

Genopbyg Amerikas infrastruktur: Optrap kampagnen for LaRouche-planen Webcast, 16. feb., 2018

Gæst Paul Gallagher.

Vært Matthew Ogden: Titlen på vores show i dag er »Genopbyg Amerikas infrastruktur: Optrap kampagnen for LaRouche-planen«. Jeg har inviteret Paul Gallagher, økonomiredaktør for Executive Intelligence Review, på showet i dag, og vi er glade for at du tager dig tid til at komme, Paul. Vi har nu mulighed for at få en meget seriøs og nøgtern diskussion om LaRouches økonomiske program: De »Fire Love«, og lige nu er dørene vidt åbne.

Med udgivelsen af den såkaldte »Udkast til Lovgivning for Genopbygning af Amerikas Infrastruktur« – Dette er programmet fra Trumps Hvide Hus, som blev sendt over til Kongressen. Det blev udgivet mandag. Alt imens indholdet af denne rapport er, for at sige det mildt, uheldigt – det har Wall Streets fingeraftryk over det hele, alene det, at dette forslag er kommet frem; men det er rent ud sagt en total taber, der har galvaniseret diskussionen nationalt, og det er virkelig begyndt at katalysere kongresmedlemmer på begge sider midtergangen til at begynde at tænke over spørgsmålet på en meget mere seriøs måde: Hvordan finansierer man infrastruktur? Hvis vi taler om \$1,5 billion, hvor skal de komme fra?

(Her følger engelsk udskrift):

And this includes, frankly, Trump himself. As President Trump said in the Letter of Transmission, that was sent over as the opening to this legislative proposal, he said: "Our nation's infrastructure is in an unacceptable state of disrepair, which damages our country's competitiveness and our citizens' quality of life. For too long, lawmakers have invested in infrastructure inefficiently, ignored critical needs, and allowed it to deteriorate. As a result, the United States has fallen further and further behind other countries. It is time to give Americans the working, modern infrastructure they deserve... My administration is committed to working with the Congress to enact a law that will enable America's builders to construct the new, modern, and efficient infrastructure throughout our beautiful land."

Now, on Tuesday, President Trump held an open, televised roundtable with different Senators and Representatives, both Democrats and Republicans, and this was ostensibly to discuss the aluminum, steel industries and trade policy around that, but during that roundtable, which was televised, the discussion of the infrastructure program came up. And I'd like to just play a short clip from that roundtable; this is an exchange between President Trump and Sen. Sherrod Brown [D] from Ohio, and then Senator Blumenthal [D-CT] also gets in on this. And what you hear is that President Trump says, look, I want to have a bipartisan plan. Come back to me with a counterproposal. What we put out was an opening bid, but I really want a bipartisan

plan. I'm ready, willing and able.

So, here's a clip from that roundtable:

[start video]

PRESIDENT TRUMP: I actually think that we can go bipartisan on infrastructure, maybe even more so, than we can on DACA. ... On infrastructure which is the purpose of what we're doing tonight, come back with a proposal. We put in our bid – come back with a proposal. We have a lot of people that are great Republicans that want something to happen. We have to rebuild our country. I said yesterday, we've spent {\$7 trillion} – when

I say "spent," and I mean wasted – not to mention all of the lives, most importantly and everything else – but we've spent \$7

trillion as of about two months ago, in the Middle East – \$7 trillion. And if you want to borrow two dollars to build a road

someplace, including your state, the great state of Ohio, if you

want to build a road, if you want to build a tunnel, or a bridge,

or fix a bridge because so many of them are in bad shape, you can't do it. And yet, we spent \$7 trillion in the Middle East.

Explain that one. [crosstalk]

SEN. SHERROD BROWN: I've love a bipartisan – we have a bipartisan proposal. We can [crosstalk] dollars on it in infrastructure. We're glad to work together on a real infrastructure bill with real dollars, plus what you can leverage

in the communities and private sector.

PRESIDENT TRUMP: Do a combination.

SENATOR BROWN: It needs real dollars.

President Trump: I would love to have you get back to us quickly, 'cause we can do this quickly and we have to rebuild our country. We have to rebuild our roads and our bridges and our tunnels, so the faster you get back, the faster we can move. Focus on document this week, if you don't mind, right? But the faster you get back, the faster we move.

SEN. RICHARD BLUMENTHAL: I come back to Senator Brown's point, I think there's a opportunity for real bipartisanship here, in these two areas.

