

LaRouche:

“New Leadership Must Emerge to Solve Global Crisis”

Lyndon LaRouche dramatically intervened on U.S. President Barack Obama's internationally catastrophic economic policy blunders, in an international webcast address on the highly unusual date of Easter Saturday, April 11.

The renowned physical economist and economic forecaster bluntly assessed President Obama's mental weakness for handling the economic crisis, and declared that only the emergence of a new leadership from among the lower 80 per cent income bracket of the population—and *not* the ruling political elite—will stop a chain reaction economic breakdown crisis from plunging humanity into a new Dark Age.

LaRouche emphasised the *physical* nature of the current economic crisis: “Since the announcement I delivered in an international webcast on July 25, 2007,” he said, “...we have been, not in a recession, not in a mere depression, but in a *general global breakdown crisis of the economy of the entire planet*...which will probably result in ... a reduction of the population of the planet from 6.5-6.7 billion people today, to less than 2 billion, in a short period of time.”

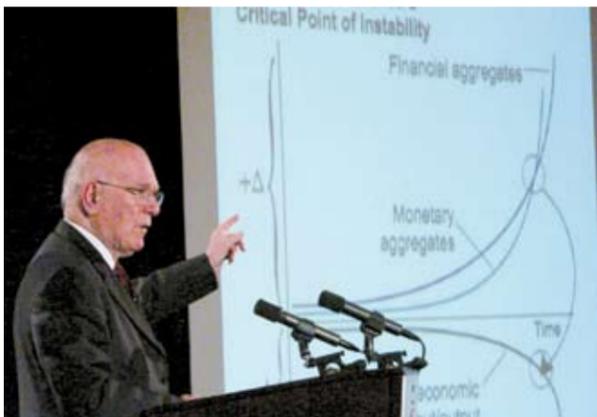
The physical economic breakdown crisis is manifested in the greatest contraction

in world trade and global shipping (currently) since the Great Depression, the collapse of Asia's production giants China, Japan, Thailand et al., and the deindustrialisation and infrastructural decay of formerly great, industrial western economies like Australia and the United States.

However, instead of addressing the *physical economic* breakdown, Obama's administration is embracing the *monetarist* ideas of the self-admitted fascist John Maynard Keynes to rescue Wall Street and the City of London, by reinflating the financial system.

On March 23, the day Australian Prime Minister Kevin Rudd arrived in Washington in time to add his glowing endorsement, Obama unveiled his bank rescue plan, the Public Private Partnership Investment Program (PPPPIP).

The brainchild of City of London flunky, Assistant U.S. Treasury Secretary Larry Summers, the PPPPIP will fork over public money to bankrupt speculative hedge funds, so they can buy up “toxic assets” held by the major banks. Purchasing these bank “assets” (at wildly inflated prices) will ostensibly “solve the credit crunch”. The PPPPIP echoes the Macquarie Bank-pioneered PPPs in Australia, such as their Sydney



Lyndon LaRouche (left) said President Obama (right) “hasn't got a clue” about economics; the “official political class” has failed to fix the economic breakdown crisis, so new leadership must emerge from the lower 80 per cent income demographic.

tollroad network, in which the public is looted by private entities, in “public-private partnership”.

At the London G-20 conference a week or so later, after being feted by the Queen and Prince Philip, and lauded by a gushing British press, Obama gave his tacit endorsement to the monetarist fantasies of British Prime Minister Gordon Brown, and Kevin Rudd, to empower the International Monetary Fund to issue a *de facto* world currency in the form of Special Drawing Rights (SDRs), which would be outside the control of any sovereign national government.

Behavioural economics

Choosing his words carefully, LaRouche said, “We have to understand the President's limitations: that he seems very bright, he seems very capable, but a lot of matters which he deals with, he hasn't got a clue of what he's talking about.”

He charged that the President is in the grip of a Satanic cabal of economic advisers, led by Larry Summers and Office of Management and Budget (OMB) head Peter Orszag, as featured in the April 13 edition of *TIME* magazine, and who advocate the evil, mass-manipulation techniques of “behavioural economics”. (See box p.3)

“The control by this crowd



over the President's mind must be severed,” LaRouche insisted, urging Obama to order them: “Git! While you can still do it!”

He reiterated his call for a new Pecora Commission to clean out Wall Street, and break its corrupt hold on government economic policy, which Larry Summers personifies, and for the immediate implementation of his *Homeowners and Bank Protection Act 2007*, to put the whole financial system through bankruptcy reorganisation.

Of most significance to people the world over, LaRouche forecast the emergence of a new leadership from among the lower 80 per cent, as a consequence

of the failure of the “upper ranks of the official political class” to implement key measures like LaRouche's *HBPA* (and the Citizens Electoral Council's *HBPA*—see article p.4), which would have averted the crisis:

“There is a mood building among the ratio of the population which is in the lower 70 to 80 per cent of family-income brackets, who are honest citizens and have a native intelligence, so that, in the proper process, the natural quality of leadership from within the population, will rise ... to a quality of leadership on the national level.” (See pp. 2-3 for the webcast transcript: “Seven delusions about the economy”.)

