

ECONOMY AS PHYSICAL SCIENCE

*The following is an excerpt from Lyndon LaRouche's Comments on this week's edition of the LaRouchePAC.com Weekly Report. To watch the full program, visit **LaRouchePAC.com***

A recovery is possible: It's very clearly possible. Some of these leading economists of the United States, including the person who made the remarks, the question I'm responding to, *do* understand what we're talking about. They're competent economists, they're among the leading economists in the United States, and they have nothing in common with that trash which is running the U.S. government today. So, if those kinds of people, who *do* understand what I'm talking about, who are competent economists, are able to exert their legitimate influence, as recognized outstanding economists in the United States, we can not only save the United States and its economy, we can take measures, in cooperation with other countries, which will save the world from the world disaster...

This is our situation. We can change this, but the first thing we have to do, is, we have to eliminate the present world monetary system, to go back to the kind of system which Franklin Roosevelt had intended to establish in the post-war period, the so-called Bretton Woods model: A fixed-exchange rate of credit systems among the nations of the world, eliminating all colonies, of every part of the world, establishing a principle of perfect sovereignty of each nation-state of the world. That was the policy...

We are run, today, by a system of currency, of money, which is totally polluted, which is sucking the blood out of nations, including our own. This financial system which they have created, is now in a process of terminal collapse. At the present state — for example, the Inter-Alpha Group, which is the actual British Empire, in Summer 1971, Arthur Burns and George Shultz, and other people like that, shut down the U.S. dollar, the fixed-exchange-rate system—they collapsed it—and they set into motion, at the same time, on the British monarchy, using the Rothschilds as a vehicle for this, they set up what became known as the Inter-Alpha system of banking.

Now, therefore, we have to do two things: First of all, we have to apply, and get nations to agree with us on this, to apply a Glass-Steagall standard to the world economy. Because the \$26 trillion of garbage in the United States debt has to go! Cancel it, with a Glass-Steagall approach! *Wipe out Wall Street! We don't need Wall Street! We never did!*

We have a merchant banking system, un-

der a national banking conception by our founders of this Republic. That system works. Under that system, properly used, *you don't need Wall Street!* And the sooner we get rid of that mass of pollution, the better. Benjamin Franklin wanted to kicked those guys out of the United States at the end of the Revolutionary War, and he was right. And weak-minded people opposed him on that thing. We should have kicked them out then. It's been the curse within us ever since!

So therefore, what we have to do, is establish a new world monetary system, using the viable merchant banking capabilities, and national banking, of each country, to cooperate among countries, in a fixed-exchange-rate system, and we can then immediately launch, a process which will lead to a general recovery, of the world economy.

Now, that means the idea of a monetary system, as we understand it now, has to go. Roosevelt was moving in that direction, while he was still President. But we have to go to it, now. We have to have sovereign nation-states wipe this worthless cash off the books. Wipe \$26 trillion off the books of the United States! It's worthless crap. Get rid of it! Restore the merchant banking principle under national banking: A system of national banking like Hamilton's First and Second National Bank of the United States. Restore that system, and you put a system of merchant banking under the protection and promotion of that system, where the Treasury Department, independently — forget the Federal Reserve System — the Treasury Department, as an agency of the government, will work through a semi-private organization, a National Bank, the Third Hamiltonian National Bank, and work through that, to create a flow of credit, through the merchant banking system, largely, restoring banks which are merchant bank to merchant banking, under old rules, Roosevelt kind of rules.

Then we can start on large-scale infrastructure projects. We've destroyed our agriculture, we've destroyed our industry. We've destroyed much of our infrastructure. What we're going to have to do, is take this economy of ours, and similar things are going to have to happen in Europe and elsewhere; we're going to have to have a massive investment in large-scale, nationwide, and inter-continental infrastructure. The investment of government funds, through the state and Federal government — Federal government primarily; the states will benefit from the Federal government's offer. We have to build a basic infrastructure system, for the nation. Build that, and then, we will get

the credit going through the merchant banks, which will then be used to finance the build-up of private firms — newly created private firms — which will then, their first market will be, the market created by the investment in national infrastructure: water systems, power systems, health care systems, go back to the original post-war medical system, Hill-Burton; and this will restore the U.S. economy. And it can begin to be restored properly, immediately. But it will take two generations to really get to the full state of self-sufficient recovery.

We then have to cooperate, in long-term credit arrangements, with other nations, sovereign nations, in the world, to get these nations to work together, to build up the basic economic infrastructure of the world, with massive emphasis on nuclear power and what comes beyond that, in order to rebuild a world economy.

Now, this means that the concept of economy, which is prevalent among schools and so forth today, is incompetent. The idea of a monetary system *is incompetence!* A credit system, based on the concepts of the founding of the United States as a Republic, is the method that must be used. Every nation needs it. China would agree immediately. India would probably agree, with some Indian responses, adjustments. Russia needs it desperately. This would free Europe, continental Europe, from its present destruction, continental Europe under the euro system. This would mean, we would take all the things which are drivers, high-technology drivers of recovery, using infrastructure as a starting point, to rebuild a world economy based on a concept of *physical economy*.

