

'To Deal With a Depression'

Democratic Presidential pre-candidate Lyndon LaRouche spoke to members of the Black Caucus of Arkansas, in Pine Bluff on Feb. 24.

Chairman Wilkins, members of the Caucus, thank you for inviting me here. I'll concentrate my remarks in four areas, essentially.

One, is that the United States, along with other nations, especially those of Europe, and the other states of the Americas, are now in the early phase of a *terminal* general economic, financial crisis. At this time, the Federal government has not acknowledged that. The present Administration, in particular, and the Congress, in general, have been so tied up with issues of security, and the questions of war, that these issues of the economy have not been brought into the Federal government. Whereas, on the state level—and especially among about 46 of the 50 states—the recognition of the crisis is clear, though the definition of the causes and nature of the crisis is not yet clear.

It is obvious to me, that what we have to do is, look back at the 1930s, and look at what Franklin Roosevelt did, not as a matrix for what we have to do, but as an area of study for precedents, to deal with a depression of as great a severity as that of the 1929-1933 period.

Much of this has to be done on the state level. That is, many of the programs which are required, to bring the level

of the tax revenue base of the state up to a durably manageable level, will require large-scale, basic economic infrastructure programs as a leading feature. This means transportation. This means water management. This means generation and distribution of power. This means health care, which is a disaster now. This also means areas of education.

The states do not have the ability to raise money for expansion-growth programs, in terms of their present laws and resources. Therefore, they will rely upon the Federal government's Constitutional authority to generate credit, national credit, to be shared with the states, in support of programs which will be largely utility programs, regulated utility programs, of state governments.

A Super-TVA

The pressure for such action is going to increase. States are attempting to balance their budgets. In the short term, this state, as others, may be able to get through the period of crisis, temporarily. But the level of crisis is going to increase. And measures taken in the short term, in the months ahead, will not be durable. Therefore, we're going to have to go to the more fundamental issues. This means that the Federal government must be forced to recognize the reality of the present international and national financial, monetary, and economic crisis. We're going to have to have bank reorganization on a large scale, on the Federal level.

But as long as the government is looking only at so-called security measures, and foreign policy issues, warfare, and so forth, the tendency is, in the Federal govern-



Lyndon LaRouche in discussion with members of the Arkansas Black Caucus, and (inset) local coverage of his talk.

ment, to give no serious attention to these matters; whereas, on the state level, there is screaming and hollering. Some of the states don't have the right idea.

What I'm doing, in particular, is, I've presented an outline of what I've sometimes called, for convenience, a Super-TVA, an array of programs which are of a type which have already been thoroughly researched by various kinds of government agencies, which must be implemented.

For example. Our present rail transport system is disintegrating. The Amtrak system is about to collapse, unless Federal action is taken. Our air transport system is in a

crisis. We have a United Airlines reorganization scheme, which is actually disastrous in its present form, because it tends to put United Airlines in the position of cannibalizing the trade of airlines which are not in bankruptcy reorganization. American Airlines is also in trouble. Therefore, our air traffic system, air transport system, as well as our railway system, is in a state of crisis. In terms of power, as a result of deregulation, excessive deregulation, we now have a situation—as in California, a typical case—we have a *breakdown* in the ability to

generate and distribute power in the degree needed to meet local needs.

So, in general, we have a problem. We must increase Federal support for restructuring programs, which will affect, largely, the states, and utility and related programs of states—public utilities. These include these areas of traditional infrastructure, especially. And without this increase in the tax revenue base, through increase of employment, we have a social crisis in the United States as severe as that Franklin Roosevelt faced in 1933, and probably worse.

Thank you.