

LaRouche to Kentucky Labor: We Need 'Leadership That Is Looking for Trouble'

Democratic Presidential candidate Lyndon LaRouche spoke to the Louisville, Kentucky Building Trades Council on May 6, followed by an extensive question-and-answer dialogue. LaRouche was introduced by an official from the International Brotherhood of Electrical Workers.

Introduction: Join me in welcoming Lyndon LaRouche. Mr. Lyndon LaRouche is running as a candidate for President, U.S. President, and we'll suspend our regular order of business to allow Mr. LaRouche the floor as long as he needs.

LaRouche: Well, as you know from experience, that most of the jobs you come to, are bad jobs that you have to turn into good jobs. I've been there, in the old days of consulting.

Now the job of President is like that. The job of President of the United States today is a very bad job. The specifications of the job are wrong, the materials you have to work with are wrong, and you've got to turn it into something.

Now, that's our problem. It's not the problem of the next President, it's *our* problem, because this is our country. And the function of President, as the Presidency—despite the fact that the present incumbent is not too clear on which direction North is—the Presidency is the actual institution which must make the ongoing decisions, on which the way things turn, depends. The Congress is important, as it advises the President, in particular, because it makes laws and so forth, but the action comes from the Presidency.

In an emergency, it is the President of the United States who reacts to the emergency, not a discussion with the Congress. The necessary action is taken, and then the Congress comes in on the act, in terms of how this is going to affect the lawmaking and provisions. When the President acts, he has to get permission from the House of Representatives for the money, with the consent of the Congress to do the job, that sort of thing.

Now, most people who are running for President, tell you what they're going to do when they get there. Now, if they're not already doing it, as you may know, they generally don't do it when they get there. You know, you say, "I don't want to talk the President, I want to talk to his teleprompter. I want to get an intelligent answer."

Now, here's what we face. We're faced with a very bad job. The United States and the world is bankrupt. The banking system of the United States is bankrupt. The IMF monetary system, financial system, is bankrupt, and in the process of disintegration. This is the problem the Presidency faces.

We're also faced with, as often in times of depressions, or similar crises, usually there are military and related crises that occur. We have phenomena which are called terrorism—it's somewhat of a misnomer, but it exists. We have wars which are spreading. Right now, Sharon and Cheney would like to have a new war against Syria, for political reasons—they're desperate. And Syria's the number one target. They intend to drop a couple of nukes on Iran, if they get re-elected. They intend to do the same thing with North Korea. We're in a period of trouble.

Look at the Patriot Act, look at what its implications are. You look at what's happening in the prisons, the military prisons in Iraq, for the Iraqis, and in Guantanamo. And we know the same kind of mood is coming in the United States, with the Patriot Act, and similar kinds of things. There's a tendency to go toward dictatorship.

A Crisis of Artificial Debt

The real thing comes about money, on this thing, money in a special way. When bankers become bankrupt, and the question is, who is going to pay the debts, the bankers say, "The people will." As they said in the case of Argentina.

Now I happen to know that Argentina does not owe a nickel to anybody, but under the provisions of certain changes in the world monetary system, from 1971-72, and actions taken in 1982, the countries of South and Central America were looted by these international financial institutions. The way they did it was this: Under a floating exchange rate system, they would start with the London market. They would get a run on a nation's currency. They'd target the currency, they would organize a run against the national currency. The value of the national currency is falling on the international markets. The country's in trouble. People of the country say, "What are we going to do?"

Someone says, "Call in the IMF and World Bank. They'll advise you on what to do." The people from the World Bank and the IMF arrive, as advisers, and they say, "Well, slice this, cut this, cut this, cut this . . . and also drop the value of your currency. Maybe 20%, 30%, maybe 50%." The country says, "We've got to do it. We'd better do it. Otherwise they're not going to let you go."

"Okay, that's the deal. Fine."

