

The First Step Is Glass-Steagall

In his Friday webcast Nov. 16, Lyndon LaRouche laid out, once again, the measures that are the sine qua non for rescuing the United States from the deepening economic and cultural depression that has overtaken it. Here is the excerpt. (The complete webcast is archived at www.larouhepac.com)

Now the first thing that has to be done; the first action that must occur if you are going to save the United States from a crisis: Glass-Steagall. The only thing that can save the United States from the worst possible outcome is the immediate installation of Glass-Steagall. Because what does that mean? Glass-Steagall means that we take all the junk business of Wall Street, and we say that the United States has no obligation to bail out the junk-bond business. And therefore, they are on their own. If they can survive, as merchant banks on their own, without guarantees from the Federal system, without committing any criminal actions, of course, by their doing, then that's this case. If they don't make it, they don't make it. They're gone. We have no Federal government responsibility for bailing out any part of those banks. Only banks that qualify as national banks, as nationalized banks, public banks, regular banks, only those banks will be protected.

Now, this leads to some other things. The very fact that we stop the hyperinflation by Glass-Steagall creates a different kind of problem. The different kind of problem is, there is very little left in terms of actual value in *any* part of the system. That's why we have hyperinflation accelerating in Europe and in the United States. Because the economy of the United States is becoming increasingly worthless, and if you are trying to bail out worthless firms, like these speculative banks, the Wall Street banks, at the same time that you are crushing the actual production of wealth by the U.S. economy, you are headed for the destruction of the U.S. economy.

Now this has already happened. Whole industries have disappeared. The automobile industry, and everything related to it, has been wiped off the map, essen-

tially, in the United States. And only a small fraction of those types of industries still exists. There is presently *no current form of employment which actually meets the needs of the people of the United States.*

A National Credit System

Therefore, we are going to have to go to a second measure, which follows on Glass-Steagall. We are going to have to do a Franklin Roosevelt-type of reform in addition to Glass-Steagall. And that additional form means that we are going to go into the process of national banking, national credit system banking. In other words, the trustworthy banks of the United States, the conventional private-public banking system, those banks will be protected. They will also be used as a vehicle for distributing funds, Federal funds, as future funds for selected industries and other forms of productive employment.

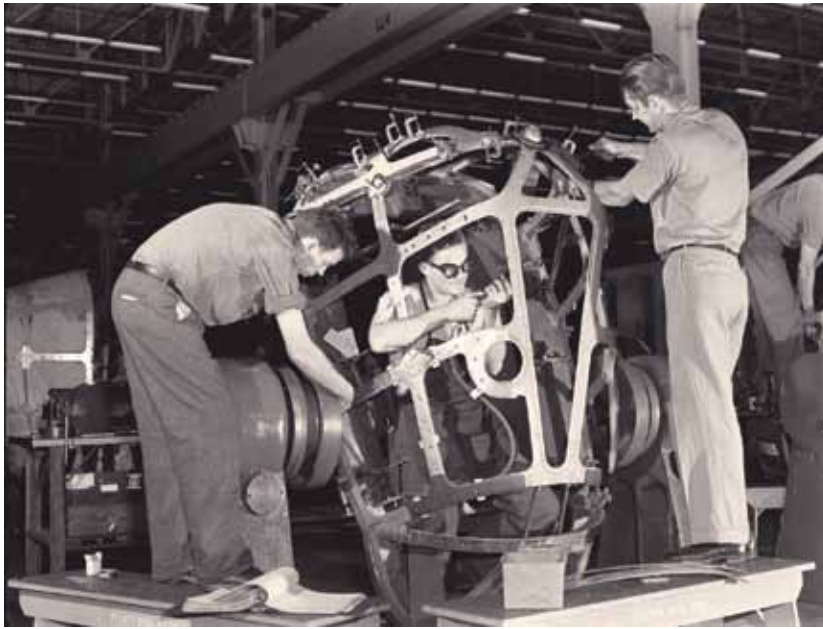
And therefore, we are going to have to create employment which is otherwise impossible, under the present system, of people who are now on the streets, so to speak, or in worse conditions.

NAWAPA

The key thing we are going to use for that is, of course, NAWAPA [North American Water and Power Alliance]. Because what we need is to immediately change the United States from a broken-down nation, which produces almost nothing, and begs from China and other places for what to eat or wear; we are going to have to re-employ a good part of the labor force.

Now, admittedly they are not in the best condition. Qualified productive labor is not as old as I am, but approaching that state of affairs, and therefore, there are a limited number of people who still have the technological skills needed to direct these industries.

Well, that's not really a bad thing, because it's what is needed, and anything that is needed, is not a bad thing. So therefore, what we're going to have to do, is actually create large-scale employment where we can, but large-scale employment which is not make-work,



National Archives/Ann Rosener

Detroit was the World War II “make-everything” industry, when the factories, shuttered by the Depression, that had produced automobiles, were converted to war production. We can do the same today. Shown: workers at Ford’s Willow Run bomber plant, producing B-52 warplanes.

The ‘Make-Everything’ Industry

We also, for other reasons, are going to have to reexamine what Detroit used to be. Detroit used to be the “make-everything” business, especially during the period of World War II. We made everything. We made airplanes; *all kinds of things* that they had never made before, out of the floor space of the automobile industry. We had vast floor space which only in recent years was shut down, but this floor space was ready to go, to space projects, anything. It was the capability of the United States for mass production, real progressive mass production. It was the kind of thing that made the *miracle* of our U.S. ability to save the *world* from the Nazi system. Without what Roosevelt did in the 1930s, we could have not only not defeated the Nazi system, we would have probably become part of it.

So that’s the change we must make.

but is based on industries and other enterprises which are necessary for the productivity, the physical productivity of the nation.

Now NAWAPA, we’re talking about the order of magnitude of 14 million jobs. That’s not peanuts. It may start slow. It may start like a WPA-type project, but we’re going to take the labor force as we did under Franklin Roosevelt; we’re going to increase the productivity of the labor force, as we break it into these jobs, and it’s going to change the character of the United States, from one of desperation, to one of progress.

And also, the other aspect of NAWAPA is not merely the fact that it’s one of the best machines for a large-scale increase in employment in the United States; at the same time, it actually involves a qualitative change in the weather system of the United States. This reorganization of the water system would increase the amount of water actually available, through recycling, inside the United States, and Canada and Mexico.

So therefore, we are not only creating jobs which are productive, we are increasing the productivity of the nation, per capita and per square kilometer.

And that is a Roosevelt-type operation, but on a more desperate scale than what Roosevelt had to do in the 1930s. The same idea.

Bring Back NASA

But one of the most important aspects of this, in addition to NAWAPA, and in addition to going back to what the “build everything” kind of operation was, centered on the auto industry, is we are going to also have to go to space. Because we are in immediate danger of problems, which we enumerate on other occasions, which have to be done based on the progress we’ve already achieved in NAWAPA and also in space itself, already.

We are going to have to deal with the threat of the destruction of Earth, or large parts of it, from objects which are floating around there between the areas of Venus and Mars. And we’re going to have to interfere with these objects, which otherwise, in the extreme case, destroy human life on Earth. Or might destroy an area, like the San Francisco Bay area could be destroyed by a certain size of plausible arrival of one of these pieces of crap.

Therefore, we’re going to have to re-open not only NAWAPA, we’re going to have to re-open NASA. NASA will have to be re-opened on a much larger scale, because without the technology of a science-driver program, we cannot get the increase in net productivity we require to build this nation.

That is what we must do. Glass-Steagall is the stepping-stone, which must be done first, if the U.S. economy is to survive.