as you see, 80 percent of our strategic bomber capability. In this case, we see that the Soviet Union has expended only 15 percent of its land-based missile fleet to do this first strike and has expended, we see, only 40 percent of its submarine-based missile-launch capability to do the first strike. This leaves us guess where.

Now on this point we'll just quote two sources as to why the United States was permitted to drift into this condition against the Soviet Union. First we'll quote from Henry Kissinger a passage from a press conference he delivered in Moscow in July 1974. And I quote Henry Kissinger. "What in the name of God," said Kissinger, "is strategic superiority? What is the significance," he said, "politically, militarily, operationally at these levels of numbers? What do you do with it?" So much for Kissinger.

Now let's go to the Carter administration, to a National Security Council official in the Carter administration in 1979. And I quote: "Even if the United States could attain strategic superiority it would not be desirable," he said. "Because I suspect we would occasionally use it in some very risky ways. It is in the United States' interest to allow the few remaining areas of strategic advantage to fade away." I suspect this is not really "fading away" that this man is talking about; he's talking about letting us fall into strategic inferiority.

This situation reminds us of the year 1938, when Prime Minister Neville Chamberlain returned from his pact with Adolf Hitler.

[Newsreel clip of Britain's Chamberlain]

Chamberlain: I trust that all concerned will continue their efforts to solve the Czechoslovak problem peace-

fully, because on that turns the peace of Europe in our time.

We regard the agreements signed last night and the Anglo-German naval agreements as symbolic of the desire of our two peoples never to go to war with one another again.

Today, there are many Neville Chamberlains in Europe and the United States. Moscow is bragging that these Nuclear Freeze sympathizers will pull out our President's teeth and drive Caspar Weinberger out of the Defense Department. This is Moscow's political "fifth column" in our news-media and in our political parties.

These Neville Chamberlains call our President a "warmonger." Soviet agents around the world whisper the lie that our President is a "new Hitler" and "worse than Attila the Hun." Soviet newspapers and stooges say that I am much more dangerous than our President. Moscow hates me because of the generous offer the President made to them on March 23, and because Moscow is afraid that I might rally you, the patriotic sons and daughters of our Democratic Party, to support the policies I report to you now.

1. The President must use his powers under our Constitution and statutes, to declare a National Defense Emergency Mobilization.

We must mobilize as President Franklin Roosevelt led us between 1939 and 1943.

[Newsreel clip of Roosevelt speaking to Congress, May 16, 1940]

Roosevelt: I should like to see this nation geared up to the ability to turn out at least 50,000 planes a year. I ask for an immediate appropriation of \$896 million. And may I say that I hope there will be speed in giving the appropriation.

Our Federal Reserve should be federalized under Article I, Sections 8 and 9 of our Constitution. Its power to print money and to operate an inflationary "Keynesian multiplier" must be suspended for the duration. Congress must authorize an initial

issue of \$500 billion in Treasury gold-reserve money, at \$750 per ounce of gold.

These gold-reserve currency-notes must be loaned at between 2 percent and 4 percent discount through our private banks for investments to put our idled farms, factories, and unemployed to work producing needed physical goods.

2. The President must launch a \$200 billion crash program, like President Kennedy's successful Apollo space program, to give our nation a first-generation anti-missile shield by 1988.

3. The Congress must support a crash program to fill up the gaping holes in our 1984-1985 defenses. The patriotic citizens of this country must force the members of Congress to support this.

4. We must change our policies toward our friends in Latin America and elsewhere immediately. We must negotiate a sensible reorganization of their debt payments, at between 2 percent and 4 percent interest. We must pour in the needed capital-goods-exports for their economy's development—so they can meet these requirements, and so that we can increase industrial employment in the United States by about three million new jobs producing capital-goods for export.

During the recent ten years, we have been ruining and losing our friends in Europe, in Asia, Africa, and Latin America, at the same time that many politicians have been lying to you that we were giving away gigantic charitable contributions to other countries, most of which never arrived. If we do not change this policy, Moscow will take over the world piece by piece, and we will have no one to blame but ourselves.

For just a moment, forget the election campaign. My duty, election or no election, is to be the leader of the patriots of the Democratic Party, to free this party of ours from the grip of Neville Chamberlains like Charley Manatt and Walter Mondale. My duty is to mobilize you to help save our nation in a moment of its greatest danger.

It is true that the Reagan administration has disagreed with me on the economy. I see our farms, factories, unemployed, minorities, and national defense as suffering from Paul Volcker's Federal Reserve policies. I ask you to support me to change that.

I disagree angrily with the policies of Henry Kissinger and our State Department toward Europe, Asia, Africa, and Latin America. I ask you to support me in changing these policies. Above

all, I ask you to help me bring the friends and patriots of both parties into support of a bipartisan defense policy, and to rally our nation against the growing menace of international terrorism.

I hope that we can force Moscow to reconsider its foolish rejection of my own and our President's offer to end the age of thermonuclear terror. We must mobilize, yes: to convince Russia to abandon its mad nuclear adventures. But we must also continue to offer peace within the framework of the President's offer of March 23.

To those top Soviet officials who will be studying copies of this broadcast within the next days, I say this:

In my quest for peace between our countries, I have proven myself consistently forthright and honest with you. I have warned you accurately of the consequences of the events you have permitted to occur.

If the Kremlin's hierarchy chooses to punish or to ignore those who have borne the discussions with me, you Soviet leaders do so at your own peril. By now you know, as my government knows, I do not deal from the bottom of the deck, and I am always open to honest dialogue.

To you my fellow-citizens, I say:

For the sake of our country, and everyone's grandchildren everywhere, help me now. If you are one of that majority which still cares about our country, telephone or write our President tonight. Tell him and the Congress that there are many, many patriots around this nation who will support a National Defense Emergency Mobilization. Do that tonight, and help to save this nation and the world from thermonuclear war.

Thank you and bless you all.

The Ominous Crisis in U.S. Defense Policy

Television broadcast, May 31, 1984

Announcer: This is the Washington, D.C. Embassy of the Soviet Union. According to the voluntary admissions of one of the most influential Washington lobbyists, it is behind these walls

that bills cutting the U.S. defense budget are being reviewed for Soviet editing and approval before they are formally introduced to the U.S. Congress.

The original source of this shocking information is Dr. Carol Rosin, who is President of the Institute for Cooperation and Security in Outer Space. Dr. Rosin is also the leading lobbyist for the Soviet Union's channels of influence into our Congress on matters of U.S. defense policy.

I've been working very closely with the Soviets on the weaponization of space. Joe Moakley saw me on television discussing this issue and called me up. I suggested that he get a resolution introduced in Congress. He was interested. I then called Dan Duedney of Worldwatch, who wrote a draft resolution. I took this to my contacts at the Soviet Embassy. They told me to change certain language in the resolution. The Soviets don't like to compromise. I then got the resolution to Congressman Moakley and he presented it. It's resolution 120.

Announcer: She made that bragging confession in an interview conducted just over a week before tonight's broadcast was recorded. An international team of investigators has crosschecked her confessions. Now, Democratic presidential candidate Lyndon LaRouche reports on the significance of Dr. Rosin's confession.

LaRouche: According to Dr. Rosin, one of the congressional bills she prepared in collaboration with the Soviet Embassy's number two man is a bill introduced by Massachusetts Representative Joe Moakley, HJR 120. Dr. Rosin indicated that this bill was introduced to the Congress on or about February 2, 1983. Later, a Senate version of that House bill was introduced, SR 129. The bill which just recently passed the House, banning further U.S. development of anti-satellite systems, was part of the package of anti-defense legislation sponsored by Dr. Rosin's circles of Soviet fellow-travellers, fellow-travellers tied to her congressional lobbying group inside, and outside members of Congress.

In Congressman Moakley's case, his congressional office denied that the congressman had known that his bill had been edited in the Soviet Embassy. As we checked through the list of senators

and congressmen among Dr. Rosin's co-thinkers on U.S. defense legislation, the degree of each congressman's awareness of his own complicity with Soviet channels of influence into the Congress varied. However, whether each of these members of Congress knew that the Soviet government had had a direct hand in shaping this legislation, each of those members of Congress either knew or should have known that he himself was acting as a Soviet fellow-traveller.

The names of the members of Congress prominent on the list of Soviet fellow-travellers on U.S. Defense policy include the following: Representative Moakley, Representative Mel Levine, Representative George Brown, Senator Larry Pressler, Senator Paul Tsongas, Senator Claiborne Pell, Representative Larry Coughlin, Representative Tom Downey.

Hear what Dr. Rosin said about the origins of the so-called Brown-Coughlin bill, which just passed the House of Representatives.

We worked with the Soviet government. . . . We got a statement out of Andropov announcing a unilateral ASAT moratorium. This is how it happened: I found some Senators going to Moscow, led by Senator Pell. I asked one of them if he would suggest an anti-space thing in his meeting with Andropov. I also drew up a proposal on this and gave it to the Soviet embassy—the Soviets are very cooperative with us.

According to the best opinions I have been able to obtain, a U.S. congressman is not guilty of treason simply because he or she, or the congressman's staff works with the Soviet government in designing attacks on the U.S. defense budget. However, I believe that most of you share my opinion, that every member of the Congress who continues to be complicit in such activities ought to be impeached immediately.

It is a fact, that members of Congress and others, who oppose the MX deployment and President Reagan's Strategic Defense Initiative, are collaborating intimately with known representatives of the Soviet intelligence services in cutting the U.S. defense budget in precisely those areas the Soviet press and Soviet officials are publicly demanding such specific cuts.

At the same time, Soviet officials are stating publicly that

they are engaged in a massive military build-up, in preparation for what they warn may be a military showdown with the United States during the early future.

For example, on May 20, the Soviet Defense Minister, Marshal Dimitri Ustinov, threatened the West in these words:

We have increased the number of our submarines with nuclear missiles aboard off the coasts of the U.S.A. in terms of their characteristics, yield, accuracy, the ability to reach targets on the territory of the United States, and the flight time to target.

On May 20, we learned of the release of the contents of a letter sent to U.S. nuclear freezenik Carl Sagan from the Soviet head of state, Konstantin Chernenko, in which Chernenko wrote:

It should be clear that faced with a threat from outer space, the Soviet Union will be compelled to take measures for ensuring its security reliably.

But, on May 9, the Soviet military's Chief of Staff, Nikolai Ogarkov, published a statement in the official Soviet Army newspaper, *Red Star*, in which Ogarkov revealed that Moscow is accelerating its own efforts to deploy the kinds of so-called "Star Wars" systems which Chernenko and Carl Sagan are working to prevent the United States from deploying.

Work on these weapons is going on in many countries, for example, the United States. Their creation is a reality in the immediate future and to ignore that even now would be a serious mistake.

It is true that Marshal Ogarkov's statement is the first published statement from a Soviet official in more than two years admitting that Moscow has been working to deploy the kind of Strategic Defense Initiative which Moscow's sympathizers of the nuclear freeze movement are trying to prevent the United States from developing. In fact, the nuclear freeze movement, which was founded at a Moscow international peace conference during May 1982, was created from the beginning for the special purpose of attempting to prevent the United States from deploying the

kind of strategic ballistic missile defense which Moscow intends to have partially in place as early as 1987.

The point is, that if Moscow had even a limited strategic ballistic missile defense in place by 1987, and the United States has not deployed a comparable system by that time, the Soviet Union could conquer the United States, probably without even firing a shot. That is the reason a long list of Soviet officials signed a lying declaration announced on April 10, 1983 which went as follows:

Based on the knowledge that we as scientists possess, we declare with all responsibility, that there are no effective defensive means in nuclear war and it is a practical impossibility to create them.

Obviously, those Soviet officials were simply lying, especially those Soviet scientists, such as Academician Velikhov and Major-General Basov, who are among the leading scientists working on the development and deployment of the kinds of systems which Marshal Ogarkov now admits the Soviets have been committed to deploying all along. Yet, the circles of Soviet agent-of-influence Henry Kissinger keep repeating that anti-missile beam-weapons are the "music of the future," while nuclear freezeniks such as Carl Sagan and Richard Garwin insist that beam-weapons are both impossible and also very dangerous.

Moscow has been unleashing a count-down toward a thermonuclear showdown with the United States since about August 1983, since a week or two before the brutish act of shooting down what the Soviet pilot knew to be a Korean civilian airliner on September 1st of that year.

Today, Moscow has been taking measures on again and off again, to build up to a new Berlin crisis like that which occurred in the Summer of 1961, and the Moscow-controlled press carries several articles of an official character each month, threatening the possibility of military action against West Germany. By means of threats and the new Neville Chamberlains run out the State Department, most of Scandinavia has become a part of the Soviet strategic sphere of influence.

The influence of Kissinger on U.S. strategic policy toward Western Europe convinces increasing numbers of West Germans that the United States will not defend West Germany in case of

a limited Soviet ground-assault such as against Schleswig-Holstein. Willy Brandt's Social Democratic Party of Germany is already an agent of Soviet influence in that country, and large sections of the other major parties in West Germany are so infected variously with terror and pro-Soviet influences that West Germany will fall into the Soviet sphere of strategic influence very soon, unless President Reagan demonstrates the will to clean out the State Department and throw Kissinger and Kissinger's cronies out of the government right now.

If West Germany falls into the Soviet strategic sphere of influence, all of Western Europe will fall into the Soviet orbit almost immediately.

Meanwhile, under the leadership of the leftist Prime Minister of Greece, Papandreou, Greece is out of NATO to all intents and purposes.

The policies of Kissinger, George Ball, and others of that same stripe, are driving Saudi Arabia, Jordan, and Egypt away from a United States those governments have ceased to trust since Kissinger's influence on the Reagan Administration has become increasingly obvious. Although forces such as Sharon and Joe Churba's circles within Israel are intimately linked with Kissinger and Kissinger's Middle East policies, no one should imagine that Kissinger's policies are anything but the greatest existing menace to the continued survival of the state of Israel.

Most of the destabilization and hot-spots around the world represent either crises which Moscow itself is directly orchestrating, or crises into which Soviet agencies are meddling. On this general situation, the London *Sunday Express* of May 20 reported:

In a "last-ditch effort" to embarrass and wreck President Reagan's chances for re-election, the Soviets "may be willing to take dangerous chances."

In that same *Sunday Express* article, the newspaper's Moscow reporter warned that one likely area in which the Soviets might orchestrate such a confrontation would be the Persian Gulf, cutting off much of the world's supply of petroleum.

It is under these circumstances that certain members of Congress are supporting Soviet proposals to cut the U.S. defense budget, to sabotage the deployment of the MX missile, and to

prevent the United States from deploying the strategic ballistic missile defense which President Reagan announced on March 23 of last year.

Now how is this treasonous behavior within the liberal factions of both political parties possible? How is it possible that even significant numbers of members of Congress could be complicit in the treason-like activities which Dr. Carol Rosin described in her interview?

To list the facts which explain the treasonous behavior which Dr. Carol Rosin has described, let us turn to a Washington press conference given by Democratic National Chairman Charles Manatt last September.

I think the basic consensus of our party is fairly reflected in a mutual and verifiable freeze on the testing, production, and deployment of nuclear weapons.

Five of the six Democratic presidential candidates then running, including Walter Mondale and Gary Hart, agreed with Manatt's endorsement of the Soviet nuclear freeze movement. Is it relevant that Manatt's law-firm has a business deal with Dzherman Gvishiani, Kosygin's son-in-law and a well-known top official of the Soviet KGB? It was that press conference of Manatt's which caused me to campaign for the Democratic presidential nomination, in order to give the patriotic sons and daughters of the Democratic Party at least one qualified presidential candidate for whom they could vote with good conscience. It was because of my opposition to Manatt's support for Moscow's nuclear freeze policy that top Party circles around Manatt are steering vote-fraud and other harassment against the campaign of the only major Democratic presidential candidate for whom a patriot could vote.

As I told you, the nuclear freeze movement was created in Moscow during a conference held there during May of 1982. By the beginning of last year, Moscow's nuclear freeze movement had spread throughout Western Europe and into the United States.

Between the 24 and 28 of May of last year, Minneapolis Mayor Donald Fraser, one of the leading figures of Walter Mondale's political machine in Minnesota, hosted more than a score of top Soviet KGB officials at a Minneapolis conference. My colleagues attended that conference as journalists, observed carefully the

way in which the Soviet officials gave orders and in which the Mondale machine present accepted Soviet instructions. Walter Mondale has consistently supported the U.S. defense-spending doctrines issued to his colleagues by Soviet officials at that May 1983 meeting.

There is no mystery as to why the Soviet government's official newspaper, *Izvestia*, endorsed Mondale for President in its edition of February 12 of this year.

Observers attribute the former Vice-President's growth in popularity to his recent political pronouncements condemning the militarist course of the present American administration. He has underlined the importance of conducting a constructive dialogue with the Soviet Union with the aim of halting the arms race.

And, after Mondale and Hart had echoed the Soviet policy for U.S. defense in their own published statements recently, Moscow came back with new praise for these two candidates, in *Pravda* of May 21.

Some of you are thinking, that what I am telling you is not possible. You are saying to yourself: "The FBI would never allow it!"

If you think that, you are badly misinformed. The FBI did allow it!

In November 1982, President Ronald Reagan accurately warned that the Soviet government was steering the leadership of the nuclear freeze movement. This truthful warning was repeated during the months after that. And yet, on March 25, 1983, FBI Director Judge William Webster issued a false report, denying the leadership of the nuclear freeze movement was Soviet-influenced. Later, following the May 1983 meeting between Soviet KGB officials and the Mondale machine in Minneapolis, my news service issued a report documenting statements by both Soviet officials and reactions of the Mondale machine's spokesmen. The FBI intervened to block circulation of that published documentation proving the Mondale machine's close collaboration with Soviet officials in shaping nuclear freeze policy in the United States.

Just as the FBI under Judge Webster has issued false denials of the growing terrorist menace inside the United States, so that

same Judge Webster has acted more than once to shield figures such as Walter Mondale, Gary Hart, and Democratic Chairman Charlie Manatt from exposure as agents of Soviet influence.

I'll come back to the subject of the FBI in a moment. For the moment, let us complete the general picture of Mondale's and Hart's roles as agents of Soviet influence.

Many of you have seen my television network broadcasts documenting the proof that Henry Kissinger is an agent of Soviet influence. Many of you have studied the written documentation of that evidence circulated throughout the nation. Many of you have also heard radio announcements and have read documentation reporting the fact that the Soviet government has endorsed Kissinger for Secretary of State, Mondale for President, and has also praised Gary Hart's policies. We have already reported *Izvestia's* endorsement of Mondale; consider part of what *Izvestia* had to say about Hart and Kissinger.

What explains the rapid growth in Hart's popularity during the present campaign? To a certain degree it is explained by the fact that in his speeches the senator from Colorado actively supports the resolution in favor of a freeze of nuclear weapons.

—*Izvestia*, March 11

Henry Kissinger possesses an uncommon mind. Henry Kissinger could once again become Secretary of State.

—*Izvestia*, March 18

Now, to see the other side of the picture, look briefly at the escalated campaign of attacks which the Moscow press has unleashed against me since President Reagan's announcement of his Strategic Defense Initiative on March 23 of last year:

As the hobby-horse of his electoral campaign, LaRouche has chosen space weaponry. He was delighted with the proposals Reagan made on March 23 of 1983 to fill near-Earth space with lasers and other types of total weaponry and now is sparing no effort in the propaganda of this misanthropic idea.

Moscow says: If you wish U.S. policies directed from Moscow, support Mondale, Hart, Kissinger and Democratic Chairman Charlie Manatt, and vote against LaRouche.

Is Moscow's confidence in Walter Mondale and Gary Hart justified? Let us glance at the key defense proposals in Walter Mondale's recent position paper and Gary Hart's recent release. Mondale first:

If you help me get nominated, I can make the 1984 election a choice between Star Wars and a space freeze.

It is a cruel and dangerous hoax for this administration to promise an increase in American security through Star Wars weapons.

These policies of Mondale's and Hart's were praised in the pages of *Pravda* on May 21.

Mondale and Hart have come out on a whole in favor of positions which are more realistic than Reagan and his kind.

What Mondale and Hart are demanding today is precisely what Moscow is demanding U.S. defense policy to be. Moscow's confidence in Hart and Mondale is fully justified: Both of these leading Democratic presidential candidates are agents of Soviet influence, for whom no patriotic son or daughter of the Democratic Party could vote. You think that is harsh language. My dear friends, harsh language or not, it is the plain and simple truth. No citizen of our country can support or vote for Mondale or Hart and walk away from the voting-booth still calling himself an honest patriot of this republic.

You ask whether I am saying that Mondale and Hart are Communists? I don't suspect either of being Communists in any popular use of that term. Just as the political philosophy of Colorado Governor Lamm seems to date from the discovery of cannibalism, the "new ideas" of Colorado Senator Gary Hart seem to date from a few centuries before the invention of mud. Perhaps I exaggerate about Hart's ideas a tiny bit, but not by very much.

As I reported to many of you in an earlier network broadcast proving that Henry Kissinger is an agent of Soviet influence, just as I do not consider Kissinger to be a Communist, neither do I

consider the Soviet fellow-travellers around Averell and Pamela Harriman to be Communists, nor Mondale, nor Hart. This particular brand of Moscow's fellow-travellers, both in Western Europe and in the United States, has the same general kind of feudal mentality which Henry Kissinger described his own beliefs to be back in his Harvard doctoral dissertation.

These fellow-travellers represent a circle of very wealthy families in Europe and the United States who either are aristocrats by birth or who consider themselves "blue bloods" in the case of our own country. These elements of the Anglo-American "Liberal Establishment," which Kissinger, Mondale, Hart, and Manatt serve like aristocrat's house-servants, made a back-door agreement with Moscow back during the second half of the 1950s. Generally speaking, these wealthy families hate Russia, and the Soviet leadership despises and hates them, but despite this mutual hatred, these wealthy liberals and Moscow have a strategic agreement which is now approximately 30 years old. As part of that so-called "New Yalta" agreement negotiated by Bertrand Russell and the Pugwash Conference channels, the liberal families have agreed to turn large areas of the world over to Moscow's sphere of influence, and have also agreed to permit Moscow to be the dominant world power for a few decades. I won't describe here the long-range thinking of these treasonous liberal families; I will merely report that I consider their arguments insanely absurd strategically, as well as downright evil. The simple fact is that these liberal families and the stooges, like Mondale, Kissinger, Hart, and Manatt, who work for them, are agents of Soviet influence, and are betraying both the United States and western civilization in their partnership with Moscow.

Now I think you can understand the significance of Dr. Carol Rosin's confession. Perhaps there are a few out-and-out Soviet KGB agents penetrating influential parts of our government and political parties, but that is not the source of the kind of treason-like activities which Carol Rosin has reported. These corrupted members of Congress should not be seen as a few isolated conspirators. They are acting on orders passed down from agents of Soviet influence around people like Averell Harriman, through circles like the Harriman-controlled circles around Tip O'Neill and Charlie Manatt. These corrupt congressmen are acting on the policy stated publicly by Charlie Manatt during his conference

of September 20, 1983, the time when Manatt issued the order that the Democratic Party must commit itself to carrying out the orders of Moscow's nuclear freeze movement.

This brings us to the question: Why has the FBI been working to block the necessary action in exposing Soviet influence over our defense policy? Over the recent years, my colleagues have been assessing numerous pieces of evidence, all of which show the evidence of a pattern of cooperation between Judge Webster and various so-called "leftist" interests. One quote from this file accurately reflects the pattern of the file of ours as a whole. On May 28, 1981, for example, a leftist associate of the left-wing Institute for Policy Studies praised Webster in the following words.

Webster . . . has refused to believe that there is a plot against [the U.S. by] some mythical Soviet terrorist wreck. . . . I firmly believe and continue to advocate that the left will be best served to consider what was once unthinkable, by sharing a degree of common causes with the Director of the FBI.

Don't be fooled by Moscow's fellow-travellers or by FBI Director Webster. As Soviet Marshal Ogarkov's statement indicates, Moscow is moving at full speed to deploy the kind of strategic ballistic missile defense which the fellow-travellers in the Congress and candidates like Mondale are working to prevent the United States from deploying. If Moscow were to acquire such a defense by, say, 1987 and the United States had no such defense deployed, Moscow could win World War III without the U.S. daring to fire a shot in its own defense. I say that we must unleash a \$200 billion crash program to deploy a strategic ballistic missile defense for the United States as rapidly as possible. I say that we must do this immediately.

Time is running out. If you believe in freedom for yourself and your grandchildren, organize your friends to call the White House and your Congressman and insist that the so-called "Star Wars" program be unleashed right now. Organize your friends and neighbors to vote against the fellow-travellers Mondale and Hart. Vote for me.

A Sane and Effective U.S. Defense Policy

Television broadcast, June 11, 1984

... Now, briefly, here are the key facts about the importance of deploying beam-weapon defenses as rapidly as an "Apollo Project"-style crash program will enable us to do.

Agents of Soviet influence, such as Henry A. Kissinger, argue that the policy of Mutual and Assured Destruction has successfully maintained peace between the two superpowers for about twenty years. Their argument is that as long as both superpowers are vulnerable to massive destruction by thermonuclear counterstrikes, both sides are forced to negotiate rather than go to war. Since strategic beam-weapon defenses greatly lessen the vulnerability of a superpower to thermonuclear attack, these agents of Soviet influence insist, the deployment of beam-weapon defenses creates a destabilization of the strategic balance, and threatens to lead us to war.

Kissinger's arguments are absurd on two principal accounts. First, the Soviet military has never been actually committed to continuing Nuclear Deterrence and Arms Control, although Kissinger has lied repeatedly to conceal Soviet buildups violating both Arms-Control and ABM treaties. Since the first publication of Soviet Marshal V.D. Sokolovskii's *Military Strategy*, in 1962, the Soviet military has been committed to developing laser and related weapons as part of Soviet preparations to survive and win a thermonuclear war against the United States.

Second, from the beginning, since Leo Szilard laid down his Strangelovean doctrine of Nuclear Deterrence at the 1958 Quebec sessions of the Pugwash Conference, Nuclear Deterrence has meant a policy of limited nuclear war between the superpowers under the doctrine called Flexible Response. Since the announcement of the Schlesinger Doctrine, in 1974, the world has been moving to the brink of limited nuclear warfare between the superpowers in some theater, such as Western Europe. Now, because of that feature of Flexible Response, the world is at the brink of possible thermonuclear war between the superpowers.

In other words, we have reached the point at which we must either junk Kissinger's doctrine of Nuclear Deterrence, or find ourselves at the brink of thermonuclear war with Moscow. The Soviet military understands this very well; by about 1987, Moscow will have deployed a first generation system of strategic ballistic missile defense. If the United States does not have such a defense system by that time, the United States will have only two choices: to go to full-scale nuclear war or become virtually a Soviet colony.

The so-called scientists supporting the Nuclear Freeze lobby and Danny Graham both argue either that beam weapons are not physically possible, or are weapons of the distant future. Both these scientists and Danny Graham are lying. Among responsible scientists of the defense community, in both the United States and Western Europe, Danny Graham's cultist Rube Goldberg, his so-called "High Frontier," is rightly considered a very bad joke. Richard Garwin, Costas Tsipis, and other supporters of the Nuclear Freeze lobby must be classed either as very bad scientists or as outright liars: The evidence that beam-weapons will work, and that they can be developed and deployed during the immediate future, is overwhelming.

However, we shall not have such defenses unless we spend the money to develop and deploy such weapons now. If Walter Mondale were to become President, or if Henry Kissinger's circles continue to control the Reagan administration, we shall never have such weapons-systems, and if we do not, then either thermonuclear war or submission to Soviet global domination is inevitable.

Therefore, my campaign has purchased this broadcast-time, so that I may appeal to the delegates of the Democratic convention. I say to you delegates: You are not legally bound to nominate a Nuclear Freezezenik such as Walter Mondale or Gary Hart. You are legally free to vote your conscience. If you are a patriot, your conscience would never permit you to nominate a Mondale or Hart. No patriot would permit a Mondale or Hart to become the next President of the United States. Therefore, you have no moral choices, but either to nominate me, or to nominate some "dark horse" of the qualities I could support in good conscience. If you were to nominate Mondale or Hart, and either were to be elected President, you would have sold the United States into either thermonuclear war or Soviet slavery.

Until and unless a suitable "dark horse" candidate appears, I am the rallying-point for each and every delegate who is also a patriot of this nation. For that reason, the Soviet government fears me, and those agents of Soviet influence, Henry Kissinger, Charles Manatt, and Walter Mondale, hate me as they hate no other personality. Delegates, the choice, and the moral responsibility is now yours.

Why the Soviet Government Supports Walter Mondale and Fears LaRouche

Television broadcast, Nov. 5, 1984

... I am in full support of the Strategic Defense Initiative of President Reagan. I agree fully with the description of that policy as given by Secretary Weinberger, by Lieutenant-General Abrahamson, and by Livermore Laboratory's Dr. Lowell Wood. My only disagreements with the President in connection with this policy are two. First, I insist that the President should have devoted much of his reelection campaign to explaining this doctrine to our citizens, as President Franklin Roosevelt would have done. Second, the President should have campaigned personally to mobilize the majority of the citizens to support an "Apollo-project-style" crash program to put a strategic ballistic missile defense in place before the year 1988. Except for those two criticisms, I give my full support to the program as Secretary Weinberger has described it.

If you knew the facts, you would not only support that program, you would demand that we launch an "Apollo-style" program to deploy a first generation of such a defense system before the year 1988. Tonight, I shall present to you as many of those facts as we can squeeze into a half-hour television broadcast.

First, I should explain to you briefly why the Soviet government has been attacking me so violently by name during the past eighteen months. The Soviets have been attacking me in print and running some very nasty KGB operations against me and

my friends since about February 1972, but throughout the entire period, from February 1972, until April 1983, there was no Soviet attack on me to compare with the wild personal attacks launched against me from Moscow since the President's televised address of March 23 last year. The Soviet government blames me for the Reagan administration's adoption of what Mondale calls the "Star Wars" policy.

Obviously, the Soviet government exaggerates my influence. They base their hatred of me on the fact that I was the first to propose a ballistic missile defense policy of the type now known as "Star Wars," at a Washington D.C. seminar of February 1982. Since that conference my associates and I conducted an international campaign, in the United States and among our allies, to mobilize support for the adoption of this policy. It has been my activities in connection with this policy which have been the subject of repeated attacks on me by name featured in leading Soviet publications.

I did not invent the idea of developing laser-weapons as a means for destroying ballistic nuclear missiles. The first person to propose such a policy was Soviet Marshal V.D. Sokolovskii, who first announced this Soviet strategic doctrine in his book, *Military Strategy*, first published in 1962. The development of strategic ballistic missile defense using laser weapons has been continuous Soviet policy since 1962, and the Soviets are expected to deploy such strategic defenses by about 1987 or 1988.

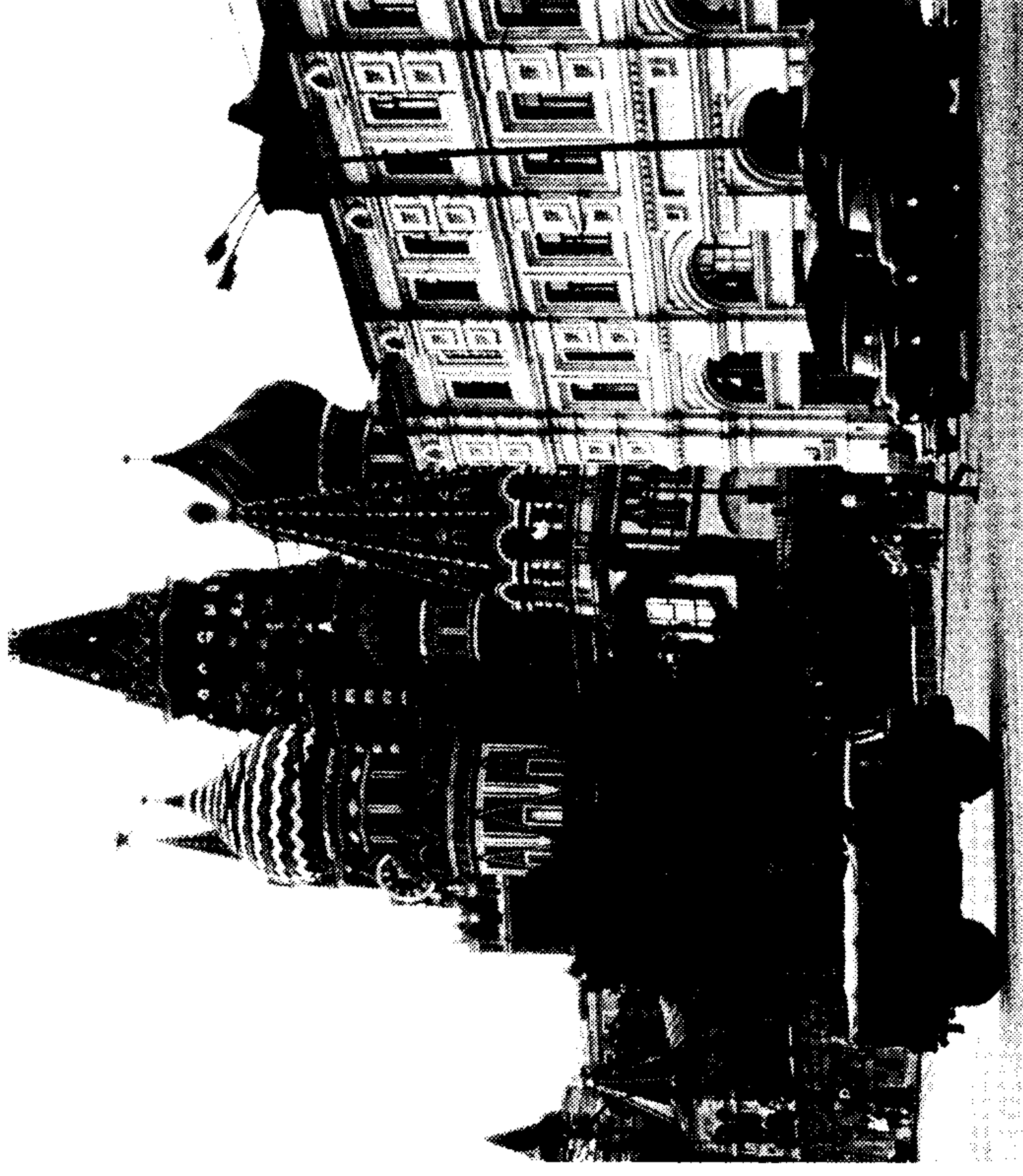
Whenever a Soviet official says that such weapons are not feasible, that Soviet official is lying. Whenever Walter Mondale or some scientist in the United States says such weapons are not feasible, they, too, are lying.

Now, we are going to show you some excerpts from official Soviet training films. These films show you some of the details of operational Soviet plans for a sudden invasion of West Germany. As the film shows, Moscow has never intended to conduct a so-called conventional attack against Western Europe. The films from which these excerpts are taken prove that any Soviet attack against Western Europe will be centered around firing of nuclear missiles against the troop forces and population centers of West Germany. Since these films were published last year, Soviet military exercises in the Baltic and Eastern Europe have concentrated on cutting down the time needed to prepare for a surprise attack from a few days to a few hours. Right now, as these films

show, Moscow has the greatest concentration of combined nuclear, tank, infantry, air, and naval forces in history aimed to be unleashed in full force against West Germany within a matter of hours.

Here, you see part of a Soviet live rehearsal for invasion of the northeastern corner of West Germany, Schleswig-Holstein. Against such an assault, NATO forces in Europe are vastly outnumbered, and almost helpless, unless NATO forces respond instantly with nuclear countermeasures. There is only one weapon in our arsenal which could stop the ground and naval components of the kind of assault shown in these official Soviet films; that is the weapon I would order deployed if I were President, and I would let the Soviets know such a weapon was deployed for instant use at first show of Soviet assault. That weapon is the so-called neutron bomb. This is an artillery shell which can be fired from a mobile howitzer; less than 1,000 such neutron bombs deployed in the European front-lines would be sufficient to stop a Soviet naval and ground assault cold. The great mass of Soviet tanks you see on the screen would be helpless once caught out in the open by neutron-bomb bombardment. Therefore, since the Soviets know I would use such a weapon in such a case, if I were President, or if the President were known to be listening to me, the Soviet command would drop any plans for launching an attack of the kind seen in this official Soviet film.

Let us look briefly at another important element in these official Soviet films. We hear from the Neville Chamberlains of the nuclear freeze movement, such as Walter Mondale, that the Soviets are a peace-loving people, who would be peaceful as lambs if we in the United States would only stop building up our military. In fact, if we take the actual rate of inflation into account, the United States is spending five percent less for defense under President Reagan than under the previous Carter-Mondale administration. When did you last see a military exercise of the United States to compare with these Soviet maneuvers? When did you last see mobs of U.S. citizens turning out to cheer our military forces to battle, as you see in this official Soviet film. Every day, in the official films, in the leading newspapers, and major speeches of Soviet officials to the people of Russia and Eastern Europe, the Soviet dictatorship is pounding the drums of war. They are mobilizing both their military arms and their



Moscow: St. Basil's Cathedral, with military convoy.

people for what Soviet officials state openly is a war they intend to launch against us during the years just ahead.

Peace between the United States and Moscow is possible, only if the United States is strong enough to cause the Soviet dictatorship to desire peace. According to a recent public statement by McGeorge Bundy, the public address which President John F. Kennedy was going to make later during the day he was assassinated, would have said exactly what I say to you tonight. I know very well from my own personal experience that Moscow will maintain peace for only so long as Moscow believes that the United States might survive and win a general war. We must have peace, but we must have the strength to discourage any adversary from daring to attack us or our allies.

Since the assassination of President John Kennedy, until President Reagan's televised address of March 23, 1983, the military policy of the United States was based upon an insane doctrine,

a doctrine known by the appropriate name of "MAD," Mutual and Assured Thermonuclear Destruction.

This doctrine was worked out between the Soviet Khrushchev government and the Liberal Establishment backers of Henry A. Kissinger, during the last half of the 1950s. Through the influence of persons such as Averell Harriman, McGeorge Bundy, and Robert S. McNamara, this agreement with the Soviet regime was imposed upon the government of the United States. When President Kennedy appeared to be moving to reject the doctrine of nuclear deterrence, he died very suddenly. And Bundy, McNamara, and other backers of this agreement with the Soviets had a clear field in reshaping U.S. military policy.

The essence of the agreement reached with Khrushchev was that both powers agreed not to develop efficient methods of defense against thermonuclear weapons. Both powers agreed to keep themselves helpless against thermonuclear weapons. Those who argued for such a state of mutual defenselessness against holocaust insisted that this was the only way to prevent World War III.

Already, under President Kennedy, the United States had effective means for destroying many Soviet missiles before they might strike our cities. What we had twenty-two years ago was exactly what General Daniel Graham proposes as his "High Frontier" Rube Goldberg today. The only problem with General Graham's proposal is that it is twenty years obsolete, and would be a bad joke if faced with the new kinds of Soviet capabilities existing twenty years after it was designed.

The Soviets were the first to recognize early the obsolescence of General Graham's line of thinking, back in 1962.

Sokolovskii wrote in 1962:

Given the increasing assurance of destruction of a state which is vulnerable to full-scale thermonuclear barrage, it is more or less impossible for a state to survive such war, or to win it, without deployment of means adequate to assuredly destroy a critical percentile of the total number of missiles launched against it.

Sokolovskii was right. He proposed that the Soviet Union must prepare to survive and win a general thermonuclear war against the United States. The center of his war plan was the

development of anti-missile weapons based on advanced physics principles. He identified the development of laser weapons as a leading example of the new kinds of anti-missile weapons needed to develop the potential for Soviet military victory. His policies have been the center of Soviet strategic doctrine from then to the present date. If we delay the development of such defensive systems much longer, the Soviets will have such weapons, and we will not. Then, they would be sufficiently invulnerable to be able to rule the world almost without firing a shot.

Despite the fact that Sokolovskii's doctrine was well known in the West, the accomplices of Robert McNamara and Henry A. Kissinger have worked consistently over twenty years, to force the United States and Europe to enter into agreements which Kissinger knew the Soviet government to be violating massively. The Soviets have always viewed diplomacy as the art of lying, and have always regarded treaty-agreements with their adversaries as treaties they intended to violate massively. Whoever doubts this knows nothing of the Soviet mind. They see the United States as their main enemy, and they are determined to conquer us by any trick necessary.

Right now, the Soviets are circling and harassing the United States and its allies like a hungry lion stalking an exhausted bull. They smell our increasing weakness. They smell our decline in military power. They smell our weakness of will, a weakness which we reveal by tolerating such Neville Chamberlains as a Walter Mondale, an Averell Harriman, and a Tip O'Neill. The Soviets sense that we have no longer the material strength or the moral will to defend ourselves. They are circling for the kill, the bloodlust of anticipated early victory steaming in their eyes and nostrils.

If we take three courses of action, there is still time to save the United States from Soviet domination. First, we must abandon the insane doctrine of nuclear deterrence, as the President proposed on March 23 last year. Second, we must develop rapidly a first generation of strategic ballistic missile defense capable of destroying not less than forty percent of all the Soviet missiles which might be launched against the United States or our allies, and must continue to develop and deploy improved systems which will destroy over ninety-five percent of all such missiles. Third, we must change our monetary and economic policies toward both our allies and toward developing nations generally. We must

ПОАМНА-МАТБ ЗОБЕТ!



A Soviet World War II recruiting poster calls soldiers to the defense of Mother Russia. The cult of the Motherland, of Moscow as the seat of the Third Rome, motivates the Soviet war-drive today.

promote rapid technological progress in agriculture and basic industry among all those nations which are either our military allies or merely friendly republics. We must build a wall of steel, a great wall of powerful economic progress, around the Soviet Union. If we take these three sets of measures, we still have time to survive. We must rebuild our economy today as President Roosevelt rebuilt our economy during the period 1939 through 1943. If we do not take such measures, the United States will not survive much past the present decade, at best.

Technically, we are as close to deploying beam-weapon anti-missile defenses today as we were to building the atomic bomb at the beginning of the Manhattan Project during World War II. The best scientists in the world familiar with these technologies agree. How soon we develop such weapons is simply a matter of how much effort we put into doing the job. If we proceed on a business-as-usual basis, it would take ten to twenty years. If we proceed as we did during World War II or in launching the Apollo moon-shot, we can deploy a first-generation system in approximately five years and a more advanced defense within about ten years.