Homeowners and Bank Protection Bill

Isherwood Escalates on HBPA—Only Chance for Recovery

Citizens Electoral Council leader Craig Isherwood initiated a renewed push for the CEC's *Homeowners and Bank Protection Bill 2008* in March, declaring it is Australia's only chance to recover from the economic breakdown that is destroying jobs and lives all across the country.

Hundreds of CEC activists are contacting local councillors and community leaders nationwide to support the *HBPA*'s emergency measures to keep families and farmers in their homes, and reorganise Australia's insolvent banking system.

The CEC originally launched the *Homeowners and Bank Protection Bill* in August 2007; by April 2008 it had been endorsed by several local councils, hundreds of local councillors, and tens of thousands of Australians—be-

fore the global banking meltdown of September 2008.

The CEC's National Secretary, Mr Isherwood insisted the economic crisis is far worse than acknowledged by Kevin Rudd, and worsening because of his failure to pass the *HBPA* legislation.

“If Canberra had heeded the community support and passed the *HBPA*, Australia would already be on the way to recovery,” he said. “Instead, we are losing full-time jobs at an accelerating rate—100,000 in the last six months—and families and farmers are losing their homes and farms, so Rudd can keep bailing out the banks he denies are in a crisis.”

Bankruptcy reorganisation

Mr Isherwood explained that the heart of the *HBPA* is its measures to put the nation's



CEC National Secretary
Craig Isherwood

insolvent banks and financial institutions through *bankruptcy reorganisation*.

Australia's banks hold \$14.2 trillion in off-balance-sheet derivatives contracts, which are completely unpayable against their total assets dubiously valued at \$2.7 trillion.

The recent change to international accounting rules, dropping the requirement to

“mark-to-market”, i.e. value at the current market price, allows the banks to exaggerate the value of their assets, most of which are based on property prices overinflated by the speculative bubble in Australian real estate.

Back in July 2005, the British ratings agency Fitch put out a study highlighting the precarious exposure of Australia's banks to the property bubble, which put Australia and Britain in the second worst category in respect to the potential of their entire national banking systems going under due to the likelihood of a devastating real estate crash; the Fitch forecast came true for Britain, what about Australia?

“The Rudd government is bankrupting Australia in a desperate bid to keep the property market inflated, not for families, but to prop up the banks,”

Mr Isherwood charged, citing the tripling of the first homebuyers scheme to \$21,000, which has combined with lower interest rates to lure a rush of first-timers into buying in at the inflated prices.

Mr Isherwood's charge was backed up by the most recent mortgage industry analysis from JP Morgan and Fujitsu Consulting, which calculated that as unemployment continues to skyrocket, one-third of the 125,000 new home buyers this year who'd borrowed 95 per cent of the cost of their homes would be in mortgage stress by the end of the year; in that context, Rudd's 12-month mortgage holiday for the unemployed will only put off the flood of mortgage foreclosure sales driven by the job losses, propping up the bubble and the banks a little longer.

The *HBPA* would stop

Rudd's hyperinflationary monetarist approach, and instead *reorganise* the banking system: cancel the banks' derivatives contracts, write off their unpayable debts, and write down the value of their mortgages, to reflect realistic property values, and the homeowners' ability to pay.

“This is the only way to restore our banking system to solvency, so that we can direct credit into reindustrialising Australia by expanding our agriculture and manufacturing industries, and building infrastructure, to generate real jobs and a real economic recovery,” Mr Isherwood declared.

“But we must move quickly, before we lose more industries and jobs, and before more people lose their homes—I urge all Australians to get involved in the *HBPA* campaign.” (See p. 4)

LaRouche's April 11, 2009 Webcast:

Seven Delusions About the Economy

LaRouche: Now, I'm going to deal with seven questions, with technical questions, and the first one, I'll formulate carefully, as I've done here, again because of sensitivity.

Delusion 1: Global warming

The first popular delusion, we must clear off the table of our nation's policymaking immediately, is the following; otherwise, our nation has no chance of surviving this presently on-rushing global crisis:

This planet has recently entered two phases of a relatively long-term process of global cooling! In the immediate present, we have entered a relatively shorter term, of some years to come, which is already a solar phase of global cooling, as indicated by the recent, ominous drop in sunspot activity. That is, sunspot activity dropped, as this happened now, which demonstrates we are entering a solar-determined global cooling, as typified by the recapping of the icecap on the Arctic. The Arctic melting has ended; the Arctic freeze is back, bigger than ever! [See right.] We are now in global cooling! Not global warming: Global warming is supposed to happen in Hell. And those who like that should go there!

At the same time, we've entered a long-term tendency toward an expansion of glaciation, as the freezing-over of the icecap on the Arctic has shown. This second cooling phase has to do with three, long-term systems in the Solar System, which are the usual reason for the past two million years of the ebbs and flows of a continuing process of glaciation of the planet. In other words, from about 17,000 B.C., there was a significant melt, after about 100,000 years, which resulted in the Mediterranean becoming a Mediterranean Sea, not a lake; and later transformed the Black Sea from a freshwater lake, into a salt sea! And so forth.

