Understanding the Economy's Orbit with the Help of Animations

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Mr. LaRouche made the following remarks to a LaRouche Youth Movement cadre school for organizers in the Ohio-Michigan region, which took place in Toledo on October 9. Because of Ohio's importance in the November 2 election, we also include some discussion on the organizing that followed LaRouche's remarks. The discussion was moderated by Robert Bowen.

The interesting thing is, obviously, the so-called debate, last night, which is interesting clinically. Bush, of course, is a broken man. It showed itself in a somewhat different mode, than it did in the previous Kerry-Bush interchange, because Bush was moving around, and masked some of his psychotic body movements by moving—although that also revealed it, if you look more deeply.

Actually, one should get a tape of that event, which, of course, was an hour and a half, but it's probably worth looking at: To look at it from the standpoint of a critical body-language study—attitudes, voice levels, and so forth—this guy is really gone. He's far worse than was indicated in our friend Justin Frank's book on ***Bush on the Couch***. This guy's gone.

But, this morning, there was this very unpleasant news for the President: In the fact that his claim about all these extra jobs and growth in the economy, this great spurt of growth, was blown apart by the over-morning reports, that the U.S. economy is in the worst condition ever! We would say that "Hoover sucked, but Bush really does."

So, Kerry was effective, but not as sharp, in terms of getting the contrast, as in the previous debate. His health care was particularly strong. His leaning toward the issue of the economy was strong.

He failed, in a sense, in not going to the hard core of the issue of the Iraq War: Because what he didn't say, is that the reason he, Kerry— Let me take it back a step: Kerry was wrong on what he did, on voting for the blank check to go to war. It was a violation of the Constitution, as [West Virginia] Senator Byrd has said, precisely and eloquently. It was an

act of cowardice, in a sense, or opportunism, on Kerry's part. But Kerry's decision to support going to war, was based—as he himself said, privately, or that is, not publicly—that Cheney sat in his office and lied to him. In other words, Kerry went to war, or endorsed going to war, because Cheney lied to him; and he accepted Cheney's word, and Cheney had lied to him.

Now, if he had said that on television last night, he'd have been much more effective. If he'd said, "Look, you got us into war, by lies. Cheney personally lied to me, which is why I, at that time, capitulated to supporting the Bush plan for war. But now that we look back at it, we know that all these things were a complete fraud. You, Mr. President, lied to us. That's how we got into this war. And no matter how you double-talk around it, you lied to us. You got us into war, by lying. That should be considered an impeachable offense, Mr. President. It certainly disqualifies you from being re-elected."

That wasn't said. And that's the flea in the ointment in this particular case.

Without Animation, Economic Charts Are 'Faking It'

Now, what I want to talk about is something a little bit different, which we have said in one degree or another, in other locations, other auspices. I want to talk about the economy, and I want to talk about animation: We have been sluggish in the National Office in Leesburg in getting the work on animations going, as it should have gone. Now, as I've emphasized, when you use charts, these so-called static charts—like accountants' charts, or typical textbook charts—to describe an economy, you're actually faking it.

And I've said: "Look, I know we're stuck with using charts in print material, but we now have the electronic media, in which we can produce animations. And in animations, you don't have to fake it, as you do, when you use the print media. In the print media, you can only avoid the problem, by stipulating in the written language, in your argument, what's wrong with the charts as such. And then indicating, how you have to think about the information portrayed by charts, think about it in a non-chart way, that is, in a nonlinear way. Then you can make sense of what you're talking about."

As an example of this—I've used the case of Kepler's discovery of the principle of universal gravitation, as one of the best, most thoroughly documented, most easily accessible, demonstrations of what we mean by "animations." Now, Kepler, as I've said, based his notion of gravitation as a universal principle, on three empirical considerations: First, the planetary orbits—Mars, Earth—are elliptical, or not circular. That eliminates Aristotle; that is the error in the work of Tycho Brahe, and the error of Copernicus. There's another error of Copernicus, but that typifies the error.