The kinds of weapons-systems we must develop can be divided into three general classes. The first class is beam-weapons. The second class is special effects weapons using advanced physical principles, such as micro-wave bombs. The third class is new technologies in anti-submarine warfare.

In actual warfare, the probable first action by Soviet military forces would be the launching of missiles from Soviet submarines off our coast, with an approximately simultaneous launching of Soviet land-based missiles against Western Europe and the United States. Unless the Soviet submarine-launched missiles were destroyed, or the submarines destroyed before the missiles could be launched, virtually no U.S. missile or strategic bomber based in the U.S.A. would get off the ground successfully.

The purpose of Soviet submarine-launched missiles would be to create what is called a "pin-down effect." The exploding of Soviet missiles' warheads high in the atmosphere above the United States would generate what is called an electromagnetic pulse. This pulse would disrupt all major communications and power-lines immediately, within an area of thousands of square miles. In other words, any U.S. missiles which had not been launched already would not get off before being struck by incoming Soviet

silobuster warheads launched from Soviet territory. The submarine-launched missiles would explode over the United States within about seven minutes, and the main attack from Soviet territory would hit the United States within twenty-five minutes after the start of the attack.

This is what we must stop through ballistic missile defense. The method we must use is called layered strategic ballistic missile defense. The first line of defense is beam-weapons which are assigned to destroy Soviet missiles at the moment they are launched. The second line of defense is beam-weapons assigned to destroy Soviet missiles in their highly vulnerable boost phase. The third line of defense is beam-weapons assigned to hit repeatedly at all Soviet missiles and deployed warheads in the stratosphere. The fourth line of defense includes special effects bombs, which detonate above the level of the atmosphere, which will cause incoming warheads to tumble and to burn up as they enter the atmosphere. The fifth line of defense is ground-based beam-weapon systems assigned to destroy warheads as they descend through the atmosphere. The final line of defense includes throwing everything including the kitchen sink, if need be, to destroy a warhead before it reaches its target.

A good ballistic missile defense system would destroy about half the Soviet missiles or warheads entering the area of defense assigned to each of the six layers of defense. In other words, over ninety-six percent of all Soviet warheads would be destroyed before the final stage of defense. If only a twenty-five kill-ratio were possible, then about seventy-six percent of all Soviet warheads would be destroyed before the final phase of defense.

Obviously a fifty percent missile kill-ratio is our objective, but even a twenty-five percent kill-ratio would be sufficient for the United States to survive such a war as a nation, and to win that war. If the Soviets knew we had a twenty-five percent kill-ratio, that would be sufficient to deter them from launching the attack.

Anti-missile beam weapons fall into two general classes. In the first class, a laser beam burns a hole in the missile or warhead. In the second class, the beam striking the missile creates a shock-effect, so that the metal or ceramic of the missile seems to explode. In the second class, a beam carrying a punch of a few thousands kilowatts, in a pulse of less than one-billionth of a second, can

destroy any missile or warhead which the Soviets might shoot up.

If we equip these beams with efficient detection and aiming systems, these beams can be fired accurately at a missile more than a thousand miles away.

These are the most powerful weapons ever developed. Lasers fire at the speed of light, and, in the best case, a pulse of less than a billionth of a second can destroy any missile the Soviets could deploy. Additionally, if we are speaking of what we can do now, within less than five years, under a crash program of development and deployment, we have in reach all of the technologies we require.

The *New York Times* insists that such weapons can not be developed. The *New York Times* has an interesting record as an authority in such matters.

On January 6, 1880, the *New York Times* said that the electric light would never compete with the gas flame. The *Times* wrote:

We shall hear very little more of Edison or his electric lamp. Every claim he makes had been tested and proven impracticable.

The *New York Times'* scientific wisdom was also demonstrated in the same way in an editorial published on December 10, 1903. This time, the *Times* ridiculed the airplane. The *Times* said:

We hope that Professor Langley will not put his substantial greatness as a scientist in further peril by continuing to waste his time and the money involved, in further airship experiments.

Later, the same *New York Times* ridiculed Professor Goddard's work on rockets:

Professor Goddard does not know the relation of the action to the reaction, and of the need to have something better than a vacuum against which to react. Of course, he seems to lack the knowledge ladled out daily in our high schools.

We have reviewed each of the arguments against the feasibility of beam weapons made by publications such as the *New York Times*, and every leading scientist assures us that all these so-called objections are as absurd as the *Times'* warnings that the electric light, airplanes, and space rockets would never work. It is perhaps not a coincidence that these so-called technical objections come either from Soviet General Basov, who is building such systems for the Soviet Union quite successfully, or from scientists who are politically allied with Moscow through the nuclear freeze movement.

Apart from those objectors who assure us of the peace-loving intentions of the Soviet dictators, the objections of General Daniel Graham are equally absurd. Not only would General Graham's proposed High Frontier cost approximately as much as the development of the kind of strategic defense we support. Graham's High Frontier is an obsolete system, which would not work against Soviet anti-satellite weapons of the type now about to be deployed in space.

EIR Issues Report On 'Global Showdown: The Russian Imperial War Plan For 1988'

July 24, 1985

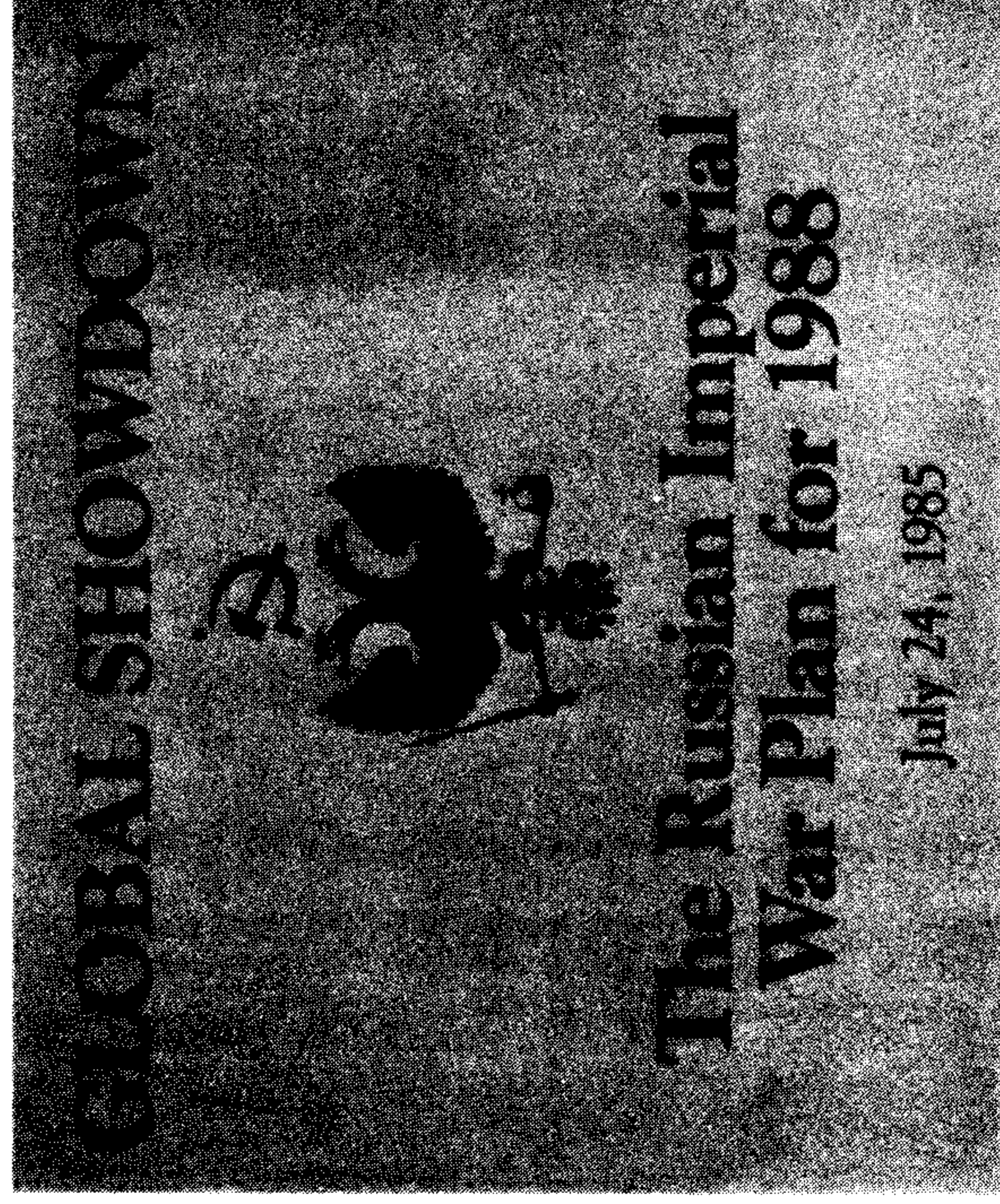
Eight months after the end of the Presidential campaign, LaRouche contributed to the publication of the most comprehensive, and authoritative, document on the Soviet strategic threat that has yet been produced. Called "Global Showdown," and spanning 366 pages, the report reviewed the full range of Soviet plans, its *nomenklatura*, its assets in the West, and the disposition of forces, both regular and irregular. Its conclusion? The Soviets are preparing the ground for total world domination, either by war, or by surrender from the West, by the period 1987-89.

While flying in the face of all the official strategic estimates of the NATO governments, the report is based on documentation readily available to all those governments. It shows the U.S. to

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REPORT



be so far behind in hardware, and deployment of hardware, that it is ludicrous. But in identifying the Russian ideology that underlies their war plans, it simultaneously points out the key to a rapid reversal of the situation in favor of the West—the cultural underpinnings of the Judeo-Christian tradition.

In the first chapter, entitled “The Soviets have already declared war on the U.S.A.,” LaRouche added a new conceptual framework for looking at the Soviet war preparations. Looking at the economic mobilization ongoing in the Soviet Union, LaRouche identified two potential policy paths for the military leadership: Plan A, which would be based on extending the current Soviet drive through an extension of the “systems-analysis” method which the Soviets have been using in the recent years; and Plan B, which would call for a “virtual revolution in Soviet economic policy of practice” through “science-driver crash-program’ methods of rapid technological upshifting of Soviet production in general.”

The overall significance of the adoption of Plan B, would be the Soviet fear that the Reagan administration had adopted, or was in danger of adopting, LaRouche-proposed policies of “launch on warning” and a crash program for the Strategic Defense Initiative. Under those circumstances, the Soviets could not count on the continued devolution of the Western alliance through the economic policies of the International Monetary Fund and Federal Reserve chairman Paul Volcker, and would be forced to enter the “beam-weapons arms race” which the LaRouche forces have been consistently proposing.

In the few months since the report was released, the thoroughgoing economic policy upheaval which Soviet General Secretary Mikhail Gorbachov has put into effect, indicates that the Soviets are moving rapidly on the course of Plan B—despite the fact that the Reagan administration is still clinging to its suicidal economic policies.

LaRouche's War on Drugs

6



The National Anti-Drug Coalition in Brooklyn, New York.

With the takeover by the Trilateral Commission of the United States government, through Jimmy Carter, there was an explosion of the drug culture and related degeneracy throughout the country. Self-professed drug users frequented the White House; self-confessed terrorists and terrorist-supporters dominated the local Democratic Party; and legislation, not to mention practice, began to proliferate which would legalize the use of mind-destroying drugs altogether.

In sum, the country began to go through a deliberate phase of degeneracy, characterized by the takeover of culture and business by an explicit drug lobby.

In the face of such a threat to the country, LaRouche determined to mobilize the vast majority of the population, then calculated to be in the range of 75 percent, who were anti-drug, to reverse the Carter trend. It began with exposés and pamphlets, particularly on the question of the legalization of marijuana. After all, Carter's re-election had been backed by the National Organization for the Reform of Marijuana Laws (NORML), which explicitly called for decriminalization and sanctioning of marijuana use. And his so-called "drug abuse" adviser, Peter Bourne, was part of the NORML crowd!

Campaigning at that time under the rubric of the U.S. Labor Party, LaRouche's political faction took the campaign against the legalization of marijuana and the spread of the drug culture into electoral campaigns throughout the United States, and carried out some exposés that shook the Democratic Party from top to bottom.

Even before the anti-drug campaign took any other institutional form, the controllers of the drug lobby began to show their hand. The summer of 1978 saw the transformation of a campaign of vicious harassment against local U.S. Labor Party organizers and candidates, into an attempt at assassination of the Party's head, LaRouche. Caught in the attempted assassination were the leading scions of the Eastern Establishment banking families, such as the Moore family of the Episcopal diocese of New York City, the Swiss and British oligarchy, and the Catholic "black" oligarchy, which has its coordinating center in the Knights of Malta. When investigators probed the plans and intentions of the Moore family, they were given what proved to be an astoundingly accurate, and prophetic piece of information: the Episcopalians were determined to deploy the Jews against the LaRouche-led anti-drug campaign.



The destruction of the youth of America: Shown is a "Pot Parade" in New York City's Washington Square Park.

Having drawn out the top level of the drug-runners, LaRouche decided to investigate further, and escalate. The fruit of the investigation was the decision to publish *Dope, Inc.*, a wide-ranging exposé of the financial networks who had been running the dope trade for centuries, and how they were moving to take over the United States at the present time. The book was published in December of 1978.

In the furor created by *Dope, Inc.*, a wide variety of forces began to come together—from white middle-class housewives, to black ghetto families struggling against the deliberate destruction of their lives. By the fall of 1979 political leaders of these strata made the commitment to form a new national organization, called the National Anti-Drug Coalition (NADC). The primary commitment of the Anti-Drug Coalition? Wage a full-scale war on drugs!

The Anti-Drug Coalition took *Dope, Inc.* deadly seriously. It not only targeted the leading pro-marijuana politicians, but took direct aim at the financial controllers, the drug banks and dirty-money wheeler-dealers, who were operating behind the scenes.

Numerous of these controllers, including the notorious Jacobs Brothers of Sports Services, and Hongkong and Shanghai Bank, suffered temporary setbacks in their attempts to get concessions from state and city government, due to the NADC intervention into political fora.

In fact, the support was such that in 1980 the NADC decided to launch a new magazine, entitled *War on Drugs*. The magazine was devoted both to exposés of the drug-lobby and to the positive cultural alternative to the drug culture. It had immediate, explosive success. Simultaneously, anti-drug coalitions, operating on the same program of hitting "citizens above suspicion" for their financial and cultural control of drugs, were founded throughout Western Europe, and in Colombia and Mexico, the target areas for expansion of the drug trade.

The drug lobby went wild, exactly in the manner that the Episcopalians in New York had predicted. Certain leading Jewish members of the drug lobby activated their friends and lawyers in the Anti-Defamation League of B'nai B'rith (ADL), and the campaign to tar LaRouche as an anti-semitic was on.

There was no secret as to what upset the drug lobby leaders such as Max Fisher and Edgar Bronfman, whose names and partial histories had appeared in *Dope, Inc.* They and their matrix of "cultural organizations," such as *Playboy* magazine, were being threatened by the Anti-Drug Coalition. So they mobilized their stable of pro-drug writers, most of whom amounted to little more than cannon-fodder, to begin to attack LaRouche.

Thanks, in part, to a legal offensive against the NADC, and also a general political, financial-warfare attack against a number of organizations largely staffed by LaRouche supporters, *War on Drugs* stopped publication in 1982. By that time, of course, LaRouche supporters within the Democratic Party had brought the fight against the drug lobby into that party itself, and into local election campaigns. More importantly, the Reagan administration itself picked up on the ferment created by the NADC's War on Drugs, and began to use the powers of the government to reverse the evil policy of decriminalization and legalization of the dope trade which had been implemented under the Carter years.

Because of its own compromises with the Trilateral Commission, however, which was shown by *Dope, Inc.* to be heavily implicated in the financial end of the drug traffic, the Reagan

administration has not proceeded to crack down on the financial side of the dope trade, and it has left a major section of the Justice Department, which is tainted by Dope, Inc., in place. These pragmatic compromises have even blinded the honest anti-drug sections of the administration to the more recently uncovered information that the Soviet Union is up to its ears in the spread of the drug trade, and that the trade represents one of the ingredients that glues the Trilateral Commission crowd, and the Soviets, into a political alliance.

The Anti-Drug Coalitions have had more success in Ibero-America. Particularly in Colombia, the government of President Belisario Betancur, which came into office in 1982, picked up on the ADC's campaign, and began to wage a war on drugs on all fronts, including the financial. That war was dealt a severe blow by the assassination of Betancur's justice minister, Rodrigo Lara Bonilla, in April of 1984.

In the late winter of 1985, upon the request of the Ibero-American ADCs, the New Benjamin Franklin Publishing House agreed to bring out *Dope, Inc.* in Spanish (*Narcotrafico, SA*). The immediate effect was explosive, leading prominent dope lobby families to get the book's authors, *Executive Intelligence Review*, banned in Venezuela, and to escalate a campaign of harassment and physical intimidation in Peru and Colombia. Indeed, the pro-dope former President of Colombia, Alfonso Lopez Michelson, had been up to his neck in a conspiracy which led to the kidnapping of a leading Anti-Drug Coalition organizer, Patricia Londoño, in July of 1985. Although this effort had failed, he was not about to give up.

What made the war on drugs particularly explosive in Ibero-America, was the fact that the international bankers had turned their economies into virtual drug plantations, for the purpose of getting the cash to pay their debt and usurious interest rates. It is a largely unspoken reality, that the bankers and the IMF encourage dope growing and traffic as "profitable free enterprise" — for the bloodsucking bankers! At the same time, of course, the drug business provides the revenues for terrorist guerrillas and mafiosi, who have proceeded to establish para-military control over large sections of Colombia, Peru, Bolivia, and probably other countries as well.

In the course of 1984, the Andean Pact nations, led by Colombia, decided to unite their efforts against the drug mafiosi.

They issued a declaration calling the drug trade a "crime against humanity," and took their request for funds and technology to wipe out drugs to the United Nations. The Reagan administration and other industrialized countries refused to respond.

So when he took office at the end of July 1984, Peru's young President Alan Garcia decided not to wait for any international bodies to decide on a war on drugs. He immediately took his military and wiped out one-third of the cocaine which was scheduled to go to the United States, and began to exercise emergency powers to clean the drug-mafia cohorts out of the police and government bureaucracies.

Garcia's offensive, however, has not yet mobilized the necessary support from other Ibero-American nations, or from the U.S. itself. As the documentation below shows, creating an alliance of sovereign nations committed to waging a Garcia-style, military war on drugs continues to be a major preoccupation of LaRouche and the organizations which he has founded today.

Dope, Inc., Britain's Opium War Against the United States

Dedication by Lyndon LaRouche, written Oct. 18, 1978

It is with proper pride that we dedicate this book to the often-unsung U.S. intelligence and law enforcement officers who have so often, so obscurely, died or languished in undeserved imprisonment in the silent war of the United States against the British monarchy's illegal drug traffic into our nation.

This book is published with special thanks to those intelligence and law enforcement officials who have given us such extraordinary assistance in cross-checking facts in putting the story together. These have included officials not only in the USA, but our nation's French ally, and also patriots in Canada embittered against what the Bronfmans and others have done to their nation and our own.

It is no exaggeration to sum up the situation thus: the only proper comparison for today's British drug traffic into the USA is the British monarchy's 19th century Opium Wars against China.

There is more than a parallel. The same HongShang and other banking interests that developed their wealth in the China opium trade are involved in the financial side of the traffic against the USA—aided by those leading elements of the Zionist Lobby which have controlled organized crime in the USA and the Caribbean since the early 1920s.

This is a calculated form of political warfare against the USA by the British monarchy. Not only are the London-centered Canadian, HongKong, Singapore, and British West Indies financial interests involved in pulling tens of billions out of the USA—our biggest source of balance-of-payments losses—but this is a pre-calculated political warfare. The evil British intelligence executive—and head of the Aristotle Society—Bertrand Russell proposed this use of drugs as political subversion back during the 1920s. Among Russell's most prominent collaborators in this effort was Aldous Huxley, coordinator of the 1960s introduction of psychedelic substances to U.S. youth.

The fight against illegal drugs and against the evil forces of "decriminalization" is nothing less than a war against Britain, to the purpose of saving our youth and our nation from the destruction the British monarchy has projected for us.

A National Strategy for Control of Crime

Excerpts from a document by Lyndon LaRouche, issued on Sept. 28, 1978

The Law-Enforcement Problem

It is not an exaggeration to state that law-enforcement agencies have been almost stripped of their former powers to deal effectively with various forms of organized crime.

Hampered in their ability to place pro-terrorist and other suspect groups under passive surveillance, including in-place informants, law-enforcement agencies are deprived of the most efficient sources of regular intelligence for pinpointing discovery

of available evidence of probable cause. Where probable cause is established to the point of enabling law-enforcement action, the action is limited in most instances to specific offenses which, in the case of organized crime, are merely the expendable, replaceable tentacles of the criminal operation as a whole.

U.S. law-enforcement experience in efforts to penetrate upward into controlling circles of the drug traffic have been, overall, a failure. European intelligence and security agencies had a parallel experience in similar, earlier approaches to the problem of international terrorism. Working upward from a specific offense, investigation is blocked either by efficient cut-outs in the line of control, or by political interference at nearly every point law-enforcement or intelligence investigations break past the cut-out barriers toward continued investigation of higher strata of the conspiracy.

For reasons we shall show, the neutralization of Nixon's organized-crime effort is a prime example of political interference to block law-enforcement action against top circles of organized crime.

Recently, a most-important change has occurred in the approach of certain Western European governments toward anti-terrorist intelligence and law-enforcement policies. This change began during the kidnapping-assassination of German Federal Republic industrialist Hanns-Martin Schleyer, and was consolidated under the circumstances of the kidnapping-assassination of Italy's former Prime Minister Aldo Moro. Now, key European intelligence agencies are combining a top-down with a bottom-up approach to identification and destruction of the international-terrorist networks. As a result of these changes in policy, some remarkable improvements in law-enforcement practices are emerging.

We propose that the lessons of that recent shift in continental European practices ought to be used as a model for appropriate changes in law-enforcement policies in the United States. We argue that this approach leads to a well-defined National Strategy for Control of Crime.

The U.S. Labor Party, acting upon information secured from eminent European sources, and with much valuable counsel and other assistance from concerned intelligence and law-enforcement professionals in the USA, has put together a comprehensive overview of the top-down control of both organized-crime and

international terrorism in the USA. Some of this information is presently in the form of fully-confirmed, some merely in the form of probable-cause.

In the latter case, involvement in criminal networks is proven for the entities and persons identified, although the specific, witting criminality of such entities and persons does not represent a basis for preparation of a completed criminal indictment. However, proof of mere involvement is factual—whether or not the persons involved are fully witting of the implications of those connections: The involvement, and the operational results of the involvement, show how organized crime does penetrate deeply and complexly into the pores of national life.

Some of the information developed cannot be publicized at this time, since it involves ongoing sensitive investigations variously by ourselves, by intelligence or law-enforcement agencies, or joint efforts. Although our own information is freely available to persons or agencies with an appropriate need to know, including law-enforcement officials generally, it would not be suitable to publish certain aspects of those investigations in progress at this time.

What we are at liberty to publicize is true, and adequate to illustrate the point to be made here. To ordinary law-enforcement officials—that is, those who have not been involved in relevant aspects of sensitive intelligence investigations, some of the facts we report will be shocking, even perhaps somewhat incredible at first glance. Nonetheless, they are true, and have been confirmed, cross-checked, and independently corroborated at some of the highest levels possible.

While our principal purpose here is to argue for a National Strategy for Control of Crime, we also have a secondary purpose in mind. It is our view that the following outline will be useful to law-enforcement officers generally, by affording them a working-model of what they are really up against in dealing with certain forms of organized crime.

The local law-enforcement officer may be limited in taking direct, practical action locally on the basis of this knowledge. By increasing his knowledge of the nature of the problem, we hope that he or she will note the significance of things he (or she) might otherwise overlook. In this way, the shared intelligence of law-enforcement agencies can be improved in depth. That itself will be a most valuable improvement in our nation. Before turning



Demonstrators in Columbus, Ohio protest the takeover of the state's Savings and Loan institutions by the dope lobby, March 1985.

to our proposals, we summarize the facts which characterize our own, top-down approach to the kinds of organized criminal activity represented by the two recent cases cited at the beginning.

CASE A: Bronfman

How should one approach the task of determining who is behind the international illegal drug traffic?

One approach is to work according to the *inductive method*. Collect all the cases of drug offenses, and attempt to construct a line of investigation—bottom-up—from that starting point.

That method has not succeeded. It fails either because of efficient cut-outs in the line of control, or because of political interference whenever entities with exceptional political influence come under investigation. The problems confronted by the Nixon organized crime effort exemplify the latter case.

We do not propose that this *inductive* approach ought to be abandoned. We insist *it cannot succeed by itself*. It must be com-

bined with a *top-down* approach. We illustrate the method to be used for the latter part of the effort.

The illegal drug traffic into the U.S.A. represents tens of billions of dollars annually paid to the sources of these imports. Some of this sum is retained within the exporting countries. The largest portion is not. What happens to the largest portion of this tens of billions annually? Should not the answer to this question tell us who controls the drug traffic from the top?

It does. There are three parts to the *preliminary* investigation to be made.

The first part of the three-part investigation concentrates on the current flow of drug-related "black funds" in international accounts. The second part cross-grids that with the history of the international drug traffic since the close of the eighteenth century. The third part cross-grids both with the history of organized crime in the U.S.A. and Caribbean region since the early 1920s. Combined, the three identify precisely what circles, identified by name, do control both organized crime and the illegal drug traffic into the U.S.A. today.

No one part by itself provides a conclusive case. It is necessary to cross-grid all three lines of investigation to arrive at conclusive findings.

A National Strategy

It is clear that the major source of impediments to control of organized crime is the powerful influence alien political forces behind crime are able to exert through the executive, judicial and legislative levels of government, and the use of vast and growing amounts of illegally-gained funds to gain control of major financial and other business institutions.

It is also clear that the political forces linked to the forces behind organized crime have direct support of only a minority of the population—perhaps less than one-third of the voters. However, aided by alien forces' penetration of our political, financial and other business institutions, and penetration of key parts of the trade-union bureaucracies, the friends of the forces behind organized crime have a power over our national institutions way out of proportion to the minority political base they command in the electorate. The growing role of vote fraud in determining

the outcomes of primary and general elections is tending to worsen this situation.

It is therefore clear that law enforcement agencies cannot expect to secure a mandate for effective measures against organized crime unless the majority of the electorate is aroused from its tolerance and torpor to demand this, and to use their power as an electorate to break, once and for all, the power of the so-called Zionist Lobby in this country.

In the meantime, the cause of law enforcement must be advanced by concentrating combined political support and efforts to selected aspects of crime, in which the concentration of effort will have the maximum effect on crime as a whole. We propose that that target ought to be marijuana and other illegal drugs.

- We must have full enforcement of statutes identifying use and/or possession of marijuana as an offense leading to fines and imprisonment.
- We must have full enforcement of statutes proscribing unlawful possession of addictive drugs, cocaine and psychotropic substances as a felony.
- We must have full enforcement of statutes proscribing the sale of any of these substances, marijuana included, as major felonies, with the amount possessed by the perpetrator defined as the basis for determination of being in possession for ostensible purposes of sale.
- We must have enforcement of statutes which specify the condoning of use of marijuana or other dangerous drugs by parents or guardians of minor persons as a felony.
- We must have enforcement of statutes against prostitution. (The use of electronic surveillance devices permits determination of soliciting by admissible standards of evidence without resorting to means of enforcement which have the color of possible entrapment procedures.)

A recognition that the use and sale of marijuana are the foundation of the marketing of illegal drugs is key to the overall approach. The user, by supporting the marketing of an illegal substance, is contributing to the maintaining of the marketing of all drugs, and is also contributing to a climate of peer group pressures in which other persons may be induced to enter into

use of dangerous substances. The enforcement of statutes against prostitution should be viewed as a flanking attack on the drug problem.

It must also be recognized that the use of such dangerous substances is an integral part of the environmentalist movement, which, in turn, is the infrastructure for the deployment of the radical-terrorist component of the terrorist forces overall. By cutting these strata off from marijuana and other dangerous substances, the social fabric of the infrastructure of both the radical-terrorist problem and the major market for drug crime is severely damaged.

We believe that the overwhelming majority of citizens will support such a program. We believe they will also concur with a Federal statute making it a criminal offense for an elected or appointed official in office to order law enforcement agencies to "lay off" enforcement of statutes against use and sale of marijuana or other dangerous substances, instructing a police officer to secure an immediate Federal warrant for arrest of any official who issues such an order.

The "Levi Guidelines" must be junked.

Every law enforcement official knows the distinctions in practice between the misuse of capabilities for "Cointelpro"-type harassment of political and other groups and passive surveillance methods by undercover officers or sworn deputies in ways which do not tamper with the civil rights of the innocent citizen.

To illustrate the point, we cite the case of the Morton Halperin Committee to Stop Government Spying. At its Ann Arbor, Michigan meeting, this group associated itself with professed terrorists and pro-terrorists. Terrorism, and conspiracy to commit terrorism or aid terrorists in the preparation, perpetration of such act, or in flight to escape arrest, is a crime under existing U.S. treaty agreements, such as those concluded during the recent Bonn "summit" meeting. The Halperin Committee has thus established itself as an organization which all relevant law enforcement agencies must view from the standpoint of probable cause as advocating that its participants and supporters aid terrorists in ways contrary to law.

That is a clear case of probable cause which differentiates the Halperin Committee from groups of innocent citizens generally. It is proper for law-enforcement agencies to place the Halperin Committee under passive surveillance, to the purpose

of determining whether a group which has advocated criminal actions shows probable cause of being engaged in the activities it advocates.

Obviously, if a group of a few hundred ordinary persons announces that it is going to make a socialist or fascist or monarchist revolution in the United States, that pretense is not in itself reason to waste time and effort placing the group under passive surveillance. Of course, if the group is tied to powerful interests, the passive surveillance might be warranted. However, if a group such as the Halperin Committee advocates providing safe-house or analogous services to terrorists, an offense well within its capabilities, that is a serious threat which warrants appropriate forms of surveillance.

In the instance of the Halperin Committee, the fear for public safety and law is doubly warranted. Mr. Halperin was formerly associated with the "intelligence establishment" of this nation, as were others among his present close collaborators. Such persons have exceptional capabilities for aiding terrorists and other felons. The backers of the Committee's efforts also give us reason for grave concern for the public safety. It is analogous groups in Europe who have performed an indispensable role in enabling the deployment of terrorists.

In dealing with forms of organized crime, such as terrorism or the drug traffic, we are not dealing with a "sociological phenomenon." These are not local problems, nor are they outgrowths of local or other "social conditions." Although "sociological susceptibilities" of potential criminal elements are significant, it is not those mere susceptibilities which either cause the organized criminal activity, or coordinate it.

In these forms of organized crime, law enforcement is left in a position of attempting to sweep back the tide with a broom, unless coordinated efforts are made to get at the sources of the problem, sources which often lie outside the United States, and which often operate with complicity of powerful circles inside the nation. Against such forms of organized crime, ordinary law enforcement cannot succeed. There must be a war against organized crime, with full political support mobilized from the citizenry, as in regular warfare.

To conduct warfare, one must know the name of the adversary. One must operate to weaken the adversary by every means possible, as in war. To do so, it is necessary to know his name

and address, and the names and addresses of his powerful accomplices. Destroy organized crime at its controlling source, and the branches of crime will wither.

Supplementary Political Action

For example, the organization NORML is a part of the organized crime problem. It is possible for NORML to maintain a fiction around itself that it is merely exercising "free speech." It is not; it is being promoted by complicit elements of government, of the entertainment and news media. There is nothing "normal" in the degree of support this pressure group is enjoying. It is not an "independent" lobbying group; it is a key piece in a deployment by foreign powerful forces to turn the United States into an open market for a dangerous substance, marijuana. There are tens of billions of dollars of annual profits at stake for the forces behind NORML, for the forces whom corrupt news and entertainment media, as well as corrupt public officials, are giving a by-no-means-accidental boost.

NORML is a political problem, not an ordinary law enforcement problem. It is a matter of exposing the group's backing and connections, and also exposing the relevant connections of those elements of the entertainment and news media, and corrupt politicians who support NORML or its cause.

NORML is a drug pusher in fact, whose connections to the drug sellers are buried through cut-outs. This is a political-intelligence investigations problem, and a political action problem.

The point illustrated is that in war, each element of the population must play its specific role. Political action against NORML is the indispensable complement to law enforcement action against drug pushers and drug users.

LaRouche Addresses Mexico City Conference on the Illegal Drug Traffic

Sponsored by EIR on March 13, 1985

Distinguished members of this conference! I take this opportunity to communicate my great respect for the President of Mexico, and to acknowledge the debt we all owe to those hundreds of soldiers of the Republic who have already lost their lives fighting against the international drug-traffickers.

Not long after his first inauguration in 1981, President Ronald Reagan adopted the kind of policy which my associates and I had been recommending since 1978, a War on Drugs. Since the President's second inauguration, this past January, he has escalated his commitment to fighting and winning that War against Drugs. Naturally, some influential persons and institutions inside the United States, are not in sympathy with the President's War on Drugs; but, the President is stubbornly determined to win the War on Drugs, and there are many in our government who are in enthusiastic support of the President's policy.

It is clear to the governments fighting the international drug-traffickers, that the drug-traffic could never be defeated if each of our nations tried to fight this evil independently of the other nations of this Hemisphere. If the drug-traffickers' laboratories are shut down in Colombia, new laboratories open up in Brazil. If the route into Florida and Georgia is attacked heavily enough, the drug-traffickers reopen routes into California, through Belize and Mexico. If Mexico shuts down drug-routes through its territory, the drug-traffickers will use Pacific routes into the U.S. states of Washington and Oregon, through the marijuana-traffickers of Hawaii.

The greatest political threat to democracy in Venezuela, Colombia, Peru, and other countries, is the use of the billions of revenues held by the drug-traffickers to fund terrorist armies, and to bring corrupted military officers into right-wing coup plots directed by former officials of the Nazi regime of Germany. The ability of governments to resist these bloody threats is under-

mined by the increase of the number of officials of governments, political parties, and private institutions, who are bribed by the drug-traffickers. It is impossible to break the ominously increasing political power of the drug-traffickers in Mexico, Colombia, Venezuela, and other countries, without capturing the billions of dollars of drug-revenues run through corrupt banking institutions.

Without help of closer cooperation between the United States, Mexico, Colombia, Venezuela, and other nations of this Hemisphere, neither the United States nor any of the other republics could defeat the monstrously powerful complex of criminal, financial, and political forces who are behind the international drug-traffic. The purpose of my remarks today, is to outline to you a proposed war-plan, for cooperative action against the international drug-traffickers, by the governments of this Hemisphere committed to that action.

The Speaker's Qualifications

Before I outline that proposed war-plan itself, it is useful, and perhaps necessary, that I identify briefly my qualifications in this connection.

Since 1975, I have become an increasingly controversial public figure internationally. I became controversial, originally, because of a campaign I launched in April 1975, for reforms of the international monetary system consistent with high rates of capital-goods exports from industrialized nations essential to economic progress among the developing nations. As one of the most powerful bankers in Europe said a little over a year ago, "LaRouche's plan for monetary reform would work, but we don't like it much." Since spring 1982, I have come under increasingly violent attack by the Soviet government for my part in proposing the Strategic Defense Initiative which President Reagan announced on March 23, 1983. The most violent attacks upon me have been launched since May 1978, because of my demand that a War on Drugs be launched by all civilized nations, and because of the work of my associates in exposing the powerful financial interests of Europe, Asia, and the Americas who were collecting the major portion of the hundreds of billions of dollars gained by the international drug-traffic.

My part in the War against Drugs began during the summer

of 1977, as an indirect result of my being on the same Baader-Meinhof assassination-list with two West German figures, Jürgen Ponto of the Dresdner Bank and Hanns-Martin Schleyer of the Mercedes-Benz interests. To keep me alive, my associates retained the expert services of Col. Mitchell Werbell; the specialists associated with me in our publishing activities consulted with Colonel Werbell and other specialists on the nature of the three-way connection among the drug-traffic, international terrorism, and certain wicked and politically powerful financial interests. With indispensable help from law-enforcement officials of many nations, my associates in 1978 produced the famous textbook on the war against drugs, *Dope, Inc.*

It was the publication of *Dope, Inc.* which caused the beginning of violent attacks upon me by the Heritage Foundation and by business associates of Robert Vesco, in May 1978. Most of the attacks upon me and my associates in the U.S., European, and Caribbean television and news media, from 1978 to the most recent weeks, are directed by persons and agencies which are proven members or political allies of the international drug-traffickers, or simply corrupt elements of political parties and governments under the control of the drug-trafficking interests.

At the same time that the drug-traffickers attack me and my associates so violently, the law-enforcement and other agencies of governments and private institutions, have recognized that the publications with which I am associated will publish the truth about the drug problem when even most of the major news media not controlled by the drug-lobby are afraid to do so. With assistance of information reported to us by law-enforcement and other agencies of concerned governments in many parts of the world, the specialists associated with my publication, *Executive Intelligence Review*, have become leading experts in the investigation of the international drug-trafficking and its connections to finance and terrorism. Also, over the past seven years, experience has shown that investigation of the source of the lies published against me and my activities, in various parts of the world, is usually a part or a political ally of the drug-traffic. Investigation of the sources of such attacks has uncovered information concerning the drug-traffic and international terrorism which has proven helpful to law-enforcement agencies in various governments.

Also, through my own work, and that of my collaborators, in designing a proposed strategic ballistic missile defense, my

attention has been drawn to existing kinds of military capabilities which represent exactly the kinds of technology we need for detecting and destroying the production, processing, and transportation of marijuana, cocaine, and opiates. The republics of the Americas possess the technology needed to locate and to confirm sites used for growing and processing these crops, to monitor routes used for transport of these drugs, and to destroy quickly and mercilessly the vulnerable major elements of these facilities and activities.

The War-Plan

This indicates the nature of my expert qualifications in this subject. Now, I outline to you my proposed war-plan for our War against Drugs.

1. What we are fighting, is not only the effects of the use of these drugs on their victims. The international drug-traffic has become an evil and powerful government in its own right. It represents today a financial, political, and military power greater than that of entire nations within the Americas. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war, and a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945. Law-enforcement methods, by themselves, will fail; even joint law-enforcement efforts by the nations bordering the Caribbean would fail. The nations of Central and South America will each and all either fall under bloody, Nazi-like dictatorships, or will be destroyed through more or less perpetual civil war, unless the international drug-traffic's invasion of this Hemisphere is crushed by the methods and weapons of war.

2. Law-enforcement methods must support the military side of the War on Drugs. The mandate given to law-enforcement forces deployed in support of this war, must be the principle that collaboration with the drug-traffic or with the financier or political forces of the international drug-traffickers, is treason in time of war.

a) Any person caught in trafficking of drugs, is to be

classed as either a traitor in time of war, or as the foreign spy of an enemy power.

b) Any person purchasing unlawful substances, or advocating the legalization of traffic in such substances, or advocating leniency in anti-drug military or law-enforcement policy toward the production or trafficking in drugs, is guilty of the crime of giving aid and comfort to the enemy in time of war.

3. A treaty of alliance for conduct of war, should be established between the United States and the governments of Ibero-American states which join the War on Drugs alliance to which the President of Mexico has subscribed. Other states should be encouraged to join that military alliance.

4. Under the auspices of this treaty, provisions for actions of a joint military command should be elaborated. These provisions should define principles of common action, to the effect that necessary forms of joint military and law-enforcement action do not subvert the national sovereignty of any of the allied nations on whose territory military operations are conducted. These provisions should include the following:

a) The establishment of bilateral military task-forces, pairwise, among the allied nations;

b) The establishment of a Common Command, assigned to provide specified classes of assistance, as such may be requested by designated agencies of either any of the member states, or of the bilateral command of any two states;

c) Under the Common Command, there should be established a central anti-drug intelligence agency, operating in the mode of the intelligence and planning function of a military general staff, and providing the functions of a combat war-room;

d) Rules governing the activities of foreign nationals assigned to provide technical advice and services on the sovereign territory of members of the alliance.

5. In general, insofar as each member nation has the means to do so, military and related actions of warfare against targets of the War on Drugs, should be conducted by assigned forces of the nation on whose territory the action occurs. It were preferred, where practicable, to provide the member nation essential sup-

plementary equipment and support personnel, rather than have foreign technical-assistance personnel engaged in combat-functions. Insofar as possible:

a) Combat military-type functions of foreign personnel supplied should be restricted to operation of detection systems, and to operation of certain types of aircraft and anti-aircraft systems provided to supplement the capabilities of national forces; and

b) Reasonable extension of intelligence technical advice and services supplied as allied personnel to appropriate elements of field-operations.

6. Technologies appropriate to detection and confirmation of growing, processing, and transport of drugs, including satellite-based and aircraft-based systems of detection, should be supplied with assistance of the United States. As soon as the growing of a relevant crop is confirmed for any area, military airborne assault should be deployed immediately for the destruction of that crop, and military ground-forces with close air-support deployed to inspect the same area and to conduct such supplementary operations as may be required. The object is to eliminate every field of marijuana, opium, and cocaine, in the Americas, excepting those fields properly licensed by governments.

7. With aid of the same technologies, processing-centers must be detected and confirmed, and each destroyed promptly in the same manner as fields growing relevant crops.

8. Borders among the allied nations, and borders with other nations, must be virtually hermetically sealed against drug-traffic across borders. All unlogged aircraft flying across borders or across the Caribbean waters, which fail to land according to instructions, are to be shot down by military action. A thorough search of all sea, truck, rail, and other transport, including inbound container traffic, is to be effected at all borders and other points of customs-inspection. Massive concentration with aid of military forces must be made in border-crossing areas, and along relevant arteries of internal highway and water-borne transport.

9. A system of total regulation of financial institutions, to the effect of detecting deposits, outbound transfers, and inbound transfers of funds, which might be reasonably suspected of being funds secured from drug-trafficking, must be established and maintained.

10. All real-estate, business enterprises, financial institutions, and personal funds, shown to be employed in the growing, processing, transport, or sale of unlawful drugs, should be taken into military custody immediately, and confiscated in the manner of military actions in time of war. All business and ownership records of entities used by the drug-traffickers, and all persons associated with operations and ownership of such entities, should be classed either as suspects or material witnesses.

