

Rebuild the Nation's Economy Now; We Can't Wait Until Bush Is Gone

Lyndon LaRouche was interviewed by radio host Scott Leffler, of PWLV 1340 AM, in Lockport, New York, where Delphi is closing one of its auto parts supply plants. Here are excerpts from the interview.

Leffler: Today the local union, Local 686 at Delphi is voting to authorize a strike against the Delphi Corp. because they feel as though they're being mistreated. The white-collar employees are being rewarded, while the blue-collar union folk are being told that they're going to have their salaries cut, and the union is none too happy about that. . . . You've recommended emergency legislation. . . .

LaRouche: Well, if you come from a generation that knew the 1930s and the immediate wartime period, you recall how we got out of the Depression, out of the Hoover Depression as we called it then. Under Hoover from 1929 on, the U.S. economy had collapsed by one-half. So Roosevelt came in with a mess on his hands in March of 1933. . . . While we had a lot of people who were pretty much demoralized and had lost skills during the course of the '29-'33 period, we managed to get them back in shape. And by the time the war rolled around for us, we were the greatest economy the world had ever known. . . .

About a week before Roosevelt was actually inaugurated, Adolf Hitler had acquired dictatorial powers in Germany, which he retained until 1945, when he killed himself. So that, at that time we knew, not exactly what the war was going to be like, but we knew we were headed for war. . . . A plan had been developed in the 1920s, knowing about these possibilities, and connecting it to developing our economy on the idea that our economy would enable us, if developed, to deal with a threat from abroad. . . .

So when we went for a recovery, we went for recovery with the recognition that we were going to be going into a war—not that we wanted to be, but we knew one was going to be thrust down our throat. . . .

So what happened is you had key people, like Eisenhower, MacArthur, and so forth, who were in the spectrum here. They weren't part of Harry Hopkins' program directly, but you had people like Lucius Clay, for example, who was part of it. So we developed a combination of an orientation for building up a capacity to deal with the threat of a war, that is, an agro-

industrial capacity, and to get our population in shape for rapid technological progress, which made us, in fact, by the time we had entered the war, with programs such as those of Walter Reuther, the most powerful economy the world had ever known. And we showed it very quickly.

Now, the improvement was occurring then. What happened during the 1930s, is we built labor force, and we built infrastructure. We built the machine-tool capacity to do this job. And when we went to war, we were ready to "click." And we created the greatest economy the world had ever seen!

And in terms of the immediate period, in 1945, we, as the most powerful economy on this planet, created the circumstances for the recovery of a shattered Europe, and began to build up other parts of the world. So that, despite all the mistakes that were made at various points during the post-war period, we had set a standard. . . .

We're in a situation, where we have to mobilize again, as we did then. We have people who are being destroyed—look, for example: The automobile industry, together with some fragments of the aircraft industry, is the machine-tool capability of the United States. If we lose that, if the management and the stock-owners of Delphi, Visteon, Ford, General Motors, have their way, as now, we're not going to have a U.S. economy any more. Because they're going to shut this thing down.

Leffler: You had recommended, on this show, a couple months ago, that the auto industry should look at working on infrastructure. . . .

LaRouche: Well, look at Lockport: You have idle millions of square feet of industry, industrial potential there. If you bring back the density of hundreds of machine-tool designers, that you had there at one time, what you can build—remember, because Lockport is on the water system: Now, we're talking about things that have to go on water. Lockport is a place to build things that have to go on water, like assemblies for river systems, this sort of thing. Railroads. Lockport can build aircraft systems, they have that capability. It's built there, you have some of the labor force that can do it. . . .

We're going to lose about two-thirds, presently, of our auto industry. That's what the game is. *But:* The issue is not trying to reverse that, because we are producing more automobiles than we should in a sense. . . .

So therefore, we have to take that capacity, those skilled workers, and those communities which have this productive capacity, we've got to protect them, by putting them through a special kind of protective organization which will go back into private business later: But right now, the government has to step in, provide the credit, get this thing working. We need power stations. We need to go into developing new fuels, which have to be high-density fuels.