PRESIDENT TRUMP: I agree, and I'd like you to come back with a suggestion on infrastructure in the plan, and I think that's a bipartisan plan. I really would like to see you come back with a counterproposal on the infrastructure. I think we're going to get that done. I really believe that's – we're going to get a lot of Democrats, we're going to get a lot of Republicans. We're going to get it done. It's something we should do. We have to fix our country: We have to fix our roads and our tunnels and bridges and everything, so, if you can work together on that, and I am ready, willing and able, on infrastructure – that is such a natural for us to get done. And I think we could probably do it. Thank you all very much. [End video]

OGDEN: So as you can see, asking them to come back with a counterproposal, he said, this is our opening bid, but the point is clear: Now is the time for us to mobilize like never before, to put the LaRouche plan on the table. {This} is the

counterproposal.

Let me put on the screen here: first we've got our Campaign To Win the Future. This is obviously the national statement of

intent for the elections in 2018. LaRouche PAC is mobilizing a

national movement and galvanizing discussion around this program.

And then the content of that campaign can be seen on the next slide, this is "The Four Laws To Save the United States: The Economics Principles Necessary for a Recovery – Why the United States Must Join the New Silk Road" and this contains full elaboration of Lyndon LaRouche's four economic laws.

So, I know that Paul is very short on time, and I would just like to ask you: Please address what the situation is now in Washington. What's coming out of this release of this so-called

legislative proposal? And what actually has to be done?

PAUL GALLAGHER: Thanks, Matt. My first reaction, when the White House plan was released – I call it the "White House plan," not the Trump plan, but the White House plan – when it was released, was that closed a certain door of people in elected

offices around the country and in Washington, constantly saying

"what is the White House going to come up with? what is the White House going to come up with? what are they going to give

us in the way of what they can get started towards infrastructure

investments? because we desperately need it?" And when it finally came out, and it was very, very, very lacking – as you said, a Wall Street plan – that closed a certain door, and immediately, thus, opened another one.

OK, now they have come out with that. Now, we have to come out with something. It's up to the rest of us, particularly

those in elected office, but all of us who are active in fighting
for this: It's up to us now to shape the alternative, because this one just isn't going to work. And it's good to see that that definitely includes the President – that view. He, on another occasion, immediately after the plan was rolled out on Monday, he said that compared to the tax legislation and the military spending increases and so forth, that this infrastructure plan that the White House has put out, was really quite unimportant. A rather surprising thing for him to say. But it indicated, when it was followed the very next day by the comment you just saw, "give me an alternative," and then the very day after that, in another meeting with members of Congress, when, as soon as he was prompted in any way by any of them, he came out very strongly for increasing the Federal gasoline tax by 25 cents a gallon, and applying that through the Highway Trust Fund, to infrastructure investment – not at all something which is part of the White House plan, so-called; and not part of the Republican leadership's plan at all. But when he was asked, he went with that. He hasn't said this publicly, but a number of senators and representatives who were at that second meeting, have reported it publicly in the same way. It's clear that he did say that he was for that increase in the gas tax, and as he said, he would take the political heat for backing it as President, if they would go forward with it. So you've had, in rapid succession, a number of indications that this plan, as poor as it was that came out from the White House, is not in fact the President's plan, and it simply closes

the door on all this waiting, and now says, where are the alternatives?

And that is very definitely what is in the LaRouche Four Laws, is the one alternative to this that will work.

Let me get into this in another way, unless you want to break it up, Matt. And if you have questions, please, interrupt.

But I wanted to read a piece that was written just two days ago by a Chinese scholar John Gong; he's a very prominent professor University of International Business and Economics in

Beijing; and he's a former executive editor of the {Journal of Chinese Economic and Foreign Trade Studies}.

OGDEN: We actually have a slide with the title of that article which was written for China Global Television Network (CGTN), "Make America Great Again – With Chinese Money." And I

can read some of the quotes that people can see on the screen, and then maybe you can address what the content is.

This is what he had to say: "Trump is absolutely right that Americas crippled bridges, potholed highways, and crooked railways cannot wait any longer. America needs to be great again.

The only question is, where is the money coming from?" And then

later in the article he said, "I have a great idea. Bank of China

and other major banks from China are now flush with dollar cash

and other dollar-denominated liquid assets, totaling over \$3 trillion, mostly in the form of holdings in U.S. Treasury bills

and bonds. This money can be readily used for Chinese investors

to participate in America's infrastructure boom. By that I mean

Chinese investors can participate in those infrastructure projects as active equity investors, and maybe contractors or suppliers at the same time.

“Call it the Belt and Road. Call it America-belt-America-road. I don’t care, as long as Chinas current account trade surplus can be somehow transformed into a capital account stock, in the form of money invested in America as permanent equity shareholders, and more importantly permanent stakeholders of a stable and prosperous Sino-U.S. economic relationship. This could be a win-win mode for both countries.”

