



Banks Crashing Worldwide — Only LaRouche Knows What to Do!

August 4—With banks and related financial institutions crashing in the U.S. and worldwide almost by the minute, American statesman and physical economist Lyndon H. LaRouche, Jr. opened his July 22 international webcast (see pp. 2-3) with the following pronouncement: “The first thing to settle, is that the present international monetary-financial system will die, and will never recover. This system is finished.”

Indeed, even as U.S. Treasury Secretary Henry Paulson tried to arm-twist the U.S. Congress for hundreds of billions or trillions of dollars to attempt to bail out mortgage giants Fannie Mae and Freddie Mac, along with the entire U.S. banking system, a

Wall Street insider privately informed LaRouche’s political action committee (LPAC), that there are now over 1400 banks on the U.S. government “watch list” of endangered institutions! Panic is setting in, in the U.S., in Europe, here in Australia, and elsewhere, as even sober-minded businessmen have started pulling their money out of the banks.

LaRouche speaks with unparalleled authority. The world’s leading economist, he has forecast the twists and turns of the present crisis for decades, since even before U.S. President Richard Nixon took the dollar off gold in 1971, ending the postwar Bretton Woods fixed exchange rate system, and ushering in the present, London-centred free trade,

“globalist” system of monetary speculation, which has savaged the actual physical economy of most of the world. LaRouche devoted his July 22 webcast, whose opening echoed his prescient webcast of almost precisely one year before (see box), to the three-part solution which must be adopted worldwide, beginning with the U.S.: 1) His *Homeowners and Bank Protection Bill* must be passed immediately, for a moratorium on all home foreclosures and to put the U.S. banking system under bankruptcy reorganisation, to keep banks’ doors open for essential community functions, 2) A two-tier credit system must be established to provide federal credit at 1-2% for productive enterprises and infrastructure, while letting rates float up for other, non-essential purposes, 3) The U.S. must take the lead to organise a “Four Power” alliance of itself, Russia, China and India, to inaugurate a new world monetary system, to replace the present, disintegrating British imperial “globalist” system.

Meanwhile, here in Australia...

Like the major U.S. banks, each and all of Australia’s “Big Four” (National Australia Bank, ANZ, Commonwealth Bank, and Westpac), are utterly, and irrevocably bankrupt, both because Australia’s own free-trade centred economy



American statesman and physical economist Lyndon H. LaRouche, Jr. Panic is spreading worldwide as the banking collapse accelerates. Without sweeping financial reorganisation, we are headed for a crisis worse than the 14th Century financial collapse in which one-third of Europe’s population died.



is bankrupt, and because the “Big Four” are integral parts of a global speculative bubble measured in the *hundreds of quadrillions* of dollars, which is now exploding.

Contrary to the earlier hype that “Australia will be insulated from a U.S. downturn”, because of its allegedly great financial management, the word is now out internationally that Australia, like its imperial master in Britain, is in far *worse* shape than the United States. Typical was a July 31 article in Britain’s *Daily Telegraph*, “Australia faces worse crisis than America”, by its widely-read International Business Editor, Ambrose Evans Pritchard. He catalogued just a few of Australia’s problems:

that National Australia Bank was just forced to admit that “its AAA-rated securities are virtually worthless”; that Australia has an astounding “current account deficit of 6.2% of GDP”; that “household debt has reached 177% of GDP, almost a world record”; and that our high interest rates and resulting inflow of foreign “investment” (speculation) means that Australia “will now have to generate 4% of GDP to meet payments to foreign holders of its assets... twice as high as the burden faced by the US”. He could have added that our foreign debt is a staggering *\$1.039 trillion*, and that one million Australian households will be “mortgage stressed” by December, many of them al-

ready in foreclosure. Oh, and \$60 billion of our \$1.3 trillion in superannuation has just officially vaporised—which is just the tip of the iceberg. In fact, barring the kinds of sweeping bankruptcy reorganisation outlined by LaRouche, you can forget your super, full stop.

But the good news is this: LaRouche’s associates in the Citizens Electoral Council have been preparing for this moment almost ever since we were founded twenty years ago. So see below and page 4 for some of the LaRouche-inspired measures which this country must urgently adopt, if we are to survive the worst financial crash in human history.

Lyndon LaRouche, July 25, 2007 International Webcast

“The world monetary financial system is actually now, currently, in the process of disintegrating. ... What’s listed as stock values and market values in the financial markets, internationally, is bunk! These are purely fictitious beliefs. There’s no truth to it; the fakery is enormous. There is no possibility of a non-collapse of the present financial system — none! It’s finished, now! The present financial system can not continue to exist under any circumstances, under any Presidency, under any leadership, or any leadership of nations. Only a fundamental and sudden change in the world monetary financial system will prevent a general, immediate chain-reaction type of collapse. At what speed, we don’t know, but it will go on, and it will be unstoppable!”

CEC On Oil Crisis:

The speculation-driven skyrocketing price of petroleum is savaging all Australian citizens, and destroying our agricultural and trucking industries, among many others. This crisis is orchestrated, not only through the Amsterdam spot market, where hundreds of “paper barrels” of oil are bought and sold for every actual barrel produced, but also here at home, through the collusion of both Coalition and ALP governments with the British Imperial energy/raw materials cartel over the past two decades or more. Our continent and surrounding waters contain some of the world’s greatest deposits of oil and gas, literally oceans of it, while hundreds if not thousands of on- and offshore oil wells have been drilled and just capped, in order to create an artificial shortage.