Leffler: Americans, by and large, have been opposed to nuclear power. Do you think that that can change?

LaRouche: Oh sure. . . . We've got a system which is largely dependent directly, or indirectly, on the combustion of either coal, which has become pretty inefficient because of the neglect of the coal system, and petroleum. If you're going to run automobiles, and heat homes, and have air conditioning, and other things of that sort, you're going to have to have a new source of power that we can afford. And that is going to be largely, over the coming period, it's going to be nuclear power. . . .

Take one other problem—now you don't have that problem up there, as such, but you have it in most of the country: We're using fossil water as water supply. Take the Ogallala Aquifer, which covers a big part of the western states. It's going down! We're using up water that was stuck there a long time ago, much of it left by glaciers melting. We're drawing it down, the land is subsiding. Now, we're going to have to make water. To make water means desalination. To make water economically, on a mass scale, requires nuclear power.

So, we're going to be going in the direction where the basic power will be nuclear power, as we phase into it more and more. We must, within 25 years, a generation from now, be sure that we're in thermonuclear fusion, which will give us a greater capacity. We're going to have to rebuild our water systems, that is, the transportation water systems, and the freshwater systems. We're going to have to rebuild our railway system, because it doesn't function the way it's working now. We need a railway system.

We're about to run out of power stations! We're about to run out of water! We're about to run out of mass transportation. Since 1971, we have neglected the maintenance of infrastructure. . . . And now, that infrastructure that we didn't maintain, or didn't renew, is now about to collapse. We're drafting a bill for the Congress, and we're pushing for support for it. . . . Our intention . . . is to have the Federal government use, as Roosevelt did, the power of creating credit in our particular system of government, which no other part of the world has. And to take over this section of productive capacity, in these plants, like Lockport, bring them back up to strength. Because what they can produce is really not in excess of what we need. We need the infrastructure! Put people to work *in* the infrastructure, which will stimulate the private sector's commercial goods. You can not, working in McDonald's or similar kinds of jobs, cheap jobs, make an income-

tax revenue-base for local communities!

Leffler: . . . How do we convince people that they need government to do more? I mean, currently, the Congress that we've got right now has surpassed *laissez faire*, and I believe their official policy is, "Don't ask, don't tell." Let business do whatever they want to do to the people, and pretend as though it didn't happen! How do you convince the people to convince their elected officials, that we need government to get involved in our economy?

LaRouche: Go around the country, go in these areas, talk to the mayors, talk to the party leaders in local areas, talk to people who are on the local level: They want this! They see what's happening. They're important enough in their area to have an overview of what's happening to the people in that area—the mayors, the city governments, all this kind of thing. They know what they're going through. And they're saying, "Washington is crazy! Washington is not paying attention."

So we have a proposal on this, which has been picked up by the Vermont legislature, by Alabama, and others. It's in process.

So you find in a certain layer of the population, the trade union leaders, mayors, local party officials throughout the country, and we're canvassing them all and working with them all. They want it!

So what we say, is, "Okay, we can save the system." Then, on top of it, what we have in our favor (which is not exactly a nice thing to have in your favor), we have a rate of hyperinflation in the U.S. economy, this year, which is the same rate of hyperinflation that hit Weimar Germany in the second half of 1923. Now, that means that if we continue the present policies, we're not going to have a depression: We're going to have a blowout of the entire economy, a general collapse, like that that hit Germany in the end of 1923. It's coming on. This is not a petroleum supply-demand issue, on petroleum: This is a part of the price of gold, of the price of industrial metals. . . .

Leffler: Right. Gold is what? Gold is over \$700 now, right?

LaRouche: That's right. And it's headed to over—

Leffler: And silver is \$13 an ounce?

LaRouche: Yep. But what happens now, is the *rate* of the inflation is increasing, as the *rate* of inflation was increasing in Weimar Germany. It's not a constant rate of inflation. What you're dealing with is an *accelerating* rate of inflation.