We're now back; we have reached the peak low, in terms of the melt, and the glaciation process is now increasing. ... So there are all kinds of factors which moderate and adjust these trends. But for two million years, this planet has been, and remains in a period of glaciation, which gets bigger and then gets smaller, and gets bigger. And generally, these periods are broken down, these ebbs and flows are broken down, in longer-term trends of about 100,000 years.

The World Wildlife Nazis

Now, the entirety of this so-called global warming trend is a deliberate fraud, which has been concocted by the joint action of two principal founders of the World Wildlife Fund: The one, now deceased some years ago, is the former Nazi, Prince Bernhard of the Netherlands; and his buddy, is Britain's Prince Philip. The policy of genocide, as expressed by

Prince Philip, as in his intention to reduce the world's population by no less than two-thirds! as fast as possible—that's his global warming project—is the same doctrine, which was uttered earlier, and often, by the Satanic figure known as Bertrand Russell, who was the first, in September 1946, to propose the early launching of global nuclear warfare, for this same purpose.

Some will protest that I'm accusing Princes Philip and Bernhard, like Bertrand Russell, of Hitler-like thinking: That is precisely what I intend to say. And there is absolutely no error, and no possibility of error, in my stating the fact of what I'm saying about that matter, and them, now!

The nature of the economy

Now, I proceed to the other six points: certain popular delusions about the nature of economy. It should be noted here, and on the record, that I've been forecasting economic developments, with success, since my first forecast, made in 1956, which was a short-term forecast, when I forecast that in about February-early March of 1957, there would be the heaviest, biggest recession in the post-war U.S. history. And it came on time, as I promised.

Then I made a longer forecast, which pertained to the late '60s and the beginning of the icecap on the Arctic has shown. '70s, in which I forecast, at that time, unless there were certain changes made from the policies which were operating at the end of the 1960s, that by the middle of the 1960s, we would enter the beginning of a breakdown process in the economy, and we must expect, then, that by the end of the 1960s—if that condition continued—or by the beginning of the 1970s, we would be on the way to a general disintegration of the economy.

Now, since that time, I've made a number of forecasts. None of these forecasts are based on statistical methods. Because I do not believe in statistics. Statistics do not determine how an economy functions. Because monetary processes do not determine how an economy functions. Monetary processes may reflect the decisions by governments and others, which cause these effects, but it is not statistical processes that determine these processes in economies. These trends in economies are determined by the will of powerful influences who shape policy.

Now, the long-term poli-

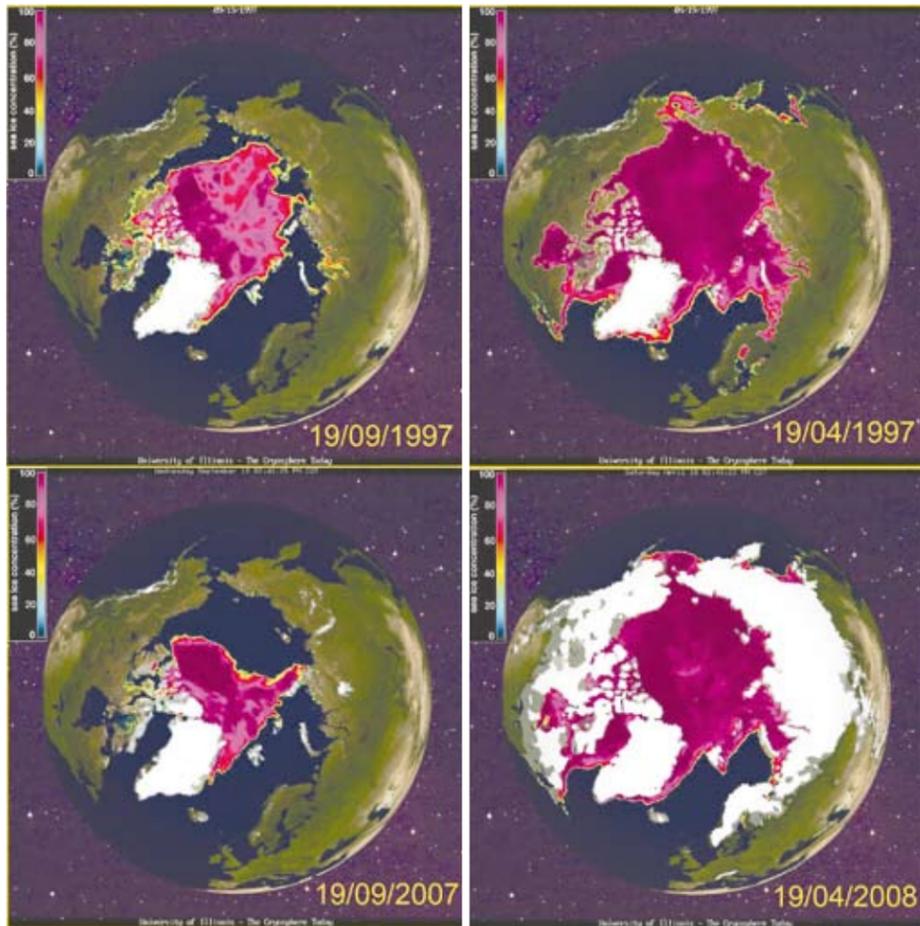
cy, here, is: It happened on the day, on the 13th of April, 1945. On the previous day, Franklin Roosevelt had died. On the 13th of April, Truman cancelled the policies of Franklin Roosevelt, and adopted the policies of a fascist, known as John Maynard Keynes. John Maynard Keynes' theory, at that time, and later—and his followers' later, to the present time—was based on a book written by John Maynard Keynes, in 1937. This book, which was published in German, with a preface in German, identified the purpose of this publication, that Keynes said, in the preface, that it was his intention that Germany under Hitler was an economy better suited to his methods than other states. And he was right! He was right. ...