So, first of all, the orbits are elliptical, not circular. Secondly, the rate of motion—that is, the rate of progress, of the planet Earth for example, along the elliptical orbit—is not uniform. That is, the vector of motion is changing at the most infinitesimally small, infinitesimal interval of observation, at every point. Thirdly, there is a determining feature of the rate of change, of the vector of motion along the elliptical orbit. That is, the so-called "equal times, equal areas": that, if you take the area of the ellipse as such, which is defined by the Sun as one of the foci of the ellipse, that that vector is constant relative to time. That is, an equal area, as represented by that vector, is occurring at every instant of time.

All right, so you have three things, which are distinct, empirical facts. And the intersection of those three considerations, gives you the first approximation of a universal principle of gravitation. There is no linear representation, of the connect-the-dots form, such as the Galileo attempt. You know, Galileo Galilei—who was a lackey, that is, a house lackey, of Paolo Sarpi, the founder of empiricism—Galileo tried to explain these things in terms of "action at a distance." After Kepler's book on the ***New Astronomy*** was published into English, the British, or the English, including Newton, committed a fraud in claiming that Newton had discovered universal gravitation, which he had not. It had nothing to do with apples: Newton was probably talking about the apple that Eve was passing around, not a real apple.

So, it was a fraud. So, what is generally considered as the empiricist principle of action, in the universe, as typified by the case of gravitation, is a fraud! In fact, there are three things which I just defined: the fact that the orbit of the planet is elliptical; that the rate of motion along the pathway of orbital motion, is not-constant at any point, the vector is not-constant at any point; and that there is a determination of "equal area, equal time." This defines, empirically, what we mean by a principle, which is not explained by any connect-the-dots method, which defines what gravitation is.

Now what this means, as I've emphasized, is that the planet is moving along a predetermined orbit, at a predetermined rate of change, in the sense of the infinitesimal calculus. That signifies that the planet is not put into motion, by a push/pull, or percussive action. That is, the planet does not take its orbit, its trajectory, by being hit by a bat and flying into space, along a trajectory defined by being hit by a bat. Nor is it in any other way, determined by something acting on the planet, in a connect-the-dots way, at any time.

The orbit is predetermined! The planet is following a predetermined orbit. It is not the motion of the planet that is determining the orbit: It is the orbit, that is *determining the motion of the planet*. That's the significance of Kepler's discovery.

Now in economy, it's the same thing: Where an economy goes is not a result of a ping-pong ball effect, where something pushes something, or doesn't push it, and it goes into an orbit, or a trajectory determined by that push or that pull. The trajectory of an economy is predetermined, in the same sense that the orbit that a planet follows is predetermined, even before the planet existed (strictly speaking), in the case of the Solar System.

So, therefore, when we talk about principles, and principles of economy included, we're talking about these kinds of principles which were predetermined. For example: I made a long-term forecast, in several phases. The first approximation was, in a study I did in 1957, based on my knowledge of what was happening in the U.S. economy from my work as a consultant and other things, at that time. I constructed an estimate of where the U.S. economy might be going from 1956 on. As a result of that, I said, "If the economy continues in the present mode, right now"—this is 1956, or so—"that, in early 1957," and I estimated February, when it actually did begin, "the U.S. economy would plunge into the deepest recession of the post-war period." Which it did.

Now, on the basis of my success in forecasting that, which is based on the same kind of considerations we're talking about in terms of Kepler's determination of the principle of gravitation, I said, "Okay, then, what this means, is this—my success in forecasting this, shows that I've struck upon the crucial feature determining the course of the U.S. economy in the post-war period." And I put my finger on the problem, as being identified by the policies of Arthur Burns, who was a professor of economics who actually created Milton Friedman out of mud.