[https://news.cgtn.com/news/79596a4d33677a6333566d54/share_p.html]

So that’s Dr. John Gong.

GALLAGHER: Now, that’s very important, in the way it is formulated, in the precision of it. He’s talking about Treasury

holdings, – he’s not the first Chinese official to do this. In

fact, a year ago, in late January of 2017, Ding Xuedong, the then-chairman of the Chinese Investment Corp., which is one of their two big sovereign wealth funds, made essentially the same

proposal. He said, we have such and such a volume of long-term

U.S. Treasury holdings, they’re not earners, their interest rates

are very low, their return is very low; we would like to trade them for a long-term investment in a U.S. infrastructure bill, as

he put it. And he, at the time, estimated that really, the need

for investment in the United States for new infrastructure, was

{ \$8 trillion}, a figure which may seem impossibly large to many,
but actually isn't.

[http://www.larouchepub.com/pr/2017/170116_chinese_invest.html
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Nonetheless, Helga Zepp-LaRouche has written in articles which have been published in the Chinese press, she's frequently interviewed and quoted there, – she has written exactly this proposal in articles which have been published there. I have presented exactly this idea to Chinese officials in Washington.

This is part of LaRouche's Four Laws.

But to start with, the first action implied by his four actions that have to be taken legislatively and from an executive

standpoint, is the restoration of the Glass-Steagall Act and the

breakup of the Wall Street banks and the hiving off of all of the

casino speculative investment vehicles, special purpose vehicles

and all of that, in order to protect and use the commercial banking system for investments.

You cannot get to real, major infrastructure renewal without doing that, and you could see this in the meeting that you played

the clip from. There was at least one representative from Missouri, who brought up the issue, when the discussion was about

trade, and specifically whether there might be tariffs against aluminum imports from China, he brought up the fact that there is

a grave lack of capacity to produce sufficient aluminum for industry in the United States, and where is that lack coming from? The lack of power supplies. So that, this is an infrastructure question, although if you ask the simple

question,

“Is there an apparent sufficient amount of kilowatt-hours per year per capita in the United States?” Yes, there is. But is there sufficient, reliable electrical power supply – constantly

online, reliable, electrical power supply – for an expansion of

industry? The answer would in many cases be, “no.” And that was

what he was bringing up, in particular with respect to more aluminum plants in the United States. You have a grave inability

to produce enough power, particularly since the fiasco of electricity deregulation out on the West Coast 15 years ago: That

deprived the aluminum industry and shut down a very significant amount of it.

Now, if there’s going to be that kind of investment in infrastructure across the country, it’s not going to be one, or

two, or three, or four, very famous big projects, like the renovation of the whole Northeast rail corridor of Amtrak, and the bridges and the tunnels in New York and so forth. It’s not

going to be simply those things. It’s going to be, at many, many

levels around the country, the production of enough clean water

supplies, the production of enough electrical power supplies; the

replacement and renovation – mostly replacement – of the river navigation systems, locks and dams, and many of these things.

And for those, the commercial banks have to be ready to lend, because it takes a lot of employment, a lot of contracting, a lot

of local borrowing: The banks have to be ready to lend and if

you allow them to stay the big commercial banks, and the mid-size regional banks – if you allow them to stay in the Wall Street casino, that's where they'll stay. If you say, "no, your business as a commercial bank is lending," then you have a credit channel through the banking system through which national credit can flow, and cooperate in this kind of thing. So it starts with restoring bank separation under Glass-Steagall. We're going to have a group of elected officials from Italy in a couple of months come over and help us organize in Washington on this, because they're fighting for it in Italy at the national and also the local level. Then, the specific second law of LaRouche, a national credit institution, which is able to produce large volumes of productive credit for productive employment of the people, and for increased productivity. And that is where not only the White House plan, but many other plans that have been put forward, are really completely inadequate, where we do have to talk about several trillions of dollars at least of investment, and the way to do that, is exactly the way that was reflected in that comment by Dr. Gong: That is, there is a lot of long-term Treasury debt held out there; three major holders of this long-term Treasury debt, which totals \$7.5-\$8 trillion, are the commercial banks of the United States, again, which hold it in their reserves and all their excess reserves which are very large right now; second, Japan, which holds more than \$1 trillion in primarily long-

term

U.S. Treasury debt; thirdly, China, which actually holds now somewhat more than Japan; about \$1.2 trillion of the same kind of