Therefore, to protect the Common Good of this country, both in the present international hyperinflationary crisis, and

to secure Australia’s future, the Citizens Electoral Council calls for the nationalisation of all our oil & gas deposits, together with our raw materials in general. We must establish an Australian National Resources Company (ANRC), to control, protect and develop our almost-unimaginable wealth in energy and raw materials, which is presently being looted by Rio Tinto, BHP Billiton, Shell, BP, etc.. The following are some crucial aspects respecting the so-called “oil crisis”.

1. Oil can be, and is now being produced in this country for \$5 per barrel. Here it is from the horse’s mouth, in a briefing given by Mike Yeager, Chief Executive of BHP Billiton’s Petroleum Sector on 7th May 2008: “We’re right now sitting at \$5 [production price per barrel] ... That’s how we’re able to contribute these extraordinary returns and extraordinary margins to our corporation—something

Nationalise Our Oil and Gas!



Kick out the British cartels! We must nationalise our huge oil and gas reserves, our refineries, and our raw materials. we’re very, very pleased with.”

Allowing for refining and distribution costs etc., and retail margin, a \$5 per barrel production cost would translate into an approximate petrol/diesel cost of *25 cents per litre*, before tax. As for excise taxes, their purpose is nominally to fund road maintenance; in reality, they are not only poured into General Revenue (and not mainly used for road maintenance), but are highly regressive, and therefore should be scrapped. Road maintenance, like other major infrastructure, should be funded out of a Capital Budget, as distinct from the

Government’s annual Operating Budget.

2. While the Coalition/ALP governments provide hundreds of millions or billions in taxpayer funds to British or British-controlled companies to develop oil and gas fields, those governments demand almost nothing in return. Yeager: “In the deepwater Gulf of Mexico and in Western Australia, we pay very, very small royalties. We keep the majority of the barrels ourselves... So, we keep all the upside. If these barrels were in Algeria or some other place of the world, then you’d be shar-

ing that upside with the Government.”

3. Numerous experts, such as Marita Bradshaw, Senior Petroleum Adviser to Geoscience Australia, and Belinda Robinson, Chief Executive of the Australian Petroleum Production & Exploration Association (APPEA), have repeatedly stated that Australia’s natural gas deposits are so huge that Australia could soon be the second or third largest producer of liquefied natural gas (LNG) in the world, “another Qatar”.

4. Putting aside that oil is often found along with natural gas, the *AusGeo News* observed in March 2005, regarding petroleum, “The continent and its marine jurisdiction are vastly underexplored; only 8000 wells have been drilled and many offshore basins have never been tested.” Surveying the state of Australia’s oil industry, *The Australian* reported on 14th April 2007, “In

terms of offshore frontier basins [i.e. prospective oil fields] Australia has the largest spread and largest variety of any country in the world. There is little doubt that Australia has barely scratched the surface in terms of petroleum exploration.”

5. This crisis has been orchestrated, both by lack of government policy to develop oil and gas, and because hundreds or even thousands of oil wells which *have* been drilled, *have been “cased and suspended”*, as reported by dozens of individuals active in the industry and even partially by the government itself, as in Geoscience Australia’s 2006 report, “Oil and Gas Resources of Australia 2004”, among other sources.

Consider: *In 1985, Australia produced 96% of all its crude oil needs through domestic production.* Then, consider the

“One Year Later—But Still Not Too Late”

LYNDON LAROUCHE: Thank you. The first thing to settle is that the present international monetary-financial system will die, and will never recover. This system is finished. The only possibility that exists now, is to create a replacement system, based on the principles of the founding of the U.S. economic system, with the founding of the actual Constitutional government, as defined under, particularly, Alexander Hamilton. And if you don't understand, and agree, with Alexander Hamilton, it's like saying, there is no future for you.

Now, last year, I proposed, in steps, three specific remedies, which are not cures to the problem, but are absolutely necessary to be put into place *immediately, then, and even more so, now.* These three remedies, without that, there's no future for the United States and no future for the world. We're not looking at a depression. We're looking at what is called a *general break-*



British agent Al Gore bellows, causes global warming!

down crisis. That is, where money goes out of existence—it's no longer really negotiable. So-called financial assets don't exist. Everything evaporates, in a worse crisis than the type that occurred during the middle of the 14th-Century Europe, which was called a New Dark Age. A period in which half the parishes of Europe disappeared, and one-third of the total population. It was not until a half-century later, with the Renaissance, that there was the beginning of a recovery of civilization, and that was almost a miracle.

What we face today, is a crisis which is very similar, under admittedly different historical circumstances, than that of Europe's 14th Century: It's much worse, but of the same type. And without a miraculous solution, a dramatic solution—not reforms—but a dramatic, *complete solution!*—a new system: Without putting a new system, of the proper design, into effect immediately, not by experimenting back and forth, but by putting the system in, with foreknowledge and according to prescription: Without those measures, there is no possibility that civilization will survive, as civilization. Mankind would survive. After a vast depopulation of the planet, probably as much as 3.5 billion people that Al Gore and Prince Philip of England, want eliminated.