That Arthur Burns's influence on the Eisenhower Administration policy, especially the 1954 reform of the accounting system, had set the U.S. on a course, which *if continued* into the first half of the 1960s, would lead to a development in the second half of the 1960s, which would head us toward a series of crises in the international monetary system; that is, the so-called "dollar Bretton Woods system," fixed-exchange-rate system, which would result in a breakdown of that system.

What actually happened was—is—that despite the efforts in some degree of Kennedy, to begin to reverse some features of the Arthur Burns policy, especially with the assassination of Kennedy, and the plunge into the Vietnam War, and the economic effects of that policy, meant, that in 1967, the Harold Wilson government of Britain brought the British pound into a collapse, in the Fall of 1967. This led to a crash of the dollar, beginning January 1968, which led to the first phase of breakdown of the Bretton Woods system as a dollar system, under Johnson, in February–March of 1968.

This situation helped to create the opportunity for the Nixon Administration, because the Johnson Administration would not repudiate these policies, because it wouldn't take a stand on the war in a timely fashion. And then the Nixon Administration, which was a fascist administration, in intention, did the 1971–1972 breakup of the Bretton Woods system, and created the floating-exchange-rate system, which has destroyed us.

So, over the past 40 years, approximately, the U.S. economy, and the world economy, have been moving toward a general breakdown of the world monetary-financial system. This has been *predetermined*, in the same sense that the motion of a planet along its predetermined orbital pathway, is predetermined.

The Predetermined Orbit Predominates

Now, my long-range forecasting has been based on precisely that consideration: That is, no matter what short-term fluctuations appear to be introduced, or perturbations are introduced into the system, the long-range determination of the trajectory of the system *remains*, and dominates the system. That is, short-term, willful changes will not change the system. They may change the immediately local effects, temporarily. But overall, the system will continue on its predetermined trajectory, unless and until, something is done *to change the orbit* of the system. Not trying to, nothing being done to try to push the system off a predetermined orbit, will really work, except for a very short-term effects. In the long term, the system, as long as it continues on these principles, *will follow the predetermined orbit:* That's why I've been, consistently, the only successful, long-term forecaster, on the record publicly, in about 40 years. And it is since 40 years, since my forecasts became generally known publicly.

That's what we have to understand here. Now, what is happening is, we are going now, into what I warned! It was inevitable. Nothing that was done would prevent it. They could make it worse—but they couldn't make it better. They might have temporary fluctuations, because of changes in financial policy, or financial-monetary policy. They might push the system a little bit further. They might push it this way or that way. They might prolong it a little bit, here and there, because it is willful system, the human will is operating in this system; it's not a mechanical system. But, in the end, the system is going to go, exactly as I said it was going to go, and itis. It's collapsing. It's finished.

But the problem is this: Is that when I come up with my forecasts, the *idiots*, who are otherwise known as "leading economists," say, "No, this will change it," or "This will cause it to work this way, or this will cause it to work that way"—it doesn't! Short-term perturbations are possible. Postponement of a crisis by months or so forth, is possible.

But in the long run, the orbit, the predetermined orbit *will* predominate, unless you change the orbit itself. In other words, you can not change the orbit by working within it, with special effects. You can only change the orbit, by changing the principal features of the orbit itself—which is what I've demanded. I've said, we have to go back to the Bretton Woods model, for political reasons: First of all, it's a model that works, that orbit works for us. Secondly, it is the specific features of that orbit, as a fixed-exchange-rate system, defined by Roosevelt—not by Keynes, but by Roosevelt. That this has a precedent, which can be accepted as a proven precedent. That is, the Roosevelt orbit of recovery, is an orbit which we know, and which will work again. We have to get back on it, that orbit. Otherwise, we're going to crash into the Sun, or something equivalent.

So, that's what we're doing.

The Parts of an Economy Are Determined by the Whole

Now, therefore, in understanding an economy, you have to think about those factors in an economy which are knowable, which have the same significance for projecting the economy, that the characteristics, as Kepler defined them, of the Solar orbit, define the Solar orbit of the Earth, Mars, and so forth, for example.