11. The primary objective of the War on Drugs, is military in nature: to destroy the enemy quasi-state, the international drug-trafficking interest, by destroying or confiscating that quasi-state's economic and financial resources, by disbanding business and political associations associated with the drug-trafficking interest, by confiscating the wealth accumulated through complicity with the drug-traffickers' operations, and by detaining, as "prisoners of war" or as traitors or spies, all persons aiding the drug-trafficking interest.

12. Special attention should be concentrated on those banks, insurance enterprises, and other business institutions which are in fact elements of an international financial cartel coordinating the flow of hundreds of billions annually of revenues from the international drug-traffic. Such entities should be classed as out-laws according to the "crimes against humanity" doctrine elaborated at the postwar Nuremberg Tribunal, and all business relations with such entities should be prohibited according to the terms of prohibition against trading with the enemy in time of war.

13. The conduct of the War on Drugs within the Americas has two general phases. The first object is to eradicate all uncensured growing of marijuana, opium, and cocaine within the Americas, and to destroy at the same time all principal conduits within the Hemisphere for import and distribution of drugs from major drug-producing regions of other parts of the world. These other areas are, in present order of rank:

- a) The Southeast Asia Golden Triangle, still the major and growing source of opium and its derivatives;
- b) The Golden Crescent, which is a much-smaller producer than the Golden Triangle, but which has growing importance as a channel for conduiting Golden-Triangle opium into the Mediterranean drug-conduits;



Fausto Charris, president of the Anti-Drug Coalition in Bogota, Colombia.

- c) The recently rapid revival of opium production in southern India and Sri Lanka, a revival of the old British East India Company opium production;
- d) The increase of production of drugs in parts of Africa.

Once all significant production of drugs in the Americas is exterminated, the War on Drugs enters a second phase, in which the war concentrates on combatting the conduiting of drugs from sources outside the Hemisphere.

14. One of the worst problems we continue to face in combatting drug-trafficking, especially since political developments of the 1977-81 period, is the increasing corruption of governmental agencies and personnel, as well as influential political factions, by politically powerful financial interests associated with either the drug-trafficking as such, or powerful financial and business interests associated with conduiting the revenues of the drug-trafficking. For this and related reasons, ordinary law-enforcement methods of combatting the drug-traffic fail. In addition to corruption of governmental agencies, the drug-traffickers are protected by the growing of powerful groups which advocate either legalization of the drug-traffic, or which campaign more or less efficiently to prevent effective forms of enforcement of laws against the usage and trafficking in drugs. Investigation has shown that the associations engaged in such advocacy are political arms of the financial interests associated with the conduiting of revenues from the drug traffic, and that they are therefore to be treated in the manner Nazi-sympathizer operations were treated in the United States during World War II.

15. The War on Drugs should include agreed provisions for allotment of confiscated billions of dollars of assets of the drug-trafficking interests to beneficial purposes of economic development, in basic economic infrastructure, agriculture, and goods-producing industry. These measures should apply the right of sovereign states to taking title of the foreign as well as domestic holdings of their nationals, respecting the lawful obligations of those nationals to the state. The fact that ill-gotten gains are transferred to accounts in foreign banks, or real-estate holdings in foreign nations, does not place those holdings beyond reach of recovery by the state of that national.

On the issue of the international drug-traffic, all honorable

governments of Central and South America share a common purpose and avowed common interest with the government of the United States. By fighting this necessary war, as allies, we may reasonably hope to improve greatly the cooperation among the allies, in many important matters beyond the immediate issue of this war itself. Whenever allies join, as comrades-in-arms, to fight a great evil, this often proves itself the best way to promote a sense of common interest and common purpose in other matters. Many difficulties among the states of this Hemisphere, which have resisted cooperative efforts at solution, should begin to become solvable, as we experience the comradeship of the War on Drugs.

War on Narco-Terrorism in Central America

Summer-Fall 1985

In July of 1985 a number of colonels from the largest Central American nation, Guatemala, made a visit to Washington, D.C. Their request? That the Reagan administration provide them with the funds and logistical backup required to wage a full-scale war on drugs, particularly in the period leading up to the first democratic elections since the fall of dictator Rios Montt, which are to be held on Nov. 3.

So far the Reagan administration has not provided that aid; LaRouche and the *Executive Intelligence Review* have.

Having been apprised of the problem, LaRouche decided to put his effort behind a campaign that would use the Guatemalan example of the alliance between the Soviet-backed guerrilla forces, and the drug-traffickers, as a means of launching a new phase of the war on drugs.

The products of this campaign have, so far, been two: first, the production of an *EIR* film, entitled "Soviet Unconventional Warfare in Ibero-America: the Case of Guatemala," and second, the production of an *EIR* special report by the same name.

The film, which includes a segment showing LaRouche discussing his proposals for a war on drugs, is a hair-raising doc-

umentary on the practices of the guerrillas, and their strategic aim. What is made clear is that guerrillas are on a major offensive to seize Guatemala, already functioning as a key transshipment point for drugs to the North, as a secure base of operations, and that the current government of Gen. Vittores Mejia, wants to stop it.

Three Guatemalan army colonels participated in the film, and are shown on screen detailing the scope and nature of the guerrilla drug and terror operation. The Guatemalan government broadcast the film on the three major television stations, simultaneously, on Sept. 8. There was a repeat showing on Sept. 15.

Now, on the eve of the Guatemalan election, what the Reagan administration will do to help the war on drugs is yet to be seen.

7

U.S. Foreign Policy



A rally against the appointment of State Department liberal Richard Burt as U.S. ambassador to West Germany, 1985.

During the interval from our Declaration of Independence through the establishment of our constitutional federal government, in 1789, the United States was the highest achievement of a great international effort reaching as far back as Solon's reforms of Athens, in 599 B.C., and the great cry for the principles of individual human freedom in the work of Socrates and Plato. This heritage of constitutional republicanism, traced to Solon, was given a particular form in Western Europe, through the writings and influence of that great African, St. Augustine.

Out of the immorality and chaos bequeathed to Europe by the Roman empire, the establishment of modern civilization began with the work of Charlemagne and his close advisor, Alcuin. The Augustinian movement for republicanism later created the policy of organizing the human family into a community of sovereign nation-state republics; this was the new form of the Augustinian movement launched by Dante Alighieri, whose fruit was harvested by the fifteenth-century Golden Renaissance in Italy. Our Declaration of Independence, and our great experiment in constitutional government under the guidance of universal principles of right and wrong, was in its time, with all its imperfections, the highest achievement of the whole effort of mankind.

However much later generations of Americans have neglected or betrayed the great principles upon which our republic was founded, each and all of us, and our institutions of government, are treasonous if they do not submit their wills to revive those great traditions of principle today.

This was well understood by our nation's greatest Secretary of State and later President, John Quincy Adams. Adams' arguments, used by President James Monroe to reject the offer of a treaty with Britain, the principles of the 1823 Monroe Doctrine, continue to be the proper foundation of the foreign policy of the United States today.

In 1823, the United States stood almost alone in the world. Our avowed mortal enemy, Metternich's Holy Alliance, dominated Europe, a Holy Alliance created and supported by a wicked British government which was also dedicated to the early destruction of our republic. Preying upon our military weakness, the British foreign minister Canning, proposed that the United States enter a treaty with Britain, under whose terms the U.S.

would give support to British military takeover of the regions of Central and South America. Secretary Adams rejected this treaty, declaring that the United States would not degrade itself morally, to the condition of "an American cock-boat in the wake of a British man of war." President Monroe rejected this evil British proposal, with full support from former Presidents Jefferson and Madison. The United States issued the Monroe Doctrine as a unilateral policy of opposition to meddling of all European powers in the Americas, including both Britain and the Holy Alliance powers.

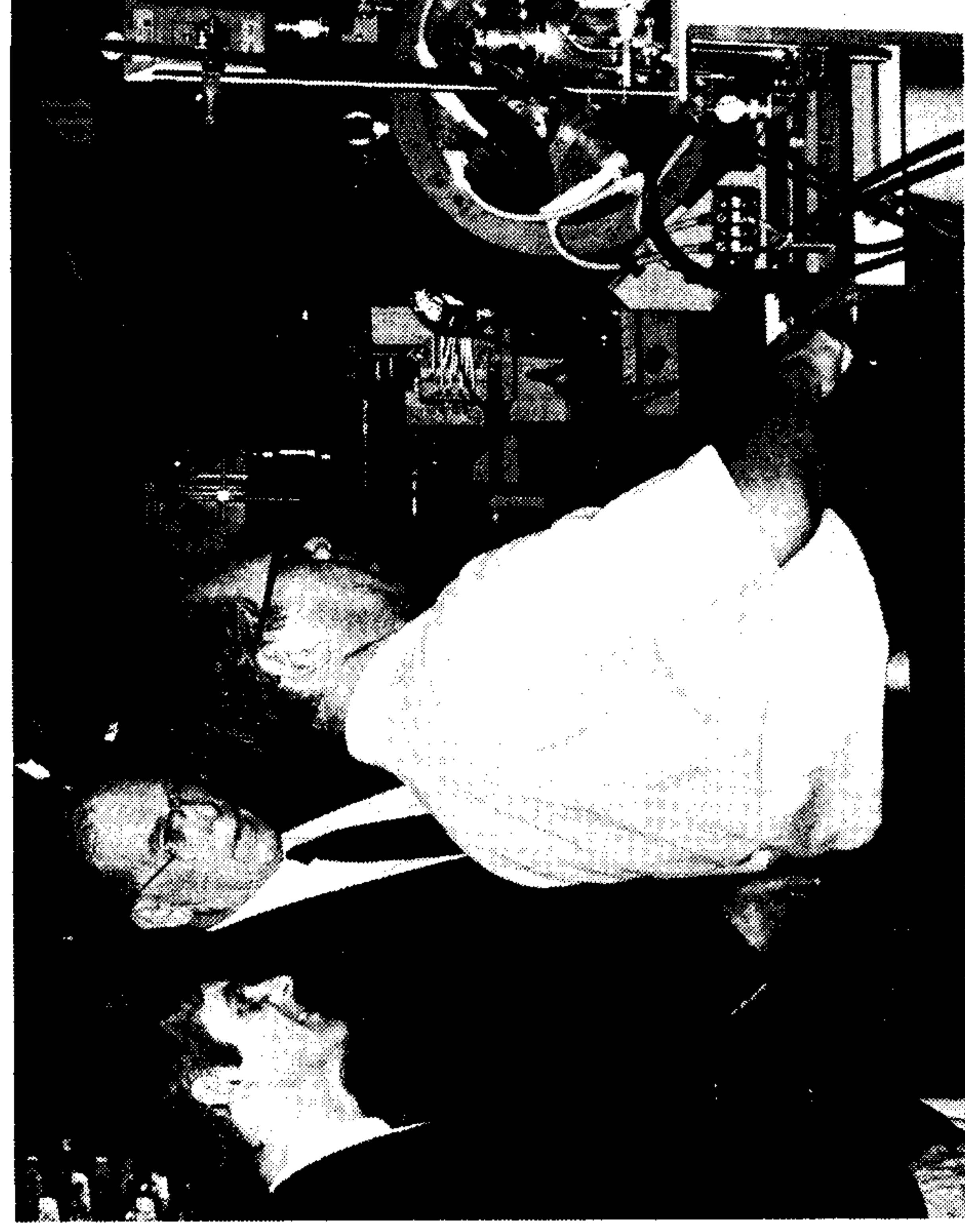
The British and Holy Alliance powers sneered at the Monroe Doctrine. The U.S. lacked the naval power to back up its own policy. Adams and Monroe admitted we lacked the power, but warned the world that we were determined to enforce the Doctrine as soon as we had the military means to do so.

Napoleon Bonaparte's bloody and imperialist occupation of Spain, had created the circumstances under which the former Spanish and Portuguese colonies in the Americas began to seize their independence as sovereign nation-state republics. This included the U.S.'s ally in the War of 1812, on whose behalf our Navy secured the Malvinas Isles to be forever the territory of the republic known today as Argentina. By and large, the leaders of these new states were part of the international faction whose efforts had made possible the defense of the United States in the war of 1776-1783.

In the words of Secretary Adams, these newly independent states of the Americas constituted, together with the United States, a "community of principle" in the Americas. We rightly rejected the treaty with Britain, because we and Britain were governed by fundamentally opposite principles, the British a grasping, bloody-handed colonial power, and we opposed to the existence of colonial subjugation.

At the close of World War II, the United States emerged as the dominant power in the world, a far advance from our weakness of 1823. If we adhered to the principle upon which our own nation had been founded, it should have been our foreign policy, throughout the post-war period to date, that all sovereign nation-states which had the same qualifications as the Latin American republics of 1823, deserved to be counted by us as belonging to an extended "community of principle."

On this point, our republic's principle is a very simple one, which ought to be clearly understood by every citizen, and which



LaRouche tours a high-energy physics laboratory in Tsukuba City, Japan, in September 1984.

ought never to be violated in the conduct of foreign policy by our federal government.

We stand for the political equality of all persons under a kind of law based on universal principles of right and wrong. These principles have much higher moral authority than any constitution or positive law of any government. It is our purpose, that all of humanity be extended the rights belonging to every individual under that universal law. It is our commitment to that principle, in both intent and in practice, which judges whether or not each of us citizens of our nation has the right to walk proudly as a person whose life is not a wretched failure in the eyes of the Creator. It is the intent and practice which serves that principle, which determines our right to be proud both of our nation, and of our individual contributions to our republic's great purpose in the world at large.

The practical question is: How shall we act in service of that principle?

It is the wisdom of Western European experience, these past hundreds of years, that the only suitable form of self-government

of mankind, is the establishment of fully sovereign nation-state republics, each based on common communication through a single, literate form of language. On this account, we hold the sovereignty of such nation-states to be absolute, subject only to the obligation of all nations and peoples to be governed by universal principles of right and wrong. It is the sharing of those universal principles, which defines a community of principle among sovereign nation-states.

Therefore, except as defense of the community of principle may require us to wage war, or to exert our power in defense of universal right to life, liberty, and pursuit of service to the good, we abhor efforts to impose our will upon sovereign peoples of other nations. We work to assist nations already in our community of principle, to serve their own nation's interests; we do this as part of the practice of a partnership among political equals. For nations and peoples which do not yet share this principle, we pride ourselves in setting an example, and in wooing those outside the community of principle to join it. Yet, zealous as we are that the world be governed by nothing but such an order among nations, we hold the sovereignty of even nations lacking such principles to be precious, up to the limit the acts of such nations constitute a threat to the community of principle.

We are committed to bringing the entire world into such a community of principle, but that very principle limits the means we may permit ourselves to employ in service of that goal.

Day to day, our principal weapon in service of that goal, is the weapon of scientific and technological progress. All right-thinking nations desire this; those who employ this will become stronger, and those which reject it become weaker, as it should be. By this policy, we assist our friends to become happier and stronger; we show the others that those who would become strong, must adopt our principle to do so.

During the last war, up to the close, the Vietnamese leader Ho Chi Minh, was not only a war-time ally of the United States, but he was committed to modelling the post-war self-government of Vietnam on the U.S. Declaration of Independence! After the death of the President Franklin Roosevelt, who had opposed continuing the colonial system, Britain's Winston Churchill prevailed upon the U.S. government to place Indo-China under French colonial rule. In general, the post-war United States either supported perpetuation of the colonial system, or was partner to

terms of nominal independence of former colonies which perpetuated the monetary and economic conditions of colonial rule in transparent disguises. Our State Department has maintained the wicked policy, of arguing that wealth secured through outright theft or chicanery at bayonet-point, and practice of actual or virtual slavery, was itself a sacred right of the nominal holder. The post-war period's supranational banking cartels and monetary authorities, such as the IMF and World Bank, were the chief instruments through which ill-disguised perpetuation of colonialist atrocities was enforced upon weaker nations.

Chiefly through our State Department, itself almost a lackey of certain European rentier interests, we have savagely violated the principle upon which the United States and its Constitution were founded. If a government of a developing nation refuses to submit to the dictate of a bankers' cartel, a Kissinger or a kindred sort is sent to threaten such things as assassinations, coups d'etat, or "making an example of your country." In this dastardly way, leading foreign-policy-shaping elements of our government have either simply ruined friendly nations, or have, in some cases, turned former close friends into adversaries.

The strategic situation today is such, that whereas the Soviet Union of the 1940s and 1950s was encircled by nations close friends of the United States, the Soviet empire has either destroyed or neutralized our friends, and is taking over the Middle East, Africa, and the imminent "Finlandizing" of most of Western Europe. The United States would soon sit isolated in the Western Hemisphere, amid the former friends which our State Department's monetary and economic policies have reduced to ruins.

Unfortunately, few U.S. citizens know anything about foreign nations, except for odd bits of silly gossip picked up from the liberal news-media, or some politician's babbling the second-hand gossip he was given by an aide. The poor citizen thinks that the government "must know what they are doing." The silly ducks from the Ivy League universities form a clique, which does pretty much as the Boston and New York Liberal Establishment tells them to do, and, most of the time, even the President of the United States simply does not know what the situation is in foreign nations, or what the State Department is doing there. So, blindly, our nation has walked the pathway toward a strategic catastrophe. The tragedy of Vietnam policy should have taught us a lesson about our State Department, but only a handful have learned

anything worth learning from that experience which convulsed us so much.

LaRouche had described the situation around Washington: "Over the years, my work in economics and a leading intelligence news-service, has enabled me to assess the quality of knowledge among the intelligence services of the U.S. government. In most foreign countries, the supposedly undercover agents of our government are well known by name, address, and habits to the insider circles of those countries. I have the advantage of hearing, over and over again, the nonsense which is passed around Washington official circles as the latest intelligence briefing. U.S. intelligence is a disaster-area.

"Part of the problem, is the fact that beginning Henry Kissinger's entry into the National Security Council, in 1969, he, James R. Schlesinger, Stansfield Turner, Zbigniew Brzezinski, and similar types, have ruined the nation's intelligence services. Whole networks of highly professional agents and their informants' networks on the ground, have simply been wiped out in regions of the world. The system of military attachés, which used to give us some of our best insight into matters of foreign policy, has broken down, because the State Department has assigned its political commissars to sit on the shoulder of every military official stationed abroad, and dictate what the attaché can or can not see or hear. The new intelligence recruits are still muddling amateurs, for the most part; the political attachés in most U.S. embassies and consultants are either hated contemptuously, or regarded as a parody of the old 'Keystone cops.'

"That is only one part of the problem. The more serious problem is that the U.S. intelligence community has acquired the worst diseases of a government bureaucracy. This tendency existed before Kissinger, but Kissinger's sweeping changes turned a bad problem into a catastrophe. Before an intelligence service reports or interprets a fact, or sometimes makes up what it passes along as a fact, the relevant agents and officials each ask themselves whether or not that fact and interpretation are 'in line with present policy and procedures.' In other words, the agencies suppress and select facts and interpretations, to tell some one higher up the ladder in government whatever the currently official line wishes to hear. Usually, the intelligence services report nothing which is not in line with the State Department's current policy. The only time the intelligence services are likely to report some

of the truth about major issues, is when Caspar Weinberger, President Reagan, and the National Security Advisor are on another brief rampage against the State Department's undercutting of the President's foreign policies.

"The honest patriot is filled with pride as he swears his oath of allegiance to the Constitution, on entering federal government service. Before long, he learns, that for the federal bureaucracy, the highest law of his department is not the Constitution; the highest law for a bureaucrat is a guidebook in 'career management.' How the shaping or suppression of a report will affect the current budgetary allotment of the department, and the bureaucrat's own career, is the most common factor in shaping U.S. intelligence. In the U.S. government today, 'policy' is blind to 'truth.'

"Most of the time, the President of the United States is ignorant of the most important facts bearing upon foreign-policy. Old hands in the intelligence services are better informed than the President, as long as the facts are not in contradiction to current 'policy' or special 'deals.' Most of the time, specialists at the State Department do have a fair knowledge of the relevant facts, but usually they use their knowledge to undermine the friends and interests of the United States.

"The United States desperately needs a clean-up of the State Department bureaucracy, and needs a U.S. intelligence service which is mandated to inform the President whenever current U.S. foreign policy is leading us toward some new catastrophe.

"The greatest failure of President Reagan has been in the area of administration. Trying to run government on the basis of negotiating a 'consensus' inside the Cabinet, has been the key to most of the circumstances in which the Liberal Establishment successfully sabotaged the President's policies in the implementation. Sharp conflicts on policy, philosophy, and fact, are indispensable to good government; trying to maintain the public appearance of a 'consensus' among philosophically opposite factions inside an administration, is the best way for any well-meaning President to make his administration a failure.

"The case of the President's efforts to secure a peace process in the Middle East, is one of the clearest examples of the way in which the President's own policy of fostering a 'consensus,' repeatedly sets him up to be done in by the Kissingers and their kind."

Current developments in Central and South America, in Africa, and in Asia, makes it obvious to anyone who follows the leading newspapers of those countries, that presidential candidate LaRouche has vastly greater knowledge and competence in U.S. foreign policy, than any presidential candidate of this century, with the possible exception of President Franklin Roosevelt's 1940 and 1944 reelection campaigns.

The following are excerpts from a selection of nationally televised broadcasts and printed publications on the subject of U.S. foreign policy.

BROADCAST FROM LAROUCHE'S 1976 PRESIDENTIAL CAMPAIGN

Why the Men Behind Carter Are Committed to Nuclear War

Television address, Nov. 1, 1976

This is Lyndon LaRouche, Presidential candidate of the U.S. Labor Party, the third candidate in this election. Tonight, I want to speak to you not only on behalf of the Labor Party but on behalf of many concerned Republicans, many concerned Democrats and many concerned European leaders. We are convinced, not only my party, but key Republicans, key Democrats, key leaders of Europe, key leaders of the Third World, that the election of Jimmy Carter to President of the United States on November 2 would mean that the United States was, to all intents and purposes, irreversibly committed to thermonuclear war no later than the summer of 1977. Tonight I shall indicate to you the basic facts upon which we premise that conclusion. I shall also of course tell you in some detail exactly how you can prevent this from occurring.

There are two dominant tendencies in present U.S. foreign policy. Carter's advisors represent one of those tendencies. Because the world monetary system created at the end of World War II is now collapsing—the case of Italy, the case of Britain, the collapse of the Eurobond market, the collapse of the Euro-dollar market, the fact that 17 and perhaps 20 developing sector

nations are now in default on their international debts, the fact that there is no confidence in the international monetary system—certain forces within the United States are committed to attempting to save this bankrupt monetary system. The methods to which they are resorting are consciously modelled on those used earlier by Hjalmar Schacht, Hitler's finance minister, particularly during the 1933-1936 period.

They are resorting to methods of extreme austerity, auto-cannibalistic austerity, in the effort to squeeze out of real incomes, out of essential services, and out of the capital of industry itself, sufficient wealth to roll over for at least a time, some of the bankrupt debt holdings of certain financial interests. These measures are bad enough in the advanced sector, they are bad enough in the United States. We see in New York City what this leads to. They're bad in Europe and in Japan. But in the developing sector, these austerity measures mean genocide.

George Ball is very explicit on this in his current book, *Diplomacy for a Crowded World*. Ball proposes that because he sees certain things which could solve these problems as being "unlikely," that he would resort to what he calls "triage." That is, we must decide what portion of the present world population must die, and manage food supplies and development in such a way, so as to determine who dies and who lives.

This is also the policy of William Paddock, whom Ball cites as an authority in part for his point of view. Ball of course is a key Carter advisor, Carter's shadow Secretary of State, and a former Under-Secretary of State with the Kennedy administration. Ball illustrates his policy and Carter's policy by citing the case of Mexico. Ball endorses Paddock's proposal to reduce the population of Mexico, our neighbor, from 58 million to 28 million. He proposes to do this, and Paddock is very explicit on this, by the methods used by Hitler in eliminating 6,000,000 Jews and Slavs and others in Eastern Europe during the war. By a forced labor-intensive slave-labor system in which those who are no longer suitable for this process of slave labor will be allowed to die. They use the word "triage," to describe this process of allowing useless eaters to die.

That's the policy of Ball, that's the policy behind Kissinger's foreign policy, that's the policy behind a dominant group in the United States.

Now obviously such a policy cannot be imposed on the de-

veloping sector by the will of the people in that sector. People in New York City may put up with this sort of thing, but the people of the developing sector will not in general tolerate it. Therefore, it's obvious that what Ball proposes, what other Carter-backers propose, what Kissinger proposes, what Bill Simon, the Treasury Secretary, proposes, cannot be imposed by the consent of the people of the developing sector.

Now we have the case of Chile, where we have a very bad government, imposing a brutal dictatorship to impose economic austerity—which is the reason for the Chilean coup. You cannot find any significant constituency in any part of the developing sector, which is willing to impose genocide on its own people. People like Ball and other Carter advisors know this. They know that the developing sector cannot be induced to exact genocide, as a policy for its own people, without external military force, and military-political control. What they propose to do is to put the developing sector under effectively NATO military and political control. That is, to place the developing sector under conditions of limited sovereignty. . . .

Now Kissinger and some others recognize that such a policy of putting most of the developing sector under this kind of NATO sovereignty, means war with the Soviet Union. Kissinger believes, or at least he has espoused the belief, that such a war can be avoided by successfully forcing the Soviet Union to back down through bluffing.

Now the problem with Kissinger's policy—and this is where the immediate war danger arises—is that Kissinger is like a poker player sitting with a dead hand of cards, with mirrors behind his back, trying to bluff his opponent. Everyone in NATO whom I've spoken to, and the Soviets as well, know that at this time, if the United States and NATO were to be involved in either a conventional war or a limited nuclear war or a thermonuclear war with the Soviet Union, NATO would be defeated.

That was the substance of General Brown's briefing some months ago—that was one of the reasons why certain people tried to get rid of Brown, by "Watergating" him, because he resented a voice of sanity in this connection. He did not wish the United States to get involved in confrontations under conditions in which the United States might be destroyed as a result of recklessness of people like Kissinger. Now some people, realizing that Kissinger's policy of bluff is not going to work, are thinking

in terms of how to fight a thermonuclear war. Recognizing that the policy of imposed genocide upon the developing sector means world war, rather than give up the policy, they propose to discover how to fight war.

Here, we have people like Paul Nitze. Paul Nitze is a man who was run out of the Eisenhower administration in 1954 because Eisenhower, a competent general of the United States, knew who this maniac was. Now, Nitze in the January 1976 *Foreign Affairs*, writes an article which, while a more-or-less popularized article, nonetheless represents an estimation of the strategic balance as he and many others see it. As a matter of fact, it's rather optimistic by contrast with what many people think is the case.

Nitze states in effect, that by the end of 1977 or the beginning of 1978, the Soviet Union and its Warsaw Pact will be at such a decisive strategic advantage with respect to NATO and the United States, that the United States would be defeated in a war. (Some people think that the United States would be defeated now, probably correctly.) Therefore, Nitze and others who accept the policy of genocide against the developing sector, say we must go to war before that change in strategic balance occurs.

That means going to war before the summer of 1977.

That's what these people are committed to. I've given it to you in brief, but what I've said to you is the essential thinking of heads of European governments, heads of European parties, heads of parties and other forces in this country, who are rightly convinced that if Carter wins the election with this combination of advisors—Zumwalt, Nitze, Schlesinger, Rostow: men with longstanding records, generally as maniacs for war—with Carter as their boy, Jimmy Boy of the New York Council on Foreign Relations, this nation would be headed for war. . . .

With 70 percent of the electorate mobilized, we could force Henry Kissinger out of the White House because it wouldn't take much effort once President Ford sees he's got that kind of backing for that purpose. We could also get rid of Edward Levi, the man who's tried to subvert the U.S. Constitution out of the Attorney General's office. We'll get a combination in the executive branch and in the Congress which will get this nation safely through the coming period. That would be the effect of your voting for me.

I have other things to do besides this role. Through my efforts and those of my associates over a recent period, key forces in the developing sector . . . the United States and Western Europe, have

come to recognize a proposal which I developed, the International Development Bank proposal, as the only alternative proposal of competence now on the table to replace a bankrupt monetary system.

The situation is such that if the President of the United States were to say on any Tuesday, Wednesday or Thursday that this nation is committed to developing a new monetary system along the lines of the International Development Bank proposal, the overwhelming majority of the developing sector would immediately accept that proposal. Most of the governments of Europe and I believe also the government of Japan would accept that proposal. Under those conditions of such a statement from Ford or a statement from any one in the White House, we would have a new monetary system. We would not have a depression, which is otherwise virtually inevitable to occur by about Christmas. We would enter a period of the greatest prosperity in modern history. I'll just give you a few facts to indicate to you what is involved.

It is my estimation that the agreements which would be reached under my proposal among various nations, involving the Comecon, Western Europe, the United States and the developing sector, would involve about \$300 billion a year of long-term credits by treaty agreement to cause the flow of increased industrial production into viable development projects, agriculture, industry and infrastructure in the developing sector.

These projects are already well defined. It is merely necessary to create and channel the credit to expand our capacity in the industrialized sector in order to make these projects go. Of this \$300 billion I've estimated, approximately \$100 billion of this long-term credit would be an increased annual output of industrial exports from the United States alone. Furthermore, the putting in of approximately \$300 billion a year into this kind of long-term industrial and agricultural development would have side-effects, meaning that the increase in global industrial production would gallop way ahead of \$300 billion a year.

That would mean that this nation would be turned around from industrial decay and enter a period of high capital formation, with full utilization of our idled industrial capacities, with expansion and modernization of that capacity, creating jobs representing increasing skill levels available to a greater number of our population.

With the tax revenues available to the Federal government

on the basis of that expansion, we would be able to meet the needs of our population.

Without such a program, no one can meet those needs. You cannot keep a population in prosperity by trying to re-carve a shrinking pie. Without a new monetary system, without major sources of new credit to revitalize industrial production, without credit to establish the markets in the developing sector necessary to revitalize that production, the United States is going into the worst depression in all history.

But if we create those credits, then we're going to have the greatest prosperity in all history. Furthermore, if we establish such a new monetary system, then the basic cause of the danger of war is eliminated.

Now, time is required in this country for people to fight this out. A new monetary system involves debt moratoria and other measures. People are very unhappy and very upset about this. We need time to straighten this out. I think that if you vote for me, give me a large enough vote and enough leverage, that we can prevent Carter's advisors from imposing their policy leading us toward war. And we'll have the time and the margin required to fight out among mainstream Republicans, anti-Carter, honest Democrats, and Labor Party supporters what are the rational measures to be undertaken to realize this new monetary system.

BROADCASTS FROM LAROUCHE'S 1980 PRESIDENTIAL CAMPAIGN

An Emergency Address to the Nation on the Brink of War

Jan. 20, 1980

Good afternoon, my friends. Today I want to talk to you about the worst crisis our nation has faced in the postwar period. More exactly, I would like to make clear to you the things our nation must do *now* to prevent this crisis from leading us, quite probably, into thermonuclear war.

Before turning to the facts that I want to present to you, I shall tell you something about my qualifications on this subject.

In addition to being an influential economist among certain circles of the world, for the past decade or the better part of it I have been the chief executive of a private international political-intelligence news service which publishes, among other things, a prestige weekly report to diplomats, to executives and corporations, to government agencies, and to influential private citizens, the *Executive Intelligence Review*. In connection with that, we have, through my associates in this endeavor, offices in many of the principal capitals of Western Europe, and in other cities in Western Europe and other parts of the world. Through my influence as an economist in behalf of developing a new gold-based world monetary system, I am brought into association, week by week, directly or indirectly, with leading political, industrial, financial, military, and security circles throughout the world. From this position, I know a good deal from behind the scenes which you as an ordinary citizen are not equally informed of through the mass media. In fact, some of the things I know to be true, and some of the things you may have heard from Washington through the mass media, are quite different. Unfortunately, there is too much lying going on in this country at this time.

We are at the verge of thermonuclear war. Now some of the boys in the back room, like bar-room boys, with a lecherous look at the waitress on the side, are saying we should go into Afghanistan or Iran and get those people with our Marines. This is foolishness.

There are other people who, through impotence or not knowing what to do, are saying we've got to punish the Soviets by cutting off grain supplies, or pulling the Olympics out of Moscow. This is nonsense. It's a childish display of a temper tantrum. It has no positive effect on the world.

How World War III Will Occur

The ways in which we might get into a war are primarily two at this time.

One, as I know is uppermost in the minds of most Americans, is the Middle East—by Middle East we now mean the region from Pakistan into Turkey and down into parts of Africa. If U.S. military forces get into a confrontation directly with the Soviet forces in that region, we shall probably have thermonuclear war.

The second one, which is less noticed, but which is also very much up front today, is the possibility, in fact probability, that forces of Peking—that is, Communist China—will again invade Southeast Asia, probably concentrating on Laos, and then moving out into other parts of Southeast Asia. There are approximately, according to best estimates, about a million Communist Chinese troops stationed on the borders of Southeast Asia, and there are already, week by week, extensive forays and reconnaissance in force by Chinese communist forces into neighboring countries. If these forces were to move in large concentration beyond the limited scale at which the Vietnamese forces might be able to contain them, then it is a sure thing that the Soviet Union will take massive military action against China. I do not believe the Soviets would employ nuclear weapons against China; it is the estimate of myself and other specialists in this area that the Soviets would not require nuclear weapons to essentially neutralize China's military capabilities. However, if the United States at that point were to honor the agreements that the Carter administration has made with Communist China, and attack the Soviet Union, or attack the Soviet capabilities being deployed against China, then, under that circumstance, it is certain that we would have World War III.

It is also, of course, a remote possibility in other areas. For example, if some idiot in Washington should come up with some caper in which United States troops were sent into Mexico, that would trigger a scenario which might not lead to World War III directly, but the countdown would be on, and we would probably end up in World War III.

Now let me tell you what World War III is. The figures I am going to give you are not exact, but they are close enough to the exact figures to get the concept across. It takes a major power, such as the United States or Soviet Union today, about 15 minutes to crank up its intercontinental ballistic missiles for flight. That's not an exact figure—we're dealing with two nations which have different capabilities, different missiles which are a little different technologically—but it's very close. It takes in the order of magnitude of 15 minutes, that is a quarter of an hour, to get the missiles ready to take off. Now, it takes about 20 to 25 minutes for an intercontinental ballistic missile to go from the Soviet Union to the territory of the United States, depending upon what part of the Soviet Union it is coming from and what part of the

United States it is targeted. And it takes 20 to 25 minutes for a U.S. missile to make the reverse trip.

Let's assume there is a little nuclear exchange between U.S. forces and Soviet forces, either in the Far East or in the Middle East, and that has triggered a state of war between the two nations. Under that condition, either the Soviets start the war or the United States starts the war—that is, the thermonuclear war. Let us assume that the Soviet Union is the first to set off the flight of missiles, and assume that I or any other President is in the White House at that time.

The first indication we would have, unless our spies told us that the countdown has been put in, would be that our spy systems, satellites and other systems, would have told us that several hundred or more Soviet intercontinental ballistic missiles had come out of their holes and were on their way. We'd have that information within a matter of less than a minute from the time they had taken off, and within less than two minutes at maximum we would know approximately what the targets of those missiles were. Although we would not wait, I presume—at least with responsible people in the White House and the Pentagon—to find out where the missiles are targeted for. The minute we saw several hundred missiles coming out of holes in Siberia and elsewhere, we would assume that they were headed for us, because we are the only target that merits that kind of concentration of thermonuclear force.

So about 15 minutes from the time that we detected Soviet missiles taking off, we would be in a position to fire our own. At that point, we would be four or five minutes or less away from the point that thermonuclear explosions are going to start destroying the United States. At that point, we would probably send our missiles off, of course.

And so, about 20 minutes after we had discovered that the Soviets were sending the missiles off, a process would occur under which 60 to 80% percent of the United States population was on the way to the grave, then a very large portion—we don't know the exact percentage, but anywhere from 30 to 50% or more—of the Soviet population would be about to die.

And at that point, *after* the destruction of the home bases of the two major superpowers, nuclear-augmented conventional warfare would begin around the world, complicated by the most fantastic types of naval warfare, and naval-against-land warfare,

and so forth the world has ever imagined—it would exceed the imagination of those who are fascinated by space wars.

This is the thing we must avoid. Unfortunately, at present we have a gang in Washington which is playing the game of chicken—where two automobile drivers drive head-on toward each other, and the first one to turn aside from a head-on collision is considered chicken. That's the kind of game we're in. If that game continues, most of us will be destroyed, and the Soviet Union will be destroyed. And there's *no need to have such a war*. It can be solved in other ways.

The Root of the Problem

The basic reason we're in these crises is because of our economic and monetary policies. The Carter administration has had a bad policy from the beginning. The Carter administration is immediately responsible, in terms of this policy, for all the crises—the monetary crises, the accelerated inflation, the decline in our economy, the growth of unemployment, the contempt that increasing numbers of our allies are showing for the government of the United States.

However, the Carter administration has merely continued in an aggravated form, the bad policies on economic and monetary policy that this nation has followed since August 1971.

On August 15, 1971, John Connally went into President Nixon's office and informed President Nixon that the British were trying to bring down the United States dollar. Connally in effect recommended to Mr. Nixon that the United States cave in to British demands concerning U.S. policy; and in point of fact, the Nixon administration did capitulate to British pressures. As a result, the dollar was cut loose from all connection, of any meaningful form, to gold, and since that time, on international markets, the U.S. dollar has taken on the quality of counterfeit, cigar-coupon money.

At this point, the number of dollars listed as Eurodollars—that is, overseas obligations of the dollar—total in the order of magnitude of about one trillion dollars. It is this one trillion dollars of Eurodollar paper which is the real cause of the present monetary inflation. I know some people say, it's the federal government deficit. Well, that's a problem, I admit it. But that is not causing our double-digit inflation. That does cause a tendency

for single-digit inflation, but that is not the cause of double-digit inflation.

The cause of double-digit inflation is the U.S. federal government's policy concerning the \$1 trillion which is outstanding overseas; it is borrowing from that fund of depreciating, cigar-coupon money dollars which is the principal cause of domestic inflation inside the United States today. That was John Connally's policy. But since Nixon, Ford didn't change the policy. And the Carter administration has gone much further than Connally proposed in wrecking the value of the U.S. dollar. It is this weakness of the U.S. dollar, the associated weakness of the U.S. economy, the effects of this policy on our allies in Western Europe, the hideous effects of this policy on what are called the developing nations—this is the essential, underlying cause of the crises which the United States faces today.

The Immediate Solution

This problem is *not necessary*. We could end this problem of dollar collapse almost on a moment's notice. Let me be concrete. If I were in the White House at this point, I would simply have to call up our friends, the President of France, the Chancellor of West Germany, and a few other heads of state, and probably we would have a meeting. They would all come down to Washington, and within 24 to 48 hours, we would have worked out all the details of a new gold-based monetary system. That new gold-based monetary system would eliminate immediately the basic causes of the world monetary crisis and would begin to get the world economy and world trade moving again.

This is not a hypothetical suggestion. The President of France, and other nations who are members of the European Monetary System, are already dedicated to that direction of reform. The only thing which has prevented the President of France and his allies from implementing what is called the European Monetary Fund, and sometimes called Phase Two of the European Monetary System, is hideous pressure from the Carter administration. This is what we are told, directly, by governments in many parts of the world: that Henry Kissinger's pressure, the pressure from the Carter administration, is the only obstacle to the Europeans and others implementing a new gold-based monetary system.

What Moscow Is Saying

Complementing that, let us look at what Moscow is saying, and what it has said in the course of making the policy decision which led to its demonstration of force in Afghanistan.

The first indication I had was from my Soviet desk, which reported a publication in *Red Star*, the Red Army daily newspaper, by Colonel Ponomarev, who said that the basis for the present Soviet turn in policy, the kind of policy we associate with the Afghanistan deployment, is the perception in Moscow that the Western capitalist nations are presently in what Moscow characterizes as a *final* economic breakdown crisis. Under these conditions, Moscow says that Moscow must, at its own choice, make demonstrative military efforts using its present margin of advantage in strategic military capabilities to contain and nullify the efforts of the Carter administration and its ally, the Thatcher government of Great Britain, because they see the world going that way. This statement by Colonel Ponomarev and his friends in the official Red Army paper, *Red Star*, has been echoed repeatedly from other official channels, public and otherwise, from Moscow.

It should be obvious that the only way we are going to get Moscow to turn away from its present posture of military strategic deployments is to eliminate the perception that the United States and its allies are in a final economic breakdown crisis. Looking at the Carter administration's policies from Moscow, you can understand that the people in Moscow, who do not understand our system, seeing a collapse of the dollar—a collapse which has caused gold to zoom up to over \$700 an ounce on London and other markets—seeing a collapse of world trade—which the Carter administration is imposing—that Moscow might very well imagine that the Western capitalist nations are going into an economic breakdown crisis.

The Carter Administration's Role

Two weeks ago, the same view I have just given you was stated summarily by the foreign minister of France, Jean Francois-Poncet. He stated that the root of all of the present crises which the world now faces is the failure to implement a program of appropriate international monetary reform—the continuous failure since John Connally wrecked the dollar back on August

15, 1971, the continuous failure to take the obvious correct and efficient steps of monetary reform which would stabilize the dollar and enable the dollar to continue as the world's principal reserve currency. This would maintain high levels of world trade and investment, and would therefore keep our economy cranking out goods and services, give us the means of increased production to meet many of our domestic needs, and give us the means to keep our economy and our nation strong. It is this weakness, caused by forces within our own government and our own nation principally, this weakness of the United States, the hostility it has developed among its own allies through its foolish economic-related policies—it is this weakness which has caused the present crisis.

Now as to the Afghanistan crisis itself: I wrote about this crisis back in April-May 1979, in my book, *Will the Soviets Rule in the 1980s?* I indicated what would happen, and what I indicated would happen and the way it would happen has happened, just as I outlined. In addition, through my function as a chief executive of a private political-intelligence news service, I had occasion to submit special reports and special recommendations to many channels of governments, including channels of our own government.