Remember, that Al Gore is a stooge for Prince Philip. Al Gore is like Aaron Burr: Both were once Vice President of the United States. Both were *traitors* to the United States, on behalf of the British monarchy. And the



U.S. Treasury Secretary Alexander Hamilton (1789-1794) established the anti-British “American System” of economics.

Prince has demanded that the human population drop, from 6.5 billion presently, to less than 2 billion—and that, in short order. Al Gore's entire career is devoted to that end, and he is a flunky of Prince Philip. He is a British agent, like Aaron Burr, the traitor. He is implicitly a traitor. And he is trying to run for President of the United States, as soon as Obama drops. That's his big ambition, or his true ambition.

There Will Be No Foreclosures

Now, what I propose, is to review what I proposed a year ago, in steps. First of all, that all regular banks be put into protection, bankruptcy protection, by the Federal government. This means they will not close their doors. This means there will be a restriction on which of their accounts will be paid; the rest will be frozen. At the same time, there will be no evictions of households because of mortgage default. They will remain in their



British asset Nancy Pelosi, Speaker of the U.S. House of Representatives.

homes under conditions which are acceptable conditions, and they will continue to function under bankruptcy protection. There will be no foreclosures. There must be no more foreclosures, except in the ordinary case, where there should be anyway, because people are leaving or so forth. But where people intend to stay in their homes, there should be *no foreclosures.* We can have foreclosures on things which are, in a sense, held out for rent, but not for occupancy.

That's number 1. The idea is, the first thing you have to do, is you have to save the people. And the people, in general, live in homes.

We're not going to have communities shut down, which means that the local bank on which the community depends for its functioning will not be closed; the doors will remain open. This, however, is only for certain banks, for banks which are banks of deposit, and chartered under the Federal government and the state governments, as depository institutions which engage in lending.

So therefore, the first thing was the Homeowners and Bank Protection Act. That was necessary. It was presented actively around the country. It was blocked. It was blocked by the Democratic Party leadership. Blocked by the same people who presumably were enthusiastic, until the recent time, for Barack Obama.

So we see the result. We see the foreclosures are now moving in. Communities are being shut down. And the banks are closing ... And therefore, we have a threat to the continued functioning of communities in which people live. That is, even if we keep them in their homes, the jobs on which they depend to stay in their homes, are going away, because the banks which are involved with these jobs, are being closed. The rate of bank foreclosures across the Atlantic, and around the world, is beyond imagination.

That's the first measure. It wasn't done. A year has passed since I proposed that. It is has been done! Even though towns and city organizations, and state organizations, have proposed that it be done: It has not been done! The Congress of the United States, under the leadership of [Speaker of the U.S. House of Representatives] Nancy Pelosi, has blocked this, absolutely. ...

We Need a Two-Tier Credit System

So, I had two other proposals, which I put forth during the course of those months: First of the two, we must have a two-tier credit system. ...

The proposal is: 4% is the standard interest rate for regular



U.S. President Franklin Delano Roosevelt (c. between Churchill, I., and Stalin, r.) envisaged a U.S.-Russia-China postwar alliance to rid the world of British imperialism.

banking, the basic interest rate. The purpose of that is not just adjusting the interest rate. We have a situation, now, where our enemy—as it was in the time of Aaron Burr—is Merrye Olde England! And Merrye Olde England set up a system in Europe, under which England, Great Britain, has the highest official interest rate; Europe has a slightly lower interest rate. And the United States has been driven down to 2% and is threatened with going lower, which is insane.

This manipulation has the following effect: The British are determined to destroy the United States. ... And that's what the 2% interest rate, borrowing rate, is: Destroy the United States.

Because, what happens then, with the 2% interest rate, the discount rate, what you get is an outflow of the financial capital *from the U.S. Banking system!* ... Therefore, if you protect bank deposits by having a 4% interest rate in the United States, that means that you're going to keep your financial capital that's viable, in those banks. That is, you're not going to take the capital out of the banks, and put it on the street, for lending. You're going to keep it in the bank, but you're going to use that bank credit of that financial capital *in the bank,* as a lendable asset, which you will lend, either at 4%; or, with government protection, Federal government protection, as low as 1-2% for special projects. ...

What we're going to do: The Federal government will simply take the fact that the Federal Reserve System banks, and their affiliates, have credit in the form of deposits, or the equivalent of deposits, in the bank. They will now issue loans, which will be new money, in a sense, in circulation, for specific purposes, on the basis of the asset, the financial asset which remains in the bank. ...

That's a defensive measure. It's not a solution; it's a defensive measure.

Put the Banking System Under Federal Protection

We had a similar kind of situation in the past. Roosevelt did that, in his own different way, under different circumstances. *We need to have a growth program—now!* A physical growth program! Not a financial growth program, as such, but a *physical* growth program. We have people losing jobs, we have communities disintegrating. We have infrastructure going, we have health-care collapsing. *We need tangible investments!* Job-creating investments. Physical capital investments. Infrastructure investments: *We need them!* We've got to increase our rate of employment, of productive em-

ployment especially. We don't need more bookkeepers. Look what they've done to us. What we need is work. We need significant production.