"Oh, one more thing. When you drop the value of your currency, as we order you to do, that means that you are threatening to cheat your creditors. If you're going to pay in

your currency, and your currency has been dropped by us by 20-40%, or whatever percent, you've got to make up for that. You've got to increase your debt to compensate your creditors on future payments to them."

Now, if you look at the total debt, of the countries of Central and South America, back in 1971, back in August of 1971, and look also at the same figures, the same kind of figures, for the following year of the so-called Azores Monetary Conference, when the floating-exchange-rate monetary system was put into effect: These countries owe not a nickel to anyone, on national account. They have more than paid every debt they actually incurred. The debt which is squeezing them, is the debt which was imposed upon them artificially, without their receiving a nickel for it in advance.

And now they come in, and they say to Argentina, "We're coming to eat your people." And they're going to say the same thing, and are saying the same thing, in South and Central America.

Take the case of Mexico. 1982, Mexico was hit by this operation. It was run from the United States. It was run by very dirty people, against the President of Mexico who happened to be a friend of mine, López Portillo, who just recently died. We staged a fight. We tried to save Mexico and other countries from this kind of predatory operation.

Now, if you look at an area like Monterrey, which used to be an industrial center in Mexico, look at other parts of Mexico, the country has been destroyed. What's happened, therefore: We have the globalization and NAFTA process. What we did is, we destroyed the ability of Mexico to provide for the employment of its own people. Then we dumped those people, as virtual slave labor, in *maquiladoras* in the northern states of Mexico, or we brought them across the border as cheap labor, here.

Now, what they get in wages in Mexico, is not enough to support a family. So, we're destroying the country. This is what we're doing throughout the hemisphere; this operation. This is what they plan for *us*, here in the United States, and elsewhere, under the conditions of a monetary crisis. That's what the big fight is, behind the scenes in the election campaign.

A Tragedy in Our Economic Infrastructure

Now, there are two ways you go at this. We're going to have a big depression, that is, a financial depression. The question is: can we prevent that from becoming a permanent economic depression, a killer kind of economic depression inside the United States?

We can! We have a precedent. Franklin Roosevelt represented the precedent.

Now you go back to 1929, when, because of a breakdown of the Versailles monetary system, over the period 1929 through 1931, the United States, between that time—1929 and 1933, March '33—had lost half of the average income, in real terms, of our people and our industries. We were bank-

rupt. We were bankrupt not merely because of '29, we were bankrupt because of Herbert Hoover, and Herbert Hoover came in with the same basic economic policies that the Nazis applied in Germany. That is, when the bankers were in trouble, the people are eaten. That's what happened to us.

Roosevelt came in, and demonstrated that, under our Constitution, we don't have to put up with that; that Roosevelt on March 1933 put the banking system into receivership, with a bank holiday, and we came out of that bank holiday as an intact nation. Roosevelt also launched a program, of a type which we need today, a jobs program. What were the jobs?

Well, the basic point is, when you get into a financial crisis, where business is bankrupt, or about to go bankrupt—and I can assure you that all of the leading banks of the United States today are bankrupt, and hopelessly bankrupt, for special reasons. So there is no credit in the system to speak of, net credit. Where is the credit going to come from? Where did it come from then?

It came from the Federal government, in various ways. The government took action either to create credit—the Federal government—or to make arrangements which helped others create credit, as in the case of the Reconstruction Finance Corporation, which helped to build, for example, the Tennessee Valley Authority. So, government is good at one thing, in terms of business: It's good at government business. The government business is what we used to call basic economic infrastructure, before Brzezinski was running the Carter Administration, when we shut down regulation, and began to close down regulated industries, of power companies, mass transportation, and so forth. Government is good at that.

Now, we have—as you know from your work—we have a tragedy in the United States in terms of basic economic infrastructure. We don't have it. What we have is rotting. In terms of generation and distribution of power, we're at a point of breakdown. The industry is bankrupt—deregulation has created a nightmare. We're headed for hell in terms of power generation and distribution, the way things are going now. This is an area where the government has to be responsible. The Federal government has to take the initiative to repeal deregulation. They can set forth a program, a regulated program, on the Federal level, and on the state levels, of returning to a system of private utilities, to ensure that we can maintain the large-scale investments that are required to put the whole industry back into shape. Because we've got collapses on our hands, coming up fast.