debt. Those are potential shareholders, equity holders, subscribers of that Treasury debt into a new bank created by Congress for the purpose of generating this kind of credit. That is exactly how we have proposed and circulated and organized that this is the way to form – without a tremendous amount of new borrowing – to form a sufficiently large national

bank for infrastructure; essentially by swapping existing long-term Treasury debt holdings for equity in such a new national bank created by Congress with a guarantee from the Treasury for the payment of the dividends on that equity. And with taxes – this is not free; it's never free, – but with taxes assigned to make sure that those dividends can be paid. That's where the increase in the Federal gasoline tax and potentially the use of other what you would call infrastructure

excise taxes, like the port excise tax and the navigation tax on

the locks and dams, that's where these would come in. Because if

you simply go and raise the gas tax by 25 cents and spend the money for infrastructure projects, it will not produce nearly, nearly enough. But if you use it in this way as leverage to guarantee the equity in a new national bank in exactly the way that we're seeing reflected in that proposal, that article from

Dr. Gong, then it'll work. As I said, he's not the only person,

not only among leading Chinese thinkers about this, but also from

Japan, there's the same kind of positive view of this idea. Potentially, there you have it – an infrastructure bank.

Then you have to go on and what are you going to use that

credit for? It can't be used simply to repair roads and repair bridges. There are entirely new areas of technological and scientific breakthroughs which will raise productivity in the economy to a far greater extent. One of them that we identify is that a crash program is necessary to develop not only thermonuclear fusion electric energy, but the plasma technologies of infrastructure, which will probably come from such a crash program even before commercial nuclear fusion electricity arrives. We will have plasma technologies being spun off from that crash program, which will address themselves exactly to the production of the kinds of capacities that have died out in deindustrialization in the United States. But they'll do it at a higher level of technology. Those kinds of investments, are one of the Four Laws that LaRouche has called for. Also, a big increase in NASA's capabilities, going back to the Apollo Project level of effort by NASA to really go back to the Moon; industrialize, develop the Moon, develop the raw materials there, including for fusion energy production. And from there, go deeper into the Solar System and ultimately into the galaxy. This is the kind of science driver which leads up-shifts in productivity in industry. And infrastructure is really the way that these up-shifts get introduced to the economy. For example, in a high-speed rail system of cars using magnetic levitation and similar technologies, this is the way it gets introduced. So, that opening from the President is very important. Yesterday you had comments which I think are very significant

from the two leaders of the House Transportation and Infrastructure Committee – the Republican chairman William Shuster of Pennsylvania, the Democratic ranking member Peter DeFazio – they are normally quite a bit at odds. But in interviews yesterday which were reported today, they were reporting that they are already jointly working on a legislative

alternative to exactly what you saw the President asking for there. A legislative alternative again, with real Federal dollars; the language which Senator Brown used – actually it was

Senator Wyden was the other Senator – real Federal dollars. An

alternative to present which the Transportation and Infrastructure Committee is where legislation along these lines

will have to start. So, you're seeing that; you're seeing the gas tax being discussed very widely, including by those same two

leaders of that committee. You're already seeing an infrastructure bank act in the House – HR547 – of Representative Rosa DeLauro, Democrat from Connecticut, which has

the backing of fully half of the Democratic Caucus in the House

and is not a national infrastructure bank which would operate in

the way that we've described and therefore would not be as large

or as capable. But nonetheless, it's legislation which in my view is quite similar to the Reconstruction Finance Corporation

which operated under Franklin Delano Roosevelt's administration

and did so much to recover the country and then to lead the mobilization for the war and through the war in the 1940s. So that is also something definitely within the purview of

LaRouche's Four Laws.

OGDEN: The idea of national banking is, I think, really the critical idea; and it takes us obviously directly back to Alexander Hamilton. If you look at Hamilton's view on infrastructure, the idea of public infrastructure is very much an American idea, and is a major pillar of the American System. Hamilton's emphasis on the necessity for the rapid upgrading of the national infrastructure, the ports and dredging the harbors and things like this, what was called "internal improvements." But this idea of public infrastructure has an American idea to it. In fact, it was written directly into the Constitution in the form of the General Welfare. There were huge fights, including Hamilton's defense of the Constitutionality of a national bank against Thomas Jefferson around this idea of the General Welfare. I know you have to go, so maybe one more aspect that you can address before you leave, and then I can conclude the remaining portions of the show on my own. But just on this subject of the idea of the public good, the United States used to be the world's gold standard, in great modern infrastructure, public infrastructure. You can see that obviously by what Franklin Roosevelt did during the New Deal. Nations around the world were banging on our door to try to imitate what we accomplished with the Tennessee Valley Authority and so forth and so on. But now, the gold standard is swiftly being set by China and what China has done in an unparalleled way. Create this amazing public infrastructure in a very rapid and swift manner.