During the course of the Iran crisis, where I was trying to prevent our government from continuing its support of Khomeini during 1978-1979, I indicated that if our government did not stop its support of the Khomeini forces, both to overthrow the Shah and then to overthrow the government of Prime Minister Shahpur Bakhtiar, that this would lead to a general destabilization of that region. I indicated what the consequences of that decision would be. Despite my warnings, the Carter administration overthrew the government of Shahpur Bakhtiar, put the lunatic Khomeini into power, and has continued to support the Khomeini dictatorship despite the fact that the Khomeini dictatorship has committed acts of war and terrorism against the United States. And that has gotten us into the present mess.

Make Our Economy Strong

The basic thing, as I say again, is that we must make our economy strong. We must have, immediately, a gold-based world monetary system of the type that President Giscard of France, Helmut Schmidt, the Chancellor of West Germany, and other

nations are committed to realizing. If we do that, then the issuance of gold-denominated bonds—discountable bonds—in exchange for the excess Eurodollars, will take the excess Eurodollars out of circulation and convert them into lendable reserves, to get world trade going at reasonable interest rates—and I'm talking about interest rates of lending between 4 percent and 6 percent as prime interest rates internationally. That can be done.

At the same time, by issuing gold-denominated bonds against the overhung commercial debts of the developing nations, we can reorganize the present indebtedness of the developing nations and thus make those nations creditworthy of large-scale and highly profitable projects—investments in development which are just sitting and waiting to go ahead. On that basis we could increase the high-technology exports of the United States; during the next two years we could crank it up to about 100 billion dollars more than we are presently exporting. And that export boom in that sector would have multiple effects on our internal economy, to stabilize us and put us back on the road of economic growth.

However, these measures will not work unless our nation is also committed to full-scale development of nuclear energy. There is no alternative to nuclear energy.

There are supplements to nuclear energy. For example, in the western part of the United States, we have the possibility, and have had it for a long time, of taking water from Canada and Alaska and running it down between the Rocky Mountains and the coastal mountains, down all the way to Mexico, by a combination of pipelines and canals and so forth, which will open up that entire region of our country for much greater exploitation. We should at the same time, and as a part of the same project, take water which is now flowing in Canada into the Hudson Bay and the Arctic Ocean, fresh water, purchase it from the Canadians and move it back down to places like Pierre, South Dakota, down along the approximately 20-inch rainfall line in our country, down to El Paso, and then what is leftover should go between the ranges of mountains in northern Mexico into something like a lake; this fresh water could then be released out of this lake through pipelines and other means into the other side of the mountains.

This will open up the United States for great new internal development. And out of this project, though there would be some cost of pumping water in the process, we would get a net hydroelectric gain. This would give us some tens of billions of watts of new energy to add to our nation's stocks.

However, when you're talking about tens of billions of watts of energy, you're talking about a very small part of our national needs. What we need by the year 2000 is about a thousand billion watts of energy, which—in terms of utility and process heat types of energy—can be supplied cheaply only through nuclear energy.

All of the talk about synfuel, the talk about solar energy, about renewable resources—that is all bunk. The dangers of nuclear energy are exaggerated. We can enforce safety if we institute reprocessing of radioactive wastes; there is no radioactive waste danger to be concerned with.

There is no objection to nuclear energy. And there is no possibility of our nation taking advantage of the opportunities for world growth and trade and investment unless we have the energy in our country to produce, and the energy in the developing countries to be able to utilize the capital goods and agricultural technologies we ship to them.

Does America Have the Moral Fitness to Survive?

Television address by LaRouche, May 31, 1980

... Recently, the foreign minister of France, Jean Francois-Poncet, characterized the world situation as a crisis involving confrontation between two superpowers: one superpower strong—the Soviet Union; one superpower weak—the United States.

Chancellor Schmidt, who is the leader of the government of West Germany, four times in recent public addresses, described the current situation as being comparable to July 1914, one month before the outbreak of World War I. He was commenting on an article which had been published in a leading American quarterly, *Foreign Affairs*. That is our general situation.

If the United States continues on the course dictated to it by Kissinger and by Rasputin Brzezinski, the United States will very soon go into a thermonuclear confrontation with the Soviet Union, which would lead to World War III, possibly. I believe, or tend to believe, that might be avoided at the last moment—but if World War III did not break out, the United States would be subjected to the greatest strategic humiliation in its history, be-

cause vis-a-vis the Soviet Union, apart from our thermonuclear capability, the conventional and related U.S. military capability is about zilch. We don't have two good divisions to put down into the Persian Gulf area. Our naval forces are half of what they were 20 years ago; and at the present rate, even with the augmented budgets, they'll be half of that in a few years hence. Our military forces are a disgrace. To move the troops from Germany to the Persian Gulf area is simply moving drug addicts closer to their source of supply, and that's not much of an exaggeration.

The root of our problem is not merely military weakness. The root of our problem is that our military weakness is a reflection of our combined economic and moral decay, particularly over the period since 1967, the time that some boys in the government decided to cut down NASA.

Carter Policy an Utter Fraud

Let's look at our economic situation. We have President Carter, who has put on what is called an anti-inflationary program, a budget-balancing program. The program is an utter fraud. At the time Mr. Carter was inaugurated, inflation in this country was about 5 percent. Last October, when Mr. Carter started this program, inflation was 15.5 percent. Mr. Carter then introduced what was called an anti-inflationary program. As I predicted at the time, the inflation grew to higher rates than ever before as a result of Mr. Carter's "anti-inflationary" program; and between that measure of last October and the supplementary measures of March 14, Mr. Carter has put the nation virtually on track into a depression—an inflationary depression.

That's not all of it. Mr. Carter says that he's going to balance the budget. Well, that's a complete fraud. For every one percent increase in unemployment, the federal government loses—in terms of combined lost tax revenue and additional expenditures—20 to 25 billion dollars. Therefore, Mr. Carter's program, which promises to increase unemployment by at least 4 percent, will contribute a hundred-billion-dollar or so budget deficit.

Mr. Reagan has about the same policy, and it'll have about the same effect.

Unemployment causes inflation, causes imbalance in the budget. What this country has to do is to crank up employment; not make-work, but industrial employment, agricultural employment, productive employment. If we can increase our em-

ployment by taking 4 percent off the inflation figure, we can add \$100 billion, approximately, to the federal budget, and bring it back into balance.

So the way to solve the problem is directly opposite to the methods which Carter is following, and which Mr. Reagan's advisors have proposed. We've got to turn this country around, commit ourselves to high technology, commit ourselves to exports, commit ourselves to high rates of capital formation in productive job creation.

New Monetary System in Effect

I want to talk to you about what we have to do in order to do that. Some years ago I proposed a specific form for a new gold-based monetary system. At that time I tentatively called the new institution an "International Development Bank." Recently, beginning in 1978, my proposals have begun to be put into operation by some of our allies in Europe, with sympathy and support from some of our allies and potential allies in the so-called developing nations. The European Monetary System, which now exists, is phase one of an effort to create a new world gold-based monetary system which must replace the International Monetary Fund, must replace the World Bank, and must replace the kind of monetary policies which the Carter administration continues to represent.

The way this is going to work is as follows.

Number one: The objective is to reorganize the debt of Third World countries in order to make those nations creditworthy so that we may export into them, massively—that is, not just the United States, but Western Europe and Japan—high technology capital goods to create industry, to transform agriculture, to build the infrastructure in these countries. This should be in the order of magnitude of two to three hundred billion dollars a year increase in world trade. Of that, the United States' potential share would be about \$100 billion—at least in the early period. I don't know if we can still produce \$100 billion or more capital goods for export; but we could try, and that would be about our share.

How to Stop Inflation

The way we are going to do this is, if the President of the United States agrees with Giscard, Schmidt, and so forth, to put

gold back behind the dollar—remember, we have the largest supply of gold reserves of any nation in the world—and agrees in addition to use the gold through new monetary facilities to back the dollar overseas—then, the Europeans, with our cooperation, can create a new international credit facility to replace the International Monetary Fund and World Bank. This credit facility—this is technical, but I think you should know it—will issue large-denomination, long-term bonds; that is, 15-25 year bonds. These bonds, because they will be denominated in gold currencies, will be sold to central banks, large commercial banks, and other relevant institutions, at 2 to 3 percent. That's a pretty good buy considering the fact that a gold-based bond is inflation-proof. That is, a gold-based bond at 2 to 3 percent is worth more than an ordinary bond at 25 percent.

On that basis, if we buy up several hundred billion dollars of those loose dollars which are running around overseas and causing our monetary inflation—buy them up, and put them back into this new central facility, then we can loan those dollars at between 4 and 6 percent, including loaning them back into the United States for U.S. export programs.

That will stop monetary inflation. It will not stop the cost inflation which is running from 3 to 5 percent. That's going to take a longer time to deal with; but the monetary inflation, the 20-25 percent inflation, that part we can stop right away with this system.

Having done that, what we have to do in this country is define with low-cost federal government credit the refinancing of our municipal and state debts; we have to get large-scale port projects going in areas which are relevant to our exports; we have to rebuild our transportation system, we have to rebuild our railroads. We have to take industries, such as steel, which are a pile of wreckage today, at least in terms of obsolescence and competitive factors. We have to rebuild them. . . .

In addition we must use nuclear energy. All this talk about soft alternative energies is pure bunk. Solar energy is a fraud. Wind energy is a fraud. Biomass is a fraud. These things won't work; they'll just ruin the environment, at best. We have to go to nuclear energy; we have to put up 30 to 50 starts a year in terms of nuclear plants. Otherwise this nation isn't going to make it, otherwise we're going back toward the Dark Ages. We have to export nuclear plants, we have to crash ahead on fusion—because

in the next century we will begin to run out of resources unless we have new technologies to develop new resources, and fusion is the only way to do it. We've got to do that.

Democrats Must Produce a President Who Can Lead the Nation

Television address, Aug. 1, 1980

The United States is presently approaching a Democratic convention, and at the same time is sliding toward a depression which will be worse than that of the 1930s if we don't stop it now. The Republican convention has concluded. Ronald Reagan, who is personally a decent, humane person, has nonetheless taken on advisers whose foreign policy, is, without exaggeration, dangerous lunacy. Apart from some fine words in the Reagan platform, the Reagan campaign is dedicated to continuing this slide toward the worst depression in our history.

In that situation, we are approaching the Democratic Party convention. At this point I would say the chances are about 90 to 95 percent that neither Mr. Carter nor Mr. Kennedy will receive the Democratic Party nomination. It's not entirely excluded. Mr. Carter's administration is playing games with the hostages again in an attempt to secure the nomination despite the impact of Billygate.

The problem is that if Mr. Carter or Mr. Kennedy were to get the nomination, the Democratic Party would lose disastrously. It would probably lose control of the House of Representatives. It might lose control of the Senate. In about 30 states where the Democratic Party is very strong, it could possibly lose control of the legislature, the leadership in those states as well.

What's involved is much more than a potential disaster for the Democratic Party should either Mr. Carter, or, more improbably, Mr. Kennedy, secure the nomination. The problem is that with Mr. Reagan's inadequacy in terms of his foreign policy, which is a disaster, and his domestic program, which so far is a

disaster, the country will be faced with no choices, no options, but to plunge ahead into a depression, and to plunge ahead possibly into a thermonuclear war or a great strategic humiliation of the United States which might occur as a result of Mr. Reagan's acceptance of the China policy of Mr. Henry Kissinger.

Therefore, the United States, the American people, require a competent Democratic candidate who is an alternative to Mr. Reagan, who has policies and capabilities of getting this country both out of this foreign policy mess and out of this slide into a totally unnecessary new depression.

Those are the two things I want to talk to you about. I am speaking to you as individual citizens; I am also speaking to you as a way of making certain proposal commitments to various influential persons who are still trying to make up their minds about what to do about the Democratic Party convention.

China Policy Lunacy

The China policy is absolute lunacy. Under no conditions would Communist China represent a military asset for the United States. Communist China has an army of about 4 million people, no logistical capability for deploying those forces against the forces of the Soviet Union. Should, as some have proposed, the United States and its ally Israel continue to supply nuclear and missile technology to Communist China, and should Communist China attempt to put those augmented capabilities into place, it is assured that the Soviet Union will act preemptively to destroy those capabilities before they become a factor in the strategic situation.

Or, if China were to launch a new, large-scale military operation into Southeast Asia which is beyond the capabilities of the Vietnamese to control, the Soviet Union, under those circumstances, would attack China, not necessarily invade it, but it might invade Sinkiang province, it might deindustrialize Manchuria and destroy China's missile capabilities.

In this circumstance, the United States, which is grossly inferior to the Soviet Union in all areas of military capability except thermonuclear deterrent, would have the option either of sitting back and watching the Soviet Union destroy China as a military power, and doing nothing about it, or going to a thermonuclear

war—either a transpacific thermonuclear war, or, if NATO were involved, it might be a global thermonuclear war.

Therefore China is no advantage to us; it has no military potential. Before it could develop military potential, the Soviets would destroy that potential. In the meantime its only significance is to get us into a war—a strategic humiliation or a thermonuclear war.

Mr. Carter's policy—in addition to his China policy, which is essentially no different from that which Mr. Kissinger imposed upon Mr. Reagan—also includes what Mr. Brzezinski and Mr. Carter sometimes refer to as a commitment to Islamic fundamentalism. Islamic fundamentalism is a code-word for a fanatical, evil, immoral cult which is far worse than Nazism, called the Muslim Brotherhood.

This cult has recently performed assassinations inside the United States, as well as in Western Europe. This particular cult controls the Khomeini regime. It is the Khomeini regime's hard core, and it is in control of Libyan policy at this time, as well as elements of the PLO and other forces. It is tied in directly to international terrorism, among other things.

The Carter administration's mishandling of the Iran situation, before the hostages and since the hostage situation developed, flows from a stated commitment by the Carter administration to seek alliance with the Muslim Brotherhood, i.e., Islamic fundamentalism. That is exactly what the unfortunate Billy Carter got himself in the middle of, in connection with the events on which Billygate bears.

The danger is that if this destabilization continues in the Middle East, and on the southern borders of the Soviet Union, that again gets us into a military confrontation with the Soviet Union in the immediate future, for which we have no military capability in the ordinary sense of tactical nuclear, and similar tactical capabilities. We would be forced to rely on our thermonuclear deterrent.

So Mr. Carter's policy commits us to a confrontation with the Soviet Union in the immediate period ahead, confrontation for which we have no ordinary military capability, and for which we might either have to accept a gross strategic humiliation which might change the course of events to our disadvantage, or the alternative of thermonuclear war.

A Policy of Stability

This has got to stop. This is my view; it is the view of a great number of concerned citizens in the United States, the political and military areas as well as the intelligence area. It's the concern of a great number of leading people of Western Europe.

We must abandon the China policy, as the late Lord Mountbatten of Britain proposed. We must go to a policy of stability on the southern borders of the Soviet Union. We must follow the course of action which is being taken by Chancellor Schmidt of Western Germany and President Giscard of France, to negotiate stability in the Third World, including the southern borders of the Soviet Union, based on a set of agreements covering economic relations, governing political relations, and subsuming new arms agreements within political and economic agreements. The policies adopted by Reagan at present are lunacy; they must be stopped. Mr. Reagan—as I say, I'm not attacking him personally—is a decent, humane individual. But he doesn't understand this problem and his advisers are vastly misguided.

Mr. Carter has the same policy; Mr. Kennedy is deeply attached to the China policy, and therefore he's not acceptable. We must have a candidate and a policy which commits us to an alliance with France and West Germany on this question of creating stability on the southern flank (of the Soviet Union), a secure agreement to that effect; wiping out once and for all this Muslim Brotherhood horror; and negotiating, of course, stability also in the Third World.

The second thing we must do is to stop the depression. Depression is totally unnecessary.

There are two aspects to stopping this depression. The first aspect, which I've mentioned before on a number of occasions, is that we must reach monetary agreement with our Western European allies. This means using the gold reserves of the United States—which are the largest of any nation in the world—in coordination with our allies in Western Europe and Saudi Arabia, in particular, to establish a new international rediscount facility which will issue gold-based bonds to buy up the surplus dollars in the world, and then use those surplus dollars for hard commodity loans to open up and expand world trade, through high-technology projects, into what is called the developing sector. That will work, and that will stop monetary inflation cold. That

is an absolute precondition for stopping the ongoing depression in the United States.

The Real Story of Billygate

Excerpts of LaRouche television address, Aug. 8, 1980

Many people involved in the Billygate investigation also know that the hostage situation has been manipulated by the White House, by the State Department, from the beginning. That is, most people in the intelligence community, in military circles, as well as in leading political circles in this country, know that last summer Secretary of State Cyrus Vance issued a memorandum over his signature to relevant stations. That official view of the State Department, as set forth in a memorandum signed by Secretary Vance, was that if the Shah of Iran were brought back into the United States, it was probable that the Khomeini dictatorship would take American nationals hostage.

Having had that appreciation, the Carter administration, under pressure from Mr. Henry Kissinger and his traveling check-book David Rockefeller, did conduct a phony medical investigation, contrary to all the other medical findings which had been made in the Shah's case. The peculiarity of this medical finding was that Henry Kissinger's doctor said the Shah had to be brought back into the United States for medical treatment he couldn't get in Mexico.

That happens to be a lie. But the Shah was brought in; he was brought in by the Carter administration under Kissinger's pressure, knowing that this would lead, in all probability, to the taking of U.S. nationals hostage by the Khomeini dictatorship. That was done; it was done without any precautions to protect our embassy and consulates; it was done without any alternative measures to defend American nationals whose lives were put in jeopardy.

I proposed, at the time the hostages had been taken, directly to the Carter administration that a certain operation should be conducted to get the hostages free; it's the only thing that would have worked. The Carter administration turned this down di-

rectly, through Jody Powell, saying the reason they would not run this operation was because they were determined to maintain the Carter administration's alliance with the Muslim Brotherhood—the entity which took the hostages. The exact phrase used by Mr. Jody Powell was, “Mr. Brzezinski is deeply committed to Islamic fundamentalism”; Islamic fundamentalism is a code-word for the Muslim Brotherhood.

Now this crowd, the Muslim Brotherhood—of which I could tell you a great deal more, but for the sake of time I shall not—is actually an intelligence operation which was created by British intelligence in 1929. It is connected, among other things, to a circle in Italy called the Circolo Rex, which is a bunch of very fruity old aristocrats who are very wealthy and powerful and do a lot of conspiring.

Billy Carter came into this picture through a gentleman called Michele Papa. Michele Papa is a politician in Italy, a Sicilian politician who is associated with something called the Sicilian Separatist Movement. This movement is funded in part by Qaddafi.

What happened was Billy Carter was simply used, because Arabs place a great value on family, as the President's brother to reinforce Carter administration alliances with the Muslim Brotherhood, through its Libyan branch, and with the assistance of a drug-infested, international terrorist-linked operation, based in Sicily. As a matter of fact, this is an operation which is tied in to the recent bombing of a railroad station in Bologna, Italy, in which an estimated 80 people were killed and more than 100 seriously injured. So, the poor Billy Carter was simply drawn in, used as a tool by the people that run Mr. Carter, as part of an overall operation which involves the dirty connections of the Carter administration to the whole hostage situation in Iran.

That is what the boys in the back room, who have moved to temporarily play down Billygate, have done. As I indicated earlier, some are supporters of Reagan, though I don't blame Governor Reagan for this in particular, and some are supporters of the [Jack] Anderson option and have said, “Let Carter get the nomination; that will ruin the Democratic Party; that will increase Reagan's chances to run against this discredited Carter and it will increase the power of the Anderson option.”



Billy Carter, the President's brother, in Libya, 1980.

The LaRouche Nomination

I propose that you as citizens, and you, particularly, as delegates, have to face this reality. Now, as to what will happen were I to be nominated—and I think at this point I'm the only person visible who is either running, or who might be put forward by some concerned Democrats, who is qualified to be President of the United States in this period of crisis—let me indicate to you some of the things that would tend to happen. . . .

International Allies

What would happen? First of all, if I were nominated as candidate of the Democratic Party, our friends in Europe would move aggressively—aggressively—to put into place Phase Two of the European Monetary System. That is, my nomination would indicate that there is sufficient force behind the desire for a new gold-based monetary system within the United States, that Western European governments would consider themselves in a position to tell Carter to go fry—they're going ahead with the gold-based monetary system, the system that the Carter administration has tried to prevent.

The government of India—I helped, together with my associates, to devise a development program for India which friends of Mrs. Gandhi are pushing actively in India—would respond, on the basis that there was hope in the United States, and they would begin to act independently, on the assumption that a powerful portion of the American population wanted that kind of policy.

The government of Mexico would immediately change its policy on many questions, assuming that, at last, there was hope from the United States, that a significant number of the American people wanted a President who would mean true cooperation between Mexico and the United States.

And the same is true of governments throughout the world. Ten million of the people in Africa are now facing death by starvation by November, partly as a result of policies imposed not only by two Kissinger administrations, but the policy of the Carter administration. Those U.S. administrations are responsible for the present situation in Africa, which is now genocide through famine, epidemic, and social chaos. If our government

had had the right policies, and had been willing to work with France and West Germany on these policies, the present genocide in Africa through famine, epidemic, and social chaos would never have come about. Those people will have hope.

People in Europe, who might be able to move to help these starving people in Africa, might be encouraged to act independently to try to stop this genocide—where they would be afraid to move independently, or deterred at least, if, say, a Carter or some other unacceptable candidate were nominated on the Democratic ticket and if Reagan continued to be run by people like the "gang of four" around Henry Kissinger, Richard Allen and so forth. . . .

BROADCASTS FROM LAROUCHE'S 1984 PRESIDENTIAL CAMPAIGN

Henry A. Kissinger, Soviet Agent of Influence

March 26, 1984

. . . In another nationwide television broadcast earlier this year, and in several books and published articles, I have explained why a crash program to develop a strategic ballistic-defense anti-missile system before 1988 is necessary to the physical survival of our nation. Tonight, I shall report to you why Soviet agents of influence like Henry A. Kissinger are working to sabotage President Reagan's commitments to providing the world the only possible alternative to thermonuclear war during the period immediately ahead of us.

For nearly 40 years, from 1946 until March 23, 1983, the strategic and foreign policies of the United States were steered by the influence of the most evil man of the 20th century, the late Bertrand Russell. This may seem unbelievable to those many of you who think of Russell as a leading pacifist. I am not exaggerating in the slightest degree. The documents are many, and the evidence is beyond dispute.

We shall look briefly at Russell's policies, and then we shall learn how influential figures such as McGeorge Bundy and Henry

Kissinger have dedicated their lives to implementing Russell's not really very secret agreements with the Soviet dictators for nearly 30 years.

The shaping of U.S. strategic doctrines and foreign policies covers two parts of the post-war period. The first phase covers the period from about October 1946 until the end of the 1950s. Throughout that entire period, both the strategic doctrine and the foreign policy of the United States and its allies were based on a policy which Russell published in the October 1946 issue of the *Bulletin of the Atomic Scientists*.

In that article, Russell made two points.

First, Russell insisted that the nations, including the United States, must give up their national sovereignties. He demanded that a world-government agency, with a monopoly of possession and use of nuclear arsenals, be established.

Second, Russell proposed that if Russia refused to submit to the agreement to establish such a world-government agency, that the United States and Britain must conduct "preventive nuclear war" against Russia. This war should begin as soon as the Anglo-American nuclear arsenals were adequate to destroy the Soviet non-nuclear forces, and should occur before the Russians began to develop nuclear arsenals of their own.

This "preventive nuclear war" policy of Russell's was adopted by the United States and Britain, and remained in effect until the middle to late 1950s.

Russell began developing a second version of his strategic doctrine shortly after the death of Josef Stalin, at the point that the Russians were already building up an arsenal of fission weapons and had constructed a prototype of an H-bomb. Russell communicated messages to the new leaders in Moscow, offering to cooperate with Moscow in setting up a world-wide empire, of which the Eastern part would be ruled by the Russian Empire, and the Western part, some sort of world-federalist dictatorship, ruled over by the wealthy financial families of such places as New York, Boston, London, and Switzerland.

In London, at a 1955 conference of Russell's World Association of Parliamentarians for World Government, four Soviet representatives attended, to signal Moscow's acceptance of Russell's new strategic agenda. By about 1957, Henry Kissinger's masters at the New York Council on Foreign Relations had accepted the Russell-Khrushchev package. In 1957, the book *Nu-*

clear Weapons and Foreign Policy was published in Kissinger's name. The conclusive event occurred a year later, in 1958, at the second Pugwash Conference, held in Quebec. At that conference, the details of the agreement between Russell and Khrushchev were presented in a keynote address by Russell's accomplice, Dr. Leo Szilard.

McGeorge Bundy, Robert McNamara, Maxwell Taylor, and Bundy's nasty-tempered National Security Council consultant, Henry Kissinger, among others, slipped Russell's agreements with Khrushchev into Kennedy administration policy. From that time until March 23, 1983, the strategic policies which Russell had negotiated with Khrushchev were the strategic doctrines of the United States and NATO.

Since the late 1950s, for more than 25 years, Henry Kissinger has been one of the leading Soviet moles working inside the policy-making processes of our government, working to help Moscow in keeping the United States in submission to those Pugwash agreements.

Szilard's 1958 keynote address at the Second Pugwash Conference was the basis for the famous film, *Dr. Strangelove*, in which the character, Dr. Strangelove, is modeled on Szilard himself. To most of you, Dr. Szilard's proposals will sound like outright treason.

The central feature of Russell's and Szilard's agreement with Nikita Khrushchev was the agreement to divide the entire world between two world-empires, the first to be ruled by the wealthy and powerful financial families of the so-called Liberal Establishments of Britain and the United States; the second part of the world-empire, the Russian Empire, would be made much larger than Russia's division of the world negotiated during the war-time Yalta Conference. This is the so-called "New Yalta" agreement with Moscow, to which Henry Kissinger and his business partner, Britain's Lord Carrington, are dedicated today.

As Kissinger's article in the March 5 issue of *Time* magazine indicates, Kissinger is committed not only to giving the Soviet Russian Empire the Middle East, but also to the effective "Finlandization" of all of Scandinavia and Germany under Soviet regional domination. This is part of a deal for which Kissinger and his friends have been working for approximately 25 years, for which Kissinger is working today.

In order to establish long-term balance between the two pro-



Henry A. Kissinger

posed empires, Szilard demanded that both superpowers develop thermonuclear arsenals large enough that each could guarantee the nuclear destruction of the other in case of a general war between the two. This is the doctrine of Nuclear Deterrence, sometimes called Mutual and Assured Destruction, or MAD.

However, Szilard was no pacifist. He recommended that local wars, including limited nuclear wars, were indispensable to "letting off steam." He proposed that a set of flexible guidelines be adopted, to permit the powers to conduct limited colonial and other limited wars, but with secret understandings adopted, to prevent local wars or limited nuclear wars from spilling over to become general thermonuclear wars. This doctrine, set forth by Szilard back in 1958, became known as Flexible Response.

These doctrines agreed upon between Bertrand Russell's crew and the Khrushchev government in Moscow, were smuggled into the Kennedy administration by McGeorge Bundy, Bundy's consultant Henry A. Kissinger, Robert S. McNamara, and Maxwell Taylor. All of this was orchestrated behind the backs of our elected

officials of government—excepting a few witting scoundrels. President Kennedy talked to persons such as Gen. Douglas MacArthur, an opponent of such doctrines; suddenly, President Kennedy was assassinated.

After President Kennedy ordered McGeorge Bundy to fire Henry Kissinger, Kissinger pursued his career as participant in meetings of the Pugwash Conference back-channel to Moscow up to the point Kissinger was inserted as a mole into the Nixon White House. In every known case, including the SALT I, ABM treaty, and SALT II negotiations, Kissinger's role under Presidents Nixon and Ford was that of a Soviet agent of influence, working against the vital strategic interests of the United States, and in support of secret agreements with Moscow reached through such back-channels as the Pugwash Conference, David Rockefeller's Dartmouth Conference, and the Aspen Institute.

Kissinger and his Liberal Establishment masters and accomplices have worked consistently for approximately 25 years, to aid the Soviet Empire's achievement of the "New Yalta" agreements worked out between Khrushchev and the circles of the evil Bertrand Russell. That is the reason the world is near the brink of thermonuclear war today. Through the work of such people as McGeorge Bundy, Robert S. McNamara, Averell Harriman, and Henry Kissinger, the Soviet Empire has been enabled to develop the strategic capabilities to challenge directly the most vital interests of the United States. But for the sabotage of the interests and national defense of the United States by aid of such influential circles, there would be no danger of actual thermonuclear war today.

I read you two brief excerpts from the writings of Bertrand Russell. The first of these is a passage from a book Russell wrote back in 1923, entitled, *The Prospects of Industrial Civilization*. See if you recognize this policy as being that of an "ecologist" political faction of the United States and Europe today:

The white population of the world will soon cease to increase. The Asiatic races will be longer, and the negroes still longer, before their birth rate falls sufficiently to make their numbers stable without help of war and pestilence. . . . Until that happens, the benefits aimed at by socialism can only be partially realized, and the less pro-

lific races will have to defend themselves by methods which are disgusting even if they are necessary.

After the war, in 1951, the same satanic Russell wrote in a book named *The Impact of Science On Society*:

At present the population of the world is increasing at about 58,000 per diem. War, so far, has had no great effect on this increase, which continued through each of the world wars. . . . War . . . has hitherto been disappointing in this respect . . . but perhaps bacteriological war may prove more effective. If a Black Death could spread through the world once in every generation, survivors could procreate freely without making the world too full. . . . The state of affairs might be somewhat unpleasant, but what of it?

The essence of Bertrand Russell's purpose, for the entire extent of his satanic adult life, was the destruction of modern civilization, and the creation of a miserable condition of feudalistic society to be ruled by the Anglo-Saxon race. Russell intended this to be a form of utopia to be established by massive genocide against the darker-skinned populations of the world, including such sections of humanity as those of Arab, Turkish, Greek, Italian, and Spanish ethnic origins.

Russell's proposal of a scheme of world-government and his back-channel "New Yalta" agreements with Moscow were, for Russell, H.G. Wells, and their co-thinkers of the Liberal Establishment, a way of bringing Russell's design for a feudalist Anglo-Saxon world-empire into being. Russell found among the hardened racialists within the ruling caste of the Russian Soviet dictatorship a partner who had similar if conflicting goals to match Russell's own. Russell, and avowed feudalists such as Henry Kissinger, allied with the Soviet dictatorship not because they like Russia, but because they hate what the United States represents.

The most crucial point is this: To be able to sell the doctrine of "post-industrial society" to the fellows in our Pentagon and Congress, Russell and his crowd had to convince those military and political leaders that a technologically progressive devel-

opment of the agro-industrial base of the national economy was no longer strategically essential.

This selling-job was done by insisting that war-fighting would come to a halt at the time the thermonuclear intercontinental barrages were completed. Therefore, the argument went, there is no need for military forces of the depth which might be used to continue war-fighting after that stage of the war. In other words, under conditions of general thermonuclear war between the two superpowers, there would not be enough left alive after the opening salvos to continue war. Therefore, the argument goes, conventional military capabilities have no strategic significance for fighting a general war. Therefore, the spokesmen for turning the U.S. economy into a post-industrial junk-heap argued, technologically progressive investment in agriculture and industry is no longer important for national defense.

Something more cruel, more criminal, was added: neo-Malthusian programs of genocide against the populations of the so-called developing nations. It happens, that the cheapest and easiest way to commit genocide is by famine and epidemic under slave-labor conditions—as the Nazis showed at Auschwitz.

Therefore, until the 1960s, even those among our military—for example—who might share the Anglo-Saxon racism of an Averell Harriman, would have defended the well-being of Latin American nations on elementary grounds of U.S. logistical interests. With the introduction of Flexible Response, this changed.

Like the Nazi regime during World War II, the world's most powerful international monetary and financial agencies today have targetted between 120 and 150 million black Africans for death through genocide: death by famine and epidemic. This mass-murder is the policy of influential institutions such as the Club of Rome, which claims that regions such as black Africa are overpopulated and that the world's population must be reduced by such methods. The evil policies of the Club of Rome are being implemented by powerful banking institutions of Switzerland, by the International Monetary Fund, by the World Bank. These are policies endorsed by high officials of our own Federal Reserve System. These are policies being put into effect in many parts of the world by Henry A. Kissinger and his friends.

This monstrous immorality practiced abroad comes home to us today, in such forms as a growing movement for genocide against our own nation's most vulnerable citizens: the seriously

ill and our senior citizens. The same crime for which we condemned Nazi doctors at the Nuremberg Trials, the crime of euthanasia, is being promoted in the United States and in Western Europe today under such titles as "Death With Dignity." This growing murder of our seriously ill and senior citizens is being promoted by persons and groups who argue that such systematic murder of tens of thousands and more of our citizens is needed to keep down the average cost of health insurance premiums, or, to help balance the Social Security budgets.

Senator Harrison Williams was not murdered by the Federal Bureau of Investigation, but his case is an example of the same immorality in government we see more vividly in the form of genocide against black Africa, and in the form of Nazi-like policies of euthanasia against our invalids, and against our senior citizens. According to the evidence presented by the U.S. Department of Justice in Federal Court, Senator Williams not only refused any offer of a bribe, but was in the process of lecturing what he believed to be an Arab guest in our country that in our country such practices are not tolerated. Yet, the Senator was convicted. An innocent U.S. Senator sent to prison on the instruction of a Federal judge; he was convicted and sentenced on the grounds that he looked like a public official who might take a bribe at some other time!

In the city of New York, for example, one of the best ways to keep out of prison is to be arrested for murder, and one of the easiest ways to commit crime without fear of arrest is to peddle drugs openly at major intersections: The city's government has ordered the police not to interfere with drug-peddling of this sort. However, commit no offense, but be falsely charged by some FBI "frame-up," or frame-up by the office of the District-Attorney of Manhattan, and you will almost certainly be railroaded to prison while the murderer apprehended on the same date walks the streets to kill again, virtually scot-free.

So, it must appear, that a judgment like that fallen upon the Biblical Sodom and Gomorrah looms above the flesh-pots of our morally sick nation. We can escape this threatened doom if we as a people awaken in time. We must recognize where we made the wrong turn in morality and government policy-making during the post-war period. We must reverse that error, and do it quickly; time is running out.

I also proposed this new strategic doctrine as a way of de-

stroying the rotten agreement which Bertrand Russell and others made with Moscow back during the 1950s, the rotten agreement which Henry Kissinger and others have been defending in their function as Soviet agents of influence. I did this, for many reasons, but above all, to eradicate Russell's and Kissinger's policies of Malthusian genocide, by destroying the roots of Kissinger's feudalistic neo-colonialism in the Nuclear Deterrence doctrine. It is now approximately 17 years since Easter 1967, the day back then when Pope Paul VI issued his appeal for an end to the evil genocide being practiced by Henry Kissinger and the fellow-travellers of the Club of Rome today. Although Pope Paul VI's Encyclical, *Populorum Progressio*, is a Catholic doctrine, it expresses and reflects the very essence of the natural law of Judeo-Christian Western civilization.

The essence of natural law is that every human life is sacred, that the development of the creative-mental potentialities of each and all individuals is also the sacred duty of society, and that also society must afford to each and all persons the opportunity to employ the developed potentialities in some way which contributes good to present and future generations—that no man is compelled to go to his grave like a mere beast. This is the Law of Equity. That Law of Equity is an absolute, in the sense that no state and no man can deny any individual anywhere his right to equity so defined, unless that violation be to defend the very existence of those forms and institutions of society on which the fostering and protection of Equity for all persons depends.

Unfortunately, neither the Russian Empire nor feudalists such as Henry Kissinger and his accomplices accepts those doctrines of natural law. In his notorious doctoral dissertation at Harvard University, Kissinger pledged his future diplomatic career to follow in the example of the Holy Alliance's Prince Metternich. Kissinger pledged himself to the heritage of the Persian, Roman, Byzantine, Ottoman, Austro-Hungarian, and Russian empires. He rejects absolutely the Judeo-Christian natural law of Western civilization, and adheres to that evil misconception of man and the universe typified by the slave society of ancient Sparta and the sodomy-ridden abomination that was the empire of Rome. In its own fashion, today's rulers of the Russian Empire also trace their philosophical heritage from Lyncurgus' Sparta, and from the models of empire in which one master-race rules as overlord over subjugated races.

The injustice we tolerate against the peoples of black Africa, targetted by the genocidal financial and economic policies of Kissinger and his feudalistic friends, is an act of injustice which savagely violates our own most fundamental moral values. The injustice which our government and major political parties tolerate throughout our nation, as they tolerate the FBI's Gestapo-like frame-up against an innocent U.S. senator, and tolerate murder and drug-pushing in cities like New York, are but an echo of the fact that it is our morality itself which has been shattered by tolerating Henry Kissinger and his accomplices in foreign policy.

Let us go back to being a great industrial power, an agro-industrial power flourishing in scientific and technological progress. Let us be again, what was said of us at the establishment of our independence from the feudalistic policies of Britain: a "temple of liberty" and "beacon of hope" for all mankind. Let us be again the defender of the smaller, weaker nations of the world, against colonialism and imperialism in all their manifestations. Let us build among sovereign nation states a community of principle according to natural law, as Pope Paul VI's *Populorum Progressio* beseeched us to do.

Let the President of the United States be a person who knows that his or her most essential duty is that of the chief magistrate of a great republic. Let the frightened and oppressed in our own and other nations around the earth look up with just hope from their injured circumstances, and say to themselves: "This is an injustice which the President of the United States would not tolerate, if he knew of it." Let that opinion be justified.

Let us, therefore, proceed to expend the needed \$200 billion estimated as required to emplace a first-generation ballistic-missile defense for this nation by the year 1988. That will be not only a physical defense of our republic, but will represent an act by aid of which we return to the principles on which this republic was founded.

Let us move Henry A. Kissinger, and what he represents, for once and forever, out of the policy-making processes of government.

Solving the Catastrophe in U.S. Foreign Policy

Television Broadcast, June 2, 1984

ANNOUNCER: On March 30th of this year, Democratic presidential candidate Lyndon LaRouche published the document he intends to present to the Soviet government within hours after his inauguration as President of the United States.

That document was circulated around key places in Washington and other places in the world, and was later published in the April 17 issue of the international newsweekly, *Executive Intelligence Review*. In his prefatory note to that Draft Memorandum, LaRouche wrote:

Essentially strategy is not a military question but a political and economic question. When politics and economics fail to avoid war, military means adequate to such a purpose must bring matters as quickly as possible to a peace, a peace defined in political and economic, not military terms. Thus, the strategic-military policy of the United States toward the Soviet Union must be a military extension of a peace policy, must be an instrument for establishing those political and economic policy relations between the powers which serve as the basis for durable peace.

The key to all seven articles of the LaRouche Doctrine is contained in Article 1.

The political foundation for durable peace must be:

- a) the unconditional sovereignty of each and all nation-states, and b) cooperation among sovereign nation-states to the effect of promoting unlimited opportunities to participate in the benefits of technological progress to the mutual benefit of each and all.

The most crucial feature of present implementation of such a policy of durable peace is a profound change

in the monetary, economic, and political relations between the dominant powers and those relatively subordinate nations often classed as developing nations. Unless the inequities lingering in the aftermath of modern colonialism are progressively remedied there can be no durable peace on this planet. Insofar as the United States and the Soviet Union acknowledge the progress of the productive powers of labor throughout the planet to be in the vital strategic interests of each and both, the two powers are bound to that degree and in that way by a common interest. This is the kernel of the political and economic policies of practice indispensable to the fostering of a durable peace between those two powers.

LaROUCHE: There are frightened and sentimental people throughout this world today, who are supporting the delusion that war could be prevented by the unilateral disarmament of the United States, paranoid people who believe that it is weapons, not people, who cause wars. This sort of argument reminds me of those who have said that by preventing law-abiding citizens from owning pistols we can disarm the criminal who carries an illegal weapon. It reminds me of the low-grade weapons which former New York Police Commissioner Patrick Murphy recommended for the officers of that Department, with the result that police officers forced to defend themselves against a criminal shooting with a more powerful pistol had been killed by the criminal even after a policeman's bullets fired from a Pat Murphy Special have struck the criminal several times.

What I object to in the defense policies of agents of Soviet influence such as Henry Kissinger and Walter Mondale, is that these cowardly public figures are repeating with the Soviet Empire today the same mistake which Britain's Prime Minister Neville Chamberlain made in kissing the feet of Nazi Adolf Hitler in September 1938. These Soviet agents of influence speak of throwing away the MX missile and President Reagan's Strategic Defense Initiative, telling us that by disarming ourselves we will cause the Soviet government to become peace-loving. Just as Henry Kissinger's predecessor Chamberlain capitulated to Adolf Hitler in 1938, and thereby caused World War II to break out in 1939, so agents of Soviet influence, such as Kissinger and Mondale, are leading us toward the outbreak of World War III today.

Those who speak of disarmament are refusing to face the fact that we have already entered the preliminary phases of World War III. Moscow is determined to secure global military hegemony by about 1987, and to accomplish that Moscow is now working to destroy areas such as the Middle East, and to take our allies in Western Europe over as part of the Soviet sphere of strategic influence. Henry Kissinger's efforts to decouple Western Europe from the United States are succeeding at a rapid rate in turning West Germany over to become Moscow's sphere of influence.

Although we are not yet at the stage of shooting-war between the two superpowers directly, we are as close to such war as the world was in 1938. We are rapidly approaching the point that the United States must choose between Soviet world-domination and willingness to resist such domination by military force. We are now in the count-down preceding the point that decision is forced upon us, perhaps a decision to confront the next President of the United States. In that sense, World War III has already begun. The question is, whether there is any way to stop it before we reach the point at which the missiles fly?

Neither I, nor any other person could guarantee that total thermonuclear war will not erupt during sometime between now and 1987. I can offer you only my best chance at stopping that war, and offer you the hope that if we follow my policy, we shall not have begun too late.

Now let me give you a picture of the general situation in the world as a whole. I begin by reporting to you that there are five major forces afoot in the world as a whole today.

First and second, there is the force represented by the kind of constitutional republicanism on which the United States was founded, and directly opposing us, second, the force represented by the armed philosophy of the Soviet Empire.

However, the problem is not simply the United States versus the Soviet Empire. The world is more complicated.

The third force in the world is not a force attached to any one nation or continent. This third force is a kind of international cartel of wealthy financial families centered in places such as Venice and Switzerland, the families which control the major international insurance cartels and much of the world's major banking-system. This includes the so-called Liberal Establishments of the United States, Canada, and Britain. These families

share a philosophy which is most readily described as feudalistic, the same philosophy against which the American Revolution was fought, and against which our Federal Constitution is intended to defend us.