Maritime culture and astral navigation

One more step, which you have to take into account: In the known history of mankind, the superior form of culture was never on land-based development, inland-based development. All successful leading currents in culture, in economic culture, have come from maritime culture: people who lived on the sea, or on the coasts as seafaring people. Because they were working, for one thing—they were more intelligent, because to navigate on oceans, you have to know something about the Solar System and the stars, particularly in long-term navigation.

And during periods of the recent 200,000 years of ice ages, most of the civilization of the Northern Hemisphere was done by people who were living in the Arctic during one part of the year, and going down to other places the other time; or in the Indian Ocean, where there was an important culture, at the time when the levels of the waters of the planet, were 400 feet below, approximately, what they are today. Because the water was in the ice on top of this process.

So, the development of a scientific culture—the very use of the word "universal" typifies this—reflects the necessity of using the stars for navigation, because we have a population, which is going around in a flotilla of craft from one part to the other, as the seasons change. They can not do this, they can not migrate, without the ability to navigate, and you navigate by the stars. And the long-term navigation depends upon looking at the star system, rather than just the planetary system. And so,



These satellite images show the Earth's Arctic region over the recent 11 years, North America on the left, Eurasia on the right. The white areas are solid ice cap, the black areas are ice-free ocean, the purple areas are sea ice of varying thickness. The right hand column shows global cooling, evidenced by the massive increase of ice cover from April 1997, the beginning of the El Nino warming cycle which produced a much warmer climate than today, to April 2008. The left hand column shows a decrease in sea ice left at the end of the natural summer melt, i.e. a greater melt in 2007 than in 1997, which NASA's Jet Propulsion Laboratory attributes not to global warming, but to the "zonal wind currents" in the Arctic, which blew the floating sea ice out of the Arctic region, into other warmer regions where it melted. The ice cover lost at the end of summer 2007 (bottom left) had more than returned, and at a record rate, by the end of the following winter, April 2008 (bottom right). Source: <http://arctic.atmos.uiuc.edu/cryosphere/>.

the culture of mankind has always been based, up to a certain point, on maritime culture.

The other aspect is, that until the middle of the 19th Century, it was more efficient, and easier, to trade by water, than by land. Rivers, but especially seas and oceans, were the basis for culture. You had people who were trying to live inland, but under very poor conditions. And the dominant culture of the planet was, for a very long time, maritime cultures, seagoing peoples. And the people who lived inland, were always relatively backward, because it was more costly, they couldn't move around with the facility and so forth, so that was the case. ...

And so, empires, as they developed, developed on the ocean, as maritime empires, not land-based empires—the leading empires were just exactly that.

Inland rail development

So what happened in the 19th Century, with the development of the Transcontinent-

tal Railroad system of the United States, a development which took this territory, from the Atlantic to the Pacific, and from the Canadian to the Mexican border, and developed in us, a land-mass nation-state, a sovereign nation-state which was more efficient, in its internal land-based transportation, than was ocean freight.

So, what happened then, when the United States developed, in the aftermath of the Lincoln Administration, developed the Transcontinental Railway system—this policy made the United States the greatest power on this planet, in terms of its character.

This, therefore, meant the victory of the United States over the British, who set up the invasion of Mexico, and who set up the Civil War in the United States. The defeat of the British on this point, with the development of the economy around the Transcontinental Railway system, was the greatest threat the British Empire ever faced.

And thus, when Europe, after 1876, particularly, 1877, as in Germany, as in Russia, as in France, as in other countries, began to move immediately, toward the development of transcontinental railway systems, this was a revolution, which eliminated the power, the maritime power of the British Empire. And all the struggles and wars we've had since that time, are prefaced by the determination of the British Empire to eliminate the United States as a power and to restore secure power, forever, to a British Empire, an empire of money, not of Britons; the British can't think, but the money moves.

So that's the problem we have. That's the issue of the crisis.

British imperialism

Now, the other side of this, the complement of this, is that the development of mankind, the development of the power of the individual, the development of the nation, depends upon scientific development—fundamental scientific breakthroughs and their byproducts, which are then used to increase the power of man, per capita and per square kilometer, to increase the potential for population and so forth. Whereas, the desire to have an empire, an empire of money, an empire of usury, depends upon suppressing the scientific knowledge and practice of populations, and keeping them backward and dumb, and thus controlling them.

