

LaRouche Open Letter To Bill Ford

Lyndon LaRouche's Nov. 23, 2005 public letter to Ford Motor Company Chairman and CEO Bill Ford is reprinted below from EIR, Dec. 9, 2005. After the public letter, LaRouche's follow-up memorandum is reprinted from the same issue of EIR.

RE: Reorganizing the Auto Industry
Dear Chairman Ford:

I not only wish to express my hearty agreement with the statement of Nov. 22, 2005, which you delivered to the National Press Club, but to indicate the emergency measures which are both feasible and necessary. These are measures which our government must undertake as essential measures of assistance, to prevent a looming catastrophe for the economic future of a U.S.A. which remains, despite everything, still today, the pivot and hope of a general economic recovery for a crisis-wracked world at large.

The views I express here are the same which I address to relevant members of the U.S. Congress and others on this and related subjects. Putting this on the public record, with you, in this way, should be helpful to those leading members of the Congress who share my own and your expressed concern on this matter.

To wit:

Since the shift in outlook of our most influential circles which occurred over the course of the 1964-81 interval, we have shifted from being the greatest productive machine the world had ever known, to the ruin of a post-industrial utopian "service economy." This is apparent to us, if we calculate as I and my associates have done, and present an animated view of year-by-year downshifts in physical characteristics of our nation's economy, county by county, during the course of the recent decades.

As your statement implies, the U.S. automobile industry is essentially the major component of the machine-tool-design capability of our republic as a whole, complemented chiefly by a kindred role of the machine-tool-design component of the aerospace sector. If we dismember that specific capability, we become a Third World-like relic of our former selves. Economic devastation will sweep every part of the nation's communities, which would be directly and indirectly affected by such a ruinous development.

This industry is not made by automobiles; it, among other things, makes automobiles. It can produce almost anything which we might rely upon the existing auto industry to produce, such as a new mass-transportation grid, including mag-

netic-levitation grids, crucial elements of urgently needed new power-generation installations, essential components required for rebuilding the nation's ruined and depleted water-management systems. Essentially one-half of a competent design of a modern economy depends upon basic economic infrastructure. That is the ration which distinguishes us from the highly vulnerable industrial sectors of the economies of the Asian countries such as China and India today, where national income, at current export prices, is insufficient to meet the needs of the lower 80% of family-income brackets of those nations today.

Now, the process of transforming our nation from the world's leading agro-industrial power into a depleted, bankrupt "services economy" of today, has reached the point that we are a bankrupt nation. Only those powers of national sovereignty embedded in our Constitutional system, enable us to avoid imminent national bankruptcy; but, this can not be continued much longer under present trends. We require a general reorganization in bankruptcy of an otherwise hopelessly bankrupt present Federal Reserve System, as virtually all of the world has a similar or worse predicament. We require a method of mobilizing a recovery which looks back to what worked to make us, once again, the world's greatest economic power ever, under programs such as those of President Franklin Roosevelt's Harry Hopkins and Harold Ickes.

The required stimulus for a U.S. economy under the recovery measures which a reorganization of the Federal Reserve requires, will be a concentration on basic economic infrastructure by government, coupled with the revival of the private sector through contracts and credit to private vendors in participating support of those programs at the Federal and state levels. The national-security urgency of rationalizing a national air-rail system of functional reunification of our territory, is merely an apt illustration of the way in which the capacity of the automobile industry must be diversified, a full utilization of its machine-tool-vectored capacity as a whole, within a new division of labor in respect to the industry's net product.

This requires a core remedy built around an Act of Congress which enlists a sufficient part of the existing potential of the industry to maintain existing machine-tool developmental potential and present community employment to maintain the capacity of the industry intact, while diversifying its product in ways which are both consistent with the national interest and represent an adaptation to the reduction of the domestic market for automobiles manufactured by U.S. firms.

We have ruined our nation and its economy with the recent four decades of drift downward into what is termed, euphemistically, a "services economy" today; but, we remain, with all our ruinous faults, the nation on whose exemplary leadership the world depends, politically, for a recovery from the immediate threat of a general financial-monetary breakdown-crisis of the present world monetary-financial system at large.



Transrapid

Maglev technology will be an essential part of a general policy of integrated development of the nation's transportation system. Here, Germany's Transrapid.

You struck the right note on the subject of recent economic history. We need the right implementation that implies. That is not merely an option; it is presently the only economic option our nation actually has available. The U.S. Senate and related institutions will need support on the matter of feasibility of the required reforms in national mission-orientation. A widened dialogue on the implied substance of the issues is timely.

This will require an act of Congress, probably emanating from the relevant committee of the U.S. Senate, to create the authority providing the needed cover for the reorganization of the existing automotive industry to that effect.

Under such an act, the existing industries, and their associated key machine-tool associates, would enjoy federally supported means for orderly reorientation without loss of any essential productive elements. A special facility, established under Federal law, would be needed to provide a protective cover for this, while creating the programs of expanded categories of activities, beyond the existing industries' present marketing missions, in mass transport and other fields.

You and your associates have the experience needed to craft relevant proposals defining the primary opportunities for relevant technological forms of market diversification based the industries' existing machine-tool-design potentials.

This Federal provision must include the orientation of establishing the U.S.A. as once again the technological leader which we encourage and assist other nations to match and emulate. Science and its indispensable partner, machine-tool design, must become once again the exemplary standard of U.S. industrial performance. That must be the mission of the Federal provision for this reform.

Sincerely yours,
Lyndon H. LaRouche, Jr.

cc: U.S. Senate

Follow-Up on Ford Letter

Auto and World Economic Revival

by Lyndon H. LaRouche, Jr.

Nov. 24, 2005

On the subject of my letter to Chairman Bill Ford, there is clearly much more to the matter than I stated there. What I stated is valid as far as the subject there goes, but the continuing success of what I propose depends upon the assumption that certain other measures, of broader implications, are taken in support of what I outline in that letter. I identify several among the crucial such points here.

1. The implementation of what I outline as the diversification of the application of the auto industry's capacity, implies the adoption of a general policy of integrated development of the nation's public air, rail, or maglev transport, and waterborne inland and foreign transport.

2. It implies a rebuilding of the nation's power grid, with heavy emphasis on high-temperature gas-cooled nuclear-fission reactors (of approximately the Jülich type), and the shift of highway-vehicular and air-flight power to generation of hydrogen-based fuels regionally/locally, where petroleum-based fuels are employed today.

3. It anticipates a return to emphasis on adoption of targets of high standards for physical-economic output, per capita and per square kilometer, for each county of the United States.

4. It requires a return to a "fair trade" marketing policy in domestic trade, and import-export tariff- and quota-regulation in foreign trade and public transportation of passengers and freight.

5. This implies a set of emergency and continuing reforms of the international monetary-financial system, based on a) a return to an international fixed-exchange-rate, carefully regulated system; b) this means a reversal of a "free trade" policy, back to a global "fair trade" policy, consistent with low-cost long-term credit for physical capital improvements over spans of a quarter- to a half-century physical-investment-depreciation cycles in both domestic and foreign affairs.

6. Special attention must be given to the crucial ratio of physical output and standard of household consumption per capita and per square kilometer for the entirety of the population and territory of each sovereign national economy. This means that nations with relatively higher average national values of this type must feed the technological upgrading of economies downstream, and that more advanced economies