So, that means that the first thing you do, you have to look at the animation: What is the observable trajectory, overall? Try to understand that. Now, look at some anomalies in that, which don't fit any linear extrapolation, or any connect-the-dots model, or any chart effect, any economist's chart of trends, any statistical trend—it doesn't work. And you find that you have characteristics *like*, the fact that the vector of velocity is changing at every instantaneous instant, in the economy. We find that. You also have to see that there are determining factors, which do determine how it works.

Now, an economy is determined, not as the sum of its parts. The parts of the economy are moved in a way which is determined by the economy as a whole. And this has some interesting ironies.

Irony number 1: The basic determination of the potential growth of an economy, or its collapse, is located in what we call "basic economic infrastructure." Now, if we include in physical infrastructure, the notion of the way in which the human mind recognizes and applies universal physical principles, subjectively, then we can say that we can conceive of the orbit of the economy, the orbital path of the economy, as a whole, as a *physical orbit*.

We also, then, consider how the orbit is regulated, from moment to moment. And, of course, here the thing is how the human mind adapts to the infrastructure, which the

economy as a whole has, to exploit the conditions provided by that infrastructure, to give a new impulse of improvement in the productive powers of labor in the economy.

We also have to look at the *interrelationship* of some things, in terms of consumption—the relationship between physical consumption by households, and the physical output of the economy as a whole; how these things are interrelated. How the rate of change is affected? What is the principle that causes the rate of change? Usually, chiefly, for example: Education is a factor. If you educate the population, in the sense of universal physical principles, you have a higher rate of growth. The basic orbital principle remains the same, but the actual rate of growth is determined by these physical principles being discovered. Also, the rate at which these physical principles are being applied in the economy; that will determine it.

So, you have all these relationships: the relationship of infrastructure to technology in agriculture, technology in manufacturing, these things are all interrelated; the level of education in the population; the health of the population: Because, when people die, part of their development in producing knowledge dies with them! So the object is, to keep people alive as long as possible, and to keep them healthy as long as possible. Not to get them working hard, but to use their mind, their knowledge, their experience, that store of knowledge which they represent, for the benefit of society.

So, we look then at the interaction, of several independent, interdependent factors—seemingly independent, but interdependent—as to how they determine the way an economy works. So when you take a chart, say, of the infrastructure, well, you see how the collapse of infrastructure affects the productivity of labor in the economy as a whole: Look for example, at water systems, power systems, other basic systems. Health-care systems, educational systems. These are things that lie largely in the public domain, and less in the private domain.

But then, on the other hand, the development of ideas does not come from a kind of socialistic predetermination; but it comes actually from the development of discoveries, or rediscoveries, by individual minds. And the intervention of the *individual mind*, into the social process, to contribute new discoveries, and to thus increase the productive powers of labor, by means of the human *mind*'s development, as opposed to the circumstances in which the individual, as if he were a dog or a cat, is operating in that situation.

That's our basic problem.

The Crucial Role of Infrastructure

Now, what's happened here, and I've often used the electrification of agriculture under Franklin Roosevelt, as an example of this: The electrification of rural society, by Roosevelt's

Rural Electrification program, had a great effect on the productive powers in agriculture, in many ways, which is such that, even though the farmer had not developed significant new technologies of agriculture as such, the effect of rural electrification on the conditions of life in rural America, resulted in an explosion of the productive powers of labor, which led, then, to the stimulation of the improvements in agriculture, technologically, which followed.

So, therefore, the large-scale water management, the role of the Corps of Engineers, in developing water-management systems, the development of power systems, power distribution systems, the development of public health systems, sanitation, the development and improvement of public education—all of these things which were *state functions*, that is, functions of the government, of the public sector, not the private sector, created the environment which made it possible for the private sector to prosper.