Fourthly, there is the force represented by the so-called Third World. This is the force of nations and governments which have emerged from colonial rule, and which desire the same kinds of things which the founding fathers of our own republic demanded for us.

Finally, the fifth force is that typified by the criminal dictatorship of Iran today. It is the force of murderous lunacy permeating the growing wave of international terrorism, neo-Nazism, and the kinds of insurgency forces which our former Attorney General Ramsay Clark helped to bring to power in Iran.

The essence of both my strategic policy and my foreign policy is that the United States must ally itself with the fourth of these forces, the so-called Third-World force, to the effect of creating a new world order on this planet, a world-order consistent with the objectives of the American Revolution and with the intent of our Federal Constitution. By putting the United States on the side of technological progress in Ibero-America, in Africa, and underdeveloped Asia, and by winning forces in Western Europe, Japan, Australia, and elsewhere to join with us in establishing such a new republican world-order, we must create not an American Empire, but a century in which the world is dominated by the same principles, principles of law upon which the United States and its Constitution were founded.

The secret of the future global power of the United States lies not in obtaining obedience from other nations. The future global power of the United States lies in creating what Secretary of State John Quincy Adams named a 'community of principle' among those nations and peoples which share the principles of a democratic-republican order in the world. The future power of the United States must be our leading part in creating and defending a global community of principle among fully sovereign nation-state republics, each nation politically equal with respect to all others.

If we do so, we can crush out the fifth of the forces I have named, the force of criminal lunacy represented by Khomeini's killers, and we can greatly weaken the third of the forces, the supranational power of feudalistic financier elements, those feu-

dalistic financier elements which are the chief cause of subversion of the United States, and the chief cause of genocide and other misery among increasing parts of the Third World today.

The major threat to the United States today does not come from the Soviet Empire by itself. The major threat to the United States is the partnership which has developed between the Soviet government and the families of the Liberal Establishment over the period of approximately thirty years to date.

The core of the problem is this.

These families, typified in the American case by a book written by a friend of mine, Tony Chaitkin, *Treason in America*,—these families, for whom Bertrand Russell served as a leading spokesman in negotiations with Moscow, offered to Moscow to divide the world between two or three empires, possibly giving China an imperial sphere of influence in Asia, to produce a three-way balance of power in the world. At the same time that these families allied with Moscow against the traditional values and sovereignty of the United States, those families also intended to destroy the enlarged Soviet Union from within, over the longer run. This arrangement has created the circumstances of Soviet foreign policy and military strategy today. On the one side, these Liberal Establishment families have been destroying the strength of the United States and its internal institutions from within for about thirty years, thus giving Moscow the opportunity to build up its present military superiority. Yet, Moscow believes, and not without reason, that as soon as it has military supremacy, it must next destroy the power of those Liberal Establishment families, by establishing a world-wide empire ruled by Moscow alone.

This point is fundamental to U.S. strategic policy today, so it's important that you understand the core of the problem as clearly as possible.

As I reported in an earlier broadcast, the foundations for the policies of the Liberal Establishment families' agreements with Moscow are essentially the policies which were laid down by Bertrand Russell and H.G. Wells over the period from the early 1920s through the early 1960s. What Russell and his backers among the Liberal Establishment proposed to Khrushchev, back during the 1950s, was to set up a system of world-government, under which Moscow would rule one empire and the wealthy families the other.

Since the Liberal Establishment families were working to

destroy the sovereignties of the United States and other Western and Third World governments by tricks such as the International Monetary Fund's conditionalities policies, those families have been weakening the United States and Western Europe massively, in a manner very much to the long-term military advantage of Moscow. Therefore, Moscow has allied itself with those families against the vital interests of the United States, against Western Europe, against Japan, and against Third World nations.

However, at the same time, Moscow is committed to destroying those families as soon as the United States is brought under Soviet world-wide military hegemony.

That is the core of the strategic problem. The reason Moscow hates me so bitterly, is chiefly that Moscow fears that under conditions of eruption of a new economic depression, the policies which I represent might come to power in the United States, in a way parallel to developments under President Franklin Roosevelt. If that were to occur, then the ability of the wealthy families to control the policies of the United States would be greatly weakened, probably preventing Moscow from becoming the world-wide power it desires to become before the end of the 1980s. That is the reason Moscow has denounced me so violently, and repeatedly, in the Soviet press since the Spring of 1983. Moscow has feared that President Reagan's adoption of the kind of Strategic Defense Initiative which I had proposed earlier meant that I was exerting growing influence upon our government. That was the reason for the violent campaign against me from Moscow.

However, what is Moscow's reaction if I do become President of the United States, or if another President were to be strongly influenced by my policy-thinking? At that point, my proposed agreement of March 30 supplies the kind of strategic and foreign policy which the United States requires.

Under those conditions, leading circles in Moscow would consider the contents of my March 30th Draft Memorandum an acceptable basis for global negotiations between the Soviet Union and the United States. That, my friends, is the only visible possibility for avoiding thermonuclear war between the two super-powers.

However, in every negotiation with the Soviet government, we must recognize that the political and moral philosophy of our founding fathers and Soviet society are irreconcilable opposites. For as far distant into the future as I can imagine, there is no

possibility that Soviet society would ever accept the republican philosophy and leading principles which I represent. If we are to secure peace between our government and theirs, we must proceed by understanding how their philosophy differs fundamentally from ours. On this point, I recommend to you my short book, *Imperialism: The Final Stage of Bolshevism*. I also recommend to you two other items. On selected television stations around the United States, beginning with the states of New Jersey and California today, my campaign is broadcasting a two-hour special program, in which I state the basic principles of economic science as those principles are derived from the 28th Verse of the 1st Chapter of the Judeo-Christian Book of Genesis. For those of you who wish to study this further, there is now in circulation my economics textbook, which explains in greater detail the key points presented in that two-hour broadcast.

The essential difference between the Soviet view of scientific and technological progress and the philosophy of Western European scientific achievement is that Western European Judeo-Christian culture is not really materialistic. The significance of Christ for Christians is already implicit in Judaism's anticipation of a Messiah. The fact that the Will of God flows through Christ inspires us to imitate Christ on that account, inspires us to master the lawful order of creation and to make that knowledge of the lawful order of creation the governing force in our individual judgment. If one studies the revolution in science unleashed in Europe by the work of Cardinal Nicholas of Cusa, and studies the work of the greatest scientists, such as Kepler, Leibniz, and Riemann, we recognize that the genius of Western European scientific progress lies in Judeo-Christian culture's emphasis on the divine potentials embodied in the creative powers of the individual human mind; it is that divine potentiality of the individual personality which is the essential feature of our culture.

Generally speaking, Russians simply don't think that way, which is the reason the Russian Church never accepted the "Filioque" of the Latin Nicene Creed. Culturally, Russians tend to believe in the mysticism of a "collective soul," as such writers as Dostoevsky and Tolstoy express this. Although numbers of Russians are cultured persons, as such great figures as Pushkin were in the past, in Russian peasant culture there is a deep abyss of irrational, collectivist mysticism of the kind we associate with heathen blood-and-soil cults. Therefore, generally speaking, the

Russian mind today is incapable of comprehending those principles which are most precious to us who maintain the knowledge and heritage of Judeo-Christian civilization in Western Europe and the Americas.

Therefore, we of the United States would be very foolish if we hoped to impose upon Soviet society a set of principles which are contrary to the deepest roots of their present culture. What we must do, is to begin with the irreconcilable differences between our cultures, and to find areas of practice in which we can agree despite our deep philosophical differences.

The best of the choices of areas for practical agreement is the area of scientific and technological progress. The fact that they value scientific progress very highly, although from a materialist point of view, is one area for practical agreement between us. Second, if we are ever to induce Moscow to grant greater sovereignty to the states of Eastern Europe, we must establish as a universal principle the doctrine of the absolute sovereignty of sovereign nation-states. Rather than our attempting to intervene in the affairs of the Comecon, we must begin by asserting the principle of sovereignty in the Third World, for example, and agree that neither we nor they shall establish spheres of subjugated client-states in Western Europe or the Third World.

Under either a LaRouche administration, or any administration which Moscow believed to be shaped by the kinds of policies I represent, it is probable that Washington and Moscow could come to agreement on the two points of global practice I have just identified.

The problem is that our own Liberal Establishment and its political allies among the wealthy families of Europe could not agree to either such term unless those families were forced to submit to such terms. Naturally, therefore, the families of our Liberal Establishment hate me bitterly, and use every trick at their disposal both to libel and slander me, and to crush my influence physically wherever they dare.

The greatest obstacle to obtaining peace from Moscow is therefore the Liberal Establishment families inside our own country, the same Liberal Establishment which is acting now as Moscow's agent of influence in attempting to destroy the defenses of the United States. Not only does the Liberal Establishment have a treasonous back-door agreement with Moscow against both President Reagan and against my colleagues and myself; this

same Liberal Establishment, which openly worked to bring Adolf Hitler to power in Germany during the early through middle 1930s, maintains and increases its power by using various forms of parasitical usury to loot our government and people here at home, and to loot foreign nations to the point of genocide abroad.

As President, I would have no difficulty in reversing the worldwide depression-spiral which erupted on May 11 with the crisis of the Continental Illinois Bank. The following leading measures, all of which I would set into motion within the first hour after my inauguration, would stop the depression. . . .

Operation Juarez

Television Broadcast, Nov. 5, 1984

Announcer: On Oct. 23, independent Democratic presidential candidate Lyndon H. LaRouche exposed Walter Mondale before a nationwide television audience as an agent of Soviet influence. LaRouche then offered to debate Mondale, if Mondale wished to defend himself. Mondale, knowing that LaRouche's facts were solid, refused the offer. By his cowardice in refusing to face LaRouche, Mondale discredited himself in the eyes of many of his former supporters.

The time has come to concentrate our attention entirely upon improving the policies of the second Reagan administration. The only important question in the minds of informed voters on election day, will be whether the second Reagan administration will be dominated by Henry A. Kissinger and his friends, or whether the President will turn to patriotic Democrats for bipartisan support in dumping Kissinger's influence from his administration.

Tonight, we turn our attention to one of the most important strategic issues facing the Reagan administration, the need for a drastic change in our policy toward Central and South America.

Announcer: The time, early Sunday morning, June 24, 1984. After careful security precautions, presidential candidate Lyndon LaRouche's jet leaves Washington's Dulles Airport. The jet flew south, across the United States into the heart of the vast Amazon rain forest.



LaRouche organizes support for "Operation Juarez." Here he is meeting with trade unionists in Argentina.

Later that night, LaRouche landed at Buenos Aires, the capital of Argentina. During the next six days, LaRouche participated in meetings with leading circles in Argentina, including President Alfonsín. The purpose of the trip was to bring back to Washington vital information which might help to stop Henry Kissinger from pushing a desperate Argentina into the waiting arms of Moscow.

Kissinger's circles in Washington and London were thrown into a state of panic when they learned of LaRouche's visit. According to the highest level circles in Argentina, Kissinger's friends in the State Department violated the laws of the United States by circulating false information against LaRouche throughout Argentina.

About two months later, Henry Kissinger himself paid a visit to Buenos Aires. The Argentine media had been alerted to Kissinger's purpose by LaRouche. However, a terrified Argentina backed down to Kissinger's homicidal threats. Today, Argentina's economy is thrown into chaos as a result of Kissinger's policies. The highest-level circles warned that the Soviets are making massive offers of economic assistance to Argentina, and that increas-

ing numbers of leading right-wing and other circles in that country are actively negotiating with Moscow.

Why were Kissinger and Moscow thrown into a panic by LaRouche's visit? To find the answer to that, we must go back two years earlier to June 1982. Democrat LaRouche had flown to Mexico for a meeting with his friend, President Jose Lopez Portillo. LaRouche reported to the President of Mexico on a major debt-crisis about to explode throughout all of South America.

Two days later, something happened which has shaped the history of Mexico and South America up to the present time. Lyndon LaRouche now tells you about that, in his own words.

LaRouche: Two days after my meeting with President Lopez Portillo, I had a breakfast conference with an old friend of mine. He had an urgent proposal to deliver to me.

He referred to the massive press coverage I had been receiving in Mexico and most of South America. In fact, during much of May and June that year, my name was front-page headlines almost daily in many parts of the continent. My friend indicated that this press coverage had created the situation in which many influential circles, in many of the republics of the continent, were ready to begin acting on economic-reform proposals which I had been proposing since 1975.

It is most urgent, my friend told me, that I sit down and write immediately a comprehensive proposal for economic reforms for the entire continent. Influential circles in many countries were ready to act, but they needed the entire proposal written up in one single document.

I spent most of the month of July writing a book-length report on options for cooperation between the United States and its neighbors. On Aug. 5, 1982, I issued the report to appropriate places in our government as well as my friends in Mexico and South America. I named the report "Operation Juarez," in memory of the collaboration between Benito Juarez and the patriotic circles of the United States which have been associated with John Quincy Adams, Adams' U.S. Ambassador to Mexico Joel Poinsett, General Winfield Scott, and President Abraham Lincoln.

During September and October of that year, President Lopez Portillo offered to cooperate with the United States along the lines of Operation Juarez. Instead, the United States sent Henry Kissinger to Mexico; Kissinger threatened to do terrible things to Mexico and to the President of Mexico, if any President of

Mexico should ever meet personally with me again. Today, ex-President Lopez Portillo lives abroad, under threat of assassination.

Since that period, from August through October 1982, there are only two sets of economic policies throughout South America. One set of policies is more or less exactly the policies I proposed in Operation Juarez; the opposing set of policies are those proposed by the firm of Kissinger Associates, Inc.

Let me tell you this fact very plainly and very simply. Kissinger Associates, Inc. is a private firm established in London during the summer and fall of 1982. This firm earns its money from private clients by assisting those clients in looting the various nations of Central and South America. The way in which Kissinger earns the vast fees paid to his firm, is by controlling the foreign policies of the United States toward Mexico and South America. In other words, the foreign policy of the U.S. State Department is being used by Kissinger as a collection-agency for Kissinger's private firm.

We patriotic Democrats and Republicans loyal to President Reagan as well, must join forces after this election, to insist that everything which smells of Henry A. Kissinger must be cleaned out of the State Department, the National Security Council, and the civilian staff at the Defense Department. That growling, homocidal money-grabber, Henry A. Kissinger, has brought to diplomacy the moral standards better suited to a Bulgarian pederast; if we care about our country, everything that smells of Kissinger must be purged from our government now and forever.

Consistently, over the past two years, every meeting of multinational organizations of the countries of South America have adopted resolutions which are consistent with the proposals made in Operation Juarez. My friends in leading circles in those multinational meetings have sent messages to me repeatedly, in which they say, "what we are proposing may not be exactly what is written in Operation Juarez, but you can read between the lines." During the same period, Mondale adviser Henry Kissinger has had a stranglehold on U.S. foreign policy toward Mexico and South America.

I can see some fellows in the liberal news-media grinning. They are saying, "This guy LaRouche is attacking President Reagan's policies." That is nonsense. Anyone who knows anything at all about Ronald Reagan's political life over the past 25 years,

knows that Reagan and Kissinger are completely political opposites. Except on the subject of economics, where the President and I often disagree, wherever the President is informed of the facts, I would trust the President to come to a conclusion which is not far distant from my own.

The problem is this—and I wish you patriotic Democrats to listen carefully to this—that no President in recent decades has completely controlled his own administration. To become President, each has made political deals with many powerful factions in and outside his own party. As a result, each President has a number of people who are working to destroy his policies right inside his own government, and sometimes even in his own White House and National Security Council staffs. If you and I are to have the good government we need, once each election is ended, we must stop all the nonsense about Republicans versus Democrats. If we have a good Democratic President, patriotic Republicans must give that President the same cooperation they would give a President from their own party, and vice versa.

That is what a vote for Billy Davis and me means. Every patriotic Democrat who lines up with Billy and me is creating a bipartisan force which will help the President where we agree with him, and will be able to advise the President efficiently where we must strongly disagree with him. The late Sen. Henry Jackson is an example of that tradition of bipartisanship which we established during World War II; the Democratic Party and the good patriots in the Republican Party must return to that kind of bipartisanship once again.

The main flaw in the President's policy toward Mexico and South America during his first administration has been the fact that very few around the government have understood that we can not separate the strategic effects of our economic policy from our military strategy. For example, if we lose the Philippines and South Korea to Soviet destabilizations now in progress, the Soviet Empire will kick the United States out of Asia. The reason the Soviets are able to control much of the opposition to President Marcos in the Philippines today, is that our government's economic policy toward the Philippines is throwing that country into chaos.

We are doing the same thing to our ally, Israel, and also to our Arab allies, such as Egypt. We are making exactly the same mistake in Mexico and South America. By supporting IMF aus-

terity in Israel and Egypt, we are destroying the ability of those countries to maintain stable governments and to defend themselves. We are doing the same thing in the Philippines, in South Korea, in Mexico, and throughout South America.

The same problem arises in the President's and Vice-President Bush's war on drugs. The war on drugs is, in the main, an excellent policy, which has my full support. The problem is, that Kissinger and his friends are in bed with the drug-traffickers of Central and South America. So, while the Reagan administration fights drugs with its right hand, it is supporting the drug-traffickers politically with its left hand, by tolerating the policies of Kissinger and his friends. It is the present policy of the International Monetary Fund, to legalize the billions of dollars which Kissinger's friends have made in selling cocaine, marijuana, and heroin across the border, into the schoolyards of the United States.

It is much worse. The drug traffic into the United States from Mexico and the Caribbean region is run chiefly by old Nazis working closely with the Bulgarian and Cuban secret intelligence services.

To give you a sense of how foolish our State Department has been, according to investigations conducted by several governments, including the government of Venezuela, the same forces working with the Bulgarian and Cuban intelligence services in the Caribbean drug traffic are planning to try again to assassinate Pope John Paul II on his next visit to the Caribbean. According to eyewitness evidence of my investigators, as corroborated by relevant intelligence services operating in the Caribbean region, the American Institute for Free Labor Development (AIFLD) section of the State Department, headed by Mondale backer Lane Kirkland, has been giving political support to the forces identified as linked to both the Bulgarian intelligence services drug-trafficking and the projected assassination of the Pope. These forces named in official reports include the Gnostic Church of Colombia and Venezuela, and the Brazil-based Tradition, Family and Property cult.

Just recently, the Italian courts have released an indictment proving that four members of a right-wing Turkish terrorist organization and four members of the Bulgarian intelligence service were directly behind the several persons involved in the first attempted assassination of the Pope. Tradition, Family and Property, a cult linked to the Blue Army and the death-squads, is

officially reported to have issued a call for the death of the Pope to its members.

Through the intervention of Kissinger and his friends, the U.S. intelligence services have been operating blind in the Caribbean region, at least until a few months ago.

There is no better example of the kind of false information given to the Reagan White House than current U.S. policy toward Mexico.

Let me turn your attention for a few of the remaining minutes of the broadcast, to the Mexico side of the U.S. border. Let me pick out one of these border states of the Republic of Mexico, the state of Sonora. At first glance, this state appears to be mostly an infertile, arid or semi-arid region. In fact, with irrigation and energy, most of the state of Sonora is potentially a rich agricultural region to compare with California's Imperial Valley.

The chief opposition to the present government of Mexico among the states along our southern border is an open alliance between the Communist Party of Mexico, the PSUM, and an extreme right-wing party, called the National Action Party or simply the PAN. Presently, both the State Department and leading circles of the Republican Party are supporting the PAN.

Recently, I was attacked publicly in the most violent manner by a man by the name of Jose Conchello. Jose Conchello was a leading figure of the PAN during the period it was openly a sympathizer of Hitler, and he is the senior leading figure of the PAN today. Not only is Conchello a raving anti-Semite; he and his party have openly endorsed the economic policies of the Nazis, the economic policies which sent millions of victims to death in Hitler's slave-labor camps.

Not only is Conchello a Nazi-like anti-Semite; he is also an asset of the Soviet KGB. I first received this information from a highest-level diplomatic channel some years ago. The Cuban government at the highest level stated in confidence that Conchello was their asset. The fact that the PAN is today in open alliance with the Communist Party of Mexico leaves no doubt of the accuracy of that information from a diplomatic source. I have, naturally, transmitted this information to appropriate channels of our government, as well as to the appropriate channels of the government of Mexico. Yet, this same Jose Conchello was an honored foreign guest at the recent Republican convention in Dallas, Texas.

I have cited this as an excellent and very clear example of the kinds of intelligence failures which shape our foreign policy toward the nations of Mexico and South America. You may be certain, that if President Reagan had been told the facts I have told to you tonight, our State Department's support for the PAN would have come to a screeching halt, and Jose Conchello would never have been invited to the Republican convention.

President Reagan is personally a good man, but the great influence of the State Department bureaucracy and the influence of Kissinger's friends in the National Security Council and certain parts of the Defense Department is very strong. The President is simply not told the truth about many areas of the world. Mexico and South America are simply good examples of the need to clean out the Kissinger types from these sections of the government.

Now, let us turn our attention to my proposed change in U.S. foreign-policy in the Americas, to Operation Juarez.

It is 6,680 miles, as the jet flies, from El Paso, Texas to the southern tip of Argentina. That contains one of the richest and most underpopulated regions of our planet. It contains some of the richest food-growing areas of the world; the vast Andean mountain chain is the center of one of the world's richest supply of strategic mineral resources.

There are approximately 350 million people living in these countries, 350 million people who share with us the cultural heritage of Western Europe. All but a few of the smallest nations of this vast region speak the languages of Europe's Iberian Peninsula, Spanish and Portuguese. Sometime during this century some nut dreamed up the idea of calling this Latin America, although almost none of the people speak Latin and Latin is not the official language of any of these countries. This is not Latin America; it is Spanish-speaking America; it is Portuguese-speaking America; it is Ibero-America.

In the north of Ibero-America, Mexico sits on a sea of petroleum and natural gas reserves, perhaps even more than the entire Arabian peninsula. By moving the surplus fresh water from the south of Mexico, in canals along the coasts, to the north of Mexico, northern Mexico could be transformed within 10 years into one of the great food-producing areas of the world.

Skip down to Brazil, a nation larger than the continental United States, but with only half the population of the United States. There is only one word in the English language which

describes Brazil: "big." In Brazil, everything is big. There is the Amazon River, the mightiest river of the world. There is the vast Amazon rain-forest, one of the natural wonders of the world. Brazil is big, and the government leaders and businessmen of Brazil think big.

Since Kissinger's policies were shoved down the throats of the republics of Ibero-America during 1982, about \$400 billion of major investments throughout the continent have been shut down. The income from these projects would have paid the entire foreign debt of these nations. Because Kissinger and his cronies shut down those projects, these countries will never, never repay those debts—as long as Kissinger's policies remain in force.

South of Brazil, we find Argentina, a vast country of immense beauty and contrasts, stretching from the wonderfully agreeable climate around Buenos Aires, down to the challenging region near the violent straits of Cape Horn. Argentina is a rich country, one of the strategically critical food-exporters in today's increasingly hungry world.

Under any condition but the present conditions being shoved down Argentina's throat by Kissinger and his friends, I would encourage any retired American couple familiar with Spanish to think of applying for retirement residence in that country. Argentina is a European melting-pot nation, chiefly immigrants from Spain or Italy, with a large minority of German origins. In Buenos Aires, there is available the best of European classical culture in music, in drama, and in other fine arts. At the beginning of this century, Argentina ranked about sixth in the world in levels of average family income, and at the end of World War II still ranked among the top 20 nations in the world. In other words, Argentina has a labor force qualified to assimilate the most advanced levels of technology.

Together, Argentina and Brazil are the leading capital-goods producers of South America. The rich region including the southern portion of Brazil, Argentina, and Uruguay, has the potential to feed the greatest part of the entire world's population today, and is potentially one of the greatest concentrations of industrial output on the face of our planet.

I have mentioned only four of the nations of Ibero-America, but what I have said is an accurate indication of the gigantic potential of this region as a whole. If the leading nations of Ibero-America were to create a customs union, a common market, and



President James Monroe briefs members of his Cabinet on the Monroe Doctrine, in this painting by Clyde O. DeLand. Secretary of State John Quincy Adams, the author of the doctrine, is shown at the far left.

if the United States established the proper cooperation with such a common market, the combined development of the United States and Ibero-America would produce as much as one-quarter to one-third of the total production of wealth in the world over a period of a century to come. The potential market for U.S. exports of capital goods in Ibero-America is beyond the imagination of all but a tiny, well-informed segment of our exporters today. It would be most conservative to speak of between \$50 to \$100 billions of capital goods exported from the United States into Ibero-America during the year 1986, if the United States would adopt an intelligent policy toward this region of the world.

My proposal, Operation Juarez, covered three key areas of policy-options. Most of that book is devoted to the actions which the nations of Ibero-America must take to realize their own economic potential. The second point of policy covered in the book is the need to establish a gold-reserve dollar as the monetary unit in which the present foreign debts of Ibero-America must be reorganized. The third point of policy covered is the types of agreements which must be reached between an Ibero-American common market and the United States, to make all this work in the vital interests of both the United States and its friends in Ibero-America.

There are very influential forces among the republics of Ibero-America which agree with that policy today. Since 1982, at each meeting of organizations of the Ibero-American republics, resolutions are adopted which are consistent with Operation Juarez. Those nations are prepared to cooperate with the United States instantly on the basis of policies like those outlined in Operation Juarez. Those republics are waiting for new leadership for the Americas from the President of the United States.

For two years, since the debt-bomb first exploded in 1982, the United States has been fiddle-faddling with the growing threat of a simultaneous collapse of debt in Ibero-America and inside the U.S. banking-system at home. During the past two years, the U.S. banking-system has been reloading Ibero-American countries their own unpaid debts, at usurious interest rates. Now, the bottom of that barrel is being reached. If there is a drop in the value of the U.S. dollar by as much as 25% during the coming months, a drop which is already beginning to happen, the entire U.S. banking system will be faced with a blow-out like that of 1931-32. The internal farm mortgage market's collapse has already taken out two major Chicago banks, and the point has been reached at which Ibero-American governments have reached the bottom of the barrel in their efforts to refinance their debts on Henry Kissinger's terms.

Very soon after the election, President Reagan must act to dump Kissinger's policies and adopt policies like those presented in Operation Juarez. If he does not, the United States will be plunged into the greatest depression in modern history, as soon as the collapse of the dollar begins to hit hard during 1985.

Therefore, you patriotic Democrats must get out early tomorrow morning, to vote for Billy and me. If President Reagan is reelected, as seems probable, we must have a strong force of patriotic Democrats to help the President reshape his next administration. We must persuade the President and the Congress to change the present economic policies. We must encourage the President to clean out the rotten elements from the State Department and other parts of government, and build the kind of diplomatic and intelligence services which will keep the President competently informed of the truth about the problems and aspirations of other nations.

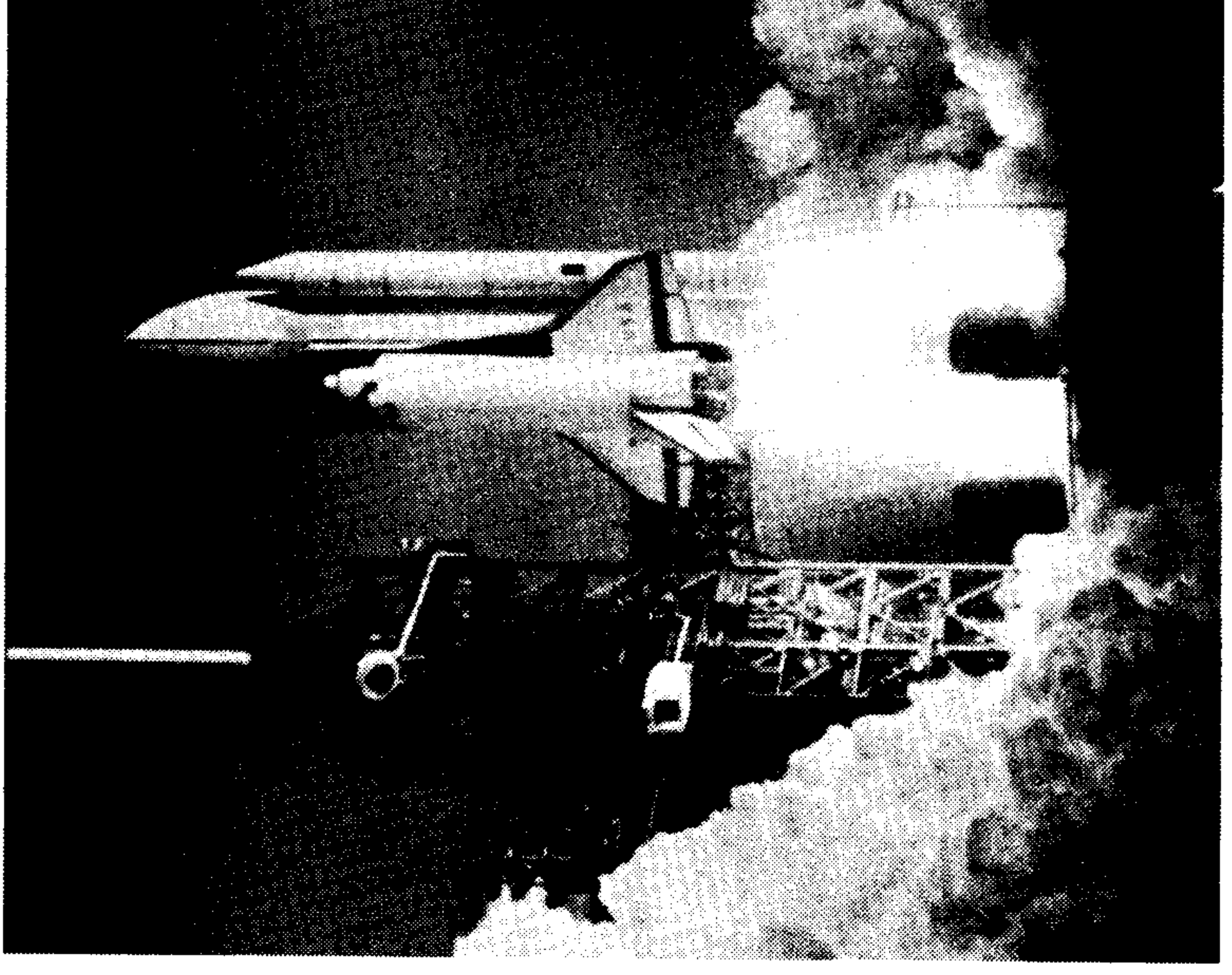
Let us return the foreign policy of the United States to the principles on which our republic was founded. Let us return our

thinking about foreign policy toward Ibero-America to the kind of thinking represented by John Quincy Adams and his Ambassador to Mexico, Joel Poinsett. Let us make our memory of our friendship with Mexico's President Benito Juarez the model for our friendship and collaboration with the patriot republicans throughout all of Ibero-America.

Patriotic Democrats: Vote for Billy Davis and me. And, after you have voted for me, if you meet a Mexican-American outside the polling place, greet him with a hearty "Viva Juarez!" Help us to rebuild the shattered Democratic Party; help us in our efforts to make the United States not only powerful, but loved and admired again by all men and women of good will in every nation of the world.

8

The Pathway to a U.S. Economic Recovery



Liftoff of the Space Shuttle Columbia, 1981.

There are two fundamental shifts which must be made in order to bring the United States into an actual economic recovery, in contrast to the deepening depression which administration public-relations men call "the recovery" today. First and foremost, the U.S. government must take back its sovereign authority over the creation of credit. This means either the elimination of the Federal Reserve Bank, or, a drastic reform of that institution, which puts the authority for control of credit and the currency back in the hands of Congress, where it constitutionally belongs.

Once that sovereign act is taken, all threats of retaliation by the international bankers from Switzerland, Great Britain, and elsewhere are meaningless. Like Alexander Hamilton immediately after the American Revolution, the President and treasury secretary can tell the international debtors to wait their turn while the United States carries out a recovery, or accept the loss of the debt altogether. This is particularly germane on the question of the U.S. federal government debt, which is held largely by the same feudalist family funds, the *fondi*, which run the International Monetary Fund and World Bank, and are largely determining the financial policies of the government, through the Fed, toward increasing that debt, and prioritizing its payment over all other necessities.

The second step required for a real recovery, is to adopt fiscal and credit measures which will lead to the bankrupting of speculators and usurers, and promote massive investment in the high-technology industries which will create a burst of productivity, and an abundance of exports for the developing sector. Such measures include tax benefits for certain kinds of investments, tax penalties for *speculation* in areas such as real estate, the reduction of interest rates to a reasonable level of 2 to 4 percent, and, finally, the making of special government credit available for certain sections of the economy, such as infrastructure and development of the Strategic Defense Initiative, which only the government has the resources to get going.

It will be argued by many that such measures are "contrary to the American System of Free Enterprise." Such an argument is so much hogwash. The guts of the American System, as defined by the Founding Fathers of the country, is the commitment to use the resources of government to promote the welfare of the population, through the development of science, industry, and



LaRouche campaign supporters demonstrate in Pittsburgh in March 1984, at the headquarters of the U.S. Steel Corporation. U.S. Steel is "diversifying" into everything but steel.

education. To provide a climate conducive for that development by private citizens, and private corporations, is the business of government.

It is true that there was a major fight over this issue in the early 19th century, when Swiss agent Albert Gallatin was running the Treasury. Gallatin succeeded in convincing President Jefferson and President Madison, that the government should primarily use its powers to collect debt, and pay it off, while staying out of the rest of the economy. The result of Gallatin's "logic" was the destruction of the U.S. army and navy, the postponement of vital transportation infrastructure, and very nearly, the defeat of the United States by the British in the War of 1812.

Gallatin's point of view was directly contradicted by the lead-

ing spokesmen for the American System—John Quincy Adams and Mathew Carey, later to be followed by Henry Clay, Nicholas Biddle, Henry Carey, and Abraham Lincoln, to name a few. They put forward a program for government-supported public improvements, in particular, canals and turnpikes, which was intended to vastly improve the overall productivity of the economy.

As these economists and political figures understood, as those trained in the British school of political economy today do not, the creation of transportation and communications infrastructure was one of the most essential ingredients of productivity for an economy as a whole. Add to this, the fostering of infant industries in areas of the most advanced technology, and government's indispensable role in guiding the economy is met.

Indeed, every time that these prescriptions for dirigist government action have been violated, the United States has been weakened to the point of virtual takeover by foreign powers—either military or financial.

“Free enterprise,” in contrast to the American System, has come to mean the right to loot—either through charging whatever the market will bear, or carrying out other financial swindles. If the U.S. government takes its constitutional responsibility to keep interest rates low, and use fiscal measures to promote investment in the most crucial areas, it is indeed propitious for private investment, and free enterprise, to prosper. If the government allows the law of the jungle to rule in such matters of credit and fiscal policy—or worse yet, as in the recent period, actually rewards get-rich-quick schemes, in contrast to demanding substantial investment in the productive powers of the nation—then “free enterprise” is simply license for the destruction of industry and the labor force.

The following excerpts from LaRouche's television shows in 1984, and his platform for the Independent Democrats for LaRouche campaign, elaborate the specifics of the program required for a real economic recovery.

BROADCAST FROM LAROUCHE'S 1984 PRESIDENTIAL CAMPAIGN

Reopen America's Steel Plants Now!

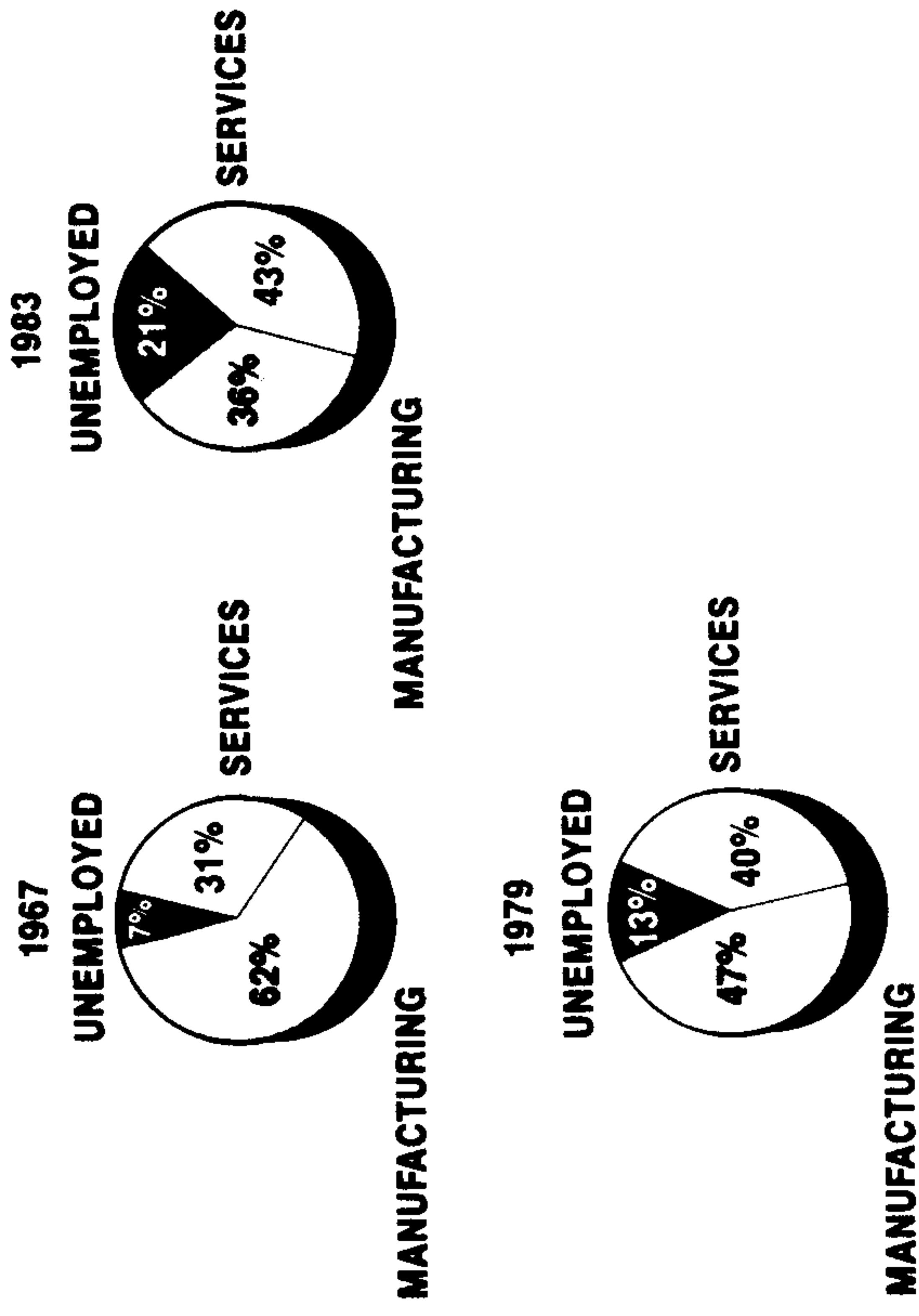
Television address to Pennsylvania voters, March 17-18, 1984

LaRouche: Today I'm going to report to you on the measures I will take as President of the United States to restore not only the U.S. economy as a whole, but today I want to talk about, in particular, the measures I'm going to take which will affect directly the state of Pennsylvania, the state of New Jersey, and the state of Ohio. Other states too, but those are three we'll concentrate upon.

A long time ago, it seems now, the state of Pennsylvania was the “keystone” for the building of the United States. A group of people around first, William Penn, then Logan, and then Logan's protégé Benjamin Franklin, built up culture and manufactures and science in the state of Pennsylvania that made the state the center of economic power and political power for the young nation as a whole. Over the subsequent years, beginning with the development of cannon out of the bog iron over in the Pine Lands of New Jersey, industry started in Pennsylvania, spread through Ohio, Indiana, Illinois, into Michigan and along the Great Lakes. And from that time until the present, these states have been the industrial heartland of the United States, the power of the United States at home and abroad.

Now, under the influence of a policy which has governed us since approximately the middle of the 1960s, these states are being turned gradually into a desert. We start with 1967, and you see just, as a matter of reference—remember this—what the general breakdown is of employment and unemployment (**Figure 8.1**). Sixty-two percent from manufacturing, back then; 31 percent of the labor force employed in services; and 7 percent unemployed. And you see here that the unemployment has increased by 1979 quite substantially. That services have grown very significantly, and that manufacturing has dropped from 62 percent to 47 percent of employment of the labor force as a whole. Now

Figure 8.1



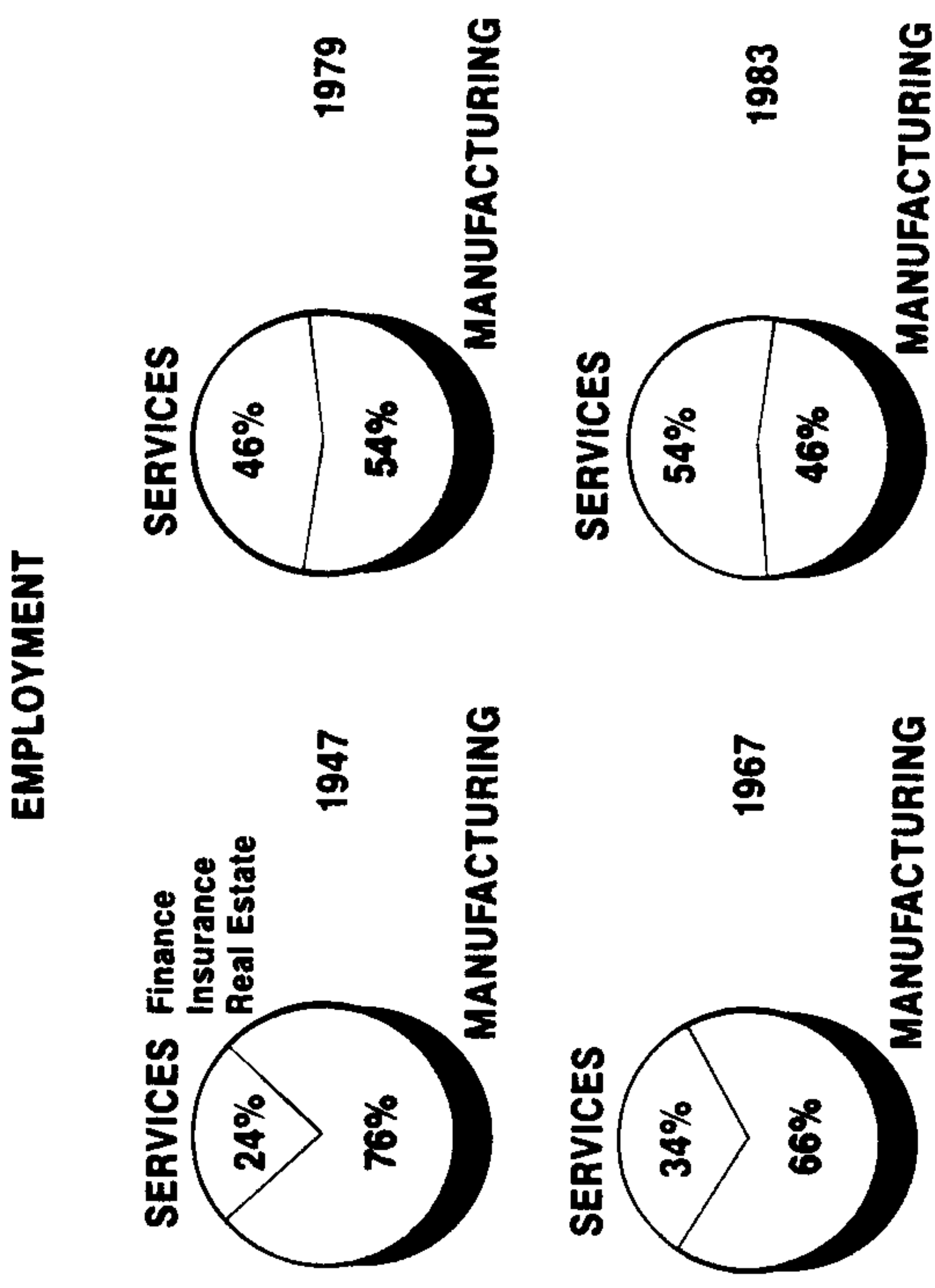
you see that from 1979 to 1983, that is the Volcker years, that a disaster has struck the state. 21 percent unemployed, services have not dropped significantly as a source of employment, but there has been a critical collapse of manufacturing employment—and that's what is ruining the state economy right now.