We have the same thing in mass transit, rail transit. We've lost it. We need a national rail system. We also need improvements in rail systems in regions. We need, in terms of this growing sprawl of habitation around cities, we need light rail. We've got to avoid the congestion. We've to enable people to get more efficiently to and from their places of work. We've got to bring the society back together again.

We have a water crisis. The Mississippi system, of which you're a part here—the larger central system based on the



Candidate LaRouche met with the Louisville Building Trades Council's leaders for an hour on May 6, during his campaign swing through Kentucky and Arkansas. "Most people who are running for President," he told them, "tell you what they're going to do when they get there. Now, if they're not already doing it, as you may know, they generally don't do it when they get there."

Mississippi River, up to the 20-inch rainfall line out in the Midwest—this whole system, it's disintegrating. We started a system of water management. It was actually completed under Roosevelt, up to about St. Louis; and from there on down, we had a system, the TVA system. The attempt to get the TVA, the Tennessee-Tombigbee system, into operation, was an extension of that kind of system, of managing the existing water resources to deal with the problems.

We have not yet attacked the Missouri. We have not attacked the Northern Mississippi, which is a region which fairly needs the same thing.

So, we also have not touched the Great America Desert area, which runs from nearly the border up in Montana, down into the middle of Mexico, in the Sierra Madre region in Mexico. We haven't touched it. So, we have a need for a large-scale water management program, on a Federal and state level, which means putting the Corps of Engineers back to work, in the way they used to work, and with the rules they used to have.

\$6 Trillion in Infrastructure Investment

So, we think—power, water, mass transportation. These are areas in which we need a large investment. In these and related areas, in rebuilding health care facilities, which we've lost, in rebuilding educational systems and institutions, the Federal government, in cooperation with the states, has a major infrastructure requirement. My estimate is that over the next 4 years, what the Federal government should be doing,

in cooperation with the states, is creating \$6 trillion of credit, against our so-called 10-11 trillion dollar economy. \$6 trillion dollars of credit for long-term investment, in large-scale public infrastructure on the state and Federal level.

Of course, as you know, when you go into Federal projects of this type, and state projects, with government organized credit, under the kind of system that Roosevelt used, that is the way you revive the private sector: through contracts, through the market that is created by increased employment in these areas. Therefore, you need credit for that, as Roosevelt did then.

So, you have to reorganize your bankrupt banking system; make credit available, Federally-organized credit, or credit indirectly Federally organized, as with the Reconstruction Finance Corporation, to recycle the credit in the system officially. Make the credit available through local banking facilities. Establish institutions in each area to review loans, loans to be made under this kind of system. If somebody's a good businessman, and has a good proposi-

tion, the local community thinks it's sound, it meets Federal standards and priorities, they should get the loan. These loans have to be in the order of magnitude of a basic rate of 1-2% long-term credit.

This means we need a regulated system, a fixed-exchange-rate system, where we control inflation of the currency the way Roosevelt did, and the way we did up until the early 1960s. Because only with a fixed-exchange-rate system, can you keep interest rates down. If you have a floating-exchange-rate system, debt will drive the interest rates up, and will put you out of business, or in restrictive conditions, through what's happened to us.

So, we have a great problem. We're in a depression. It's coming on fast, it's coming on now. They'll lie about it here; in Europe they're much more honest about it. The system is finished. That's the bad part of the job. The good part of the job is, we can make something of it, as a nation. We in the United States have the experience, as with the Roosevelt experience; we can tackle the job, we can get it done. We can create the credit. The problem is: How is the job going to get done? Who's going to do the job?