You also observe an anomaly: You're sitting in Detroit, sitting the Ohio-Michigan area, and these are areas which are noted for their industrial development. But, if you look more closely at industrial development, you find it was not so much the large corporations like the General Motors, and so forth (Ford at an early stage was a better example), but the large corporations were not the ones who created productivity. These corporations depended for their productivity, on smaller firms. The vendors, the suppliers, the small machine-tool plants. You look throughout the state of Ohio, look at Michigan, the adjoining states: Look at the lost machine-tool, small, entrepreneurial machine-tool industries, or semi-corporate—you know, this hybrid in between the public corporation and the independent, privately controlled firm—and you see, that this is the area where productivity occurred.

Individual Minds Create New Technologies

Productivity occurred as a result of the action of the mind of individuals, such as the leader of a firm in a high-tech, closely held firm; or he or she, and their immediate associates, the technologists, and the skills of the machine-tool operators, and so forth in that firm: *They created new technologies.* The new technologies, created and developed in these firms, then became the resource on which the large, giant firms were able to produce an improved product, in one sense or the other.

Now, you look at the situation, and you see that's been destroyed. You see a similar thing in Germany, which was also formerly, a highly industrialized nation, with a lot of these closely held firms, smaller firms, less than 200 employees—between 7 or 8, and 200 employees, that sort of thing—they're disappearing!

This is the structure of the society. So, you have, on the one hand, the loss of mass transit systems, and certainly trucking is not efficient relative to railroads (not if the railroads are run

properly), and the loss of public infrastructure, its decay: You can't ship things the way you could before. You have whole sections of the country, as in Michigan, where you used be able to run plants at a distance from the main centers, and because you had reliable, *regulated* transportation, you could serve those communities in and out, with bringing things in, and bringing things out, at the same kind of costs and with the same facility, as you could in one of the major, concentrated centers.

So, there's an interrelationship between the total area of development, the character of the components of development of the total area, and the way productivity works at the point of production or the individual firm. What you're seeing now, when you try to do something from a manufacturing standpoint, for example, you find you don't have the ability any more to do that. Because you've lost this structure, this combination of factors, on which you depend.

You've lost health care, which creates a problem. You're losing more and more, all the time. You've lost the *character* of health care, by the introduction of the HMO system. You've destroyed the effectiveness of the physician. You've wiped out a large section of the medical profession, put them out of business. You don't have the structure anymore, in the system, which would determine a healthy trajectory, a *healthy* orbital pathway. That's our problem.

Educating People to Fix What Went Wrong

What we have to do now, of course, is to recognize those principles and put it back. But, at the same time, we have to enable people to understand what has happened to the economy, and therefore, how to fix what went wrong. We have to understand this from the standpoint of animation. We have to see that, as my case demonstrates, the fact that I have been able to demonstrate over the period of a half-century or more, the long-range trajectory, the orbital pathway, which the U.S. economy was following under its current trends in policymaking, indicates that most of these forecasters are simply incompetent: Because, just as the orbit of a planet is predetermined, in Kepler's sense, so, when we commit ourselves to a certain structure of policymaking, we define an orbit for the economy, which predetermines the general motion the economy will take. Short-term fluctuations can be introduced, but they will not have a permanent effect; they will not change the orbit. The orbital pathway will snap back to the predetermined orbital trajectory.

And therefore, I've been able to forecast successfully, as no one else could, or has, what the U.S. economy was going to do. And I did it, because I did it on this basis.

Now, forecasting is not only being a Merlin, saying something is going to happen. Forecasting is also saying what kinds of decisions have to be made, in order to change the orbital pathway. And that's where I come in. And that's where you come in.

Now, therefore, we have to educate the population in understanding this. Because we're in a society which is based on the wills of individuals, or the intersection of their wills. We have to make clear to people how the economy is organized. We have to show, by animations: "Here is the long-term trajectory we're following. Here are the sub-trajectories. Here are the ways in which these things interact with each other." In other words, how does the long-term orbit of a planet such as Earth or Mars, how does that interact with the rate of change, of velocity, of the planet's motion, along a predetermined orbital pathway? What is the equivalent of a principle of "equal area, equal times," as it affects the way in which these orbital changes, or changes within the orbit occur?

