## *Webcast*

*Continued from page 73*

method of government." He never intended to win the war in Iraq in a conventional sense, and he intends to do the same with Iran, North Korea, and perhaps other nations around the globe. This policy comes from the Anglo-American circles who deploy him, circles which go back to the financier interests that brought Hitler to power in the 1920's and 1930's.

The problem, LaRouche said, is that our Executive branch is under the control of people committed to this policy. People have to realize the nature of what we are facing, because if they don't understand it, they won't have the understanding they need to save the nation.

### The Economic Dimension

The next portion of LaRouche's opening presentation was devoted to presenting, with a series of graphics and animations, the economic crisis created by the financier interests behind Cheney. Beginning with the region drained by the Mississippi-Missouri River system, the graphics showed the way in which the so-called "services economy" has destroyed the manufacturing base in these states, and how poverty has taken over. The collapse of infrastructure, particularly the rail system, was also shown.

LaRouche then described the financial process that accompanies this destruction of the physical economy. Central to the animations he showed was the dramatic expansion of the cancer known as financial derivatives, which took off after Alan Greenspan took over at the Federal Reserve in 1987.

While this process of course predates the Bush Administration, this Administration has certainly done its part, LaRouche said. He described the way in which the oil-price scandal, which is directly related to providing loot for Bush family interests, has been a total scam. There is no oil shortage, LaRouche said, but Bush's friends love to steal, just the way Cheney's Halliburton is being set up to steal in New Orleans. On the other side, they hope to use the loot from oil speculation to bail out the Wall Street interests who lost money in the hedge-fund debacle of a few months ago. The fact that the huge rise in oil prices is pushing the airlines into the final phase of bankruptcy, is creating a real national security crisis for the United States, but the Bush-Cheney crew doesn't care. They want to steal.

### Defining the Solution

In his conclusion, and in the question period that followed, which featured a number of questions from Senate offices and state elected officials, LaRouche addressed the solution to this crisis. What has to be done economically has been outlined by him before: bankruptcy reorganization, infrastructure projects, putting people to work to bring the nation, and the states, up to a breakeven economic condition. This is what FDR did, but it will be more difficult today, given the degree of destruction of the labor force and infrastructure.

The fundamental shift that must be made, however, is to finally abandon the free-trade, globalization, and service-economy ideas, LaRouche said. We have to return to the patriotic idea of commitment to the General Welfare, as outlined in the Preamble to our Constitution; to the promotion of the improvement of the nation; to the ideas which Franklin D. Roosevelt used to rebuild the nation after the debacle of Coolidge and Hoover. We have to go back to the same ideas which inspired those poor immigrants who worked and sacrificed for future generations. It will be hard, but we can do it.

What we need, LaRouche said, is for sane Republicans to break from Bush and Cheney, and join the Democrats in getting them out of power.

Wall Street hates me, LaRouche went on to say, and thus they put a lot of pressure on those who want to work with me. But at this point, he said, I am the only one raising the necessary ideas. The clock is running out! The nation is faced with the choice of whether it's going to be an empire, committed to "permanent revolution" and permanent war, or whether we will return to the American republican tradition.

## Berlin Seminar

# U.S. Must Lead

Speaking to a strategic seminar in Berlin, Germany that brought together leading political and academic figures from Eurasia, the Middle East, and the United States on June 28-29, Lyndon LaRouche outlined a perspective for how the world's leading nations could proceed to set up a new world monetary system, and the basis for recovery, after the dumping of the Cheney-Bush wrecking crew now running the government of the United States.

In his opening presentation, LaRouche posed the question this way:

"In view of the role of the dollar, as the world's still monetary reserve-currency, and in view of the large amounts of obligations, denominated in dollars, held by China, held by Japan, held by Europe, and others, a collapse of the U.S. dollar now, of the type which is imminently threatened, would not bring on merely a new depression, it would bring on a general breakdown-crisis of the world system. Therefore, the crucial question is, what action is the United States going to proffer, and how is the rest of the world going to respond to this proffer, of a U.S.-led return to a fixed-exchange-rate monetary-system?

"This means that the only solution for this kind of problem, is to return to a fixed-exchange-rate system, and to roll over existing dollar obligations, by converting them from essentially short-term to medium-term obligations, to a system of long-term obligations. In other words, a fixed-rate system of long-term obligations—we're talking about periods of 25 to 50 years, essentially two generations. If we mix the rolling-over of these present obligations with the generation of new credits, also on a fixed-exchange-rate, in the amount required to expand production and trade on a world scale, over a period of 50 years, we can safely get through this period from this point on, and expect a period of general growth."

# Way to New World Monetary System

EIRNS/Wolfgang Lillge

*Berlin seminar (left to right): Maj. Gen. Assir Karim (ret.) (India), economist Dr. Sergei Glazyev (Russia), Lyndon H. LaRouche, Jr., and moderator Michael Liebig (EIR, Germany).*

**Debate Over Currency**

Much of the debate at the conference occurred among representatives of the "Strategic Triangle" nations—Russia, China, and India—as to how a new monetary system can be put in place, and the role of the U.S. dollar in that reorganization. LaRouche answered: "You define currencies by a tendency toward *equality of power of reproduction."* Thus is the rate of power of the improvement of the economy, specifically defined by the long-term investment in infrastructure, which determines what the valuation of a currency should be. He summarized:

"Therefore, you can't come and say, 'Here's the value of the currency. Get the accountants in the room and figure out what these currencies are relative to each other.' That would be insane. And that's what's being done now, with bad calculations.

"What you have to do, is say, 'What is the policy of the nations—what must be the policy of the nations?' Then, the people who are the representatives in negotiations, report back to their government and say, 'This is what is proposed. If we accept this policy, this will be the power of our currency, and other governments will respect it. And we'll sign the agreements.' So, you get an agreement as a result, *not* of accounting calculations. You throw the accountants out of the room. And you say, 'What are going to be our physical economic decisions on investment, over the coming 25 to 50 years? Over the coming two generations.'

"And we have to get people into a consensus, on an agreement: This is what they're willing to do, to *support each other's development.* And therefore, instead of having an agreement based on a Hobbesian conflict basis, you have an agreement based on a desire of participating nations *to help each other.* The same principle of the Treaty of Westphalia. That we can do."

In addition to Russia, China, and India, seminar participants included representatives from Croatia, the Czech Republic, Egypt, Hungary, Israel, Italy, France, Germany, Poland, Slovakia, Switzerland, and the United States.

*Proceedings of the Berlin Seminar have been published as a Special Report by Executive Intelligence Review.*

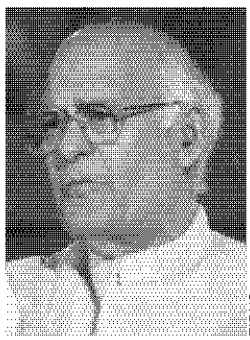
*Seminar participants included (clockwise from top left): Dr. Stanislav Menshikov, economist, Russia; Hon. Mario Lettieri, Italian MP; Dr. Clifford A. Kiracofe, Jr., former staff, U.S. Senate Foreign Relations Committee; Chadrajit Yadav, former government minister, India; Dr. Song Hong, Chinese Academy of Sciences; Prof. Mohammad El-Sayed Selim, Universities of Cairo and Kuwait.*

EIRNS

EIRNS

EIRNS

EIRNS



EIRNS

EIRNS