'Good Troublemakers' Are the Best Managers

Now, obviously, being the President of the United States, gives you the power, as it did Roosevelt, to get a lot done. And it's important to have a President who's going to do that. But that's not enough. The mistake people make, and I'm sure that in dealing with your areas, your respective areas, you

know this very well: You can put a man on a job, but is he going to be able to do it? You can give him the guidance, you can give him the education, the schooling and so forth to know what he should do. Can he do it?

Well, something else comes in. A different human factor. There's a difference between knowing something from a book, or having rehearsed it in a laboratory, or rehearsed the job; and facing a job—that requires ingenuity, innovation. Doing something that's not in the book. It requires the kind of leadership that is looking for trouble. Good management is always looking for trouble. Why? Because you've got rules. You're supposed to do the job this way, that way. Rules.

"I don't like that." If you're any good, [you say] "I don't like that. There has to be a better way." That's the way you do a job. There has to be a better way. There always is a better way. And you need people who think and act on the basis of that simple philosophy, which was the basis on which the smart corporations in former times set up their system of turning in proposals, through the box—in the employees' suggestion box. Because the good employee, the good skilled person, whether they're a scientist or just a skilled person, comes onto the job, looks at the job, and says: "I don't like this. There has to be a better way." And therefore, ingenuity and creativity comes not from someone saying, "What's up? We need an adviser on this problem." I was a consultant for some decades, I can tell you about that one.

But that doesn't really do the job. They call in Booz Allen Hamilton, or someone like that. I've tracked some of their jobs in the old days. They did a lousy job. They would go by the book, they would make plans, and so forth, no good.

But you have to have an attitude of doing the job. The attitude of the troublemaker who says, "There has to be a better way to do the job. I don't like this way. It's boring, it's stupid, it's inefficient, it's lazy. There has to be a better way," and has the competence to work out a solution that will work, and prove it. And put it into action.

Now, troublemakers—good troublemakers who are the best managers—don't wait to be asked. They're pushing, they're always thinking. And they're the ones that will carry the job through; because if they run into a problem in implementing the new policy, they will fight to make it work. Whereas the mere book technician, who's educated in how to do it by the book, will give up if it doesn't work. Whereas the person who understands what the innovation is, will make it work.

Now, this is true in government. The function of a competent President in the United States, in a time of crisis, is not to be the guy who has a teleprompter, which tells him what to tell people to do. A good President is a man who's got his hands dirty, who's looking for trouble, having people around him who work with him, who are also looking for trouble, in each department of government. "Look, I want you to look for trouble! I want you to see what might hit us, or where

we're doing the wrong thing. That's your job, and your job is also to *do* something about it. If you don't think you have the authority to do something about it, come talk to me. I want to know about it. We'll get some people down there to help you. We'll get the job done."

And that's where we are now. That's where *you* are now. Because you are a part of the people who are on the line, who have to get the job done. You're the troublemakers who recognize what's wrong with what's being done often, and can have access to people we work with, who will show you what the problem is, and how the improvement can be made.

What you need, and many Americans need, in government or not, is to be turned loose, in that way, in an organized way. Where we say, we've got a problem, we've got a mess. In principle we can solve the problem. We cannot rely on waiting for somebody to cut the orders, to tell us how to solve the problem, or that it exists. We have to be troublemakers, who suspect what's wrong, who recognize what's wrong, who have the ability to find out from others what they need in assistance to determine what the problem is, and what the solution might be. The kind of troublemakers who are going to get on the job, and make sure the job is done properly.