So, at the first stage, we have to say, on a Tuesday for example, that “now, the banking system is now under protection.” And the Federal Reserve System is bankrupt. So what? The Federal Reserve System is not the U.S. government. The Federal Reserve System is a chartered banking system. It will be put into receivership, for protection, by the Federal government. Then it will function, like a regular banking system, under the U.S. Treasury! The credit it uses will be the debt of the U.S. government, under the U.S. credit system. And that credit that's generated, will then be used, *through* the banking system—when not directly by the government—to create the additional investments we need to stabilize this economy. ...

Create the U.S., Russia, China, India Alliance

All right, but now, we've got to go to a further step: That is, the United States must propose to the governments of Russia, China, and India, that these four major countries will agree to sponsor a committee, an alliance of powers, including other powers, to establish a fixed-exchange-rate financial credit system internationally, of the type that Roosevelt intended in 1944, *not* what Truman did in 1945!

What Roosevelt proposed was a credit system, whose intention was, to eliminate colonialism, especially British colonialism. And Roosevelt said that, repeatedly, very clearly, to Churchill. “Winston! When this war is ended, Winston, we're not going to have your empire. We're not going to have colonies. These people are going to be free. They're going to have their own governments. And no more empire!” And how are we going to do that? Well, we had the greatest military machine the world had ever known: A production machine! ... It had been built up, in large degree, for military purposes. But there's no difference between logistics for military purpose, and the technology required to build for an economy: bridges, ships, railway systems, everything—machine tools. All of these kinds of things, are just as much interchangeable with materiel for war, and materiel for peace. ...

Well, the problem was, that Roosevelt died, and Truman was a stooge for the British. And that's no exaggeration.

The Churchill-Truman Alliance vs. FDR

So, what Churchill did, was enter into alliance with Truman, and with the British be-

Nationalise Our Oil and Gas!

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following two reports, which document the devastating effects of this Australian government collusion with the British cartels in the ensuing years:

•The U.S. Department of Energy's Energy Information Administration (EIA) reported that Australia's “net oil imports in 2000 averaged only 65,000 bbl/d, or 7 percent of total consumption”, then hit 39% of total consumption by 2006 (362,200 bbl/d of 925,000 bbl/d), but “*The Australian government expects petroleum import dependency to increase to around 80% in 2010.*” (emphasis added)

•APPEA Chief Executive Belinda Robinson on 24th June 2008 reported that Australia actually had had a small net surplus of petroleum in 2000, but that went to “a deficit of about \$13.7 billion in 2007”. Furthermore, she said, “Assuming no increase in refining capacity in Australia [which is entirely controlled by the oil cartel—ed.], *that could blow out to \$28 billion by 2017...*” (emphasis added)

In the short term, we must nationalise and develop our oil and gas resources. However, in the medium term we must develop an extensive nuclear industry based upon our nationalised uranium and thorium reserves. These are both nuclear fuels, for each of which *we have the great-*

est reserves in the world—in the case of uranium, 34% of the entire world's economically recoverable deposits. Such a nuclear industry, featuring high temperature gas-cooled reactors, would not only produce an almost endless supply of inexpensive, non-polluting energy, including for desalination, but it would allow us to extract hydrogen from water and to make fuel based on hydrogen (whose waste prod-

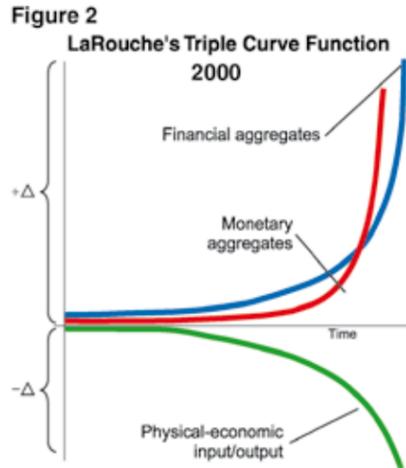
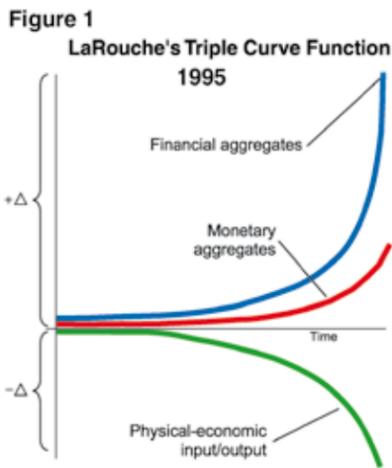
uct is water). We would thereby reserve our petroleum for its more valuable use as feedstock for an extensive petrochemical industry.

As Australians, we must decide: Will we continue as a typical, ever more immiserated British colony looted for its raw materials resources, or shall we become, at long last, a sovereign nation state securing the Common Good for all of its citizens?