Two things I think maybe could be addressed in what we need to now learn from China or relearn in terms of what we used to be committed to, is: 1) the policy approach that has made this possible in China; but also, 2) the philosophy that China is clearly committed to when it comes to this idea of the public good, the common good, or what we call in American Constitutional language, the General Welfare. Maybe you can address that just briefly before you leave, Paul.

GALLAGHER: There was, in the 19th Century, the American Whig and then Republican leaders were all very conscious Hamiltonians. They realized that they were attempting to develop the country, and they were doing it – at least a lot of the time – extraordinarily successfully with a commitment to the “internal improvements” what we call infrastructure, but the internal improvements, the national credit provision, the protection of industry; which came from Alexander Hamilton. But his overriding premise was actually none of those particular policies, but rather his stating against the tide of opinion in the 1790s when he was Treasury Secretary and the decade before and after. He definitely took on the tide of opinion that the United States was going to be an agricultural country, a country of yeoman farmers with all of their well-known virtues and so on and so forth. He said that the wealth of a country is found in the inventive qualities of its people, and in the freedom and opportunity that they have to turn their inventive qualities into enterprise. And he really was responsible for the emergence of the first banks of the United States; not only the First Bank of the United States, the first

national bank, but also the first private banks of the United States, of which there were very few at that time. He saw the creation of a national bank as essentially the necessary link or

liaison between the actions of the government to assist the economy and the actions of the private banks; that this was the

necessary way, in which they should be related. But his principle

was that the mind of the individual and the freedom of the individual and opportunity to make that into enterprise, that that was what defined the ability to produce the wealth of a country and that the wealth of a country was produced within it;

it was not gained by trading with other countries – fairly, freely or otherwise. It was gained primarily by producing the wealth which the inventiveness of the people and the resources of

the country made possible. And that was the function of protection when it was used, but of course, Hamilton favored more

what we would call industrial subsidies than he did what we call

tariffs. So that, right through Abraham Lincoln, was the creed

of the great leaders of the United States in the 19th Century and

considerably thereafter. We became the greatest industrial nation on Earth that way.

Franklin Roosevelt revived that general outlook, although he did so without the creation of a national bank, really because of

what he was working with in Congress. Otherwise, he might have

preferred to do that. But he did it through such institutions as

the Reconstruction Finance Corporation and the TVA, which

became
wonders of the world. We have not really improved on that
much
in the 70-80 years since. But that idea, Hamilton's ideas
spread
very rapidly through Friedrich List, who spent a lot of time
in
the United States and was a leading Hamiltonian in the 1820s
and
1830s, and then was in the middle of the unification of
Germany
for the first time in the Customs Union of Germany in the
middle
of the 19th Century. This spread through Bismarck's policies,
who knew that he was a Hamiltonian, later in the 19th Century.
They spread through the Japanese adopting and learning a lot
of
the works of Hamilton; late in the 19th Century inviting
Hamiltonian economists from the United States to come over and
advise them. This kept being repeated in Korea again. China
has
taken this far beyond, because as you said, they're not only
applying those policies, but they're also as they always say
doing them with Chinese characteristics. Particularly now
with
Xi Jinping as the President of China, he has really defined
and
enshrined in their Constitution the principle of what a
country's
leadership is judged for is its ability to strive for the
common
welfare, the common aims of the population; what we call in
the
Constitution, the General Welfare. That has really had a very
distinctive effect on Chinese policy in the country and also
on
the policy of the Belt and Road Initiative which Xi Jinping

launched, but was really already underway before he made the formal speech three and a half years ago. Already the investments by big Chinese commercial banks outside China, in these projects of energy, mining, but also a lot of infrastructure projects. These big investments were already underway in 2011, 2012; then he made the announcement in 2013, which was so very close to the policy of the World Land-Bridge which had been promoted by Lyndon and Helga LaRouche since the later 1980s. And since that time, that has really been recognized in China; they call Helga the Silk Road Lady. This policy of the common welfare is clearly one reflected in the way that they've eliminated almost entirely down to the last few tens of millions of people, they've almost entirely eradicated extreme poverty in China. I just heard the World Bank chairman the day before yesterday praising that to the skies and saying it's the one model for the world. He said the World Bank has been trying to do this for so many decades, to eradicate poverty, without making too much progress. China has done it, and now they are seeking to help do it in Africa and other places. They want to invest in the Middle East in reconstruction. But this is really the test that you are acting for the general good, for the common welfare, which is what our Constitution commits us to. So, in that sense, they've gone beyond, and in the process, really developed a lot of technological breakthroughs in infrastructure; and that's where you find them. That's where Roosevelt found them. The projects of the 1930s, which many people think of as just creating a lot of work for people, and building a lot of airports and roads and bridges and things

like

that; those projects – especially the hydro-electric projects and especially the Tennessee Valley Authority – were technological breakthroughs at the time. They built dams, navigation systems, hydropower systems technologically in ways which not only hadn't been done, but had been denied that they could be done even right up to that time. John F Kennedy spoke

about this later, that experts were saying that you couldn't build dams that were simultaneously for water management, for navigation, and for hydropower. The TVA did 57 such dams.