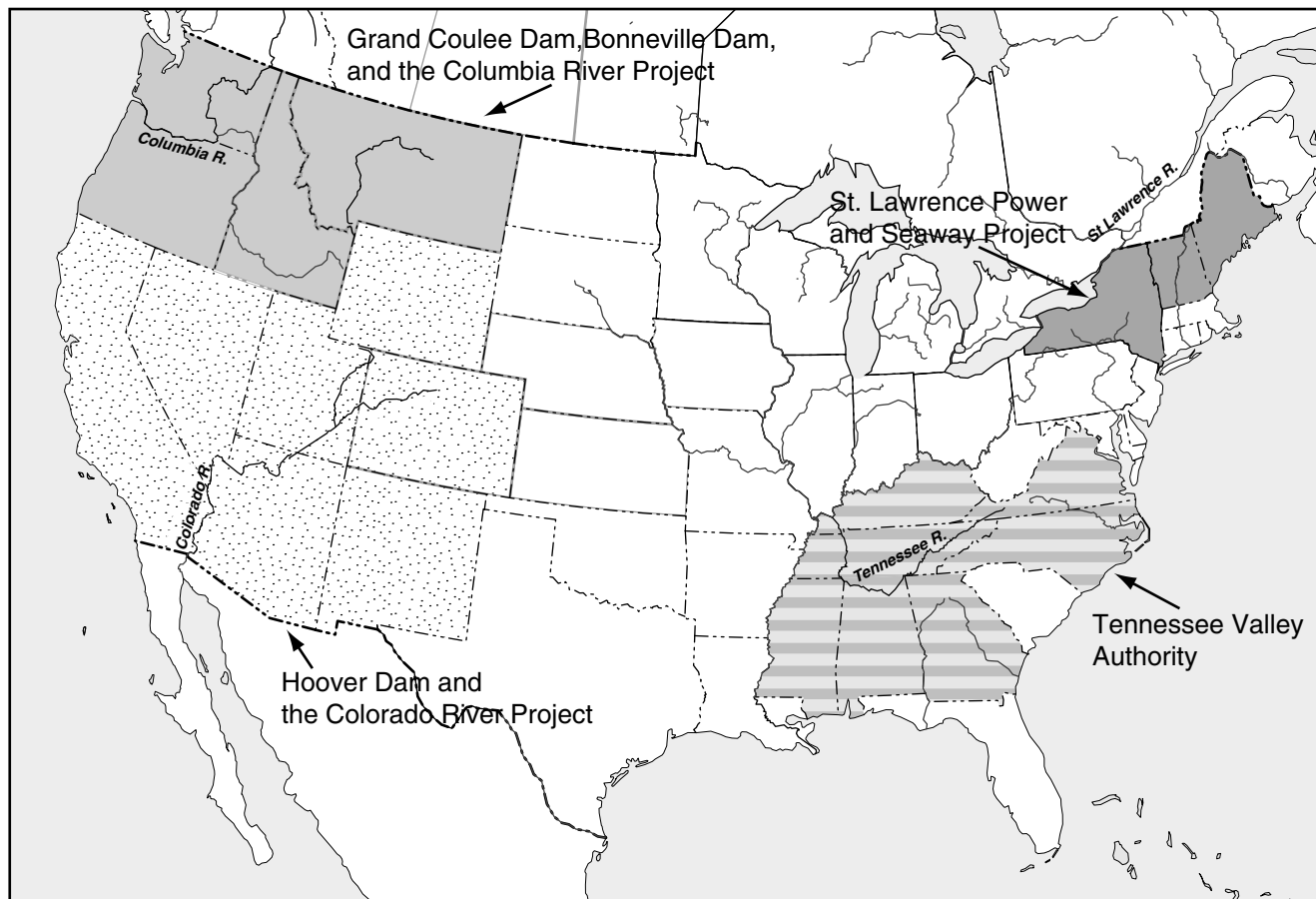
You need that all the way from the top down, in government, and in society. You need a leadership by troublemakers. And I think you are troublemakers. Because you wouldn't be in the positions you're in if you weren't. You're the ones who are critical of what is going on. You're critical of the way the job is being done. You're critical about what is not being done for the society. You see the mess we're making of our economy. You see the problems that are associated with trying to build these suburban build-ups around a city like Louisville. It's a problem. It's a mess. It's a problem, a crisis for the future. It shouldn't go that way. There should be rules and directions, to prevent this thing from becoming chaos, and becoming the slums of the future.