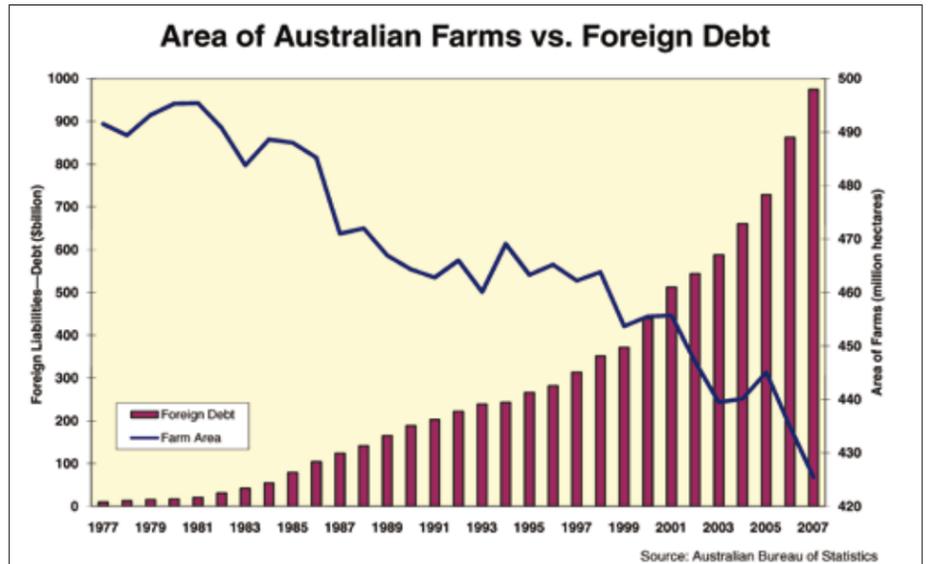
Australia's Mineral Resources

Commodity	Production: World Rank	Reserves: World Rank
Bauxite	1	2
Black coal	4	6
Brown coal	5	1
Copper	5	2
Gold	2	2
Iron ore	3	5
Lead	2	1
Nickel	2	1
Silver	4	2
Tantalum	1	1
Thorium	-	1
Uranium	2	1
Zinc	2	1

Australia is also the world's fifth largest producer of LNG (liquefied natural gas), and holds its second or third largest reserves. Additionally, we hold the third largest reserves in industrial diamonds, fourth in manganese ore, and have world-leading deposits of titanium, ilmenite (second largest), and rutile and zircon (both world's largest). Source: Geoscience Australia



LaRouche introduced his "Triple Curve" pedagogy in 1995 (l.) to portray the looting of the physical economy (bottom curve), to the advantage of financial speculation (the top two curves). In 2000, he introduced the second version of the curve (r.) to demonstrate the process of hyperinflation, in which ever-greater amounts of money (monetary aggregates) have to be pumped into the system to prop up the nominal value of the financial aggregates (stocks, bonds, derivatives, etc.) Frantic money-pumping by central banks has now unleashed a process of Weimar-style hyperinflation worldwide.



An example of LaRouche's Triple Curve: Actual physical production (in this case, agriculture) plummets, while debt instruments soar. Both are now hyperbolic curves, precisely as per LaRouche's 1995 schema.



Franklin Roosevelt's successor as U.S. President, British asset Harry Truman (1945-53), ripped up FDR's plans to dismantle the British Empire.

hind Churchill, and they decided they were going to start a preventive nuclear attack on the Soviet Union. Why? *To defeat Roosevelt's intention!* Because Roosevelt's intention was to take China, Russia, and the United States, who were the leading powers of the world at that moment, at the end of the war, and through a system of cooperation, redevelop the world, a war-torn, ruined world.

So what do you do? You start a war! With the leading allies and partners of the United States under Roosevelt, you start a war with Truman—against those same allies. In order to preserve, what? The British Empire. Instead of eliminating British colonies, Churchill and company, with Truman's support, backed the reinstallation—for example, under British orders, the Japanese troops in prison camps in Indo-China, were told to get out of the prison camps, pick up their weapons, and go back into the occupation of Indo-China. Indo-China had freed itself from French imperialism, with U.S. backing: Ho Chi Minh was a friend of the United States, a friend of Roosevelt, a friend of Roosevelt's machine. We turned friends into enemies! Allies into enemies! We helped the Dutch



Following the greatest stock market collapse in history, "Black Monday" of October 19, 1987, the financial oligarchy moved to corner the necessities of life, as LaRouche and the CEC exposed already in the early 1990s.

do the same thing in the Indies. We made a mess, of the freedom of India, a year after I left the place—again, the British.

So, we, under Truman, systematically destroyed Roosevelt's intention. Roosevelt's intention, was: We take our great economic machine, our agro-industrial machine for capital goods, and we use this weapon to free these subjugated people; and by doing so, to *free the world from the damned British Empire!* And Truman was an ally of the cause of the British Empire. And that's how this mess came about. . . .

So, that's been the problem! So, what we have to do, is recognize that where Roosevelt was going to use the productive power of the United States, at the end of war, when we were the greatest power the world had ever known, in terms of financial, economic power, to use that power, to *free the world from imperialism*, by helping nations, which should be nations to become nations. And creating a fraternity of nations, based on this idea, of building a world system of sovereign nation-states, which would eliminate empires—especially the British Empire.

And all the Hell, that we've had—and we've had a lot of it, up to the present time, since the day Franklin Roosevelt died—has all been a result of this damned British Empire. . . .