And the fight we have, the fight on this planet today, the fight against Prince Philip, that fascist; the fight against the dead fascist, Prince Bernhard of the Netherlands, is the same thing: They try to make us stupid, they tell us we can't have science, we mustn't have high-density energy sources. We must not have this! We must go backward, we must go back to the caves. We must protect the bats! Aren't the bats just as good as we are? It's a sucker society.

So the point is, the fight for progress, the fight for development of science, the fight for capital-intensive investment in the productive power of mankind, is a fight to free mankind from this bestial state of imperialism! And British imperialism is the world empire! There is no other empire on this planet today!

And so, thus, what happened in 1865-66 [the end of the U.S. Civil War—ed.], and then into 1876, was a revolution, which affirmed the United States in its



The famous Philadelphia Centennial Exhibition in 1876, displayed the industrial strength America had built up through Abraham Lincoln's transcontinental railroad development. America's success inspired transcontinental railway projects in Germany and Russia, which Britain viewed as a threat to its maritime empire.

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character as a sovereign nation-state, and held out to the people of the world to free themselves from empire! And to establish a system of cooperating, sovereign nation-states on this planet. And that's the key issue here.

Delusion 2: Money is wealth

So, the delusions we have about an economy, arise from the fact that someone thinks an economy is a matter of money, or business in terms of money, or selling your neighbor. Selling your neighbor himself, not what he has to offer.

Money is not the determinant of wealth. And the statistical measures of money flows have nothing to do with actual forecasting of wealth. They may affect things, because the policy is that direction. But the thing which affects the planet, is the development of the mind of the individual. And the development of the mind of the individual which means a higher level of culture, a Classical culture! Classical art, Classical music, so forth. This is the measure of mankind. If you're against Classical culture, then you're for the destruction of the mind of the society: You want to produce a bunch of animals, who don't know any better. And they grunt. They don't have to learn how to parse; they don't have to know how to do counterpoint; they can just grunt. Or if they get tired of grunting, they can always scream.

So the issue of money is not the determinant.



Money is not wealth. Wealth is productivity measured as an increase in the productive powers of labour.

It's not statistics!

What has happened, as in the case of the United States, as it was demonstrated again with the case of Franklin Roosevelt's reform, was, what you need is a fixed-exchange-rate system, among sovereign currencies of nations. Because value does not lie in money! Money is simply a vehicle to organize exchange: investment, and goods, and exchange. It has no intrinsic value. Statistical measures of money flow, do not really tell you anything about how an economy works.

I've always been right, since my first forecast in 1956, I've always been right. And every critical time, everyone who's opposed me has been wrong: They use statistical methods, which are intrinsically incompetent. They measure in terms of money statistics. It's an incompetent measurement. The important thing is what do you do, to invest in the physical productive powers of labor. And also to invest in the development of the mind and social relations of people, which are essential for that increase in productivity. No money system defines a human economy, except as rot in the economy. We need money, in a sense. Money as a deal of trade. But the productivity is the increase of the productive powers of labor, per capita and per square kilometer of this planet.

The reason people fake it, they say, "Well, what do statistics tell us?" You're listening to statistics? Hmm? Who's your psychiatrist?

It's not statistics.

The crisis is caused by policy.

Delusion 3: Profit

The other thing, is the question of delusions about profit, the third point. Now, mankind is the only creature on this planet, which is not an animal—though some of our people try. Human beings have creativity: That's the ability to discover a true universal principle, as typified by Johannes Kepler's discovery of universal gravitation, all by himself. And that's an example of a discovery of a universal physical principle, as this was later explained in more detail by Albert Einstein, and so forth. So there are these principles. And thus, man's ability to discover universal physical principles, and similar kinds of principles that affect art and so forth, are the means by which mankind is able to increase our productive power.

Now, in the case of an animal species, or a group of animal species, like a habitat, this group of animals, has a limit on its population, which is determined by the condition of the habitat. And the animals can not go above that without a favorable change in the habitat.

Human beings are different. We create the habitat. We create a new kind of habitat. And the typification of that is our use of the discovery of universal physical principles.

So therefore, human society is able to develop a large population—we have now 6.7 billion people on this planet! There's no species in existence that's able to do that kind of thing! It's because

the resources we use are what? Most of the resources we use to live, come from the Biosphere... But we're using it up! Ah! What do we do? Well, then, we have to build up our productive power by new discoveries, which means, we increase the capital investment, in life. We invest more, physically in maintaining a human being, to compensate for the fact that we're draining down some of the so-called raw-materials sources...

So therefore, profit really means, that mankind, through the mental powers of mankind, in developing not only physical-scientific discoveries, but in terms of increasing capital-intensive investment in mankind, we increase mankind's ability to outrun what would have appeared earlier, as the limits on population. And this is real profit. Profit comes from the mind of man, who is able to make inventions and realize them to increase the productive potential of mankind to live, even while apparently otherwise depleting the Biosphere environment.

Delusion 4: Energy

Now, energy: Energy is measured largely in temperature, not calories. Energy is hot stuff!

A calorie is valuable in terms of the temperature it embodies. Therefore, the human race could not live on this planet on the basis of a green policy. A green policy for the planet, a so-called environmentalist policy for the planet, would mean the destruction of most of the human species. It's mass murder. And Bertrand Russell understood that,

you're going to commit genocide against the human race—and there's no scientific excuse for that genocide.