This set of charts (Figure 8.2) shows you very quickly how the employed work force is broken down over the post-war period, starting with 1947, that services—predominantly finance, insurance, and real estate as the location of services—represent 24 percent of employment of the state. Manufacturing was 76 percent, which is consistent with the character of the state as a high-technology manufacturing center.

Now we see in 1967 there is no very significant change, a slight change, services have increased from 24 percent to 34 percent of employment and manufacturing has dropped from 76 percent of total employment to 66. Not spectacular, though significant.

Now let's look as the disaster begins to develop. Now we see how the policy of post-industrial society, begun in 1966-67 under Johnson, how this has begun to destroy the very structure of the

Figure 8.2



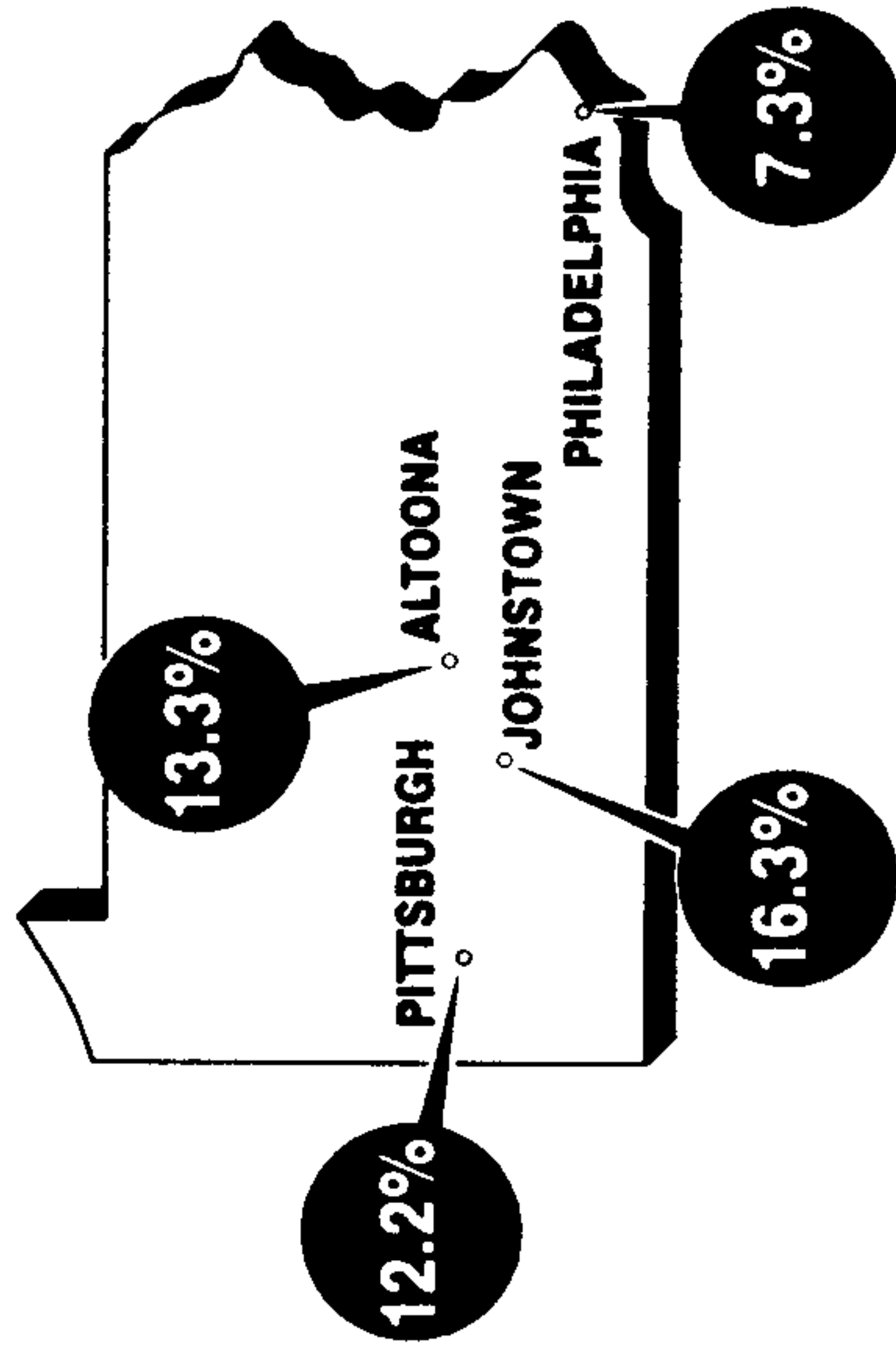
economy of the state of Pennsylvania. Services have increased to 46 percent of total employment, and manufacturing has dropped catastrophically to 54 percent of total employment. But this is only the beginning. Now we see, services now represent, in 1983, 54 percent of total employment, whereas manufacturing employment represents 46 percent—a catastrophic drop, which guts the economy in the state.

Now the way to look at this, still looking at this particular chart, is to recognize that the white part of these circles corresponds to what in a business would represent overhead expense. So what we have, is that the state of Pennsylvania, at the beginning of the postwar period, had 76 percent of its total employment in production and 24 percent in overhead expense; today the state of Pennsylvania has 54 percent of its employment—not counting unemployment—in overhead expense, and only 46 percent of its total employment, as of 1983, in actual production costs. That is what is rotting out the core of the state of Pennsylvania.

Now I don't ask you to believe the figures you see on this chart for unemployment in 1983 (Figure 8.3), because there's a lot of lying going on in producing the figures that we have reported to you here. During the past period, the government, for political

Figure 8.3

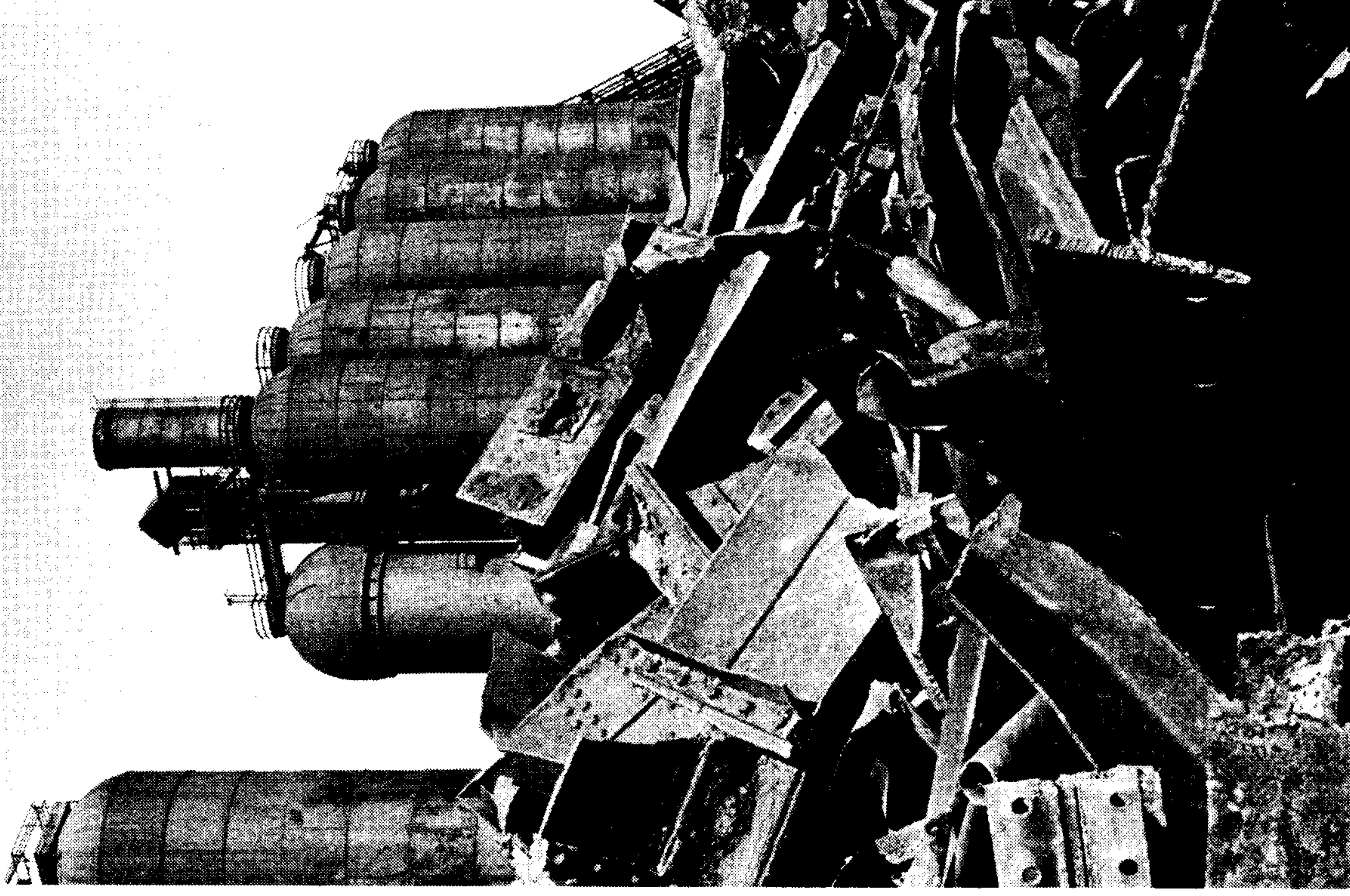
UNEMPLOYMENT 1983



and whatever other reasons, has been hiding millions of unemployed people from the statistics. What they do is they say, "We don't think you're looking for work anymore. You've been trying for a year; your unemployment compensation has run out; and you haven't succeeded. You're a failure; you're not employable; you're not trying hard enough. We're dropping you from the labor force." So in the first part of 1983, our ever-loving government dropped one million people from the labor force. That's like having your birth certificate revoked! And then they turned around and said, "Unemployment has dropped by one percent." It's just a plain fraud.

So don't believe these figures; but they have the significance in showing you *where* the unemployment is concentrated. Philadelphia has become more service-oriented, and therefore the unemployment impact is relatively less. Pittsburgh has shifted into who-knows-what, as the steel industry collapsed, in terms of employment, and it's "adjusting" to the post-industrial society. Whereas cities like Johnstown and Altoona have not been able to adjust to the post-industrial society, and therefore they suffer a relatively higher rate.

But I would tell you that the unemployment rate in the United States as a whole is not 8 percent, is not 10 percent; it's close to 25 percent of the labor force. We have, in youth unemployment, not reported as unemployment; in people who have been thrown



The demolition of the American steel industry. Here, the National Tube Plant in McKeesport, Pa., one of 15 steel plants blown up in the spring of 1985—not by terrorists, but by the plants' owners.

out of the labor force and practically had their birth certificates torn up by the Bureau of Labor Statistics; in people who are working part-time who would like to work full-time; in people who are classed as retired when they haven't decided they're retired—we have about 20 to 25 million people in the United States who are or should be looking for work, and who should be finding employment. So on that basis, I would tell you that in a place like Altoona, I would estimate that the unemployment rate could be as high as about 35 percent. Unless some of those fellows have left town because they gave up hope. But that's the way it goes, and that's the problem we've got to lick; and no more faking of figures by our federal or state government!

What I am going to do as President is to change fundamentally the monetary policy of the United States, and also the technology policy of the United States, as technology policy of the United States stands today. We're going to have a gold reserve monetary system, which means that the Federal Reserve will no longer have the power to issue currency at its own discretion, nor will it be able to manufacture credit for lending at usury rates, out of thin air, through the so-called Keynesian multiplier. The Federal Reserve in its present form is unconstitutional. It is in direct, explicit violation of Article I, Sections 8 and 9 of our federal Constitution. As President, I shall bring the Federal Reserve system back into conformity with our Constitution. The Congress shall issue gold-reserve currency, with gold priced at about \$750 an ounce. This currency—and I'm asking for an initial \$500 billion of this currency—will be loaned through the Federal Reserve system to private banks, for lending for infrastructure building, for maintaining agricultural production, for development and maintenance of our industrial capacity to put out physical goods. These loans will be made to private banks at rates of between 2 and 4 percent. This will be the major action which I shall take as President to get our economy moving, in much the same way that President Franklin Roosevelt got our economy expanded during 1939 to 1943, to enable us to produce what we had to produce to meet the requirements of winning World War II. Those methods have been tested; they work. I will not do *all* of the things that Franklin Roosevelt did—there were some mistakes there; but we have learned from those mistakes, and out of that lesson, we know what to do to get this nation and this state out of its present economically depressed, and depressing, conditions.

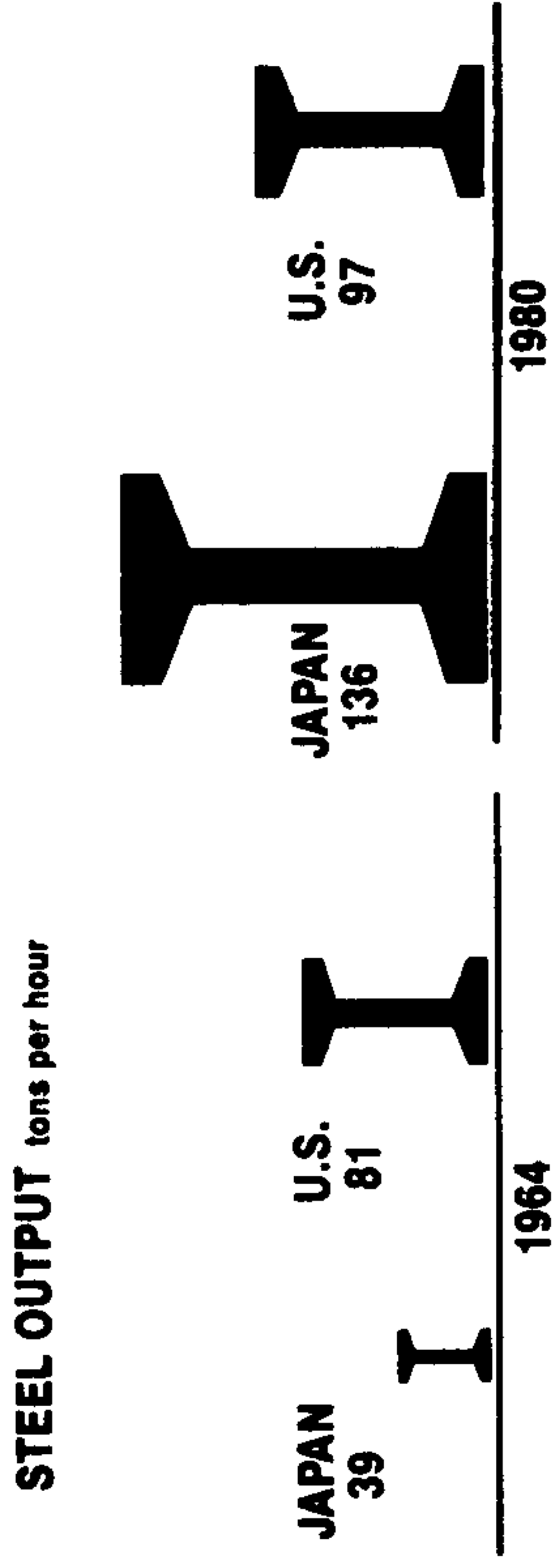
What I am going to do in the state of Pennsylvania and the adjoining states, I shall identify by three basic measures I plan for this region. The first is a program for fresh water management, including the key Delaware area. In the northeastern states, we face a fresh water crisis for our homes and our industries; we must act to solve that problem. As part of that, because of the vast expansion in international trade that is going to occur under my administration, we are going to reopen the Philadelphia navy yard, because this nation is going to produce a U.S. flag fleet of high-speed modern merchant vessels, in the range of between 50 and 100 thousand tons each, to carry an expanded U.S. export volume, running to approximately \$50 billion a year more than at present. I'll discuss how we're going to do that, in part, in a program which will be broadcast on NBC, devoted to great projects overseas. Otherwise, we are going to have a canal completed, from Lake Erie, in the Great Lakes, down into the Pittsburgh area, and improvement of the locks and canal systems along the existing rivers in that area. This also has been planned for a long time, and it's about time we did it. This will revive not only the Pittsburgh area; it will also revive the Youngstown, Ohio area—areas which badly need this kind of revival. We will do other things of the same nature.

Mismanagement of the Steel Industry

But that brings me to a problem, the problem of the steel industry; particularly the effects of the long mismanagement of the dominant force in the steel industry, the management of U.S. Steel. Now let's look at a picture—just a few highlights—of the incompetence of the management of the U.S. Steel Corporation. Let's start back in 1964. In that part of the period, Japan produced 39 tons of steel per thousand manhours; in the United States we produced 81 tons per thousand manhours (**Figure 8.4**). Now let's see what happens from that point on. Now, look at today: U.S. tons per thousand manhours in 1980, which is the last year we have checked figures on this, has increased only from 81 to 97 tons per thousand manhours, whereas in Japan, the tons-per-thousand-manhours output has increased from 36 tons to 136 tons! Now how was that done? Let's look at the mismanagement by the U.S. Steel Corporation.

Over this period of time from 1957 to 1976, which is broadly

Figure 8.4

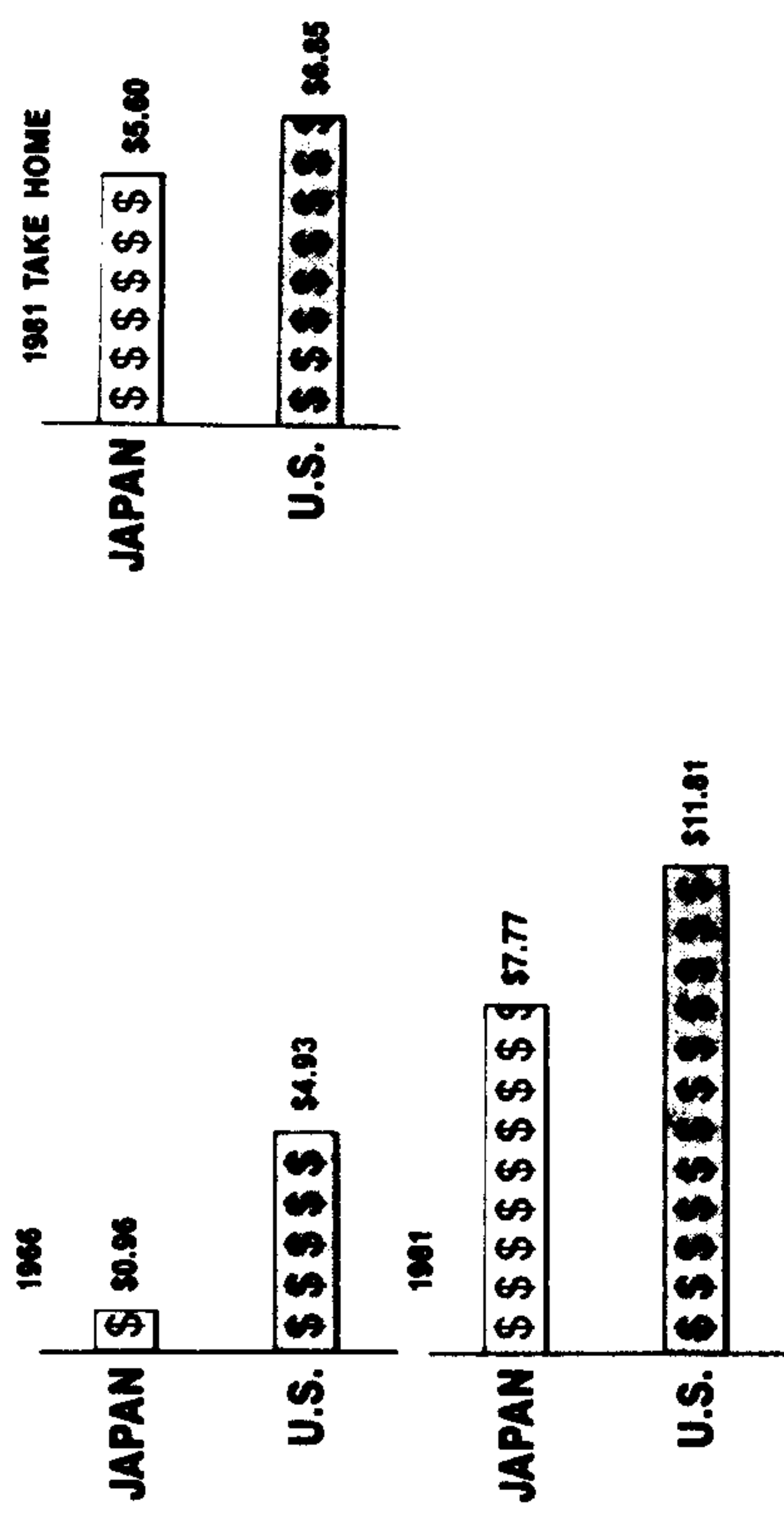


comparable to the 1964-1980 period which we've just compared, the U.S. has invested \$35 billion, according to the books, and Japan only \$27 billion, in the steel industry. Now allowing for the fact that a few of our steel corporations pretend to invest in steel and are not really investing in steel, let's look and see what really went on. That "new greenfield" capacity—that is, building a plant from scratch, based on modern technology, rather than trying to put gadgets on an old plant—that Japan has invested in 100 million tons capacity of modern technology, whereas the entire investment by the United States over this period in modern technology, that is, plants which are modern from scratch—was only 11 million tons. That's our problem. U.S. Steel and similar companies have been bleeding the taxpayer with tax write-offs, have been bleeding their labor and their communities, taking the investment out of technology and putting it into real estate and these feudalistic kinds of speculations that those fellows seem to enjoy so much.

Now there's a myth that the reason Japan can outproduce us is not the mismanagement of the U.S. Steel Corporation but the fact that Japan cheats, by not paying itself enough for producing steel. So let's look at the pattern of increases in wage rates between U.S. steelworkers' wage rates and Japan's steelworkers' wage rates (Figure 8.5). And these charts speak pretty much for themselves. We begin with 1966; you can see for yourself what the result is. Then we'll look at the next chart, and see what's happened in the meantime. In 1981, steelworkers in Japan are now beginning to catch up with steelworkers in the United States in terms of wages. So how can we say that it's cheap labor in

Figure 8.5

STEELWORKERS' WAGES

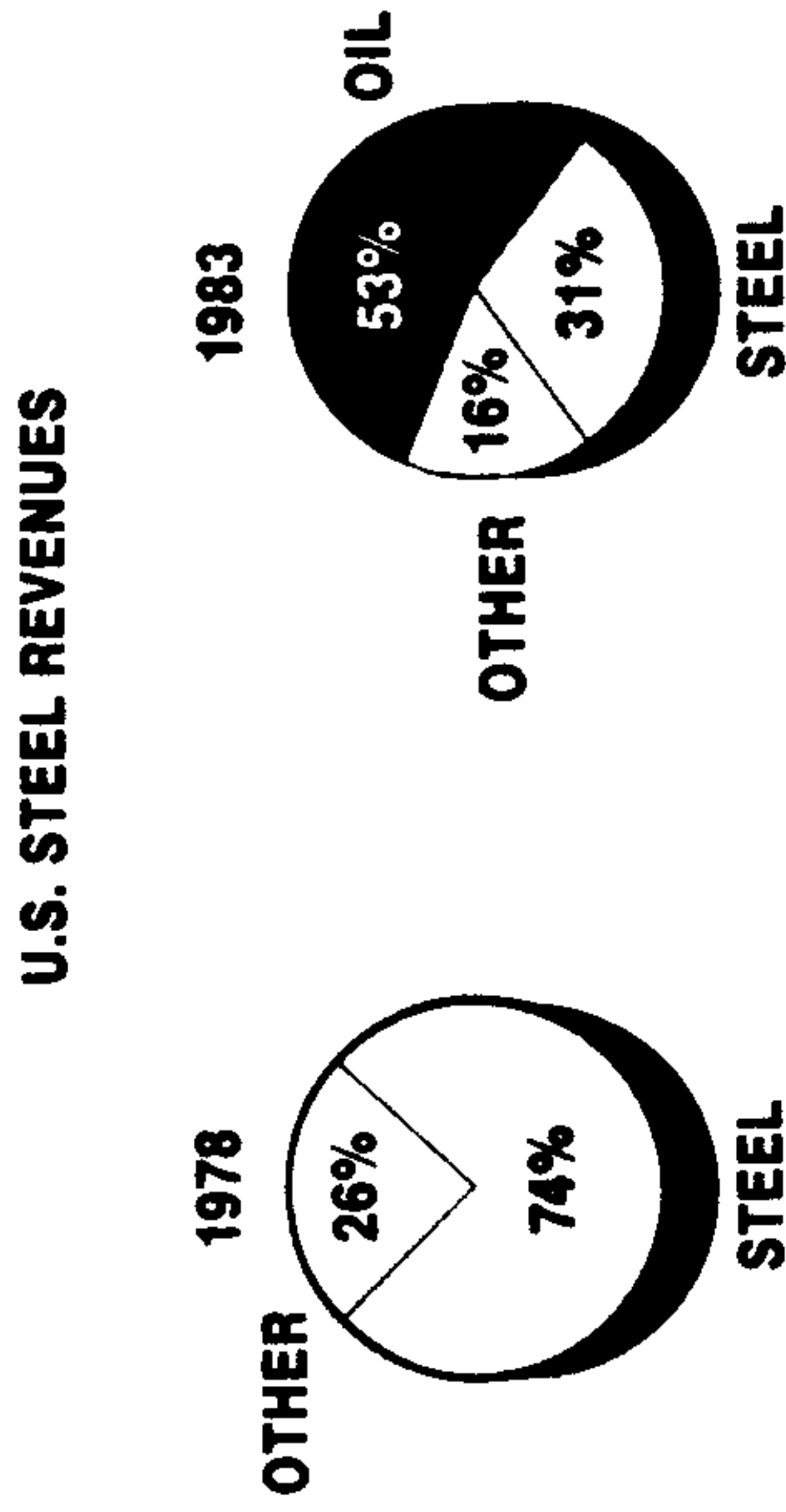


Japan that accounts for the low price of Japan's steel relative to ours? Let's look ahead a bit, and look at the take-home pay.

Japan's take-home pay is almost as good, in the steel industry, as U.S. take-home pay. So let's have no nonsense about this argument that Japan cheats by paying its labor less than we pay, or all this other nonsense. The simple reason is not the problem of differences in labor, not anything of that sort; the difference is that Japan provides its employees in the steel industry with competent modern technology! In the U.S. industry, they take it out of the hides of their employees, the communities in which they produce, and out of the taxpayer through tax write-offs. I think it's about time the United States government and the U.S. taxpayer stop subsidizing U.S. Steel for mismanagement.

You've seen here pretty clearly what's going on, at least the highlights of it. Look at 1978 (Figure 8.6): U.S. Steel, total revenue, 26 percent was coming from sources of income other than steel production. Now we see 53 percent of the total revenue of U.S. Steel is coming from petroleum! They're no longer in the steel business, they're in the petroleum business! And then in addition to petroleum, we have 16 percent of the total revenue coming from sources not steel, but other than petroleum. And we're down to 31 percent of the total revenue of U.S. Steel coming

Figure 8.6



from the steel business, in 1983. What's happened? U.S. Steel, instead of investing in modern technologies that would have made the United States competitive on the world market in steel, has been running the plants into the ground, taking the profits out of its operations, running off to invest in other things, like primary commodities, real estate speculation, and other things that de-light the feudal mind. They have been gutting and looting the steel industry, including their own; looting their employees, looting the communities in which they operate, and looting the U.S. taxpayer with their tax write-offs in this process. And this has got to stop. This is a record of mismanagement that the U.S. Treasury can no longer afford to subsidize. U.S. Steel is going to get back into the steel business, or else.

Now you are told that the problem of U.S. Steel and other steel companies, is that Japan is unfair. Well, that's a lot of nonsense. Japan has been investing in modern steel plants, in new technologies, which we in the United States now don't even have. While the U.S. Steel Corporation and others have been suppressing technologies, even those new technologies developed by they themselves, or their own people. And they as a dominant force in the industry have prevented the rest of the steel industry in the United States from making these technological improvements. That is what our problem is. Otherwise, the people say we don't need steel. Well, that's a lot of nonsense! That's like saying we don't need to eat because we don't plan to live. There's a shortage of steel in the world if we do the things that we must do to keep our nation and other nations alive. Our transportation system is collapsing; other parts of our national economy are

collapsing. Many of the things that are collapsing require steel, new steel, to rebuild them.

Since 1969, the United States investment in maintaining the existing basic economic infrastructure—water management, transportation in all forms, public utilities, power generation, and urban infrastructure—these things have been collapsing to the point that if we were to try to bring the economy back to the state of repair it was in in 1970, it would cost us today at least \$3 trillion. We are becoming a national junkpile, and if we don't intend to remain that, if we intend to get out of it, we're going to need a lot of steel. Therefore, we are going to produce steel. And U.S. Steel in Pennsylvania is going to get back in the steel-producing business. Sure, we'll run out the old plants, the old technologies, to produce the things we need now, to drain the last ounce of usefulness out of some of these sick plants; but we're going to turn around and replace those sick plants, and employ those same steelworkers in producing the most modern technologies in the world, and in producing some things that have not yet seen the light of day that we know we can do, in terms of various modes of direct production, new types of ceramics; things of that sort we need badly. The United States is not going to try to catch up with foreign steel producers in technology; we are going to jump ahead of them. And the United States Steel Corporation is going to get in there and do its part of the job. And if it doesn't, I am going to do, as President of the United States, exactly as Harry Truman did when he had a fight with poor old Blau, and what John F. Kennedy did when he had a fight with these fellows. Steel is essential to our national defense, not only militarily but economically.

No one has the right to destroy the economy of an entire state and to undermine the military and economic strength of the United States simply because they wish to loot their own steel corporation to invest in real estate, in coal mines that aren't producing, and other kinds of feudalistic investments. If U.S. Steel wants to cooperate and get back into business, they won't have any problem with me; but if they are determined to buck me on this when I am President, they are going to find that I am as tough as Truman was with them, I am as tough as Kennedy was with them, and perhaps a lot tougher. This country is going to produce steel; the state of Pennsylvania is going to be what it was once, the keystone state of our national economy; the ma-

chine tool industry of the state of Pennsylvania is going to be revived; the navy yard is going to be reopened; we are going to get this economy moving.

[Cut to newsreel:]

Announcer: President Kennedy devotes the greater portion of his news conference to criticizing the major steel companies for raising steel prices by \$6 a ton.

John F. Kennedy: The simultaneous and identical actions of United States Steel and other leading steel corporations in increasing steel prices by some \$6 a ton, constitute a wholly unjustifiable and irresponsible defiance of the public interest. In short, at a time when they could be exploring how more efficiency and better prices could be obtained, reducing prices in this industry, in recognition of lower costs, their unusually good labor contract, their foreign competition, and their increase in production and profits which are coming this year—a few gigantic corporations have decided to increase prices, in ruthless disregard of their public responsibilities. Some time ago, I asked each American to consider what he would do for his country, and I asked the steel companies. In the last 24 hours, we had their answer.

Harry Truman: Therefore, I am taking two actions. First I am directing the Secretary of Commerce to take possession of the steel mills and to keep them operating. Second, I am directing the acting director of defense mobilization to get the representatives of the steel companies and the steel workers down here to Washington at the earliest possible date, in a renewed effort to get them to settle their dispute.

Announcer: 600,000 workers stream back to the job, and a major industrial crisis is averted, despite court action brought by the companies to prevent the seizure. Once again, molten steel pours from the blast furnaces, after one of the most dramatic government moves in the nation's industrial history.

LaRouche: When I see, again, President Truman and President John F. Kennedy saying the things that made me feel good then, and, I'm sure, make many of you feel good—particularly those of you who are looking for work—I have to say to you that I want to make you feel good in the same way all over again. And you make me President of the United States and I'll make you feel good.

The Independent Democrats' 1984 Platform

Excerpts from the Economic Recovery Platform of the LaRouche-Davis Ticket

The Monetary Reforms Needed

The immediate actions which must be taken by the President and Congress are supplied in the preceding chapter. We restate them.

The President Must Declare a National Economic Emergency, using his constitutional and legislated authorities to:

- Restore the U.S. dollar to a gold-reserve basis (estimating the proper fixed price of monetary gold at \$750 an ounce).
- Suspend the privileges of the Federal Reserve System, to a) create and issue currency at its discretion, b) set interest rates, and c) to maintain an inflationary "Keynesian multiplier" in the banking system.
- Enact emergency legislation authorizing the U.S. Treasury to issue an initial \$500 billion U.S. currency-notes for loans authorized to be issued through the private banks.
- Negotiate restructuring of repayment of debt and terms of multilateral trade agreements, with governments of Ibero-American nations.
- Negotiate with other nations willing to participate, a memorandum of agreement on principles establishing partnership in a new, gold-reserve monetary system designed to promote expansion of world trade.
- Declare emergency action to enable domestic financial institutions to reorganize their affairs, as required, without interruption of ordinary business.

These actions have the effect of transforming the existing

facilities of the Federal Reserve System into a U.S. national bank. This and other consequences of the measures stipulated immediately above, will cause the following major alterations in the institutions of public and private finance.

The private banking system will have no power to create credit beyond the lending-power generated by deposits of currency and gold with the lending institution. **New issues of gold-reserve-denominated U.S. Treasury currency-notes will become the only additional source of credit-expansion in the national economy**, in addition to credit created by deposit of savings and to trade-credit issued by producers and resellers.

These issues of gold-reserve currency-notes, issued by authorization of act of Congress (under Article 1 of the U.S. Constitution) are put into circulation only through lending by the U.S. national bank (the reformed Federal Reserve System). These loans shall be made either directly by the national bank, or through the national bank's participation in lending by private banks or the U.S. Export-Import Bank.

Loans of new issues of U.S. gold-reserve currency shall be made only for approved categories of lending. In general, except for special categories of emergency loans, such as lending for national defense, these loans shall be issued solely for both export-financing and capital improvements in agriculture, industry, and basic economic infrastructure.

Usually, these loans shall not be made in the form of lump-sum advances of currency, but as "progress payments" to the borrower's vendors. That is, the borrower will be authorized to pay vendors for invoiced amounts by drawing a check against a special account in the bank issuing and supervising the loan. The policy covering this is, that, ordinarily, new U.S. currency shall not be put into circulation except as payments against the portions of tangible capital improvements actually completed.

Approved categories of borrowers are ordinarily:

- Federal, state, and local governments: for designated categories of capital improvements only.
- Authorities created by Federal, state, and local governments: for designated categories of capital improvements only.
- Public utilities: for designated categories of capital improvements only.

- Exporters: for approved categories of exports of tangible goods or for engineering services supplied to foreign nations as part of tangible capital improvements.
- Long-term (more than three years) and medium-term (one to four years) credit for major capital improvements in agriculture and industry, each broadly defined to include all categories of production of physical goods associated with the terms "agriculture" and "industry."
- Short-term production loans for agriculture and industry.
- Long-term and medium-term loans to selected categories of scientific-research and medical institutions for capital improvements.
- Construction loans for approved categories of construction.
- In approved categories of cases, participation in permanent mortgages on the value created by new construction.

The prime interest rate at which the national bank shall participate in such approved categories of lending shall be between 2 and 4 percent.

Ordinarily, it is advisable that the national bank not subscribe to 100 percent of the loan issued. Ordinarily, there should be a mixture of both private savings and public funds, and the administration of the loan, subject to ordinary policies, methods and procedures of official audits of banking institutions, shall be by the private bank, in the ordinary manner.

In the case the participating private bank subscribes to a significant portion of the total loan, the private bank shall negotiate the contracted borrowing-charges for the total loan, provided that the effective interest rate on the total amount loaned not exceed approved limits established by the national bank according to instructions from the government.

Except for conditions of certified national emergency or certified regional or local disaster, loans to the Federal, state, and local governments shall be issued in the form of progress payments for capital improvements only. Such loans shall be issued at the lowest rate. However, it shall be national policy that governments shall cease borrowing on international and national private financial markets for capital improvements, except for cases of private bank participation in lending by the national

bank to government. *Deficit financing of operating budgets of Federal, state, and local government is prohibited except to remedy a temporary, certified emergency.*

These policies, methods, and procedures ensure:

1. That, ordinarily, every gold-reserve dollar placed in circulation (through lending) is backed by security in the form of tangible capital improvements newly created.
2. That national bank lending is directed, ordinarily, to no purpose but those which increase national wealth and contribute to increase of the average productivity of the entire labor force, as productivity is measured in terms of per capita output of competitive qualities of physical goods.
3. That additional currency placed in circulation according to these policies, methods, and procedures does not increase more rapidly than newly produced wealth placed in circulation.
4. That the growth of the ratio of overhead expense to productive costs is controlled, by means of a policy of national-bank participation only in such loans as directly foster growth of investment in productive costs, and discourage expansion of overhead expense.

Under these policies, methods, and procedures, the highest practicable rates of economic expansion are accomplished without fostering inflation. Full utilization of competitive qualities of goods-producing capacity is fostered, and the rate of growth of investment in production of tangible capital tends to be greater than the rate of growth in production of consumer goods.

It is urgent, under present international conditions, that the new gold-reserve dollar be vigorously defended by certain relevant measures of regulation of foreign currency-exchange and regulation of participation of foreign financial interests in our domestic life.

It is contrary to our national interest to export the lawful currency of the United States. Insofar as this is practicable, loans and foreign capital investments made by the government and private institutions and persons of the United States shall be in the form of credit for purchases of exports of U.S. goods and services. Most of the sums exported from the United States shall be in the form of foreign currencies purchased through the U.S. national-banking system. In this manner, the total amount of foreign obligations of the U.S. gold-reserve dollar may be effi-

ciently managed by ordinary practice of the U.S. Treasury and national bank.

No foreign financial institution shall conduct business within the United States except as:

(a) That institution conforms to standards of practice established either by law or by the lawful discretion of the President, including the discretionary authority which the President lawfully delegates to the national bank.

(b) That foreign financial institution be subject to the same transparency for purposes of audit required of domestic financial institutions.

(c) No foreign financial institutions may conduct business within the internal financial life of the United States unless that institution is fully subject to the terms of the gold-reserve agreements which the United States has contracted with foreign governments.

(d) The United States shall make no transfers to foreign governments or banking institutions from its gold reserves, except as, (i), such a government shall have entered into a gold-reserve agreement with the United States, and, (ii), the banking institution shall be fully subject to such a gold-reserve agreement.

Fiscal Reforms

Except for certified circumstances of national emergency, the future operating expenditures of the U.S. Federal government shall be balanced annually against Federal revenues. This shall not prohibit:

- Issuance of short-term Treasury tax-revenue bills;
- Incurrence of debt of the Federal government and authorities of that government on capital account.
- Exceptional deficits incurred for purposes of national defense.

It would be counterproductive to supply the increased tax revenues through increase of the average tax-rates, or by addition of "nuisance taxes," including sales taxes. Under present and immediately foreseeable circumstances, a change to a "turnover tax" would be a national disaster.

The general method for raising tax revenues shall be the fostering of an increase of the tax-revenue base through economic expansion.

However, certain adjustments must be made in the distribution of the average tax-burden:

1. The composition of different formulas for taxation of income under existing tax law, has the effect of encouraging growth of national overhead expense and reducing the rates of investment in productive costs. The tax burden must fall more lightly on those forms of income which promote national well-being, and proportionately more heavily on those forms of income representing practices which either tend to depress investment in increase of the average productive powers of labor, such as usurious financial rates, or reflect inflationary features of overhead expense.

2. The presently allowed, low per-dependent deduction for household income has the effect of taxing the lower income-bracket households into the "poverty category." It is to be noted, in this connection, that the increases in this allowance, over the recent four decades, have not kept pace with the actual rate of inflation.

It is also to be noted, that the correlated effect of taxing households into poverty is to increase the social-welfare expenditures incurred variously by the Federal, state, and local governments. Moreover, the costs of the social-services bureaucracy incurred, per person served, substantially exceed the amount of income the member of the household would require to free himself or herself from the "depersonalizing" effects of supervision by such social-service bureaucracies.

The most effective mode of increase of both the Federal, and state and local tax-revenue bases is fostering increase of capital-intensive, technologically progressive employment of operatives. This increases the net physical output produced per member of the total labor force, and thus increases the real income per capita, the real component of the tax-revenue base.