The Common Aims of Mankind vs. Geopolitical Wars

What the war has been—all the important wars of the world, fought since 1876 [the year of the U.S. Centennial Exhibition in Philadelphia—Ed.], have been so-called "geopolitical wars." Geopolitical wars meant, that the United States had built a model, as a continental power, a transcontinental power—from the Atlantic to the Pacific, and from the Canadian to the Mexican border—this nation had been developed as an integral nation, largely by aid of augmenting existing and potential waterway systems by railway systems: integrated the territory. By 1876, every nation of Asia, leading nation of Asia, for example, Sun Yat-sen, a little later, had a complete railway system for China! Complete design for a railway system! The development of the total internal territory of a nation, or a group of nations, to enable it to more efficiently than by ocean freight, to move people, move goods, move raw materials, develop the territory.

So now, the fact is, the United States had led in this model; you had in France, you had in Germany, you had in Russia, you had development in part in China, a conception of taking all of Eurasia, as well

as the Americas—the plan for moving railway systems down to Patagonia from the Canadian border, was a policy of that period! And to create a system, whose aim was *fraternity of sovereign nation-states*, which would share the benefit of combined inland waterways, and railway systems.

Today, we have the same thing. We had it then and still today! One of the great missions is to develop a maglev system, combined with railway system, which by opening up the Bering Strait, by doing similar things into Africa, to take the major continents of the world, and to bring them together with one, high-speed transportation system for freight and people, especially freight, at maglev speeds, magnetic levitation, 300 miles an hour. These can be modular; you don't have to have all this reloading as we do now. And this means that the raw materials of the world, can be developed as they otherwise can not be developed and managed. So therefore, this is the *common interest of mankind*, to develop this kind of system.

We've come into a time, where we can no longer rely on burning things as a source of power. We will burn water, with nuclear power. What we will do, with high-temperature gas-cooled reactors and similar kinds of nuclear power, we will extract hydrogen from water; we will use that to make fuel based on hydrogen, hydrogen-based fuels, as a substitute, replacement, for petroleum as a source of power. When combustion occurs with that fuel, the waste is chiefly—water, not a pollutant. We will eliminate the kinds of crude methods we now use, by these superior methods.

So this is one example: the development of a global power network, as a cooperative effort among nations and among continents, for the common aims of mankind: a system based on separate, sovereign nation-states, cooperating with aid of these kinds of connections.

We must have that kind of mission, which is a 50-year, 100-year mission for mankind. And when we bring nations together, such as the United States, Russia, China, and India, and other countries today, for a future for mankind, this is what we must have in mind. We must take the needs of various nations, look at what these needs are, for three, four, five generations to come, and say, "What projects do we have to develop, for the coming three, four, five generations? What are the means required? What is the apparatus we require to do this job? *What are the common aims of mankind?*"

And that's the mentality we must approach.

Money: A Sovereign Instrument of Government

Now, what we would have, is a world system, a world credit system, not a money system. You would have money, but you wouldn't have a *money system*. You have money as a sovereign instrument of government. What we would do, simply, is create a fixed-exchange-rate system, by adjusting essentially what have been the trends in the relative values of currencies. Fix it there. And say, "we're going to keep that fixed-exchange-rate system."

Now, the changes that would come after that, do not come by manipulating currencies. They come by investment. They come by the use of credit for capital improvements, for large projects, for—all these kinds of things, really human development projects. What we do, is we're taking what Roosevelt intended in 1944, with a credit system, called the Bretton Woods system, and uniting countries of the world around a fixed-exchange-rate system. So money is no longer an instrument of warfare; it's an instrument of cooperation.

I'll tell you how we do it. It is very simple: The United States under its Constitution, when the Constitution is obeyed, does not have a money system, like a Keynesian monetary system. That's a European disease, and it's a very bad disease with some nasty side effects. You get syphilis, also, among other things, from that disease.

But under a credit system, or the United States system, you can not utter money by central banking systems: Money, or credit which is convertible into money, can be allowed *only* through actions of governments. That is, *no bank can create money. Only a government can create money.* And the government creates money, by *credit*, by authorizing the utterance of debt, of the government, in the form of credit; and defines that debt as applicable to certain missions, that like investments, or developments of people.

Now, because the United States Constitution is the one major nation in the world, which has such a specific conception of economy, if a country such as Russia, China, India, makes a treaty agreement with the United States, which is a credit-based nation, then the currency of those countries—Russia, China, India, and other countries—becomes on an equal status with the United States, becomes an integral part of a world system, while preserving the sovereignty of each of these countries.

That's what Roosevelt's intention was. The reason we went to a Keynesian version of the Bretton Woods, rather than Roosevelt's

intention, was, the British Empire. Truman decided the United States was going to be a partner of the British Empire in ruling the world. Roosevelt's intention was the opposite, was to create a cooperation among the nations to eliminate the British Empire, which is the ol' bitch we want to get rid of.

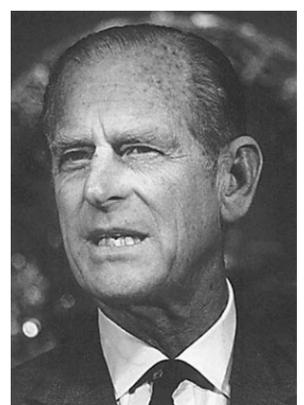
I'm not against England being a sovereign country—it's better for them! Look at the way they're treated today, look at the way they talk! Maybe if they weren't an empire, they'd have an English language again.

But the point is—the thing is so simple! A treaty agreement on long-term credit, like 30-year, 50-year agreements, on credit, among nations, which enter into such treaty agreements with the United States *automatically* have the Constitutional advantage of a global credit system, rather than a monetary system. And it becomes, essentially, a fixed-exchange-rate system. And that's what we need.