We have to understand these. We have to show people, what is actually happening to the economy, not in a simple linear trajectory, but how the economy is working. How the collapse of infrastructure, the destruction of infrastructure under recent governments has destroyed the ability to produce at the local level. How the standard of living has collapsed as a result of this. Why money is largely a fake; that is, monetary figures are largely a fake. We have to look at the *physical* realities of production, not the monetary ones.

Presently, we're in a situation, where prices do not tell you much about an economy—one way or the other. Most of the fluctuations in price, as in the case of the oil price now, are determined by factors which are not physical factors as such.

For example: Take the oil price, which has now reached over $53 a barrel, headed towards $60, and, at which point, this means the whole thing will collapse. As soon as these futures contracts, which are reflected as increases in the price of petroleum, are passed back to where the tank is being filled, the automobile tank, or back to the fuel tank in someone's cellar, when that price increase is now passed down through a chain of actions, 30, 60, 90 days later, an increase to $53 or $60 a barrel, begins to be reflected at the pump, or in the cost of petroleum in the house, then you see the physical effect. But in the meantime, fluctuations in the price of petroleum are determined by financial *speculation:* In other words, it is not physical supply and demand that is determining price. It's some completely different factor. So, those who are trying to explain things by supply and demand, are kidding themselves, or they're faking.

And, therefore, we have to look at the physical processes as such, in order to unmask what is going on in the fraud in the financial sector. Today, the financial figures really don't mean much. Most of the figures on employment, the figures on income, in general, are fake. Bush,

for example, was exposed, just yesterday, when what he said, before a national television audience (international, actually), was a lie! Now, I don't know if it was Bush's lie, because he's a pretty stupid fellow, and probably didn't know what he was saying. But, from the standpoint of the Bush Administration, what Bush was saying on behalf of that administration, on the economy, was an outright lie.

So, therefore, forget these figures that are published by the government. Because our government, presently the Bush Administration, is probably the biggest liar in American history! Worse than Hoover, by far, on this account.

Look at the Physical *Reality*

So, therefore, look at the *physical* reality: How many jobs were lost, yesterday? What about those fake jobs? What do I mean by fake jobs? For example: When Bush forecasted an increase of jobs, he did not forecast an increase, or an accounting of an actual increase in employment. He didn't! There was no increase in employment of the type he talked about—it never happened!

What happened? Somebody invents a computer model. In this computer model, they project, according to their theory, or the theory they concoct for this purpose, how many jobs will be created as the result of a certain tick, in the financial system. So, what Bush was talking about, about increased jobs, was not actually increased jobs! They didn't happen. And, you look around, you will see they didn't happen.

What has happened has been an increase in unemployment, *not* an increase in employment. Well, where are the figures for the increase of employment? Well, they're the result of an intentional fraud by the Federal government. They never happened! They were made up. But, how were they made up? He said, "Statistics show it." What statistics? They had a computer model, and the computer model predicted a fictitious increase in employment, which never actually happened, but which the model said, *should* have happened.

So, therefore, what our job is, is to understand this model, to understand exactly how the real economy functions, from a physical economic standpoint; how large-scale infrastructure, which is largely in the public sector, interacts with the actual increase of productivity in the private sector; how the two things act interdependently in determining the actual trajectory, or orbit, of our national economy. We have to understand *how to change* the orbit of our national economy, from one of a planet about to crash into the Sun, so to speak, back into a stable orbit around the Sun. And that means we have to use these methods of animation, the same methods which were illustrated by Kepler's discovery of gravitation.