So,

they completely transformed an area of the country. These breakthroughs were made in all of this infrastructure building in

such a way, that the productivity of the U.S. economy leaped up in

the 1930s at the fastest rate of the last 150 years. A close second was the 1940s, including the war mobilization.

So that's what China is experiencing now, as they make these kinds of investments; and they're doing it with a very common welfare orientation.

OGDEN: Wonderful! So, thank you very much, Paul. I'm going to let you go before we finish the remainder of our show.

But I think you've made it very clear that we are uniquely positioned to inform and ultimately shape this counterproposal and what must ultimately become the infrastructure and general economic policy of this Presidency. So, I know we have a lot of

work to do. Thank you for joining us, Paul.

GALLAGHER: Thank you. I'm sure you'll talk about the necessity to bring this up from the bottom as well; from the local elected officials, from the state legislatures in particular and apply it to the election campaign. I think

it's

probably true what Chairman Shuster said, which is that work on

this legislation will be going on until the summer. I think that's definitely true. It will become a part of the election campaign, no question. If we can get candidates out there and local elected officials out there who are for the Four Laws, we're going to shape this. So, thanks for the opportunity and having me on, and have a good time.

OGDEN: Thank you, and we'll talk to you again soon. What Paul said is absolutely correct. This is the ultimate principle

or thought behind the campaign to win the future. This is the LaRouche PAC election mobilization in 2018. We've already had a

number of state legislators endorse this campaign. We're really

on the ground in various places, including in West Virginia; doing some very significant meetings with people who are involved

in the China-West Virginia deals. We've also mobilized in a very

big way in the Midwest, which was key to the Trump election victory. We know that these former industrial states really are

the most significant in swinging these elections and creating the

constituency blocs around this idea of the LaRouche Four Economic

Laws and everything that you just heard Paul go through. This is

the urgent necessity as we mobilize around this kind of program.

I think everything that you just heard from Paul, makes it very

clear that we are uniquely well-positioned to shape this

entire

discussion. I think the opportunity is even greater now than it

was previously.

Now, let me just go over a few things that I think will make it very clear to you that there is an opportunity for a moment of

awakening, you could say, among people who have recognized that

everything that we've been committed to for the last several decades up to this point has completely failed. There were two

very informative or entertaining articles over the last week and

a half, which point to exactly this; indicate exactly this opportunity for people to perhaps open their minds and begin a more sober and serious discussion around the true principles of

economics. One of these is an article which appeared in Bloomberg, this was {Bloomberg Business Week} I believe. The title of this article was "What if China Is Exempt from the Laws

of Economics?" This is by a fellow named Michael Schuman, but the subtitle is "Beijing's policymakers seem to be doing a lot of

things right – and that may upend much of basic economic thinking, especially our faith in the power of free markets."

So, here are a couple of excerpts from that article. He says:

"Over my two decades of writing about economics, I've devised a list of simple maxims that I've found generally hold true...

"But recently, my faith in this corpus of collected wisdom has been badly shaken. By China.

"The more I apply my rules of economics to China, the more they seem to go awry. China should be mired in meager growth, even gripped by financial crisis, according to my maxims. But

obviously it's not. In fact, much of what's going on right now in that country runs counter to what we know – or think we know – about economics. Simply, if Beijing's policymakers are right, then a lot of basic economic thinking is wrong – especially our certainty in the power of free markets, our ingrained bias against state intervention, and our ideas about fostering innovation and entrepreneurship.

"On the surface, that probably sounds ridiculous. How could one country possibly defy the laws that have governed economies everywhere else?...

"Yet as China marches forward, we can no longer dismiss the possibility that it's rewriting the rulebook. Beijing's policymakers are just plain ignoring what most economists would recommend at this point in its development. And, so far, they're getting away with it....

"... Perhaps China really is refashioning capitalism.

"Perhaps. I, for one, am still clinging to my maxims....

"... Maybe my rules of economics will hold firm after all. But thanks to China, I'm prepared to edit them."