Increase of employment in overhead expense, except in forms of services such as productivity-fostering science, engineering, medicine, and teaching of classical and scientific subjects, increases the nominal average income, and tax-revenue base, but has regressive, inflationary impact on the real tax-revenue base. As described earlier,

increase of employment in labor-intensive services, typified by fast-food enterprises, is inflationary in net effect. J. M. Keynes's notorious proposal, that an economy could be stimulated by employing persons to dig and then refill holes, is absurdity.

This is the economic-science basis for use of investment tax-credits as an aid to promoting investment in creation of technologically progressive, capital-intensive operatives' workplaces. *By taxing such income at lower rates, the total amount of contribution to the tax-revenue base is increased, even after lowering the tax-rate on this element of national income.*

Although money is only a nominal, not a real economic value, as the flow of money and leveraged credit, as purchasing power, determines the relative flows of real wealth into productive costs and overhead-expense items, the way in which nominal income is taxed determines the relative rates of growth of overhead and productive forms of employment. Therefore, those elements of national money-income which are derived from overhead-expense activities should be taxed at higher rates than income derived from increases in tangible output and related categories of activity, unless the income derived from overhead-expense categories shelters itself in an investment tax-credit through investments in creating technologically progressive, capital-intensive workplaces.

Therefore:

1. The general tax-rates should be maintained at present rates, for the foreseeable period ahead.
2. Rates of taxation in the lower brackets of gross pre-taxable gross income should be significantly reduced by means of increase of the per-dependent tax exemption for households.
3. Relatively generous investment tax-credits should be provided on investments in selected categories of technologically progressive, capital-intensive creation and improvement of operatives' workplaces in production of tangible output of useful goods, and should be distributed among the following:
 - The entrepreneur (to shareholder's equity or the equivalent).
 - Lending institutions providing capital for such investments.
 - Savers depositing in those lending institutions.

4. Favored capital-gains treatment should be withdrawn from income derived from categories of overhead-expense excepting categories of services contributing to fostering of increases of productivity of goods-producing operatives, such as science, engineering, teaching of classics and science, and medicine. Favored capital-gains treatment should be extended for such categories of appreciation of assets as:

- Gains realized from scientific discoveries or from inventions which increase either productivity of goods-producing operatives or technological quality of goods produced.
- Gains realized from tangible capital improvements of real estate or plant and equipment.

But, not those forms of capital gains obtained as nominal appreciations gained only through resale of nominal assets ("paper holdings") without physical improvements. Capital gains through trading in secondary markets for securities and analogous financial speculations in property-titles are typical of the categories excluded from favored capital-gains treatment.

On the subject of interest rates, it has been classical republican doctrine since the reforms of Solon of Athens, that usury is immoral, and should be outlawed. The following measures must be enacted:

1. A maximum legal interest rate must be enacted as part of the Federal criminal code;

This shall be in the form of a schedule of allowed interest rate. A lowest commercial interest rate shall be defined (for most preferred lending risks) as a base-rate, and a maximum rate.

2. As part of the revised Federal tax-code, interest taken at rates higher than an amount specified by statute shall be taxed at punitive rates during the tax-year it is taken, irrespective of the original date of the loan-agreement.

3. In respect to debts not bearing interest, no interest may be charged except by legal due process, and no increase of interest rates above the initially contracted rates shall be allowed.

4. "Indexed interest rates" as a feature of loan-agreements are to be prohibited by law.

The argument, that "indexing" is a necessary practice because of monetary inflation, is refuted by the fact that government has means to, and must prevent significant rates of monetary infla-

tion. If the lender has a complaint, because of monetary inflation, his remedy is to take political action, oblige government to check inflation, not victimize the borrower.

Other forms of usury must be prohibited by law. The exemplary forms of usury are:

- Simple financial usury.
- Usury in the form of ground-rent ("absolute rent").
- Usury in the form of commodity-price speculation by monopolies or oligopolies, or by implicit monopoly in the guise of a community of speculators jointly operating a monopolistic market in some aspect of trade in a commodity or group of commodities.

Usury is a form of economic practice characteristic of feudal and barbaric forms of society. It is known to modern scholarship as existing in antiquity as early as Mesopotamia and Phoenicia. It is associated with the rule of society by aristocratic classes, in which "feudal" forms of extraction of ground-rent and a mercantile rentier-financier aristocracy constitute the usury-practicing social class. Not only is the practice itself contrary to the moral law of the Augustinian tradition. The toleration of usurious practices on a significant scale promotes the growth of power of a parasitical rentier-financier aristocracy, which by its nature, is hostile to the principles of a democratic republic, and because of this class's nature and special self-interests, must sooner or later attempt to destroy each and every democratic republic over whose affairs it gains financial power.

The defense of democratic-republican institutions requires that the practices of usury be suppressed, and the republic be defended against the insolence of a powerful rentier-financier class. Otherwise, the existence of the republic is threatened by the toleration of such a "feudalistic" cancer.

All usury must either be prohibited by law, or its income subject to such punitive rates of taxation that the advantage of usurious practices to the usurer is more than nullified.

Reforms In Economic Policy

The proper measure of economic value is a mathematical function for the **existing level and rate of increase of potential relative population-density**. The terms of this function are defined as follows:

Population Density: The average number of persons who can sustain themselves at an existing level of technology on an average square-kilometer of habitable land-area.

Relative Population-Density: Population density adjusted according to the relative fertility of improved and depleted land-area.

Potential Relative Population-Density: The potential level of relative population-density attainable with existing levels of technology.

Rate of Increase of Relative Population-Density: Since stagnation in technology results in depletion of natural resources required for raw-materials production, a society's potential relative population-density must fall toward collapse unless effects of depletion are overcome by introduction of technological progress. Therefore, the ability of a society to continue its own existence in its present modes of behavior depends upon the increase of potential relative population-density at not less than some discoverable minimum rate.

Therefore, the only scientific measure of economic value is the rate of increase of potential relative population-density, relative to an existing level of technology.

The United States today has an estimated population of 230 million persons inhabiting a land-area of 2,315 million acres. **Figure 8.7** indicates the distribution of land-usage.¹

The level of technology associated with these data, as reflected by recent years' trends in production of electrical energy, was, in 1980, a total of 2,280 billion kilowatt hours, of which 527 million was produced by hydroelectric and nuclear generation combined, and 1,753 million by combustion of the fossil fuels, coal, petroleum, and gas.

Figure 8.7

Surface Area of the U.S.A., By Class of Usage Mode in which Land is Used

	Acres (millions)	%
Total Surface Area, U.S.A.	2,315	
Water Area	47.38	
Waste, Wilderness, Mountain	463 ¹	20
Forested Area	672 ¹	30
Parkland Area	34 ¹	1.5
Farmland Area	1,058 ²	46.5
Arable	361 ²	15.9
Pasture	663 ²	29.2
Urban Land Area	34.7 ³	1.59
Industrial	4.1 ³	0.17
Commercial	1.6 ³	0.07
Residential	13.6 ³	0.6
Transportation (Of Total)	13.6 ³	0.6

¹Estimated

²1977 Data

³1974 Data

Against the background of these and related statistics, we are able to trace the emergence of a national disaster.

For example, look at the slowing of the rate of growth of production of electricity over the period 1960-1980 (See **Figure 8.8**).

From 1960 to 1970, electricity production grew by 92.5 percent, from 1970 to 1980 by 40.7 percent, and, combined, from 1960 to 1980, by 270.7 percent. Yet, during the last segment of this period, since 1978, electricity production has been falling! It continues to fall. Power outages and lowered voltages supplied

Figure 8.8

U.S. Production of Electricity

Year	Total	Fossil	Hydro/Nuclear
1960	842	678	164
1970	1,621	1,351	270
1975	2,014	1,522	492
1979	2,320	1,769	551
1980	2,280	1,753	527

Figure 8.9

U.S. Energy Consumption

Year	Energy Production	Agriculture	Industry	Overhead	Other Uses
1960	18.5	23.8	37.4	5.9	14.3
1970	21.8	20.8	34/2	7.8	15.3
1975	24.5	21.6	31.0	8.1	14.7
1978	23.9	21.2	30.4	8.6	15.7
1979	24.5	19.2	31.5	8.8	15.7
1980	25.7	18.5	30.6	9.0	15.9

are epidemic, with increasing appearances of brown-outs. Had production levels in basic industries not collapsed significantly during recent years, demand would have been overstretched to the degree that major blackouts would have been a certainty.

Similarly, energy consumption for transportation rose from 81.2 billion gallons in 1960, to a high point of 149.1 billion gallons in 1978, and then dropped to 142.6 billion in 1980 (See **Figure 8.9**). For residential and commercial consumption of fuels, this rose from 512 billion kilowatt-hours in 1960, to a high point of 1,097 billion kwh in 1978, and then dropped to 994 billion in 1980. The residential consumption of oil and gas, similarly, rose from 389 billion kwh in 1960, to a high of 776 in 1978, and dropped to 699 in 1980.

These tables indicate the following key facts about the recent trends in the U.S. economy.

In energy production, decreased energy efficiency in supplying fossil fuels to electricity plants raised the energy-cost of energy production significantly over the period 1960–1970, until a significant number of more energy-efficient nuclear plants made their impact felt during the mid-1970s. With Carter's energy policies, the efficiency of energy production fell.

The fall in energy consumption by agriculture reflects less investment in capital replenishment by farmers. The disastrous effects of the Carter-Mondale years on agriculture are conspicuously shown in the energy-consumption figures. The fall in industrial energy consumption in 1980 echoes the ruinous effects of the Carter-Volcker monetary policies introduced in October 1979.

A finer reading is made by studying the **energy-flux density** of consumption. "Energy-flux density" is usually measured in

Figure 8.10

Flux Density of Energy Consumption Per Acre

Consumption By 000's of Kilowatt-hours Per Acre	1960	1970	1979	1980
Agriculture (Arable)	2.729	4.504	5.263*	4.986
Industry	743.0	1,011.0	1,250.98	1,259.02
Overhead	186.923	372.266	513.125	516.875
Residential	55.471	91.487	102.513	101.111

*The 1978 figure for agriculture is 5.540 kwh per acre.

kilowatts per unit of cross-sectional area. To correlate energy-flux density with potential relative population-density, we measure energy-flux density here in kilowatts per acre (See **Figure 8.10**).

If the energy-density growth-rates of the 1960s had been continued through the 1970s, the energy-flux densities per acre in 1980 would have been:

Figure 8.11

Estimated 1980 Energy

Consumption/Acre	KWH per Acre
Agriculture (Arable Land)	7,432
Industry	1,374,960
Overhead	742,670
Residential	150,862

To round out the broad picture, measure energy-flux density of consumption per capita (employee) in each of the same categories of consumption.

Figure 8.12

Density of Energy Consumption Per Capita

(In 000's of kilowatt hours)	1960	1970	1978	1979	1980
Agriculture	181.65	479.85	694.20	680.27	643.55
Industry	109.07	162.74	190.39	288.23	189.44
Overhead	6.34	11.06	12.65	12.17	12.00
Residential	3.25	5.40	6.66	6.54	6.40

It is useful to adduce from the statistics, a comparison of the percentile increases of energy density, comparing 1960–1970 with 1970–1980:

Figure 8.13

Flux-Density Per Capita Increases (In Percentiles) Category	1960–1970	1970–1980
Industry	49.0	16.4
Overhead	74.0	8.1
Residential	64.9	18.4

Roughly, increases in energy-flux density per capita correlate with increases in productivity of labor. The foregoing figures do correlate to a significant degree with the rates at which labor-productivity of operatives rose in industry and in agriculture during the indicated periods. The 1950s and 1960s were the period of the revolutionary increase in the productivity of U.S. agriculture, at a much more rapid rate than productivity rose in industry. During the 1970s, the rate of increase of productivity fell less sharply in industry than in agriculture.

The principle involved here was made a central feature of economic science by Gottfried Leibniz, who founded economic science in work conducted over approximately forty years, beginning 1672. Leibniz made the centerpiece of economic science the study of the relationship of the heat-powered machine to increase of the productive powers of labor: the correlation between the increase of power supplied to the machine, and the increase of the rate at which the operator of the machine could produce output.²

The same observation is to be applied to household consumption of energy per person. During the 1950s and 1960s, there was a revolutionary increase in the development and use of electrically powered labor-saving devices in the household. This increase declined sharply during the 1970s.

Step One In A Recovery Program

To resume earlier rates of growth in the U.S. economy, to meet the needs of the entire population, we should adopt target-figures for growth of approximately the magnitudes estimated,

Figure 8.14
Estimated Energy and Acreage Requirements
For a 1985–2010 U.S. Recovery Program

Phase	Energy Increase (billions kwh)	Increased Acreage (millions acres)
Phase 1: Industry	2,112	2.3
Residential	1,500	2.8
Phase 2: Industry	4,052	3.8
Residential	2,500	12.0

but there is no reasonable doubt that we must gear our nation's capacity to rates of growth permitting us to meet these objectives.

During the coming twenty to twenty-five years, the numbers of U.S. citizens in the age-range of from 18 to 64 years of age should rise to approximately 256 million. Using existing population-to-housing ratios, this will require the equivalent of 115 million single-family units and 25 million multi-family units. If we do not include needed replacements for existing, depreciated dwellings, we must estimate that we must construct the equivalent of 55 million new family units and 25 million new multi-family units.

This would require constructing an average of 2.2 million single-family units per year, plus an average of 1 million multi-family units. This is quite feasible; prior to 1979, the U.S.A. was capable of producing 2.5 million units a year.

If we are to maintain the ratios of industrial growth Figure 8.14 indicates, we must create approximately 10,000 billion kilowatts of generating capacity for these purposes alone, by the year 2010. We must also transform an additional 21 million acres of the land-area of the United States into industrial centers by that same point in time: merely, approximately 1 percent of the total land-area of the nation, but increasing the present urban area of the U.S.A. by just less than two-thirds.

During the indicated twenty to twenty-five year period, the United States must create an additional ten or more, new cities. If we are sensible, some of the new cities will spring up in what has been called "The Great American Desert," the broad band of arid and desert land reaching from the eastern slope of the Rocky Mountains to the mountain ranges of our western coastal states. The possibility of developing new urban centers in this region is

indicated by the established feasibility of transporting water from Alaska and Canada down through the arid and desert regions of the United States, the project known as NAWAPA. By diverting fresh water now flowing, wastefully into the Arctic Ocean, to conduit it on a course both to the east and the west of the Rocky Mountains, we provide not only long-term solutions for the water-crisis in our western agricultural regions, but open up what is presently wasteland for future agricultural development.³

By increasing greatly the density of chlorophyll of growing plant-life in these arid regions of our nation, we moderate the climate. If we accomplish this on a large scale, we foster the development of rainfall-systems within the region. As we develop the conditions for expanded agriculture in such regions, we create the opportunity and need for establishment of new urban centers.

If we are sensible, we shall integrate the implementation of the NAWAPA water-management system with other elements of our national water-management system. Fresh water and energy are the cornerstones of terrestrial life; an abundant and secure supply of both predetermines the degree to which life can be supported. These are the preconditions for developing high potential relative population-densities.

Building Basic Economic Infrastructure

A study conducted showed, that during the postwar period, the rate of increased national investment in basic economic infrastructure correlated directly with the rate of increase of labor-productivity. Generally, U.S. investments in basic economic infrastructure increased in rate through approximately 1966. Such investment increased in total amount at a slower rate until 1970. From 1970 to the present, the level of such investment has dropped below the level required to replace existing infrastructure. Rates of increase of productivity correlate precisely with rates of change of investment in infrastructure, by a lag of twelve months.

Our productivity is dropping, and we are becoming rapidly a national junk-heap. It is a fair estimate that, simply to repair decay of existing infrastructure, to bring our nation's basic economic infrastructure back up to 1970 levels, the United States would have to spend about \$3 trillion!

Basic economic infrastructure is chiefly:

- Fresh-Water Management Systems;
- Systems of Energy Production and Distribution;
- Transportation Systems:
Ports; Inland Waterways, Roads and Highways; Railroads; Air Traffic Systems; Pipeline Systems;
- Communication Systems
- Urban Infrastructure:
Group "A":
Utilities, other than energy production,
Sanitation, including sewage treatment,
Intra-Urban Mass Transit, Docks, Warehouses and Freight Transfer Facilities, Medical Institutions.
- Group "B":
Educational Institutions, Libraries, Museums, Public Halls of Assembly, Parks, Government Buildings.

In the greater part, *the development and maintenance of infrastructure is an economic function of either government, or of government-regulated utilities*, as distinct from unregulated forms of private ownership. It is, properly, the major non-military expenditure of government, which must either provide this out of its own expenditure, or must regulate the delegation of some among such functions to public utilities.

There has been, lately, greatly exaggerated praise for the glories of "deregulation" of what had become traditionally areas of economic or regulatory responsibility of, variously, our Federal, state, or local branches of government. It can not but be the case that most of those promoting "deregulation" or "privatization" suffer an astonishing ignorance of relevant parts of our national history. A few references to that history are therefore appropriate at this juncture.

From the beginnings of our Federal Republic, increasing portions of basic economic infrastructure were the adopted responsibility of government.

The development of the postal system, under the direction of Dr. Benjamin Franklin, not only predated the Declaration of Independence, but was the means of transmitting printed ma-

terial and correspondence, by means of which the population was educated and mobilized to accomplish our independence.

The patriots of pre-1776 North America, including George Washington, recognized the wisdom of France's eighteenth-century "Colbertistes" in regarding the responsibility of government for developing and maintaining roads, bridges, and canals as a vital economic-strategic, as well as military-strategic function of government. The wars against French and French-deployed Indian forces, and later against British and British-deployed Indian forces, were won substantially by aid of the foresight of those leading colonists who both developed the American militia according to republican military principles, and developed the economic-strategic arteries of transport by means of which settlement and military victory marched together.

Among the heated practical issues prompting Washington, Franklin, and others to convene the 1787 constitutional convention was the frustration and disgust, so reported by Washington, at the lack of a central governmental authority to assume efficient responsibility for such public works.

In the rebuilding of our military establishment, beginning 1816, American leaders collaborated with military specialists from France, to incorporate the genius of Lazare Carnot's military reforms and École Polytechnique into U.S. practice. The system of coastal defenses, the superiority of U.S. warcraft and gunnery over that of the British, for example, were greatly enhanced by these post-1815 importations from France. The emphasis on engineering, including civil engineering, in the rejuvenated West Point under Commandant Thayer, reflects the essential role which our government adopted in key areas of development and maintenance of basic economic infrastructure.

The essential role of government in developing railways was recognized around Philadelphia during the 1820s, through Friedrich List's collaboration with the circles of Mathew Carey. List carried this policy to Germany, where he and his collaborators projected and initiated the development of the railway system there. In chief, the pre-1870s development of the railway system of the United States was accomplished by the Federal and state governments, and could not have been accomplished otherwise. It was after private financier interests took over the railways, and looted them, beginning the 1870s, that the troubles began.

The development of the telegraph-system by Samuel Morse,

was originally projected as a military venture. Morse worked with scientists in Paris, to extract from the development of electricity a means for producing a system of rapid communications, by aid of which the vast territory of the United States could be defended.

In chief, most of the elements of infrastructure developed have been created either directly as an economic function of government, or, indirectly, through government subsidies. Respecting the notable cases of financial and other mismanagement of such enterprises, as the instance of the looting of railways and the case of the New York City transit system illustrate, it has been the takeover of such functions by private financier interests which has been the prevailing cause for the bad reputation public utilities have popularly acquired.

In many instances, the very nature of the function performed prohibits delegating proprietorship to private capital.

For example, some years back, it was discovered that the cost of collecting fares on the New York subway system was as great as the cost of operating the system. In other words, a system operated without fare-collections would have cost the City of New York, and its taxpayers, half as much to operate as a system based on fare-revenue. Moreover, the chief problem of the New York City transit system was that the city had purchased the system at a price vastly above the value of the system, after the system had been looted to the point of bankruptcy by financial speculators such as Belmont. Thus, the city was paying vastly inflated debt-service obligations on the purchase. Had the inflated debt-service burden not existed, the problems of the system would have been more readily solvable.

Accelerating rises in fares reduced fare-paying traffic, to the effect that instead of the supposed increased margins of revenue from higher fares, the result soon became reduced operating income of the system relative to the combined costs and expenses of fare-collection costs, operating costs, and debt-service. The by-product was increased use of private automobiles, which increased the costs to the city, while reducing the city's viability as a place of tax-revenue-base generating employment. The

city became increasingly a habitation of the very poor and the very well-to-do; the poor could not pay taxes, and the very well-to-do were able to avoid them.

There are some varieties of basic economic infrastructure which are not suited to the installation of meters and turnstiles. The addition of the meters and turnstiles, if technically feasible, has severely regressive effects in terms of the affected parts of the economy as a whole. Such are the general principles properly governing the choice between governmental economic functions and delegation of the function to a regulated public utility.

The function of private enterprise in the American System, is to unleash to the greatest possible degree the creative ingenuities of the individual. *Invention and related kinds of innovation, both the discovery of them and the assimilation of them for practical application, are by their nature activities of the individual human mind.* So, as in Tudor England, well-advised monarchs created royal patents, so creating the forerunner of the modern corporation, and delegating a monopoly over that "corporation" to inventors and their business partners. This was done as it was recognized that unleashing individual ingenuities were a better way to promote the proliferation of useful inventions than to relegate the matter to the sodden intellectual conservatism of a government bureaucracy. At the same time, these means served the useful purpose of breaking the power of the feudal guilds over manufactures. The guilds, although they might foster the perfection of a particular technology among their journeymen and masters, at the same time resisted technological innovation.

Monopolistic economic power, and even economic power approaching that of monopoly, produces technological complacency, even hostility to technological progress, in the ownership and, most emphatically, the corporate bureaucracy. Infrastructure, by its nature, partakes of the characteristics of monopoly. Additionally, the development of large-scale infrastructure involves a large-scale risk, which the existing species of financier interest will not hazard without governmental guarantees, and subsidies.

There are two additional, important points to be considered in setting forth infrastructure policy.

First, the \$3 trillion deficit in U.S. infrastructure today, relative to 1970, is obviously \$3 trillion of unpaid depreciation on

past investments in infrastructure. *If so large an amount had been deducted from reported national-income accounts during the past decade, there would have been no reported growth at all in the U.S. economy during this period!* How is it that so large an item of unpaid costs of production was (chiefly) unreported? The reason is elementary: most of this infrastructural loss was a loss to various levels of government. The problem is, on this account, that the entire system of national income accounting presently in use is grossly incompetent.

The second point to be made, is that total infrastructural cost is a very large component of total costs of production of goods. Except as this is reflected in the utilities bills of firms, that cost is not reflected in the cost-accounting of private industries and agriculture; the businessman seldom recognizes that the development and maintenance of government- and utility-provided infrastructure is a major part of every businessman's costs of doing business, a very substantial part of the real cost of everything produced in our economy.

Just as adequate and reliable supplies of energy and water are indispensable to the production of goods, so are each and all of the other items of infrastructure named above. If these elements of infrastructure should break down, or merely deteriorate significantly, the costs of doing business must rise accordingly, and business may not be able to function at all.

This is, broadly speaking, the reason that the close correlation between rises in development of infrastructure and rises in the rate of productivity are the two factors most closely statistically correlated in economics. Before a producing firm (or, any other sort of firm) can start business, it must have available to it the quantity and quality of basic economic infrastructure required by the scale of business operations and by the type of business and the level and type of technology employed.

Therefore, government promotion of high rates of investment in improving and maintaining infrastructure must be a leading feature of any workable program of economic recovery.

The concrete policy-actions to be taken by the Federal government prominently include the following measures:

1. There must be immediate and large flows of gold-reserve credit to public utilities and capital programs of government for infrastructure development.

2. The Federal and state governments must be supplied with long-term credit for construction loans, at 2 percent prime interest rate, for work on development of a national fresh-water management grid, including the NAWAPA project, with priority on construction in areas most affected by drought and lowering of water-tables.

3. Long-term credit must be made available, at 2 percent prime interest rate, to public utilities, for creating not less than five trillion kilowatt hours of generating capacity during a period of not less than fifteen years ahead. The credit issued shall be used initially to finance the construction phases, prior to certification. On certification, part or all of the loan may be rolled over in the form of a medium-term or long-term permanent mortgage, until such time as private bondholders may buy out portions or the entirety of the loan.

4. Long-term credit shall be issued for construction of a renovated freight and passenger rail-system among principal population centers.

The transport of passengers by air between population centers 200 to 300 miles apart is becoming a critical factor in air-traffic control. With the available modes of high-speed rail transport available to us, passengers can be moved such downtown-to-downtown distances with no greater, or even significantly less total time of travel than by present-day airlines. If (usually) outlying air terminals are linked to urban rail-traffic centers by direct rapid-transit links, optimal efficiency in inter-mode transition among various modes of inter-city and intra-urban-area passenger transport can be secured.

5. The U.S. Corps of Engineers must be expanded, both for its essential role in developing the national fresh-water management grid, and its related role in rebuilding and extending the nation's system of inland waterways and ports. In addition to accelerated dredging of waterways and repairs of locks, immediate priorities must focus upon the Ohio and Mississippi river systems, on the completion of the Tennessee-Tombigbee system, and the completion of a barge-canal linking Lake Erie to the waterways in the Pittsburgh region. The constructions for these programs should also be funded by gold-reserve credit.

Water transport continues as the lowest cost mode per ton-mile. Given the slower speed of such low-cost transport, it is best suited for carrying of either bulk freight, or cargo too heavy or bulky to be carried by other modes. Hence, inland waterways are optimal for carrying of cereals and for fostering heavy industry along the waterways. The immediate objects of development of the indicated inland waterways are: a) To restore the industrial heartlands of the Mississippi-Ohio systems, and, b) To open up for expanded economic development the basic industry of the region of Tennessee and Mississippi.

6. To create a U.S.-flag maritime fleet of high-speed cargo vessels, most probably in the 50,000-100,000 ton class. This fleet shall be part of the military reserve.

7. To refurbish the essential ocean-vessel ports of the United States, and incorporated construction and repair facilities.

8. To provide gold-reserve credit to states and local government for urgent capital repairs of essential infrastructure.

9. To reinvigorate the system of veterans' hospitals by aid of making such institutions national centers of clinical care and laboratory research-facilities in treatment of diseases of aging of tissue, such as cancer. To provide loans for capital improvements and expansion of plant and equipment for this purpose.

10. To supply low-cost, long-term credit to those industries which must expand and/or retool their production capacities, that they might fulfill their functions as vendors to both national defense and the principal infrastructure-development programs making use of loans of gold-reserve credit.

11. To establish several experimental stations whose activities are inclusively devoted to development of improved methods and procedures of desalination of salt water.

As the energy-flux density of energy production rises from the 10,000 to 40,000 kilowatts per square meter of systems generally in use today, desalination will become increasingly economical. There are methods which are more economical than distillation of vapor produced by boiling, but all require energy. The cheapness of energy, and the energy-flux density of produced energy, are crucial.

Additionally, the time is fast approaching that we shall require supplementary production of fresh water by desalination to meet water-requirements of various regions of the nation and the world. As energy costs, for both desalination and pumping, are brought down, economically water-short regions can be supplied adequately by this supplementary means, and large arid regions of our own and other nations can be opened for development and habitation.

If we push ahead now, we will have this new source of fresh water in time.

Labor Force Policies

The central feature of employment in the U.S. economy over the recent forty years, has been the decline of the percentile of the labor force employed as operatives, from 62 percent of the total labor force in 1946, to a shrinking 20 percent (actual) today. For our purposes here, it is sufficient to examine only the twenty-year interval, 1960-1980, examined above.

Figure 8.15

Category	1960	1970	1978	1979	1980
Operatives	26,510	27,975	29,821	30,652	30,043
Employed Adult	65,778	78,678	96,048	98,824	99,303
Adults	117,245	137,085	161,910	164,863	167,745
Operative Percentiles Employed Only*	40.38%	35.5%	31.08%	31.0%	30.3%
Adult Pop.	22.6%	20.4%	17.8%	18.4%	17.9%

*Does not reflect hidden unemployment

Despite the fact that we are using official (largely distorted) statistics here, the general point becomes clear enough as we proceed.

Figure 8.16

New Employment: 1960-1980

Category	1960-70	1970-80	1960-80
New Operatives	1,465	2,068	3,533
New Non-Productive	11,435	18,557	29,992
Operative/Non-Prod.	1:7.8	1:9.0	1:8.5

Figure 8.17

Percent Change, Population to Operative

Age-Group	1960-70	1970-80	1970-80
Total Population	+ 11.8	+ 7.3	+ 4.1
65 +	+ 14.8	+ 18.0	+ 34.9
18-64	+ 9.3	+ 10.5	+ 34.9
14-17	+ 35.7	- 5.3	+ 28.5
5-13	- 5.6	- 21.0	- 17.0
under 5	- 19.8	- 21.5	- 29.0

The data in Figure 8.17 reflects the declining ratio of operatives employed, as a percentile of the total labor force, under conditions that the population as a whole is dying. Fewer children are being raised. When there are fewer children born, the total labor force shrinks by a corresponding amount twenty years later. The ratio of retired persons to total population increases, and the ratio of retired persons to the total labor force increases. If the present U.S. population-trends continue, during the coming century, the U.S. population will have shrunk from 230 million persons today, to a projected 125 million—largely starving senior citizens. The United States is not "lowering its population-growth," it is committing demographic suicide!

This demographic trend is key to strong pressures on governments, from profit-minded international insurance cartels, to cut back drastically on medical care of persons who are either over fifty years of age, or younger persons with serious forms of long-term impairments. The ratio of the adult labor force, those who pay contributions to medical care and retirement funds, to senior citizens, is declining at accelerating rates. Poorer persons, without financial means to pay significant contributions for major medical care, are being urged to "die with dignity."

Figure 8.18

Number of Operatives

@ 40.3% of the Employed (000's)

Category	1970	1975	1978	1979	1980
Operatives @40.3% of Employed	31,707	34,595	38,073	39,826	40,0019
Actual Operatives	27,975	27,287	29,821	30,652	30,043
Difference	3,732	7,308	8,252	9,168	9,976

A calculation has been made: What would the number of employed operatives have been, in 1970, 1978, 1979, and 1980, if 40.3 percent of the employed labor force had been so employed in those years; what if the 1960 ratio, 40.3 percent, had not dropped as it did? (See **Figure 8.18**.)

In other words, there should have been at least 9,976,000 more persons employed as operatives in productive jobs than there were actually reported so employed in 1980. This does not take into account actual levels of unemployment. In addition to reported unemployment, the Bureau of Labor Statistics does not report fully youth unemployment, unemployment through forced retirement, full-time equivalent of part-time unemployment, and "dropped from the labor force." These "overlooked" unemployed represent approximately 15-18 percent of the total labor force, with real unemployment orbiting at about 25 percent of the labor force.

Even adjusting for unreported unemployment in 1960, the 40.3 percent figure for operatives as percent of employed labor force does not represent a normal condition for the U.S. economy. 1960 was the fag-end of the 1957-1958 recession. From study of changes in employment patterns over the course of the 1946-1957 period, a healthy condition for the U.S. economy would be between 50 percent and 55 percent of the total labor force employed as operatives.

A reasonable set of "guesstimates" for a "normal" composition of employment of the 1980 U.S. labor force is shown in **Figure 8.19**. We estimate the total labor force as equivalent to approximately 63-66 percent of the adult population, and use the standards of the late 1940s and the 1950s in estimating "normal" unemployment. For the purposes of this "guesstimate," we have conveniently rounded out the figures.

The percentiles given in **Figure 8.19** might be, arguably, revised upward or downward. What is clear is that operatives' employment ought to be between 50 percent and 55 percent of

Figure 8.19

Normal Ratios of Employment of**Total U.S. Labor Force**

(1980 "Guesstimate")

Category of Employment	Number (000's)	Percentile
Total Labor Force Employed	110,000	100%
OPERATIVES	109,100	97
	60,000	55
Infrastructure	16,000	15
Raw Materials	11,000	10
Capital Goods	22,000	20
Consumer Goods	11,000	10
OVERHEAD EXPENSE	46,000	42
Science, R & D	8,800	8
Education, Health	8,800	8
Sales of Goods	11,000	10
Govt. & Other Admin.	11,000	10
Other	6,600	6

the labor force, that science and R & D must be between not less than 5 percent and as close as possible to 10 percent, infrastructure is about right at the 15 percent level, and so forth.

The most significant among the arguable features of these suggested ratios is the leap in capital-goods employment, compared with a small rise in consumer-goods employment. The barebones argument for this choice is that output of consumer goods ought to increase chiefly as a benefit of increased productivity of operatives, on the condition that high rates of technological progress, capital-intensive investment prevail. Most of the increases in employment of operatives ought to be concentrated in infrastructure and capital-goods production, including capital-goods production for infrastructure-building.

These suggested ratios are to be considered the approximate values of targets to be reached within a period of approximately ten years.

Foreign Trade Recovery

The foreign-trade policy of the LaRouche-Davis campaign is elaborated in significant detail in two widely-circulated, published documents:

Lyndon H. LaRouche, Jr., *Operation Juárez*, New York, August 1982.

—, *A Fifty-Year Development Policy for the Pacific and Indian Oceans Basin*, Executive Intelligence Review Special Report, New York, August 1983.

The second of these two was the subject of an NBC-TV network address delivered by the candidate, on March 17, 1984. In both that television address, and in the Special Report, LaRouche outlined the fifty-year patterns of growth of world trade and investment which would develop, if the United States returned to a policy of promoting technological progress in capital-intensive production investments.

Candidate LaRouche has authored a series of special reports on national and regional economic development prospects of foreign nations, including a 1981 study of the economic development of Africa (also published in Spanish edition as *Alto al genocidio del Club de Roma!*, Bogota, 1983) and including sponsorship of an in-depth study of the development of Argentina (*La Argentina industrial: Eje de la integración iberoamericana*, EIR, Buenos Aires, 1983).

For practical reasons, a significant expansion of world trade in capital goods will revive ocean-freight traffic.

The percentile of petroleum, and of certain other bulk cargos will be decreased relative to ocean traffic in semi-finished manufactures and manufacturers' capital-goods stocks. There will be acceleration of volumes of such manufactured goods transported by ocean carriers. The fact that the value of manufactured goods, per ton, is far greater than bulk cargoes, will greatly increase demand for high-speed freighters, most probably in the 50,000-ton to 100,000-ton class.

This trend toward much faster vessels of this size will encourage numerous kinds of technological improvements in construction of maritime fleets: improved materials and methods of construction, for example. Significantly increased speeds, and desire for fast turnaround without refueling, will mean significant advantages for the nation whose maritime fleet relies upon improved models of nuclear power-plants. Speed will be at its greatest premium in crossing from the Americas or from Europe into the growing capital-goods markets of the Indian and Pacific oceans' basins.

In the longer pull, the capital-goods markets of Asia will emerge as the dominant factor in world trade.

Although the average per capita income of Asia is relatively

Figure 8.20
Population (000's) and Average Incomes (\$) Key Nations of Asia

Nation	Present		Estimated 2000 A.D.	
	Population	Income	Population	Income
Japan	117,645	10,080	128,000	20,800
South Korea	38,880	1,700	51,000	5,700
China	991,300	300	1,196,000	663
Taiwan	18,500	2,570	25,000	7,600
Philippines	49,558	790	73,000	1,531
S.E. Asia	280,457	587	407,000	1,490
Burma	34,109	190	53,000	294
Bangladesh	90,660	140	157,000	167
India	690,183	260	994,000	434
Pakistan	84,501	350	140,000	508
Sri Lanka	14,988	300	21,000	473
Iran	40,015	2,160	70,000	2,972
Gulf States	16,458	5,674	33,000	7,756
TOTAL	2,468,253	899	3,348,000	1,695

very low at present, by American and European standards of comparison, that is where the majority of the world's population lives. (See Figure 8.20.)

The generalization to be made, is that even a small per capita annual investment in capital-goods imports from these nations of Asia, combined, is a very large amount of purchases in total. Even a small per capita investment in capital-goods imports by these nations will cause the productivity of labor in those nations to grow at significant, and accelerating rates.

The development of the capital-goods market in the countries bordering these oceans' basins requires close cooperation among three groups of nations: India, Japan, and Southeast Asia between them.

Despite its hundreds of millions of poorer people, India has approximately the third-largest force of scientific and related kinds of trained professionals in the world today, and is approaching fourth-largest in size of its industrial sector in the world. However, although India is one of the important food-exporting nations in the world presently—as a result of the success of Prime Minister Jawaharlal Nehru's postwar development programs—it is very short of money for imports of capital goods.

Therefore, the skills of its scientific professionals and industrial labor force are being underutilized at present.

Japan, on the other hand, is a much smaller, although well-developed economy. Pending large-scale use of hydroponics, Japan must import a major portion of its net food requirements. Also, although Japan's engineering and industrial management is excellent today, it lacks a working population of scientific professionals of sufficient size to supply its engineering force with new technologies at the required rate. The full realization of Japan's economic potentials requires high rates of turnover of the capital of its industrial enterprises: in a word, expanding foreign markets.

Potentially, India, Bangladesh, and Southeast Asia are the richest food-producing area in the world, on condition that modern technology is adequately supplied for this purpose. This region also has a greatly underutilized urban labor force, and tends to suffer too rapid an expansion of the Overhead Expense categories of urban employment, relative to industrial and related employment.

There is a remarkable potential for three-way cooperation among these sectors of Asia. At the same time, although there are differences in policy-outlooks among the nations of this grouping, the conflict in self-interests is minor relative to Japan's and India's fears of what China's future strength and policies might become. This is not to propose that cooperation among these nations and China does not, or should not exist. It is merely to note that the obstacles to close long-term cooperation with China are significantly greater than among the nations of the three areas indicated.

The foreign policy of the United States toward Asia must recognize these realities. The United States must have policies of cooperation toward China, at the same time that the United States has a parallel, separate policy of fostering good relations with, and among the nations of the three regions. More broadly, the foreign economic policy of the United States must be based on a **Three Basins Doctrine**:

1. The combined basins of the **North Atlantic and Mediterranean.**
2. The combined basins of the **Caribbean and South Atlantic.**
3. The combined basins of the **Indian and Pacific Oceans.**

The future of world trade among these basins requires attention to four present "choke-points" of ocean commerce:

1. **The passage from the Caribbean to the Pacific.** This is the choke-point for traffic from the North Atlantic-Mediterranean and South Atlantic-Caribbean basins. The present Panama lock canal is inadequate. A new sea-level canal through the Isthmus of Panama is required.

2. **The passage around the Cape of Good Hope.** This is the choke-point from the South Atlantic basin into the Indian Ocean.

3. **The Suez Canal.** This is the choke-point from the Mediterranean into the Indian Ocean. The Suez Canal must be enlarged to meet the requirement.

4. **The passage from the Gulf of Thailand into the Indian Ocean.** Under conditions of economic development, traffic through this area will grow to become the largest volume of ocean-borne traffic in the combined basins. Not only is the Strait of Malacca presently incapable of absorbing such an expansion of traffic; one supertanker sunk at a critical point in the strait would block it. There are presently no reasonable economic alternatives. The construction of the proposed sea-level canal through the Isthmus of Thailand would be the optimal solution, provided the government of that kingdom elects to proceed. Otherwise, enlargement of the passage through the straits is required.

It must be the policy of the United States to foster, and, if necessary, co-sponsor improvements in these choke-points.

The realization of these trade-potentials is otherwise constricted by the rate at which capital investments in modern agricultural and industrial technologies are proceeding in the so-called "developing nations" of these basins. Without very large-scale infrastructure-building projects and programs in such nations, significant rates of growth of capital investments can not be sustained.

This kind of policy has been stressed by the Mitsubishi Research Institute, which has proposed, during a period of some years to date, international sponsorship of a great infrastructural projects fund (GIF).

The stated and practiced foreign policy of the United

States should be expression of sympathy for the spirit of this proposal, and desire to collaborate with Japan in reaching practical agreement in fostering such developments.

As the Institute's proposal implies, although foreign governments, such as that of the United States, should be sympathetic to the principle of both large and small infrastructure-development projects as indispensable for national economic development, we should avoid excessive involvement with the finer details of the internal affairs of other nations. We should support the principle of infrastructure's development, and, usually, we should supply our best judgment on the merits of proposed projects in other nations, when those nations wish our technical advice. We may also supply technicians to assist those governments in such matters, when they may request it. Otherwise, it were better that we limit the recommendations of our government to a combination of general policy recommendations and strong encouragement for but a few selected projects, preferably projects which are large-scale, of great importance, and either already desired by the affected nation, or of clear and great benefit to a group of nations.

The United States should offer to co-sponsor the projects for development of ocean commerce's principal choke-points.

The United States should be disposed to co-sponsor those varieties of large-scale and indispensable basic infrastructural projects in the "developing sector" which can not be accomplished by any one of those nations, alone, and which are more or less bottlenecks in the efforts to develop the economies of several nations of a region.

Examples of such regional, major development projects include:

1. The development of the major water-management system of the subcontinent of Asia.
2. Assistance to develop the rail and water-management potentialities of Africa.
3. A renewal and expansion of the U.S. "Atoms For Peace" policy of the U.S.A. introduced by President Dwight Eisenhower,

including cooperation in the development of agro-industrial "nucleus" centers, and national and regional energy grids.

4. The adoption of a "Food for Peace" program of agricultural-development cooperation with developing nations desiring technical assistance in increasing the productivity of agriculture.

FOOTNOTES

1. These data, and also other data pertaining to land-area, demographics, and energy in the U.S. economy, are taken from the June 1984 Quarterly Economic Report of the international English-language news-weekly *Executive Intelligence Review*.
2. For fuller treatment of this subject, see: Lyndon H. LaRouche, Jr., *So, You Wish To Learn All About Economics?*, New York, N.Y., 1984.
3. The original work on developing such a water-system was presented by the Parsons Engineering company. This design was studied over a period of several years by specialists associated with candidate LaRouche.

Rebuilding the Democratic Party

There is nothing sacred about a "two-party system." The United States was founded with a "one-party system." The two-party arrangement came about as almost an accident, as a result of the bungling of President John Adams, so that even staunch Federalist Alexander Hamilton worked to ensure that the democratic-republican Thomas Jefferson was elected President. By the time of the second war with Britain, 1812-1815, both the Federalists and Jefferson's party were corrupted messes, a situation which led to the creation of a new party combining parts of both existing parties, the Whig Party.