Delusion 5: Today's Culture

Now, creativity: This is the most important question, in economics. The human being, the human mind is capable of discovering laws of the universe which are not mathematical laws as such. They may have a mathematical reflection, as a shadow; that is the footprint of discovery. But it is not the content of discovery. The content of discovery is the act of discovery, not the content of it, not its energy footprint. And therefore, what you want is a culture which has a higher degree of creativity in the culture; it means you don't want the kind of garbage we have as music and entertainment today! You want to go back to some time when we had a better culture, before the end of World War II, before the developments of the fake musical culture, the fake literary culture, all these kinds of things. You want to go back to scientific creativity: You don't want Facebook; you don't want MySpace; you don't want these other symbols of degeneracy! Of people who want to live, entertaining themselves, by doing nothing! But just talking about it. You talk about nothing, you call it something.

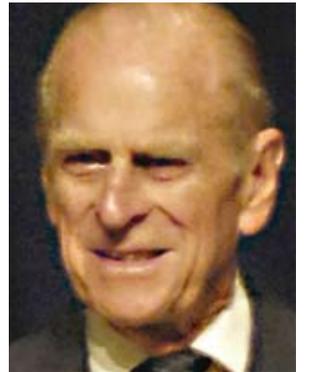
Then, world trade: Again, culture. The characteristic of human culture is located, associated with language. And why? Because language is a vehicle we use for transmitting creative work among people. But creativity is not language. Creativity is the use of language, and various senses of language, to be able to formulate problems and to create creative solutions for those problems. That's creativity. And the creativity of a population is located in its culture.

Delusion 6: Man is an animal

Now, this again, gets to a theological question, but it's a crucial one you can't avoid in science. It comes into the question of the immortality of mankind. When people die, unlike animals, they don't really die. Think about it in terms of creative abilities, creative powers of individuals: Now, someone has made—like Einstein or Kepler, or someone—has made a discovery. How does that thing work? Well,



Oligarchs like Prince Philip (left) need people to believe humans are animals, so they can be the lords of the apes (right).



he's made a discovery, and he knows how to apply it, presumably. He communicates it to others. Well, how does he communicate it? He communicates it by inducing them to go through the experience of making a discovery. How are discoveries promulgated in society? They're done by a process in which a person who dies does not really die as an effective part of that culture, if they're creative. Because, to transmit a creative idea, you have to re-experience it. And what happens in society, the principles we develop, among skilled people, who are skilled in culture, skilled in science, and so forth, is that what they discover is replicated in a continuing process by those who come after them. That's how it occurs. That's what a culture is: It involves language, it involves all the instruments by which we communicate culture, embody it.

So mankind is essentially the only known, immortal living creature on this planet. And immortality is expressed in the fact, that the ideas which are creative, actually creative, human activities, can only be promulgated by their experiencing them, in people who come after those who started the process of that particular discovery. That's the way science works! It's the way art works!

The same thing is true in literature: the same thing you see in Shelley, on poetry; the same principle is true. Human beings do not die in the same way. The flesh dies, the body dies. But the process of creativity set into motion within human beings, is perpetuated by other human beings, who continue the same process, the same thoughts, the same experience!

Why is it important to us, to think of our ancestors? Why is it important for us to think about ancient cultures? Why do we try

to understand man today, by going back tens of thousands, or hundreds of thousands of years, to the first samples of human existence on this planet? Because we have a hunger to absorb that which makes human beings human, and not animals. This is creativity. Creativity is something experienced.

Delusion 7: Globalisation

Now, the question of national sovereignty. Since human beings are creative, then, it's the interaction of human beings over successive generations, within a cultural framework, which is the collective thinking of that people. This is the true free will of a people, is its culture, the creative aspect of its culture, usually, associated with its language-culture, or associated with groups of language-cultures.

So therefore, we have this relationship, as typified by the principle of 1648, of the Peace of Westphalia: peace among cultures. Love between cultures. But respect for the sovereignty of the culture, because the sovereignty of the culture is the location in which the identity of creativity is located; its expression is located in a language-culture. Therefore, respect for the language-culture, and the tendency to assist the other culture, to succeed, is the proper relation. So therefore, the society we want, is the society of nation-states.

We don't want globalization! Globalization is for monkeys, not for people! Monkeys can go around the world in different places; chimpanzees can do that, and as long as the habitat's friendly, one monkey's pretty much like another monkey. And I don't believe that human beings should monkey around.

[Full webcast is available at <http://www.larouchepac.com/webcasts/20090411.html>]

London's "Behavioural Economists" Dictate Policy

Question: Should governments respond to the global economic crisis by building infrastructure, expanding industries, fixing health care and improving schools, or should they conduct surveys and "focus-group" program names to manipulate the irrational decision-making of consumers to "spend"—stimulate—the economy to good health?

If the latter option seems bizarre, know that it is behavioural economics—the kookery which has hijacked U.S. President Barack Obama's economic policy (and Australia's: Kevin Rudd's \$900 per head April "stimulus" was called a "bonus" instead of a tax "refund", because a focus group concluded naming it a bonus made it more likely to be spent, whereas a refund was more likely to be saved).