Now, it's not that China is rewriting the rule book. I think that what you just heard from Paul is that it's the West, it's the United States under the influence of British free market ideology; this free-market school economics. It's the United States and the West which have been playing by the wrong rulebook for decades, if not generations. We've neglected the rulebook that we originally wrote. It was Alexander Hamilton, it was our first Treasury Secretary; that's why it's called the American System of economics. Other countries have applied these

principles of Hamiltonian economics and experienced the same phenomenal growth that we experienced under the influence of Hamiltonian policy. That is exactly what China is experiencing right now. It's leaving these economists scratching their heads, but perhaps they merely have to open a few history books. I think as you can tell from that Bloomberg article, it's beginning to dawn on people. "Gee! Maybe we've been wrong. Maybe we've been duped by this British free trade, free market ideology. Perhaps that's why our economies are in shambles right now."

Here's another article. This is in the {New York Times Magazine}. It came out earlier this week. This one is very interesting and goes through a lot of the history you just heard

Paul elaborate on. This is called "The Rise of China and the Fall of the 'Free Trade' Myth." The subhead is "China's economic success lays bare an uncomfortable historical truth. No one who preaches free trade really practices it." So, here's an excerpt from the article:

"[T]o grasp China's economic achievement, and its ramifications, it is imperative to ask: Why has a market economy directed by a Communist state become the world's second-largest?

Or, to rephrase the question: Why shouldn't it have? Why shouldn't China's rise have happened the way it did, with state-led economic planning, industrial subsidies and little or no regard for the rules of 'free trade'?...

"Indeed, economic history reveals that great economic powers have always become great because of activist states.

Regardless

of the mystical properties claimed for it, the invisible hand of

self-interest depends on the visible and often heavy hand of government. To take only one instance, British gunboats helped impose free trade on 19th-century China – a lesson not lost on the Chinese.... The philosophical father of economic protectionism is, in fact, Alexander Hamilton, the founder of the

American financial system, whose pupils included the Germans, the

Japanese and, indirectly, the Chinese.”

After some history, he lays out the case of Germany, and this one is interesting to focus on. He says:

“... Unified in 1871, Germany was scrambling to catch up with industrialized Britain. To do so, it borrowed from recipes

of national development proposed by Hamilton soon after the Americans broke free of their British overlords. In his ‘Report

on the Subject of Manufactures’, submitted to Congress in 1791,

Hamilton used the potent term ‘infant’ industries to argue for economic protectionism.

“... In his view, infant nations needed room to maneuver before they could compete with established industrial powers. The

United States embraced many of Hamilton’s recommendations; the beneficiaries were, first, the textile and iron industries and then steel.

“It was Hamilton’s formula, rather than free trade, that made the United States the world’s fastest-growing economy in the

19th century and into the 1920s. And that formula was embraced by

other nations coming late to international economic competition.

Hamilton's most influential student was a German economist named

Friedrich List, who lived in the United States from 1825 until the 1830s and wrote a book titled {Outlines of American Political

Economy}. On his return to Germany, List attacked the free-market

gospel preached by Britain as sheer opportunism... Applying List's lessons, Germany moved with spectacular speed from an agrarian to an industrial economy.

"... Closely following Germany's example, Japan heavily subsidized its first factories

"... South Korea, too, found solutions for its problems in Friedrich List rather than Adam Smith. The country's leader, Park

Chung-hee ... was also deeply familiar with German theories of protectionism. (The economist Robert Wade reported coming across

whole shelves of books by List in Seoul bookstores in the 1970s.)...

"But little did I know that Hamilton (and List) would achieve their greatest influence in post-Mao China. 'The rise of

China resembles that of the United States a century ago,' the Chinese scholar Hu Angang writes. He is not exaggerating."

Now, that's a very interesting article to appear at this moment. I'm not saying that everything the author says in his analysis is entirely accurate, or that all of the conclusions that he draws are necessarily correct. But what he does make clear is that what made America great was the policies of Alexander Hamilton. And what's making China great today are those very same Hamiltonian policies. This realization shows you

that we have a very fertile field for the reception of our so-called Four Laws campaign – Lyndon LaRouche's revival of Hamiltonian policies. The fight which Lyndon LaRouche has led for decades to liberate the United States from this imposed

