

NEWS

International Webcast

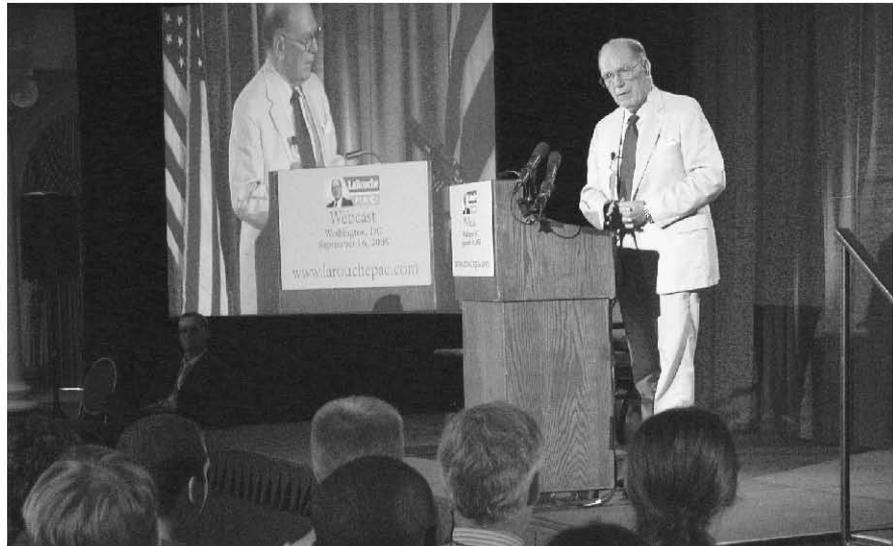
LaRouche: Restore Our Republic! Defeat Cheney's 'Permanent War'!

In an international webcast address entitled "The Great Change of 2005" given in Washington, D.C. on September 16, Lyndon LaRouche defined the next steps that must be taken in the battle to save civilization from a looming collapse into a New Dark Age defined by permanent war and depression.

In his opening remarks, LaRouche began by expressing his confidence that, in our historical memory as a people, and in our Constitutional institutions, the United States has the keys to restore itself as the premier republic it was founded to become.

LaRouche then launched into a discussion of the problem of Dick Cheney. Cheney represents a policy of "war as a

Please turn to page 74

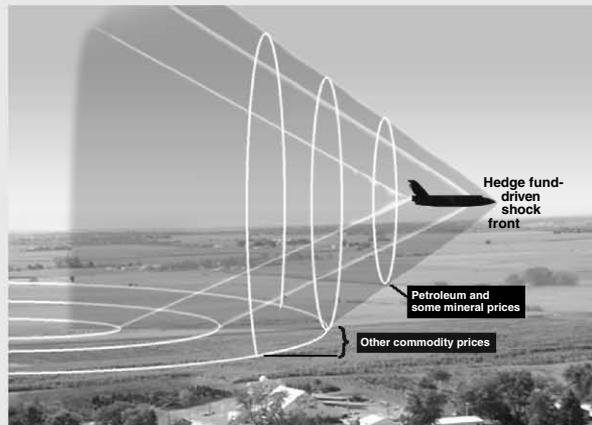


Lyndon LaRouche addresses Washington, D.C. audience at international webcast Sept. 16.

LaRouche Warns of Hyperinflationary Blowout

Lyndon LaRouche commissioned this graphic to depict the imminent implosion of the world financial system. As LaRouche put it, "The world is presently gripped by a hyperinflationary wavefront of a Riemannian type. The situation is already comparable, at its primary-commodities 'spear point,' to Germany during the second half of 1923, with the other categories, such as consumer prices generally, on the way to being driven to overtake the effects seen currently in the domain of primary commodities being led, as a pack, by wild-eyed petroleum-price speculation."

As the graphic illustrates, the present hedge-fund-driven hyperinflation



EIRNS/Laurence Hecht and Alan Yue

is comparable to a sonic boom moving across the landscape. At the tip of the cone, where the shock front forms, is the speculative bubble in hedge funds and related derivatives, orders of magnitude larger in monetary value than the physical economy. The commodity

price inflation, led by petroleum and certain minerals, is dragged along in the opening conical tail. Prices of other commodities and consumer goods lag behind in time, and are diffused as they spread out in the conical opening. As in the Gauss-Riemann representation of the complex domain, visible or empirically determinable measures (in this case, prices) are actually being determined in the non-visible, complex domain. A Riemann-type shock front forms at the cone-shaped boundary layer where the rate of increase of out-of-control speculation confronts the declining rate of real physical-economic growth.

This is not a crisis which can be dealt with by half-way measures, and LaRouche has called upon the U.S. Congress to support his call for the creation of a New Bretton Woods System.

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.”