So, but these things, these are measures I've indicated, such as the action on the protection of people against foreclosures on mortgages; protection of real banks, as opposed to the phony ones; a two-tier credit system; and an international fixed-exchange-rate system. These are necessary instruments for creating a new world system, which can survive the inevitable death and disintegration of the present world monetary system. This is the only rational, feasible option, as alternative to *pure Hell throughout the planet for generations to come*. If you care about humanity, you will insist that these measures be taken, boldly, and now! Because we are, right now, after one year, of mass stupidity from the top down in the U.S. government and other governments, we're now *just weeks away, from the point at which the whole system goes into disintegration*. What we're looking at is not, a 1931. We're looking at something comparable to the 14th Century, European New Dark Age. Which came on suddenly, and wiped out half the parishes, and one-third of the population of Europe. And that can happen worldwide, if we don't stop it.

This Is Your Opportunity!

Now, I'm a little bit old to be President of the United States. But I'm not so old, that I can't tell one what to do. And that's what I'm saying, I'm saying, "You cowardly fools! Get up off yer butts! Stop this fooling around. Hey Paulson [U.S. Treasury Secretary], get yer guts up. I'll show you how to deal with the problem." And there are other people in the banking field and others who will join me in that. They're perfectly good peo-



Al Gore's boss Prince Philip has repeatedly called to wipe out billions of the world's population.

ple; they're talented, they don't know as much as they should; they make a lot of mistakes. But look, it's all we got! And you use what you got! . . .

The Congress must stop what it's doing, because what it's doing is no good, and *immediately do this*. We have to get this idiot in the White House, somehow, to do that, to go along with it. To give Henry Paulson the guts and the advice to do what *he's* supposed to do, as Secretary of the Treasury, to implement this, to get the bankers inside the Federal Reserve System, who are competent bankers, and other bankers outside, together on this! And get a unity among people who understand, *we're at the end! We're at the end of the system!* Stop talking about compromises! Stop talking about halfway measures: *We must do this, now!*

We must first agree to do it inside the United States. We must have people inside the United States, who will say, "We are going to do it!" And once we say we're going to do it, we have to have a Presidential candidate, in the United States, who will be credible, in saying to the countries of China, Russia, India, and so forth, "This is what the United States is committed to do, as soon as I get to be President. And we can start it right now."

That's how you win wars, and that's what we need right now. Those three measures.

We've got people out there, as foolish as they behaved—I know some of them have brains. Some of them have skills. They lack guts. I have the guts, and some of the brains they lack.

Let's do it. [applause]

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The CEC's Emergency Policies for Economic Recovery

The American System vs. the British System

by Craig Isherwood
National Secretary
Citizens Electoral Council

Ever since the American revolutionaries defeated the mighty British Empire at the Battle of Yorktown in October 1781, the world has been locked in a struggle between two mortally opposed economic systems. In the 19th Century they were known worldwide as the "American System" of protectionism, national banking, agro-industrial growth and a commitment to the General Welfare, vs. the "British System" of free trade, usury, and slavery. The latter is today called "globalisation", and is merely the new form of the still-existing British Empire, centred upon the City of London and its appendage, New York's Wall St.

The "American System" was constructed in the 1790s

upon three documents written by America's first Treasury Secretary, Alexander Hamilton, who had been General George Washington's aide-de-camp: *Report on Public Credit*; *Report on Manufactures*; and *Report on a National Bank*. The United States had won the Revolution, but could only survive by defeating the economic warfare which the British waged against it, under the "free trade" banner of the British East India Company's propagandist, Adam Smith, and his fraudulent, anti-American tract, *The Wealth of Nations*. As they do today, the British often ruled America through traitors within. But the patriotic faction emerged again under President Abraham Lincoln, in his victory over the British-organised and financed Confederacy. In its wake, the American System of government credit, great railroad building and agro-in-

dustrial growth mushroomed worldwide. The battle erupted again in the 1930s, when President Franklin Delano Roosevelt defeated those whom he called the "economic royalists" of Wall St., to conquer the Depression, build the U.S. into the mightiest economic power the world had ever seen, and so to spearhead the defeat of Nazism. And it has erupted again today, in Lyndon H. LaRouche's fight to re-establish both America's sovereignty, and that of all nations worldwide, and to so save the world from a New Dark Age. (For a gripping account of this history, order the '1932' DVD advertised below.)

Australia's own national history can only be understood in terms of this still-continuing global conflict, from the time our greatest republican leader, John Dunmore Lang, organised for the establishment of a sovereign "United States of Australia"; through the founding of the Australian Labor Party in the 1890s against British financial tyranny (the ALP's American spelling of "Labor" announced their intentions to the world); through Commonwealth National Bank founder King O'Malley, who proclaimed "I am the Alexander Hamilton of Australia"; through PM John Curtin and Treasury Minister Ben Chifley's reigning in the usurious private banks during World War II to build our manufacturing sector almost overnight, and to contribute decisively to winning the war in

the Pacific.

