

Government Can Control Today's Hyperinflation

This is an excerpt from an interview given by Lyndon LaRouche to talk show host Jeff Rense of Genesis Communications Network, on the evening of Sept. 21.

Rense: What are your latest observations on the scene in our nation's capital?

LaRouche: Well, I think you have now got a rate of inflation, which is hyperinflationary. We're in a world situation which is like Germany in 1923. And you just look at the rate at which prices are rising, and you realize that this is not going to go on too much longer. We're near the end of the game.

Rense: How can it go on any longer? I mean—look, as you know, Lyndon, you've been saying this for many, many years, before anyone else I can remember, that the day of accounting is coming soon. These people continue to create money out of virtual cyberspace, with a few keystrokes on a computer. Not a care *in the world*, about trying to consider a way to pay it back, balance the budget, or any of the other old clichés we like to talk about.

LaRouche: Yes, well, there's a certain amount of madness. I think you can say that the people who are running the world right now, are insane. They don't care much about anything, they're just running things. They're hysterical. Cheney is in deep trouble, physically, as you know. He's got some physical problems, there—surgical problems.

Rense: It's said that he may have had a heart transplant a year ago. I don't know. But the man does seem to be invisible most of the time, that's for sure.

LaRouche: The man's—he's dangerous. He's not too bright. He's vicious—he's only a tool. He's only a tool. You've got a financial crowd that's running the world, which is, in my view, clinically insane. The President of the United States, I've said, he's a mental case. And this thing is rolling along. It's largely negligence on the part of a lot of people who should have known better.

Right now, you've got, in the Congress and elsewhere, you've got people who are out of the ether—especially in the Senate—who are beginning to move. But, I just hope that we're moving in time.

We're on the edge—as I said, we're on the edge of something like 1923 in Germany, in terms of economy. Just look at the price of petroleum. Look at what's happening. Look at

other prices which are related to it. There's no shortage of petroleum—we've got a glut—

Rense: Thank you!

LaRouche: We've had a glut for a long time.

Rense: Thank you for saying that. All too true. This whole thing—I don't know if you feel one way or the other about the "peak oil" argument, but I don't buy it for a second. In fact, Cornell University, the Geology Department, and others, have suggested that we have a process on this planet wherein oil is being manufactured all the time by the Earth. We don't understand it. In one tract of land, 900 square miles off (ironically enough) Louisiana, out in the Gulf, there is more oil, says Cornell University Geology, than has ever been used since mankind began using petroleum as an energy base! That's how much oil is in *one* location.

LaRouche: Yes! Well, right now, in terms of oil available, petroleum available, there's a world glut. It's not just what's in the Earth, which of course is there, but in the amount that's being *produced* is a glut.

What we're seeing here is simply international financial interests, which are a cartel, which control the world's petroleum supplies, are rigging the prices.

Rense: The vampires.

LaRouche: Worse! Worse. And the price is going up, because the system is at an end. Look at the Spring: In the Spring, you had hedge funds, which made a big gamble, and they lost. They were trying to bail out—and they're still trying to bail out—a lot of the hedge funds went under. Some survived. Those who survived, are trying to survive through their control over petroleum and other things. They're driving up the price to try to bail out their financial system, which is bankrupt.

It won't work! It won't work—

Rense: Utterly bankrupt. I agree. It won't work—no chance.

By the way—excuse me one second: Had you been elected President, and you were in the White House right now, and this oil gouge was being perpetrated against the American people, which in fact is what it is, you know, and

many people listening know, you could have picked up a pen, signed one piece of paper, *freezing* the price of oil and gasoline, in the national interest, immediately.

LaRouche: Yes, sure! I would have done it. I've proposed it.

We have two things we've got to—you know, you can't manage everything by government decree, even international decrees. But there are some things, within certain limits, you can manage things. In this case, we have two things that we have to manage right now: We have to manage the price of petroleum, because we made ourselves dependent upon it. We can not allow a small group of people to drive the price up the way they're driving it up, now. About \$40 a barrel is pure swindle; it's pure theft.

Rense: Yep.

LaRouche: Because they control the market.

The other thing I've got to worry about, is the supply and price of food. You may notice that the price of food is zooming.

Rense: Well, of course!

LaRouche: We're in, now, a hyperinflationary spin, which is like Germany, 1923.

Rense: The price of everything is exploding, and watch what happens in three to six months, folks, when gasoline goes to \$5 and \$6 a gallon, diesel fuel keeps apace, and the truckers, of course, who bring everything to every store in this country, will be forced to pass along their costs to you and I. This is an inflation of a different stripe, Lyndon, but it is hyperinflation.

LaRouche: It's like 1923 Germany: The rate of increase of price, now, is on the same kind of curve that Germany experienced in the second half of 1923. It's already happening, now.

Now, we can control it. Governments could control it. The will to control it exists among many governments in the world. There's no problem about the price of oil. We have friends in the Middle East and so forth, who would be perfectly willing to cooperate with us, because they know that stability for them and everybody else depends on cooperation. They offered to do so.

It is the United Kingdom and the United States government, which have refused to cooperate in controlling this price. And the two things I said we should control, we can't control everything with government, but we must control the price of petroleum, and we must ensure stability and price of food supplies. Those two things, we *must do, now*. . . .