Therefore, if we were to continue at the present rate, the U.S. economy would go into a collapse phase about September of this year. So my point is, the government has to intervene. If we intervene in our government, in our situation, we will get cooperation from other parts of the world. Maybe the Bush Administration is not the right instrument for that—but, I think the Bush Administration can be changed, very soon—*not wait for two more years.*

So we have the possibility of saving ourselves. And the United States is the nation, which has, in our traditions and our legacy, the ability to deal with these problems. So, what we're doing is to say: Let the Federal government adopt responsibility for keeping these plants functioning; accept the fact that they're not going to be producing automobiles. Take the section that is *not* going to be producing automobiles, and use it for other things, with a heavy emphasis on restoring the machine-tool-design capability. Build systems for locks and dams for the river system; build power plants; build railway systems; build other basic economic infrastructure that's needed in the states, the communities and so forth, and the nation as a whole.

In addition to the labor force, build up six divisions, of military Corps of Engineers divisions: Because, if you're going to build these things, like assemblies for locks on rivers and things like that that you're acquainted with in Lockport, you're going to have to have the labor to install them.

Leffler: Sure.

LaRouche: We've got a lot of people who are in useless employment, as make-work employment in one degree or another; you've got young people who have no future before them. Why not absorb them in a military Corps of Engineers training and work program, which means that when they go through their service in this kind of operation, or stay on as engineers, they will have the skills and the ability to maintain for themselves and for others the standard of living which we think is decent for Americans?

Leffler: I am with you. What happens after we get this infrastructure in place? What happens to those employees? Do they move on to other jobs? Are there more infrastructure things that need to be done thereafter?

LaRouche: What we need is a science-technology-driver program to change the character of life for the better. Look at our health-care situation, look at local communities, look at infrastructure: We have been operating for over 30 years *below breakeven level* on the basic needs. Now, what I'm talking about here, with this number of people and these number of

industries, we're talking about enough, with help, *barely to maintain* the necessary infrastructure that we have *not* been maintaining over the recent 30 years. . . . We should have mass transportation. Now, we have three elements of mass transportation which are important: One, we have to reorganize the relationship between air transport and ground transport, which means largely it's rail, air, and also we're going to have to introduce magnetic levitation, which means 300-mile-an-hour magnetic levitation lines.

Leffler: Right.

LaRouche: Where you don't have that, you can use the friction rail, but modern types. . . . We're going to have to go to high technology that we're not using now. The United States and Western Europe, and Europe in general, will have to become leaders in this. . . . We're trying to have a clean, safe environment; we're trying to have a higher standard of living; we want progress in health care. We want people to live longer and to live better. So therefore, that means we're going to be spending more effort on those kinds of things. Therefore, to do that, we must increase per-capita physical productivity: That means science and technology.

Leffler: I have one big question for you, before we do wrap things up, Lyn. You've said repeatedly, that the U.S. has the best economy in the world. Is that still true?

LaRouche: We can have it again. What we have, is the best Constitution in the world, if we use it. Despite the fact it's being abused now. Our Constitution gives us the best, as Roosevelt showed: When we use our Constitution as a structure for determining the way our economy works, as Roosevelt did in pulling us back out of the mess we were in in 1933—when we do that, we have the greatest potential in terms of our system, for rapid improvement in economic performance. In a generation, within 25 years, we could become again, the greatest economy in the world.

Leffler: One thing we need to do, to do that, though, is to get politicians to get their collective heads out of the sand, or wherever they might be buried.

LaRouche: Give them their courage. I'm kicking them, but I'm kicking them in a loving way. I know they're goofing up, but we're pushing, and we're getting results. By our method of mass organizing, we're out there, especially with these young guys, we're out there organizing. And we find, despite all the problems, despite all the resistance, all the objections, the American people are waking up. And when they see young people coming along, in their early 20s, and they think, "These are the guys who are going to be around 50 years from now," and they see these young guys moving for this, they're saying, "We see our future moving now! These young men and women are our future. And they're moving: Therefore, this nation has a future, and we have something to live for."

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