What *TIME* magazine on April 13 reported as "a secret advisory group of 29 of the

nation's leading behaviorists" giving direction to America's new president is the Behavioral Economics Roundtable, a part of the Behavioral Economics Project run jointly by the Alfred P. Sloan Foundation and the Russell Sage Foundation beginning in 1986 (G.M. CEO Alfred P. Sloan founded his foundation and the American Liberty League in 1934, the latter a pro-fascist movement to promote Mussolini and Hitler and attack Roosevelt, like Sydney's New Guard fascists who plotted a coup against NSW Premier Jack Lang).

The behavioural economists who've captured Obama include longtime Obama advisors Cass Sunstein, Richard Thaler, Dan Ariely, and Daniel Kahneman, White House Office of Management and Budget director Peter Orszag, his deputy, Jeff Liebman of Harvard, White House economic advisor Austan Goolsbee of the University of Chicago, Assistant Treasury Sec-

retary nominee Alan Krueger of Princeton, and even National Economic Council director Larry Summers. "And Harvard economist Sendhil Mullathainan is organizing an outside network of behavioral experts to provide the Administration with policy ideas," *TIME* reported.

In 1941, Kurt Lewin, working for London's Tavistock Institute with Rockefeller money arranged by Russell Sage Foundation operative Raymond Fosdick, set the tone for what is now called "behavioral economics", in his book, *Time Perspective and Morale*:

"One of the main techniques for breaking morale through a 'strategy of terror' consists in exactly this tactic—keep the person hazy as to where he stands and just what he may expect. If, in addition, frequent vacillations between severe disciplinary measures and promises of good treatment, together with the spreading of contradictory news, make the



Behaviourist kook and City of London/Wall St. tool Larry Summers, Assistant Secretary of the U.S. Treasury.

cognitive structure of this situation utterly unclear, then the individual may cease to know when a particular plan would lead toward or away from his goal. Under these conditions, even those individuals who have definite goals and are ready to take risks will be paralyzed with severe inner conflicts in regard to what to do."

Taking the Solution to the Streets

Join the Citizens Electoral Council's street campaign, to build support for the *Homeowners and Bank Protection Bill*, and an Australian Pecora Commission.

These solutions will be implemented if there is broad public demand for them; because of the lying, Murdoch-dominated news media, the public will only find out there are solutions, if we tell them firsthand.

The CEC is pushing for at least 300 people to campaign in the streets each week, manning literature tables and/or doorknocking, to collect signatures on the HBPB and Pecora petitions, and rattle the tin (collect donations) to raise the resources to produce more literature and DVDs.

It's time for new leaders among average people, the lower 80 per cent income demographic, to stand up for the

principle of the common good, that has been corrupted out of our traditional political leadership among the major parties.

Be one of these new leaders.

As the economic crisis deepens, more and more people are responding to the CEC's solutions enthusiastically—we just have to inform them.

What you can do

* Order extra copies of this *New Citizen*, DVDs (see below), and petition forms to take door-to-door, or display on a street literature table, and ask people to support by

signing the petition and giving money.

* Call the CEC office, and talk to the State Secretary for your state, for advice on approach and location etc, and whether there are other activists you could join in your area.

* Make a special effort to contact your local councillors, and ask them to endorse the HBPB petition as individual elected representatives, and pass a council resolution endorsing the Bill.

Right: LaRouche Youth Movement organisers on the streets in Melbourne



Free DVD: The Homeowners and Bank Protection Bill—the Only Solution

This one-hour documentary is the first feature production from the LaRouche Youth Movement and the CEC.

Discover the true nature of the current economic crisis, explained in the context of Lyndon LaRouche's Triple Curve economic collapse function as the inevitable consequence of a monetarist economic system.

Learn about the key post-WWII economic decisions and events which destroyed government orientation to physical economy, collapsed the Bretton Woods system, and established the globalised monetarist economy currently in breakdown—all of which was forecast by LaRouche over 50 years.

See the role played by the policies of Bob Hawke and Paul Keating, continued by John Howard and Kevin Rudd, in setting Australians up to lose their homes, farms, superannuation and jobs in the current crisis.

Finally, understand why the bankruptcy protection measures in the *Homeowners and Bank Protection Bill* make it the only possible solution to a crisis that is far worse than any political leader acknowledges, or even understands.

For a free copy call toll-free 1800 636 432 or send this coupon to: CEC, PO Box 376, Coburg, Victoria 3058 and leave ALL your details below.

Name: _____
 Address: _____
 Phone: _____
 Email: _____

* Offer not available to existing members or people who have received previous free offers.

Local Councils, State Legislatures, Endorse Homeowners and Bank Protection Bill

Thousands of elected officials in Australia and the United States have endorsed the *Homeowners and Bank Protection Act* (Bill in Australia—HBPB) since Lyndon LaRouche wrote it in September 2007.

The banking blow-out in September 2008 triggered a rush of support among local and state elected bodies in the U.S.