The Republican Party came into existence almost by an accident. The War with Mexico and sectional strife of the 1850s was the combined cause for the splitting of the Whig Party into two parts, the southern Whigs and the Whig Party of which Abraham Lincoln was a part. The Republican Party which elected Lincoln was a mixed bag, of patriots and Eastern Establishment interests. The Democratic Party of that period was riddled with outright traitors, such as "king-maker" August Belmont, at the top.¹ Today, the Republican Party has officially adopted the economic philosophy of the 1850s and 1860s Democrats, whereas, after President Franklin Roosevelt's terms, until the takeover by the radicals at the 1972 convention, the constituency-base of the Democratic Party leaned toward the economic philosophy of the Lincoln Republicans.

So, the fellow who claims to be a "red-hot Democrat," or true to the eternal traditions of the Republican Party, is making pretty much of an ass of himself. Political parties are what they happen to be, more or less accidentally at any given moment, or what we can improve them to become.

Today, since 1972, the Democratic Party is a pretty disgusting mess at the top, and it has been getting worse and worse over the years. Most of the former Democrats who were not too disgusted to vote at all, voted by a landslide for the reelection of Ronald Reagan in the 1984 election. Why try to save it?

One reason for trying to rebuild the Democratic Party, is the fact that except for the Reagan conservatives, the top of the Republican Party is as bad a gathering-place for the Trilaterals as the Democratic national headquarters. Besides, so far, even the Reagan conservatives' economic thinking has been a national disaster.

The most important reason for rebuilding the Democratic Party, is that the twentieth-century Republican Party has so far



LaRouche addresses farmers in Unadilla, Georgia, in 1983.



LaRouche meets with voters during the New Hampshire presidential primary in 1980.

refused to accept anything from the farmers, the trade-unions, and the poor, except their money and their votes. Neither major party today actually represents a political process of policy-thinking among the constituencies which constitute the overwhelming majority of the citizens. The voting booth is pretty much like an automatic vending machine; you put in your quarter, pull the lever, and get one of two choices of a product over whose quality you have absolutely no control, and perhaps a cockroach or two besides.

In a proper ordering of a democratic republic, the secondary function of a political party is the electing of candidates for public office. The fundamental duty of a true political party, is that of drawing in representatives of those various constituencies which represent the majority of the citizenry. The function of the party is to assemble the facts and organize the discussions on policy, concerning each and every area on which the majority of the citizens must decide what policies they should demand or simply support. The party must do what the best of the Democratic Party's club-houses used to do.

The point is made clearer, by asking ourselves, how do we define the constituencies which ought to dominate a democratic-

republican party in the United States. In 1851, the leading American economist and Whig Party leader, Henry C. Carey, published a book entitled *The Harmony of Interests, Agricultural, Manufacturing, and Commercial*.² There are certain prominent similarities between the crisis in the United States then, and today, which make that once-influential book quite relevant for the question of rebuilding the Democratic Party now.

This book of Carey's was an echo of a series of lectures which his famous father, Mathew Carey, delivered in 1819 to the Philadelphia Society.³

Under the influence of British agent Albert Gallatin, the United States government had adopted the "free trade" policies of Adam Smith—against which the American Revolution had been fought!—under the second administration of Thomas Jefferson and the two administrations of James Madison.⁴ The result was an economic catastrophe, as Mathew Carey proved statistically in his lectures; largely as a result of Carey's warnings, the United States of the 1820s returned to the American System on which the constitutional republic of 1789 had been founded.

Martin van Buren influenced Andrew Jackson to repeat the same mistake, causing the Panic of 1837. President Polk repeated the same follies, leading into the situation which Henry C. Carey described in detail in his 1851 book. Under Nixon, Ford, Carter, and Reagan, the United States has repeated that same disastrous blunder in economic policy, leading us into the state of ruin we are in today.

We quote a passage from page 160 of this latter report:

With the approach to what is called freedom of trade, that system which tends to the maintenance of a monopoly of machinery in England, the value of labour here is falling toward the level of that of England. The present diminished production of coal and iron is maintained only by aid of a great diminution of wages. . . . With the diminution of wages at the North, there is already a diminished power to consume either food or clothing, with increase in the surplus that is to be sent. Thus, the measures that increase the necessity for depending on machinery of transportation diminish the power to obtain it, to the deterioration of the condition of the whole body of the people, labourers and capitalists, farmers and

planters, manufacturers and shipowners; and the same which tend to diminish our necessities for depending thereon, tend to increase our power to obtain it, to diminish the burden now pressing upon the land-owners and labourers of Europe, and to bring about that state of things which shall give to us and them perfect freedom of trade. The harmony of all interests, whether individual or national, becomes more and more obvious the more the subject is examined.

The farmer's receiving a fair price for his product, enables him to stay in existence, to continue to produce food. Additionally, if he is paid a truly fair price for his cattle and crops, he is able to reinvest a margin of his income in improvements in quality and productivity, meaning better, cheaper, and more abundant food for us all. His purchases for investment take the form of products of our metallurgical, chemical, and automotive industries, which improves the prosperity of those employed in such industries.

The engine of material progress and security for us all, is the transmission of scientific progress into the form of technological improvements in a growing flood of capital goods of manufacturing, infrastructure, and agriculture. The possibility of the manufacturer's using such improvements, depends upon the education and general culture of the labor-force.

Each of us who contributes some useful function to society, or who could make such a contribution if afforded the opportunity to do so, is a person valuable to the most elementary material interest of everyone else, even if some of those "somebody elses" are so ignorantly narrow-minded that they are unable to recognize this fact.

The general prosperity of the entire economic system, and of each of the essential parts of it, is the vital common interest of us all. Only a fool imagines that his well-being depends upon lowering the wages of another, or reducing the dole paid to a desperate mother with children but no adequate opportunity for self-support. Every human being is potentially not only important, but indispensable, and every human being can be important if he or she simply chooses some useful occupation. There lies the essence of Carey's thesis on the "harmony of interests," as



Jimmy Carter's base of support in the Democratic Party.

valid today as then. There lies the essence of the definition of the proper constituencies of a great political party.

For example, homosexuality is not a proper constituency of a political party, nor do drug-users constitute a category which any moral political party would tolerate as a constituency-group. Both practices are so filthy and immoral in both deed and consequences, that any group which advocates either is not morally fit to exert any influence on the party's processes of deliberation. Not accidentally, "recreational" use of drugs and homosexuality have been the principal vehicle for spreading the deadly AIDS pandemic, which might in the end kill us all. Homosexuality, like recreational use of drugs, is a mental disease; like any other person suffering a mental disease, the homosexual and drug-user do have human rights, but the disease itself has no rights. If the Democratic Party adopts homosexuality and drug-use as "constituencies," the party has no grounds to deny the same "affirmative action" privileges to such organizations as the "rapists' caucus," the "burglars' rights collective," or "fair play for assassins."

A constituency is defined as some functionally essential aspect of a common interest of the nation as a whole.

That common interest is explicitly, or at least implicitly,

defined very well, in one part, by the 1776 Declaration of Independence. This includes the common interest in defending the sovereignty of the United States and its friends. It is also well defined by the fact that all sections of the population have, objectively, a common interest in promoting the prosperity of all sections of the population as a whole.

Our adults, as a people, are chiefly either farmers, operatives, industrial entrepreneurs, scientific professionals, or members of households whose income depends upon those occupations. Our national wealth is produced, almost entirely, by these sections of the population. There can be no tolerable policy which violates the fundamental interests of any of these indicated groups.

The idea of a common interest can be stated in more profound terms of reference. The idea of a "common interest," must assume that there exists a purely rational, even rigorously scientific way of showing that the special interests of each of the constituencies is a valid claim on society as a whole, only to the degree that it can be shown that that interest is rightly and efficiently served by some policy in the common objective interests of all. In matters of political and civil rights, as indicated by the content of the Declaration of Independence, the common interest is immediately and simply obvious. In matters of economic interest, the common interest is a calculable one.

Unfortunately, since approximately 1972, the Democratic Party's leadership has been infected with a mentally deranged, irrationalist outlook, sometimes called the pluralist outlook. The extravagant influence gained by the ultra-radical National Education Association's lobby within the party, and the veto-power given in effect to the homosexual and drug-users' lobbies, reflects this loss of elementary sanity and morality within a large portion of the post-1972 leadership of the Party. There is virtually no democracy in the Democratic Party under this leadership: the club-houses are broken up, the traditional constituencies have virtually no voice, while the spirit of "Clockwork Orange" reigns at the top.

You wish to know how to vote at the next election? Don't annoy the Democratic National Committee by demanding reports and free discussion at frequent Democratic Party meetings in your community. Don't call them; if they wish to hear from you, they'll call you. What is Party policy? "Shut up and we'll tell you when we've decided." Meanwhile, read and follow the instruc-



The 1984 Democratic Party convention.

tions which the Party leadership issues to you through the *New York Times*, the *Boston Globe*, *Newsweek*, and NBC-TV. As a true political party, the Democratic Party no longer exists.

How could the Democratic Party be brought back into existence as a real party? There is only one way this might happen. The constituencies—the real constituencies—decide to move back in and take it over. How might they do that? There's probably only one way: by rallying those constituencies around candidates, including a presidential candidacy, in a way which pulls the constituencies back together as a force.

The United States is falling apart. Most of the citizens sense that everything is going wrong. They don't know why it went wrong. No one ever explained to them the policies which caused this disaster; they were not really consulted. As far as they know, it all just went wrong, for reasons they do not understand. The polling-booths are just another vending-machine, which spit out elected officials instead of peanuts or candy bars; they choose the candy-bar which they hope has the fewest cockroaches in it. AIDS makes this different.

For about 20 years, while our national disaster was building up, most citizens reacted by turning away from serious political activity, saying, "Look, I have my family and my career to worry about; I just don't have time to get involved in politics." They

said this about the catastrophe in the economy, in foreign policy, and in defense policy.

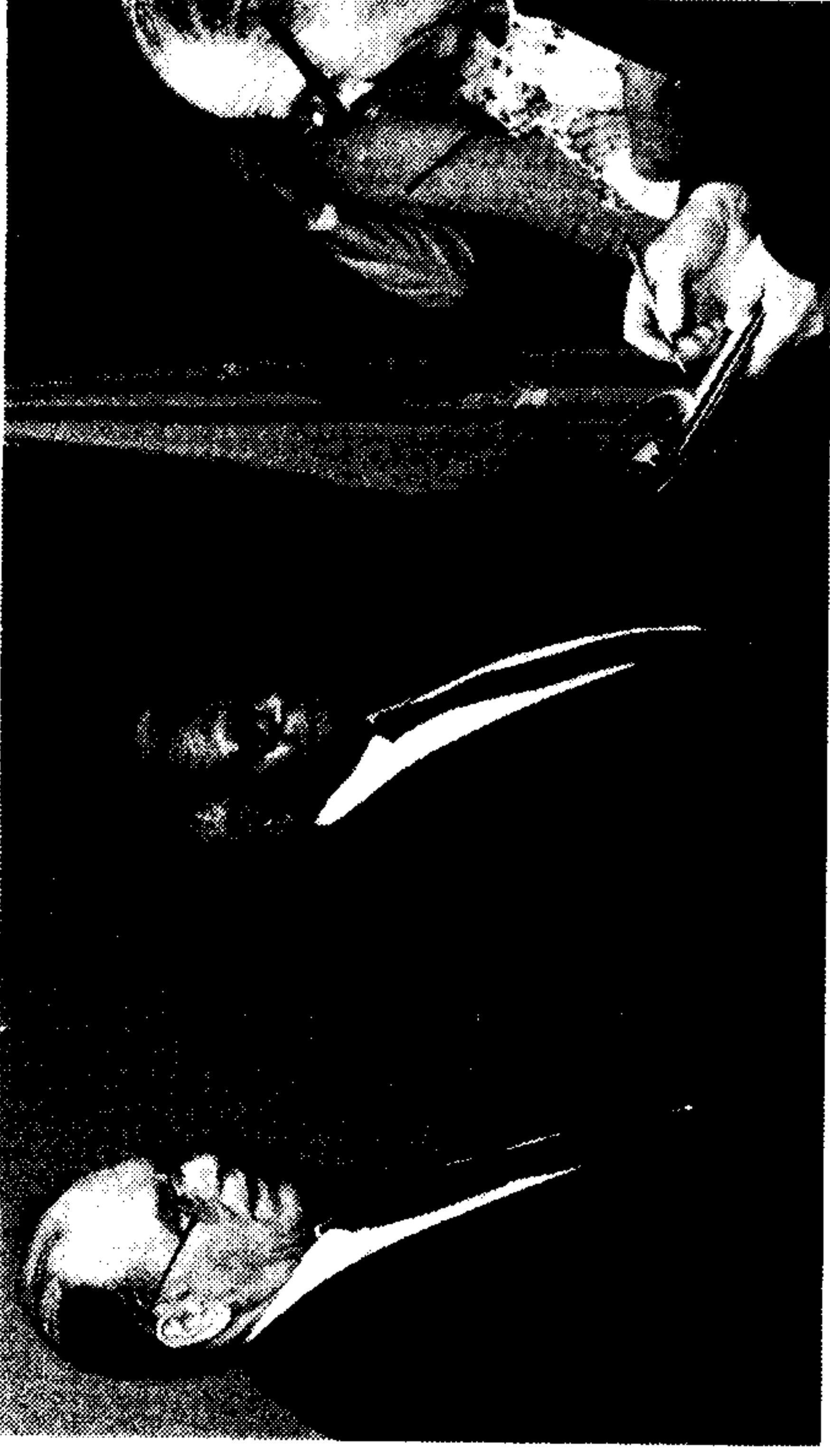
Now, every family in America is threatened by AIDS. There are three to five millions homosexuals in the country, of which an estimated 50% probably has the AIDS infection, and are already transmitting it to others. There are tens of millions of persons who regularly use "recreational drugs," of whose hardcore an estimated 60-80% is already infected and spreading the disease. In concentrations of the poor, AIDS is spreading like wildfire, hitting all groups of the population indiscriminately. At the present rate, unless drastic measures are taken, nearly everyone will be infected with AIDS within about 5 years or more, and within less than 10 to 12 years after infection, probably everyone infected will die a more or less horrible sort of death.

The citizen can no longer say, "I have my career and family to worry about." AIDS strikes down its victims silently and personally. It can not be arrested without massive measures of public-health action, including isolation and care for infected persons. There is no way in which a person can hide in his or her career or family responsibilities, to avoid the issue; his or her child might be the next victim. The American who has been hiding in the political fox-hole of career and family duties, now finds, with AIDS, that the grenades are dropping directly into that foxhole.

Once the citizen is forced to get out of that political foxhole, in order to defend the family against AIDS, the citizen is in political motion. Those citizens, set into motion by the AIDS crisis, are coming to constitute, at a rapid rate, a political army on the move. Political forces hiding in foxholes, or on barracks duties, have an uncertain disposition to fight; it is armies in motion which find the ability to fight, in that motion itself.

That political army will begin by demanding an end to the World Health Organization's presently coordinated efforts to suppress the facts about AIDS. They will go further, to demand appropriate public health measures against the spread of AIDS. Public health measures mean multi-billion-dollar emergency expenditures. This puts "budget-balancing" into direct opposition to the life of many, many citizens. We can find the funds to make these necessary expenditures, and still bring the federal budget into balance, but not under the continuation of the present U.S. monetary and economic policies.

The citizens of the U.S.A. are near the threshold of a sweeping



Rebuilding the Democratic Party: LaRouche with Hulan Jack, the former borough president of Manhattan.

and profound change from their political patterns of behavior during the recent 15 years. The best possible estimate, therefore, is that we are now entering once again a period in our national history, during which mobilized constituencies, brought together around common economic or economics-related issues, become the force for change of direction in the character of leading political institutions.

Admittedly, there remains the possibility that the popular revolt over the AIDS issue might not continue to escalate at the rate it has during September and October of 1985. The possibility is a relatively slight one, since the number of known cases of symptomatic AIDS cases will continue to double every six months or so, a development which will doubly infuriate the general population, and will lead to mass pressures for immediate reversal of every present effort at cover-up of the AIDS risk. For such objective reasons, the possibility that the AIDS-triggered political ferment will attenuate is very small. Nonetheless, we must face the question: What happens if the AIDS ferment were to attenuate?

The point is, that unless some mass-constituency ferment of considerable force does appear, it will be almost impossible to reverse the past 15-years' policy-trends in the U.S. The conditions are now such, that unless such a reversal does occur very soon, the United States will soon cease to recognize anything we have

known it to be in the past. Without a mass-constituency ferment of some kind, leading toward a reversal of existing policy-trends, there isn't much hope for the United States or its people. If the radicals stay in control of the Democratic Party, there is little hope for the United States.

Although the candidate is committed to rebuilding the Democratic Party as a policymaking body of constituencies, he views this effort as part of a bi-partisan process of healthful change in our national life. Any good President, of either major party, needs support from the other side of the congressional aisle on all of the great issues of economy, national defense, and foreign policy.

We can not expect all of the factions with bad philosophies to leave either of the two parties. Major political parties represent power, and factions with bad philosophies have shown generally a stronger inclination to grab for power, wherever they can, than ordinary people. The best currents in both parties combined, represent the total assembly of constituency forces of our national harmony of interests. It is the general history of our system of government, that secondary issues can be fought out and won on a more narrowly partisan basis, but, usually, implementing the right policy on the greater issues, requires bi-partisan collaboration among the best currents in the major parties.

LaRouche's campaign is a rallying of Democrats for America first, and the election of good Democrats second. The first and foremost battle, is to bring our nation to adopt the urgently needed changes in policy. The first phase of that battle must be centered, inevitably, around the campaigns for national office more immediately in sight. The great changes in policy which must be made very soon, must be made by the joint efforts of this President, Ronald Reagan, and a greatly improved policy-outlook within the Congress. Unless we win those more immediate changes, the next presidential election might not be worth campaigning for.

Some of the present members of Congress are good and capable people, although some are fairly classed as downright evil or simply too foolish to be trusted with such positions. In the 1986 congressional elections, we must improve the composition of the Congress, purging as many scoundrels and dunderheads as we can manage. Yet, we can not expect to change the composition of the Congress overall. We must also influence those members of Congress who, like weather-vanes, blow good or bad

as they perceive the prevailing mood of the nation to be blowing in one direction or another. This sort of congressman does best when he fears that his constituency might lynch him if he does otherwise. The essential change to be made in government, is to spread a political grass-fire through the political process, which automatically improves the composition of the Congress somewhat, while scorching the pants of the rest of the Congress and the administration.

The future leadership of the United States will be discovered among those who appear in their local communities now, to give leadership to the popular insurgency of the constituencies already in progress. It is to those leaders of the future, not the Democratic Party leaders of the present, to whom the Party rightly belongs.

The Future of America

If we may presume that there is no general thermonuclear war during the remainder of this century. If we may presume that the Soviet empire does not take over the world by default, without general war. If we may also presume that most of the human race is not wiped out by the AIDS pandemic by about the end of this century. On these conditions, the future of humanity over the coming 50 years can be more or less exactly described, at least in the most general terms, today.

Under those conditions, the human race faces two great challenges during the coming decades. The most obvious of these challenges, is to deliver justice at long last to the majority of the world's population, living in what we call today the developing nations. Without great projects in developing infrastructure in Asia, Africa, and South America, and without the agricultural and industrial development which can not occur without such infrastructure-building, most of the human race is doomed to famine and epidemic diseases. The second great task may be less obvious to all but a few specialists, but it is more or less equally important for the future of humanity: the colonization of the Moon and Mars.⁵

The two great tasks do not compete with one another; they are mutually interdependent. Just as it has been estimated that the U.S. Apollo Project paid back to the U.S. economy about 14 cents of benefits for every cent spent, the development of the technologies needed for the Moon-Mars program will supply Earth

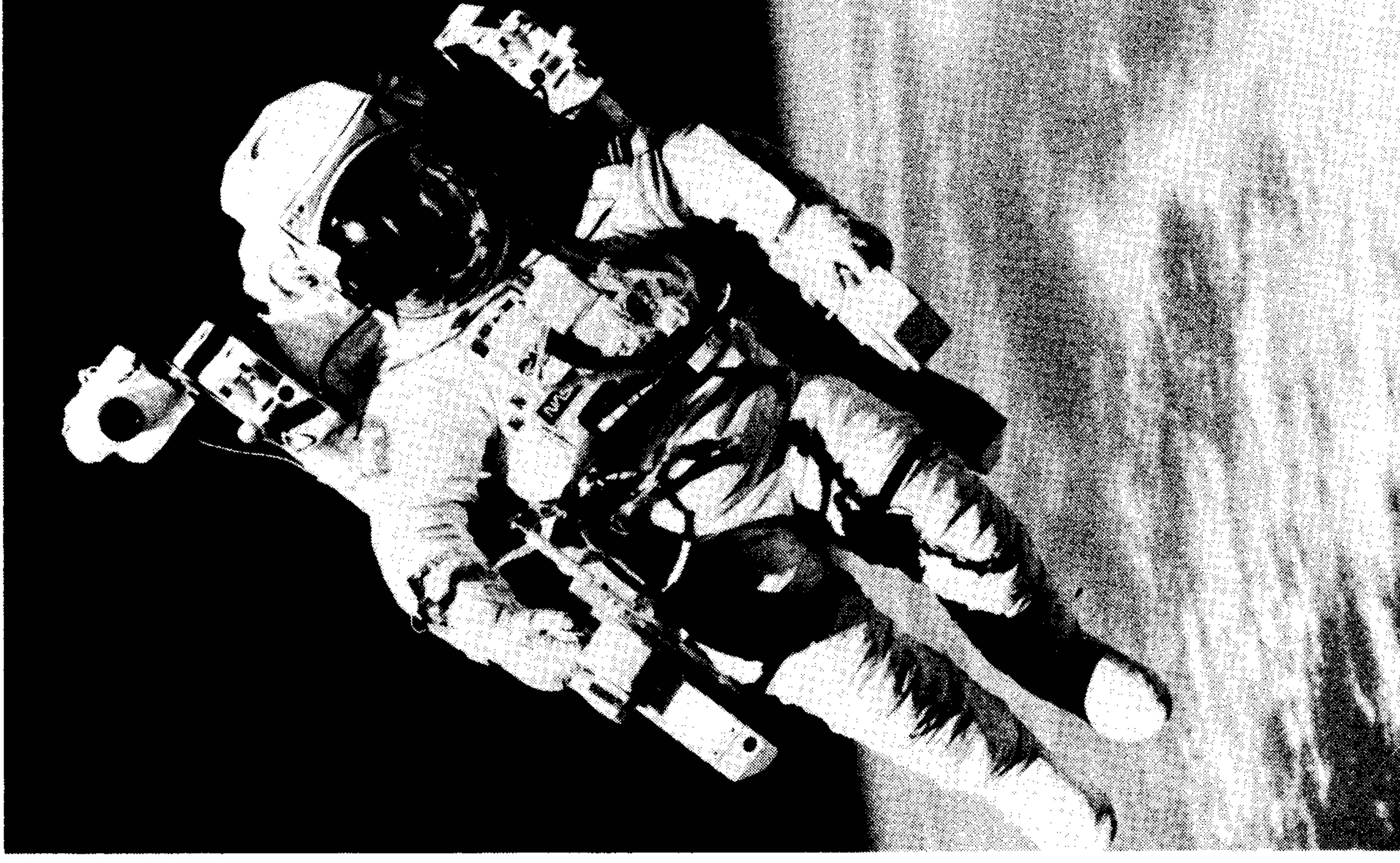
with the economic side-benefits which make the improvement of the developing economies comfortably affordable to the world as a whole. If we are able to build cities on Mars, with the same technologies, we can much more easily build great cities in the Sahara desert. The technologies we perfect, for the colonization of the Moon and Mars, will directly generate on Earth the greatest leap in productivity in the history of man.

These tasks are given to us, to our grandchildren, and to those great-grandchildren who will actually reside on Mars, partly because of pressing needs on Earth now, and partly because fundamental progress in science has brought us to the point that these measures are uniquely defined as the logical next step for mankind as a whole.

The new technologies which will dominate the changes in our behavior over perhaps 50 years to come, are essentially three. The first is controlled thermonuclear fusion, the most fundamental, most efficient, and most powerful source of energy so far known in the universe. The second, closely related to the first, is coherently organized electromagnetic pulses, such as laser technologies. Thermonuclear power supplies man the greatest power ever known; coherent electromagnetic pulses provide us the kinds of tools able to make effective use of that power. The third is what is sometimes called the "non-linear spectroscopy" of living processes. In this third technology, we supersede the traditional forms of chemistry as the way of understanding and controlling living processes. We treat molecules, atoms, and atomic particles as what they really are, very complex, more or less "tuned," electromagnetic processes. We treat the chemical processes of biochemistry as essentially electromagnetic processes.

Already, with high-temperature fission sources of energy, we can begin to produce hydrogen efficiently on a very large scale, as well as accomplish economical desalination and other purification of water at a cheapness sufficient to begin making the deserts bloom. Hydrogen is a superior chemical fuel, which can be used as a source of very clean power in various ways. Essentially, we are moving toward the point at which thermonuclear fusion and hydrogen as a fuel become the principal sources of power used covering all major requirements.

By increasing the average operating temperature of production processes by about four times, as fusion readily permits us to do in a general way, there are no limits to natural resources.



Astronaut Bruce McCandless II performs a "spacewalk," outside the Space Shuttle Challenger.

Moreover, we can produce new kinds of materials vastly superior to any in use today, and at prices lower than those of materials presently in general use. By lasers and analogous devices as tools, we can machine any material. Once these two objectives are reached, the average productivity of labor will rise to at least 10 times the best existing today. Which means that the average standard of living will be about 10 times that of today.

With such technologies, we can easily use land much more efficiently than we do today. These technologies mean new kinds of cities, in which the permanent substructure of the city is built first, containing all municipal service-lines, and the rest of the city is constructed on the top of this permanent sub-structure.

We can think of building cities of this sort to last for a thousand years. The future technologies used in the cities will change, of course; but those improvements are easily installed in a well-designed city. The functions of a human household have not changed much in more than a thousand years, and will not be much altered in the next thousand years, since human beings do not change that much. New individuals must be produced by family households, so that a healthy personality can be promoted as it can in no other way. Members of households eat and sleep, and the other functions performed in the household itself are well-defined by type. The ranges of numbers of rooms a family household requires, will not change essentially; some of the rooms should be larger than they are on the average for houses and apartments constructed today, more privacy must be provided for simultaneous but separate functions performed within the home, and a few functions now provided only for the homes of the wealthy should be included. With the use of fusion and hydrogen-fuel power, cities are essentially cleaner than the best countryside setting of today.

Our children and grandchildren can easily afford that which might seem luxury for us today, as the process of approaching a 10-fold increase of productivity, and higher, makes this the general case.

Inside and outside the cities of our fusion-age future, our policy will be to treat the entire planet, the cities, the countryside, the fallow lands, and the oceans, as our garden. With abundant energy, a few acres will produce on the average what a hundred or more acres yield today. With orders of magnitude of increase

in productivity, leisure directed to some useful purpose will occupy increasing portions of each year of a person's life.

Why we should pursue such advantages on Earth, is obvious to every person sharing the traditional philosophical outlook of Americans. Why colonize space?

There are two immediate, imperative reasons for proceeding now, to the colonization of space. The first is scientific; the second is moral.

From the earliest beginnings of scientific thinking, in ancient Vedic solar astronomy, thousands of years ago, man's advances in scientific knowledge have always depended upon those who turned their eyes to the stars. Now, on the frontiers of fundamental scientific inquiry today, we are confronted with certain questions of great practical importance, about the way the laws of the universe operate. In most cases, discussion of these questions turns scientists' attentions to the astronomer sitting in the room. The astronomer replies: "If we can place instruments outside the Earth's atmosphere, to observe the ranges of electromagnetic radiation we can not study with instruments on the surface of this planet, we could begin to find answers to some of these questions."

First, there is the matter of the Earth's atmosphere. Then, there is the matter of getting more distant from the effects of the denser solar radiation in the vicinity of our planet. It goes on and on that way.

It is not only a matter of astrophysics. To understand better the laws which govern the smallest kinds of microphysical phenomena, we must study principles of nature on the very largest scale, the stars and galaxies.

We must place our observatories out further and further. We must man some of these observatories, and also repair and improve these observatories in space. This requires the temporary colonization of space. To man many such observatories economically, requires logistical bases in space. With nuclear-energy technologies, laser tools, bio-engineering, and non-linear spectroscopy, it is within reach to maintain permanent production facilities on the Moon, using materials found on the Moon.

On the Moon we can build space-craft. The space-scientist Wernher von Braun recognized decades ago that only reckless fools think of sending lone space-ships across interplanetary dis-

tances.⁶ He reminded us that Columbus would have not made a successful voyage had he used only one ship. We shall send flocks of space-craft together, accompanying one another on the voyage, linked together by "life-boat"-like space-shuttles traveling back and forth among the space-ships, as need be. It is cheaper to build most of those space-ships to Mars on the Moon, than to send them up from the Earth's surface—although, by the end of this century, some Americans will fly into orbit by hypersonic jet aircraft, rather than large rockets: first reaching above the Earth's atmosphere, and then accelerating to orbit.

Once we have begun to colonize near-by space, for chiefly scientific reasons, we shall find other compelling reasons to expand that process, requiring a growing labor-force of scientists and technicians in space, and, therefore, sizeable, self-sustaining, permanent colonies. Mars is obviously our immediate objective; it is the ideal place to develop the capabilities for mastering the more challenging problems of creating manned bases further out, and an excellent point of logistical support for such ventures.

The moral reasons for colonization of space are more important even than the scientific ones. If we are ever to end the senseless squabbling in the mud of our planet Earth, we must change mankind's image of itself, to become the image of man in God's universe.

Already, the conclusive evidence is sufficiently available to convince all rational men and women, that since all our sensual pleasures go into our graves with us, our most essential self-interest is not the physical satisfactions we obtain during our brief lives. What is essential is what we contribute to mankind, by developing and using our talents while we are alive. Of course, if we are poorly nourished, sickly, and do not reproduce our species, we are unable to make a good contribution. Those physical needs must be met, but there our self-interest in such matters ought to end. On condition that such needs are met, it is our higher self-interest which ought to excite our passions. To use up one's brief mortal existence, by doing something good of durable value, is the greatest self-interest of any rational person.

Why should a young man wish to find challenging work in space? To gratify his physical appetites? Rather, for the simple reason he is challenged by encountering something which needs doing, the same kind of motive that drives the physician to heal

the sickly stranger, or the scientist to exhaust his powers in mastering a line of research. What is accomplished is important, but as long as it has some proper sort of importance, the particular accomplishment is of far less moral importance than the importance of mastering important challenges.

Science is not a discovery; it is a continuing process of discovery. Science is not a collection of discoveries; it is the perfecting of a method of scientific inquiry. When a scientist's particular discovery is long outdated by those who come after him, what survives is his contribution to the on-going process of discovery. This is also the moral character of work in space; it is doing what needs to be done, as a contribution to future mankind's greater power to do what needs to be done later on.

The essence of such accomplishment, is that such work is in accord with that divine spark of potentiality which sets man in the image of God, above the beasts. As we take on the work which emphasizes that divine spark, we are in greater accord with whatever purpose is embodied in the gift of that divine spark to mankind. In that way of living, there is a quality of joy not available to mankind in any other way.

We go into space, to employ more fully, more broadly those of our potentialities which elicit such kinds of joy within us. Like Moses, this land is beyond the reach of us older folk, but it is a condition we can help to provide to our posterity, if we but act to that purpose now. From such work, we older folk can capture better that special quality of joy for ourselves.

FOOTNOTES

1. On the background for this, see Mathew Carey, *The Olive Branch, Philadelphia*, 1815. On Swiss-born Jacobin and British agent Albert Gallatin, see Anton Chaitkin, *Treason in America*, New York, 1984.
2. Henry C. Carey, *The Harmony of Interests*, Philadelphia, 1851.
3. These lectures were published as a section of *Addresses of the Philadelphia Society for the Promotion of National Industry*. They have been republished in Allen Salisbury, *The Civil War and the American System*, New York, 1978.
4. See Chaitkin, *op. cit.*
5. LaRouche presented his proposal for adoption of a Moon-Mars Mission-Assignment, as an address to the June 15-16, 1985 Krafft A. Eh-

ricke Memorial Conference, held in Reston, Virginia. The text of the address is included in the published proceedings of the conference, *Colonize Space!* New York, 1985.

6. Wernher von Braun, *The Mars Project*, 2nd ed., Urbana, 1962. The cited stipulation was included in the first edition of 1952-1953.

Lyndon H. LaRouche, Jr. Candidate for President

Virginia's Lyndon Hermyle LaRouche, Jr., now entering his third campaign for the Democratic Party's presidential nomination, is one of the most controversial international figures living today. An economist and editor by profession, he is presently the world's leading spokesman today for Alexander Hamilton's American System of political-economy, and is widely known for contributing the most important advance in economic science during the present century. He is also a founder of what is described by agencies of several governments as one of the world's best private intelligence news-services.

His enemies are chiefly the Soviet government, which has wildly denounced him repeatedly in its press, and the banking circles of New York, London, Geneva, Basel, and Zurich. The bankers say they hate him bitterly, because of the wide circulation of his proposals for establishing a new, gold-reserve-based monetary system. The most violent attacks on him originate with the powerful lobby working for the legalization of the international traffic in illegal drugs: the source of most of the attacks published against him in the liberal news-media, and also the source of a number of both attempted and planned assassination-attacks against him and his wife. He is also controversial because of his role in proposing and promoting the Strategic Defense Initiative: the chief reason for repeated attacks on him in the Soviet press.

He was born into the evangelical faction of the Society of Friends (Quakers), in Rochester, New Hampshire, on Sept. 8, 1922, was a resident of Lynn, Massachusetts during the years 1932-1954, and a resident of New York City during the years 1954-1982. He believes that the most important influences on his life were the combined effect of his religious upbringing, his adolescent study of Leibniz, and his break with the Quakers' doctrine of conscientious objection to military service during World War II.

Until the early 1970s, most of his adult life after the war was occupied with his activities as economist and management con-

sultant. It was during this period, 1948-1952, that he first made, and later completed, his original contribution to economic science. In 1957-1959 he made his first long-range forecast for the U.S. economy, projecting the breakdown of the then-existing form of the Bretton Woods System during the middle to late 1960s, and a spiralling of the world's economy into a deep depression as a result of the later unravelling of the monetary system. The old Bretton Woods agreements began to collapse during the crises of November 1967 through March 1968, and were torn up by the United States beginning Aug. 16, 1971. The unravelling of most of the world's industrial sectors and developing economies since 1970, is broadly consistent with his 1959 forecast.

The events leading into his present fame, began, during the middle 1960s, as modest activities guided by his sense of the urgency of propagating needed monetary and economic reforms, and by his effort to combat the spread of "New Left ideology." By 1968, his part in attempting to sabotage two violence-ridden projects funded by McGeorge Bundy's Ford Foundation, gained him the hatred of Bundy's circles to the present day. He began to be pushed into his present international prominence through January 1974 attacks on him in the *New York Times*, and by his 1975 and later proposals for international monetary reform.

During the past 10 years, he has been one of the most prolific living writers, with more than 15 books, and hundreds of articles and special studies, published in various languages. He is a recognized authority on topics including international narcoterrorism and strategic doctrine, as well as economics. He is daily at the center of national and international affairs, and is more intimately acquainted with the nations of Europe, Africa, Asia, and the Americas than any presidential candidate of the post-war period.

He is married to Helga Zepp-LaRouche, the founder of the influential Schiller Institute, and an international celebrity in her own right. In 1971, she was the first European journalist to cover the Peoples' Republic of China after the "Cultural Revolution." After that, she abandoned journalism as a thing which inside experience had shown to be a corrupted profession. Her work as a prominent international political figure, is shaped by her study of the principles of statecraft in the works of Nicolaus of Cusa, Leibniz, and the circles of Friedrich Schiller.

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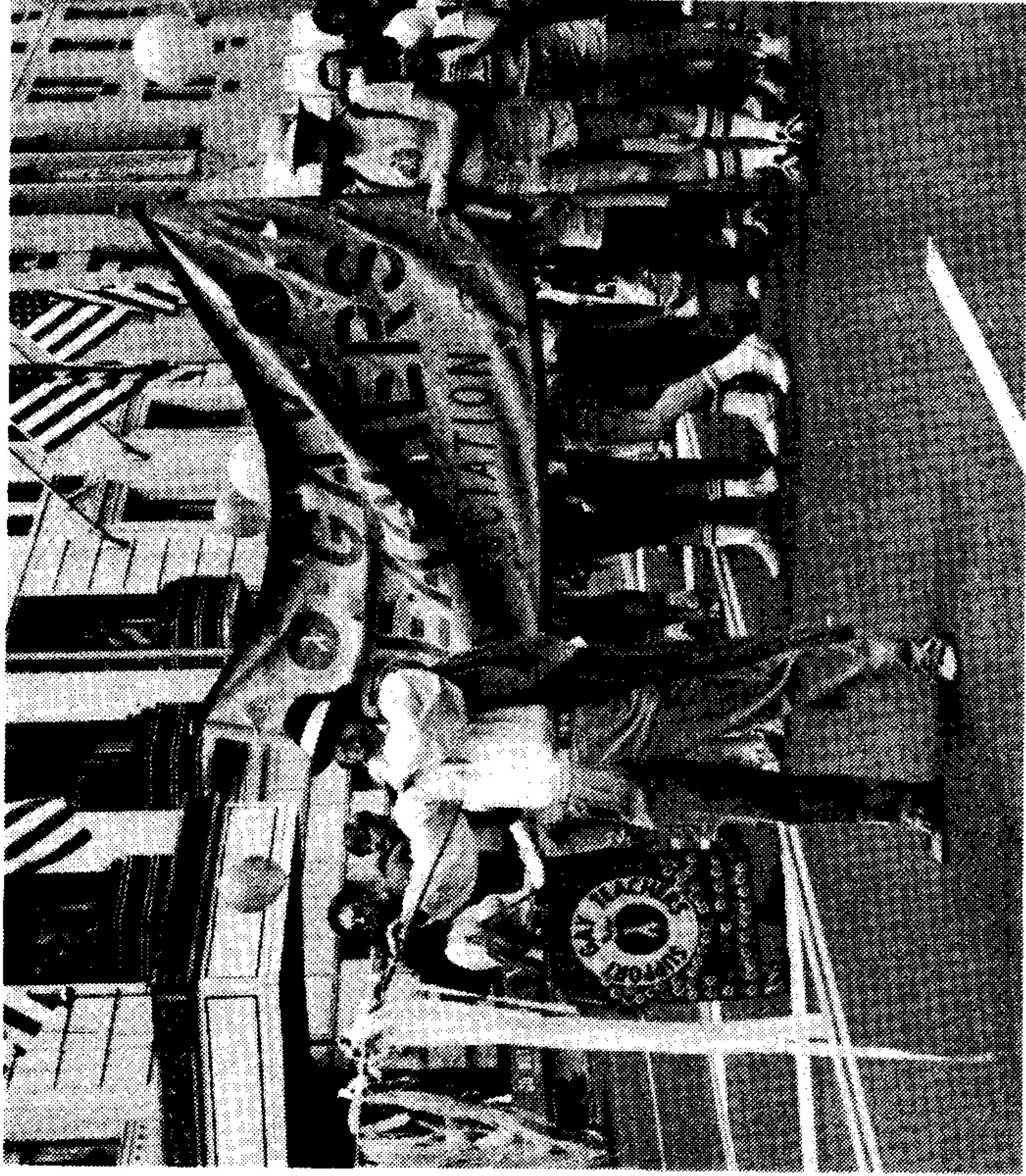
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victims. We must correct lack of adequate public sanitation. We must improve levels of nutrition, including levels of animal-protein consumption consistent with the individual's immunological potential. We must recognize that drugs which depress the immune system help to spread AIDS; the consumption of such drugs for "recreation" must be stamped out ruthlessly. We must recognize that the spread of other epidemic diseases, including the recent explosion in spread of tuberculosis, contributes to the spread of AIDS.

It is the urgent public health measures which are the most costly actions we must take to control this deadly pandemic. Those public health measures are far more costly than the medical action needed. That is why government agencies are covering up so many of the facts about the AIDS pandemic, during the present fight in Congress over "balancing the federal budget."

This is the first time in our nation's history, that so many in government have attempted to balance the budget by allowing a deadly pandemic to kill off the tax-payers.

Ten years ago, a team of my collaborators and I warned, that if the monetary policies which the U.S. government adopted in August 1971 were continued indefinitely, by the second half of the 1980s, the world would be attacked by waves of famine and epidemic diseases like those which wiped out half of the population of Europe during the first half of the 14th century. We predicted that epidemics of cholera and other diseases would explode in the Sahel region of Africa by the middle of the 1980s. That happened, exactly when we warned it would happen, unless our monetary policies were changed. We also warned that new varieties of pandemics, previously unknown to medicine, would also break out in areas such as Africa, and would spread throughout Europe and the United States. That, too, has happened; AIDS is a new pandemic, which broke out in Africa, and which built up toward an explosion in the United States and Western Europe over the first half of the 1980s.

On July 1 of this year, the international newsweekly for which I am contributing editor, the *Executive Intelligence Review*, issued a special report, named "Economic Breakdown and the Threat of Global Pandemics." This report compared the 1975 forecast of pandemics issued by my collaborators, with the spread of famine and disease in the world today. Public health officials of our government rejected that report. They admitted that the reasoning about the connection between economic conditions and the spread of epidemics is correct, but they insisted that these economic conditions do not exist, because, they said, the world is experiencing an economic recovery. That is the reason that CDC and other governmental institutions are now acting to prevent urgently needed public-health measures to control not only AIDS, but the rapid rise in old types of epidemic disease, such as the tuberculosis epidemic hitting slum populations in the United States today. They are trying to avoid the spending of the amount of money needed to control AIDS, and they are unwilling to face the fact that the world is on the edge of a general collapse of the banking-system, and sliding deeper into a worldwide depression in levels of employment in production of food and industrial goods.

During the 1984 presidential campaign, I delivered 15 half-hour broadcasts on national television networks. These broadcasts were devoted to issues of national defense, to warning of the 1985 wave of bankruptcies among farmers, to the continuing