And therefore, I must recommend to you all, which I'm sure you'll be discussing there, as on other occasions, is to look at what Kepler's discoveries *actually were*, with that in mind. To understand what kind of thinking you have to have, to understand not only how the Solar System works—actually works, as opposed to some Newtonian fiction—and have to realize that the *same kind of thinking*, scientific thinking, applied to a different kind of phenomenon—the behavior on Earth, determined by the human mind—how that also has the same kind of characteristics. This is not a fixed orbit, in the sense of a solar orbit, but there are orbital pathways, predetermined pathways, which an economy will follow. And this, as I've demonstrated over half a century, or parts of a half-century; when people are saying: "Tomorrow it's going to happen. This will do this, tomorrow"—it didn't happen that way. Why? Because there was something else, like a planet moving along its predetermined orbit. The planet was moving remorselessly, along that orbit, according to that law. And all of the short-term efforts to move the planet from that orbit, may have caused it to wobble a bit, *but the long-term orbit prevailed.*

So, we have to understand *how* long-term orbits are determined. Understand how forecasting has to be made. We also then have to understand *how*, under what conditions, we can change the predetermined orbit of a national economy or a world economy.

That's what I'm at. So, this old fellow will now let you get at him.

Dialogue with LaRouche

The following are excerpts from the discussion following LaRouche's presentation.

Never Call an 'Ohio Republican' a 'Bush Republican'

Q: I wanted to let you know a couple of things about Ohio, as opposed to most of the other major cities I've been in, doing the organizing. There are tons of Republicans! I didn't realize they existed. It's been good, actually, though. Since the debates began, some of the organizing I've done with Republicans has been much, much more human. Where, I mean, actually, I've been getting contact information from various of these young folks, and with a sort of realization that, you know, I mean, these kids, half of them are probably Republican because their parents are. It's not, I mean, they're young folks—

LaRouche: [laughing] Yes, I know, I know all about that! Go ahead. I have a Ohio Republican background myself, you know.

Q: What's that?

LaRouche: I have an Ohio Republican background myself.

Q: Oh, yeah?

LaRouche: Yes, one of my ancestors, Daniel Wood, comes from Delaware County, resided in Delaware County, north of Columbus, in a place called Woodbury; was a Quaker abolitionist, born about the same time as Abraham Lincoln; originally from the Carolinas, who had to leave ahead of the lynch mobs, and settled up there in Delaware County, and founded Woodbury. He was also associated with the Whigs, such as the Henry Clay Whigs, in his lifetime.

Now, you have a phenomenon in the United States, called "Ohio Republicans." If you look at the list of Presidents we've had, you'll find Ohio figures very large in the roster of U.S. Presidents, many of whom were fairly good. For example, Harding was not so bad, and certainly, McKinley was good. So, this is a phenomenon.

Now, an Ohio Republican is *not* a Bush Republican. As a matter of fact, they are two distinct species, which are often in mortal conflict with one another. But some of the Ohio Republicans tend to become, shall we say, a little bit "stuffy." But, nonetheless, remember, Ohio was the richest state in the United States, until things that happened about 40 years ago, from that point on. Much of that has been destroyed. It was a state of proud farmers, integrated with proud industry, and a lot of medium-size to small, high-technology firms.

The Machine-Tool Principle

Q: My question is actually exactly on that idea, what you brought up today, the machine-tool firms, the smaller firms, which I really, I have a very, very vague—I don't really understand the idea vividly.

And I had a discussion with one of these guys, where he was describing what he called the "paradox of progress," where you have, as you gain progress in your civilization, your general population will become more and more dependent, on what this guy considered to be technology—my instinct said, what he was describing as technology was definitely not—but, where your people would just get lazier and lazier, and they won't be actively involved in this.

So I was just curious, if you could go through the idea of the small firm, machine tool. And what's wrong with the thinking of this idea?