To date, the bankruptcy reorganisation approach has been endorsed by the following elected bodies:

Australia

- Towong Shire Council, Vic
- Latrobe City Council, Vic
- Greater Dandenong City Council, Vic
- Gosford City Council, NSW
- Richmond Shire Council, Qld
- Kulin Shire Council, WA
- Latrobe Council, Tas
- More than 270 Councillors nationwide have endorsed the CEC's HBPB petition.

United States

States which have passed the HBPA Resolution:

- Rhode Island (State Legislature, 2008)
- Alabama (State Legislature, 2008)
- Mississippi (State House, 2008)
- Kentucky (Senate, 2008)
- Vermont (State House, 2008)
- New York (State Assembly, 2009)
- South Carolina Black Caucus of Municipal Elected Officials
- Nevada Democratic Central Committee

2009, States Which Have Filed Resolutions

- Florida (House)
- Indiana (Senate)
- Kentucky (House)
- Michigan (House)
- Missouri (House)
- Nevada (Assembly)
- North Carolina (Senate)
- Oklahoma (House and Senate)
- South Carolina (House)
- South Dakota (House and Senate)
- Tennessee (House)
- West Virginia (House and Senate)

2007-2008, States Which Have Filed Resolutions

- Florida (State Legislature)
- Georgia (State Legislature)
- Illinois (State Legislature)
- Indiana (State Legislature)
- Kentucky (State House)
- Kentucky (State Senate)
- Maryland (General Assembly)
- Michigan (State Legislature)
- Mississippi (State Legislature)
- Missouri (State Legislature)
- New Hampshire (State Legislature)
- New York (State Legislature)
- Oklahoma (State Legislature)
- Pennsylvania (State Legislature)
- South Carolina (State House)
- Vermont (State Legislature)
- West Virginia (State Senate)
- National Black Caucus of State Legislators (Legislative Conference)
- Furthermore, 89 municipalities (city and local councils) across the United States have passed the HBPA Resolution.

Citizens Electoral Council of Australia

Federally Registered Political Party

Postal Address: PO Box 376, Coburg, Vic, 3058 Phone: 1800 636 432 Fax: 03 9354 0166 Web: www.cecaust.com.au Email: cec@cecaust.com.au



Government Must Enact Homeowners and Bank Protection Bill 2008, Now!

The world is presently in a far worse global financial crisis than that of the 1930s Great Depression. In this dire emergency, therefore, Governments must act to defend the Common Good, as did U.S. President Franklin D. Roosevelt, and our Federal and state governments to a lesser extent, in the 1930s.

For example, President Roosevelt in April 1933 introduced legislation to stop home and farm foreclosures, declaring that it was "national policy ... that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability..." One month earlier, his Bank Holiday reorganised the nation's failing banks under Federal protection.

In the emergency caused by World War I, the Australian Federal Government passed the *War Precautions Act 1916* and its *Commonwealth Moratorium Regulations* to stop foreclosures until 1920. In part modeled upon that precedent, every state in Australia enacted legislation during the Depression to stop home and farm foreclosures, including Queensland's *Home Purchasers Protection Act*; Victoria's

Unemployed Occupiers and Farmers Act, and *Financial Emergency Act 1932*; and, the most effective of them all, Jack Lang's New South Wales *Moratorium Act* of 19th December 1930, which, as amended, ultimately stopped all foreclosures until 1937. Additionally, the Federal Government passed the *Farmers' Relief Act*, which provided £12,000,000 to the states for the relief of farmers.

The intent of all of this legislation was to protect the Common Good, as summed up in the paper, "Moratorium Legislation", read into Hansard on November 15, 1935:

"It was not expedient in the national interest that the welfare and comfort of the community should be unnecessarily imperilled by allowing debtors to be crushed out of existence..."

All parties agreed, conservative as well as Labor.

The principles of the *Homeowners and Bank Protection Bill of 2008*, proposed by economist Lyndon H. LaRouche, Jr., are urgently required to meet this present crisis, both for the U.S., and for Australia. It requires emergency action that only the United States Congress, or our Feder-

al Parliament, has the capability to enact. This bill includes the following provisions:

1. Parliament must establish a Federal agency to place Australian licensed retail Banks, Credit Unions and Building Societies under protection, freezing all existing home and family farm mortgages for a period of however many months or years are required to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Further, this action would also write off all of the speculative debt obligations of mortgage-backed securities, derivatives, and other forms of Ponzi Schemes that have brought the banking system to the point of bankruptcy.
2. During the transitional period, all foreclosures shall be frozen, allowing Australian families to retain their homes and farms. Monthly payments, the equivalent of rental payments, shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recap-

italising the banking systems. These affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, and the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. This shakeout will take several years to achieve. In the interim period no homeowner or family farmer shall be evicted from his or her property, and the Australian licensed retail Banks, Credit Unions and Building Societies shall be protected, so they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.

3. State premiers shall assume the administrative responsibilities for implementing the program, including the "rental" assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.

PLEASE PRINT * Send signatures to: CEC Australia, PO Box 376, Coburg, Victoria 3058. For additional forms visit www.cecaust.com.au or call 1800 636 432.

Name	Town	State	Email	Phone/Mobile
1.				
2.				
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