Despite these great achievements, the underlying reality remained as Curtin's mentor Frank Anstey, King O'Malley's ally in founding the Commonwealth Bank, had described it in the 1930s: "Australia is a mere appendage of financial London, without distinct economic existence. . . . These men constitute the Financial Oligarchy. No nation is permitted to hold dominion, and no 'democracy' can be aught but a name that does not shake it from its throne."

Today, all of Australia's political parties except the Citizens Electoral Council are pathetic fronts for the City of London, carrying out the British Empire's destruction of our agro-industrial sovereignty, whether flying the flag of "globalisation and free trade", or that of "environmentalism."

Our parties are the toadies they are. However, Australia's biggest problem is that its own citizens—you!—either outright endorse, or grudgingly capitulate to "globalisation"; or, alternatively, act like helpless "victims"—exactly the way the British have always taught us to think, from the time they stripped the flesh off our backs as republican political prisoners at Botany Bay; through the butchery at Gallipoli and the trenches in France; through Churchill's attempt to hand Australia over to the Japanese at the outset of World War II; to when the Queen sacked Whitlam and so wrecked the hopes of most Australians to "buy back the farm"; and on into today.

Now, you have a last chance: join the CEC, and work for the immediate, emergency enactment of the policies by which we can survive the present crash, beginning with those on this page and on p. 1 (for the nationalisation of our raw materials; additional CEC policy statements on Electoral Reform; Emergency Measures for Food Production; and for the creation of a National Fertilizer Industry, may be found on the CEC's website, www.cecaust.com.au). It is time to liberate ourselves from the stinking British once and for all. It's very simple, really: Are you an Australian, or do you kiss British arse?



Liberal Senator Russell Trood with the LaRouche Youth Movement's Katherine Isherwood and Doug Mitchell. The LYM held 25 meetings in Parliament from 2nd - 25th June, to fight for the CEC's emergency 9 Point Program to help solve the world food crisis, and to save Australian agriculture. (See <http://cecaust.com.au/policy>) Photo: Courtesy of www.senatortrood.com

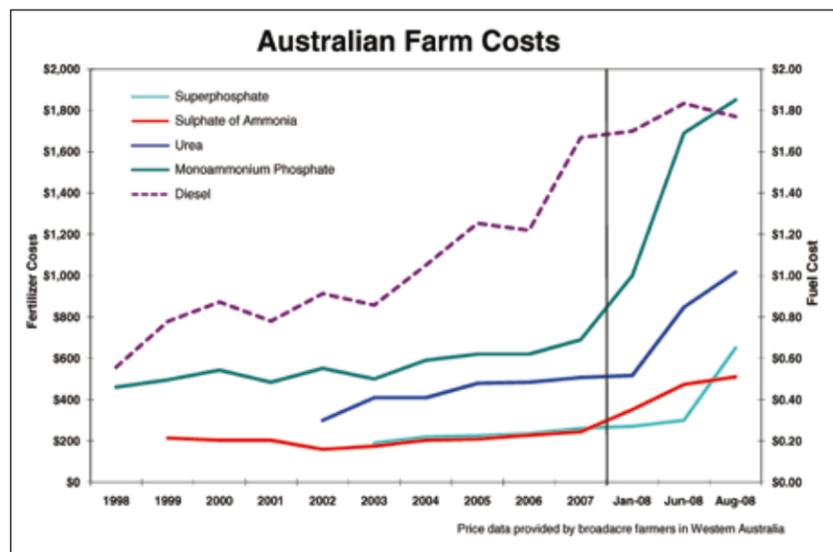
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First Printing: August, 2001

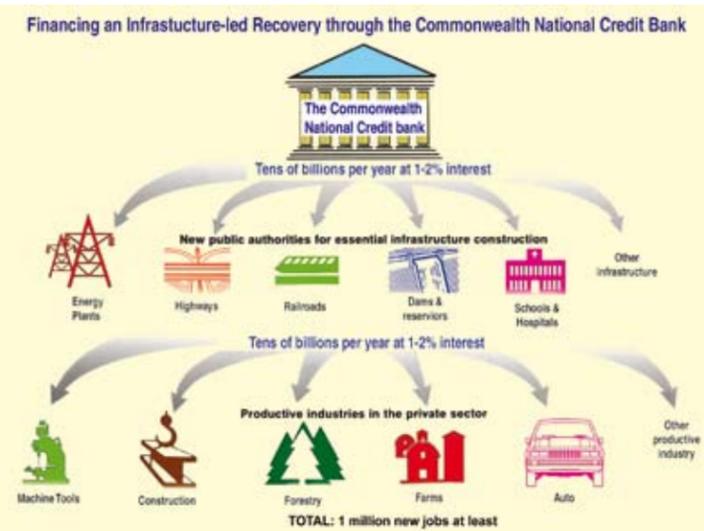
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Attempting to save its bankrupt banks, the oligarchy has unleashed hyperinflation as in Weimar Germany in 1923. Without LaRouche's emergency measures, money itself will soon be worthless.



In discussions with LaRouche in 1994, the CEC drafted the legislation for a new national bank featured in the book above, to replace the present, privately-controlled Reserve Bank.

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

On January 2, 2008 the CEC launched a drive to force the HBPB through Federal Parliament. Close to 300 individual councillors and seven councils have so far endorsed the legislation.

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 Federal Parliament, has the capability to enact. This bill must include 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 recapitalising 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 re-

tail 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.