LaRouche: Well, the small machine-tool thinking is very much like my own. There's nothing wrong with that! It's pretty good! [laughing]

The motivation of the person who's really good, in that area of practice, as I've said often, their motivation's not profit. The motivation is to maintain their position, of course, to defend their position, not to go bankrupt, of course. The motivation includes trying to pass along a firm which they have developed successfully, to successors, whether family heirs, or to employees, whom they've helped to bring up, whom they entrust as capable of continuing the tradition which that firm has represented, of service to the community, of service to society. So, it's a proud tradition. There's absolutely nothing wrong with it. There are people who are more or less richly developed, and more strongly developed morally in that direction. But that is your typical good American. A good American and a good farmer. For example, you'll find an interrelationship, historically, between the Ohio high-tech farmer, or relatively high-tech to his time, and the high-tech entrepreneur, the machine-tool operative. They're often interchangeable. They come from a similar background, they have a similar motivation.

As Hamilton described this, in his ***Report to the Congress on the Subject of Manufactures***, this development of the progress of infrastructural development, as facilitating the improvement of agriculture, through the relationship with the urban, industrial-technological development, is the characteristic feature of our American System, as opposed to the British so-called capitalist system. We represent the American System.

The National Destiny of the Republic

And Ohio, which was actually *created* as a state, over a period of time—including by George Washington, who was involved in this struggle, others were involved in this struggle, as Graham Lowry wrote in this book on this subject, on ***How the Nation Was Won***—the same thing: Ohio was *created* as the place across the mountains, across the Alleghenies, along the Ohio River, was created with the intention, that this was the destiny of the United States as a nation, the destiny of our republic. To cross the mountains, to cross the Alleghenies, to access the rivers. And then under John Quincy Adams as Secretary of State, we had a clear definition of a national destiny, from the Atlantic to the Pacific. And Ohio represented the fulcrum, together with adjoining states, the fulcrum of that development of that idea. You know: Down the Ohio, down the Mississippi, up the Missouri, across the Plains, to the Pacific. This was our national destiny.

The destiny was not just to create an empire, it was not an empire. It was to create a *republic* of integrity. The idea from the time of Friedrich List, for developing railroads. The idea then, was to develop the railroad system from the Atlantic to the Pacific, to integrate the United States; to continue the policy of Nicholas of Cusa; to circumvent the planet; to go into Asia, from the Pacific side; to develop what's across the Atlantic, and to go into Asia from the

Pacific side. To develop an integrated relationship among peoples of the planet, a cooperative relationship.

Look at the difference between the way the British went into Japan, and the way the United States went into Japan, under the influence of Henry C. Carey. That sort of thing. This was the American tradition.

So Ohio embodies, over many generations, including my own ancestors, who are partly from Ohio, embodies this essence of the Americas. It is buried deep, among many generations. Remember, you're talking about my great-great grandfather. But there are other people in Ohio, say of my age, who also reflect their great-great-grandfather; or of younger generations who reflect their grandfather. So, the imprint of previous generations is deeply embedded in the people, or, in a large part of the population, the people, of that state.

And, this was the state of Presidents. That, after Virginia: the state of Presidents. And you'll find a quality among the Republicans there, which has *nothing* to do with George Bush's crazy kooks, but something else. When we try to put this nation back together again, we're going to have to actually re-scramble the party organizations. It won't happen as an arbitrary thing, I think. I think it'll happen as a logical process. The first step, presuming that Kerry is elected, will be to try to bring in the best kind of Republicans, into a concert of action, with the best kind of Democrats. And, the riff-raff among the Democrats, and the riff-raff among the Republicans, will be put to one side. And we will reconstitute the evolution of a sense of a national purpose, which will be embedded in our political system, if we renew it as we must now, and will be embedded in our political system generally.

So, we will have a convergence among the best in the Democratic Party—the Franklin Roosevelt tradition, which actually is a Federalist Whig tradition—and the best in the Republican Party, which is a left-over of the same thing, the Lincoln tradition, and what that represents.

So, you shouldn't be surprised at all to run into this sort of thing. They are good people, and don't insult them by saying they are part of Bush's party. They would probably be hurt, injured, get hurt expressions on their faces; they might even cry, if you call them Bush Republicans.