Now, here's where the problem comes up. And fortunately, some of these economists, like the questioner, of this question we just heard, come into play: They understand what I am talking about. They represent a broad layer, relatively speaking, of what is now presently economic competence, which did not exist in that form, at the time that Obama was inaugurated as President. This has been a process, as a result of my role, under the conditions of the Obama Presidency. They have done studies, in which they are competent; they have learned a lot, and they are actually among the top economists of the world, as a team. The questioner here, is one of the top economists of the world.

So these people are qualified. I mean, I'm an older man, I'm not going to be around forever. But we have people who are professionals, who already have an understanding, of what's wrong with this economy, and what has to be done.

That's where we stand today.

Grounds for Obama's Impeachment or Removal from Office Keep Growing...

There's a growing bill of indictment against President Barack Obama, warranting his immediate impeachment, or resignation from office. Obama's 24-hour trip to Kabul last week, where he scolded President Karzai for "corruption," but made no mention of the opium trade, was a phase-shift. Coming in the context of the activation of terrorism inside Russia, from Anglo-Saudi "Chechen" networks financed and logistically backed by the Afghan opium trade, Obama's refusal to cooperate with Russia on a genuine war on drugs, infuriated the Russians, and negated the recent successful bilateral diplomacy between Hillary Clinton and Russian Foreign Minister Lavrov, on a nuclear weapons reduction treaty. Beyond the Russia factor, Obama's policy on Afghanistan is tantamount to treason, and warrants his immediate removal from office, by impeachment or resignation to avoid impeachment.

Obama's greatest crime against America has been his Afghan policy, of support for British-created opium warriors, who are pointing their guns at American soldiers.

Under the so-called Obama/McChrystal plan for Afghanistan, American soldiers are being shipped off to fight against a Taliban insurgency that is wholly funded by the very opium trade that the U.S. has refused to shut down. By failing to conduct a serious war on drugs, along the lines of Lyndon LaRouche's own famous 1985 15-point plan, Obama is sending American soldiers to die, fighting an enemy that is an integral part of the British opium war apparatus, which Obama himself is a part of!

As reported below, in late February, Gen. Stanley McChrystal staged a press conference in the Helmand Province village of Marja, touting the recent "success" of American Marines, in driving the Taliban out of the area, as the first action under the "new" Obama counterinsurgency plan. The area around Marja produces 40% of the world opium supply, and American soldiers did nothing about that. The village of Marja, where McChrystal staged his public relations stunt, is known to be the largest concentration of heroin laboratories in the world. They all remained totally intact—after the U.S. military "success."

This is not incompetence. This is a top-down, willful policy of support for the Afghan opium business, which is an integral part of Britain's global offshore financial empire. That policy is coming from the Obama White House, from the President, and from the behavioral economists who have him surrounded.

At a recent conference in Kabul, Russia's anti-drug chief, Viktor Ivanov, reported, based on UN data, that the Afghan opium generates \$65 billion a year (undoubtedly, an under-estimation). One billion dollars of that money is divided between the opium farmers and the Taliban, and the rest goes to places like Dubai and the Cayman Islands, fueling the British offshore financial operations. As LaRouche emphasized today, it is the entire British offshore financial system that has to be wiped out. This is why a global Glass-Steagall reorganization is the only viable option. We must have a sovereign credit system, replacing the current British monetarist system. Wipe out the offshore system and you wipe out the Brit-

ish empire, which today is as much a Dope, Inc. empire as it was at the height of the 19th-Century Opium Wars.

The second impeachable act by Obama is his commitment to murderous, genocidal Schachtian austerity against the American people. Typical of his Nero-like narcissistic compulsions, Obama is running around the country, openly flaunting the fact that he lied to the American people and Congress about the so-called health-care bill. On CBS-TV on Friday morning, Obama lied through his teeth that he pushed through the health-care bill because, otherwise, the United States would have gone bankrupt, as the result of skyrocketing health care costs. The health-care bill was pure Schachtian austerity. In reality, Obama has bankrupted the United States—through the bank bailout, and through his absolute refusal to take any measures to create productive jobs through infrastructure investment. If you want to bring the United States back from the current state of bankruptcy, then you have to dump Obama now—through impeachment or resignation. Bush was bad, but Obama is far worse, when you consider his Presidency from the vantage point of the increasing mortality rate. Obama's policies kill! Now we have the specter of fools like Steny Hoyer, demanding Congressional support for the findings, due out at the end of the year, of Obama's austerity commission.

Let us be very clear: No one, outside of Lyndon LaRouche, is going to speak the truth about Obama and the urgent need for his removal from office. Support our fight to Impeach Obama!

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OBAMA'S OPIUM WAR

Recent events in Russia make the case, President Obama is using the U.S. military in Afghanistan to protect the logistical basis of the insurgency and international terrorism.



STOP THE ASSASSINATION PLOT!

Obama must be removed from office using Constitutional means, but presently, Obama's British controllers are creating a dangerous environment to make him a martyr. American patriots must not let this occur.



THE WEEKLY REPORT

Top international economist, Lyndon LaRouche appears with associates on the LPAC Weekly Report to correct the errors in thinking about economy, and clarify that economics is a branch of physical science.

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