free
market, free trade hoax; this British ideology. To return us
to
the principles of Alexander Hamilton. What he did
simultaneously
abroad to educate these other nations on the policies of the
American System and Hamiltonian economic policies. That's
where
China got this from; that's where you can credit the great
Chinese economic miracle of the last 15 years. Do not write
out
of the equation the role that Lyndon and Helga LaRouche have
played as spokesmen for this great Hamiltonian tradition, and
urgently with updates and a profound scientific depth that
Lyndon
LaRouche has brought to this discussion. But the time is now,
and the field is very fertile for the reception of this idea
that
the time has come for a Hamiltonian coalition of nations. We
must join hand-in-hand with China to do exactly that; to bring
development to all the nations on the planet using these
American, but universal, economic principles.
Now, let me just play a very short clip from a broadcast
that Helga Zepp-LaRouche had yesterday. Because the biggest
problem that you run into – and I think this is something that
you run into as an organizer or as an activist – is that
people
fail to make the necessary leap in terms of understanding
these
principles because they have an axiomatic problem. There's a
disconnect. The biggest problem that we have when it comes to
economics today is that money is essentially God. Money has
achieved this status in economics where it is everything to
everyone. It's the Genesis of economics; it's the root, it's
the
prime mover; it's the measuring rod, it's the purpose, it's
the

medium. Money is everything. And Helga Zepp-LaRouche addressed exactly this pathology in her webcast yesterday. And she called for a public debate on this. She said, as it begins to dawn on people who have believed that everything that they had believed about economics may perhaps have been wrong, we need to question some of the most basic economic assumptions that we hold dear, and ask ourselves the question, "What is the ultimate purpose of an economy and what is the true source of true economic wealth?" So, here's Helga LaRouche:

HELGA ZEPP-LAROUCHE

: I think there is something fundamentally wrong with the system of the free market, which after all is not that free, given the fact that all central banks did was to bail out the banks and keep money pumping for the benefit of the speculators, so that the rich become richer, and the poor become more poor, and the middle class is shrinking. This article by Bloomberg which you referenced earlier, is very interesting, because the author admits that according to his theory, China should be collapsing, it should have meager economic growth, but obviously the contrary is the case. And he says that China is doing everything which according to his theory are terrible, like state intervention, party control, – things like that – and China is prospering. And actually, he says,

he's not yet ready to completely overturn his theory, but he's willing to make corrections.

There will be a lot more corrections, because I think we need a public debate, what are the economic criteria for a functioning economy? And obviously, the works of my husband, Lyndon LaRouche, and his development of physical economy, going

back to Leibniz, to Friedrich List, to Henry C. Carey, to Wilhelm

von Kardorff, who was the economic advisor of Bismarck and was one of the key influences to bring about the industrial revolution in Germany; as compared to the so-called free market

model, I think we have to have a real debate, what is the cause

of wealth? Is it money, or is it the idea of the creativity of

the individual, which then leads to scientific and technological

discoveries, which applied in the production process leads to an

increase in productivity, which then leads to more wealth, longevity, and all of these things.

We need a discussion about that, because the notion of what is economy, equating that with money, has really become one of the axiomatic assumptions of a failing system. So we need a debate about that. [end video]

OGDEN: So the time has come. As I said, it's a very fertile field, and this is one of the most important reasons why

we've now launched a new LaRouche PAC class series, which gets directly at these principles; not only of economics, but this is

what drives global policy. What is the purpose of economy? What

is the true identity of man? And what should be the

collaborative between peoples and between nations, to what end?

So, I'll take that as an opportunity before concluding, to remind

our viewers that tomorrow we will have the second class in our 2018 class series. This class will be titled "The End of Geopolitics, Part I: The History of Geopolitics." The guest speaker will be Harley Schlanger. Again, you can register for this entire class series, which is called "The End of Geopolitics. What Is the New Paradigm?" The registration is now

open. If you have not registered for this class series, I strongly encourage you to. The link is available on the screen

– lpac.co/np2018. You can also visit discover.larouchepac.com which will be the central hub of all of the material for this class series. Again, if you're a registered participant, not only do you have the opportunity to participate in the live public forums, such as the inaugural class that was delivered last Saturday by Helga Zepp-LaRouche, but you also have the opportunity for an in-depth engagement around the syllabus, the

required reading materials, the homework assignments, the live feedback from the teachers and from the leaders of the LaRouche

PAC class series, and also some discussion periods which are only

open to registered participants. Registration has continued to

increase. We have a large number of registered participants from

all across the United States and elsewhere around the world, too.

So, we're putting together the educated grouping, the cadre which

will be able to lead this discussion for a new economics, a New

Paradigm. The field is wide open. The door is there, and all we have to do is walk through it. We are in a unique position to inform this discussion today; and it is a very urgent debate which needs to take place as Helga Zepp-LaRouche just said. So, thank you for joining me here today. I thank Paul for joining me. Please stay tuned to larouchepac.com; we have a lot of work to do, and we'll see you next week.