We're destroying—You know this stuff. You see it, day by day. So, you know something about being troublemakers, and you want permission to be a little more of a troublemaker. You want some cooperation up and down the ladder. Your initiative is an essential part of government. You're the ones saying, "I can do it." And when somebody's in charge, in government, and they want a job done, they go to someone who is competent, and who will say, "I can do it."

Both Candidates Gaining Money, Losing Ground

You can't give an order, and expect the order to be carried out because it was uttered from your lips, because you copied it from the teleprompter. When you give an order, you're actually turning someone loose. You're looking for somebody who's capable of doing the job, who is willing to do the job, and, with your encouragement and backing, is going to have some zest for getting the job done, competently. And

Roosevelt's 'Four Quarters' Development Projects



Source: EIRNS

The greatest infrastructure projects under the Reconstruction Finance Corporation. The Federal government has to take action in this economic collapse, to create credit for infrastructure on Franklin Roosevelt's model, LaRouche emphasized. He calls his national policy for this, "the Super-TVA."

that's how you run government.

Now we have a situation where you've got the other philosophy now running the election campaign. The question is: Which can lose the quickest, the Democratic candidate, or the Republican candidate? They're both losing. Republicans who wanted to vote for Democrats out of disgust, are now being discouraged by Kerry; that's what they're saying.

So, we've got a mess. The parties are operating on the usual old game. They're looking at the upper 20% of family income brackets, they're taking the count of average voters, typical voters who are expected to vote, looking generally for the upper brackets, and then trying to figure out how to manage and brainwash the lower income brackets, if they choose to come out to vote. The parties are operating on the basis of

getting big money from big contributors: like George Shultz, Warren Buffett, and George Soros, and looking at the people who are likely to vote, based on past performance.

They're trying to influence them and manage the others, discourage the others from taking any other view than supporting their leading candidate.

You look at their programs, look at their definition of the problems. How many people as candidates, in the United States today, are talking about the *fact*, well-known, that we are in the process of a financial collapse internationally? A housing collapse, internationally. The housing market is about to collapse. We have a bubble in the housing market, through Fannie Mae and Freddie Mac. They can go under.

We've got other bubbles. Who talks about it? We've got

a war in Iraq, which is threatening to spread to other countries; what are we doing about it? People are making proposals; maybe the Secretary of Defense may be dumped, any day now, over this scandal of the prison in Iraq. But they're not *doing* anything about it. They're saying, "Me, too. I can do the job in Iraq better."

No one can do the present job in Iraq better. You've got to cancel the job. We should not be in the occupation business. We're in a situation where we send people over to get killed, and that's called patriotism. I don't think sending American soldiers over to get killed in Iraq, is patriotism—because that's the only thing you're doing, killing a lot of other people [applause].

I've got a policy which is getting a lot of support from around the world, and people here, on how to deal with this Iraq situation. But nobody else is doing it, not in this country, and other candidates. We don't belong there. We've got to get ourselves out, but we've got to get ourselves out clean. We can't just scamper and run, but we've got to stop the killing. We've got to pull most of our people back, retrain them. We've got some other things to do in that area. We've got these wounded veterans returning who can't get health-care. We've got a Veterans hospital system that's broken down, that can't care for them. That's called patriotic, huh?

So, that's our situation. Neither party, presently, is disposed to act. And the reason they're not disposed to act, is because they lost the fundamental principle of our Constitution, from the beginning. In politics, if you're any good, you look at the guy who's at the bottom of the barrel first. Because if you cannot take care of the people who are at the bottom of the barrel, you can't take care of anyone. What you do, as we've seen over the recent years, as the lower 80% of family income brackets in the United States have been going down, down, down, since 1977. We've seen the poor, who are now becoming up to 80% of the population, do not have the standard of living they had back in 1977, in terms of effective physical standard of living. They're being more and more neglected. They're becoming more and more discouraged, more and more withdrawn.

When you say you're President of the United States, you say, "I represent the United States." Well, why don't you represent the lower 80% of our citizens of the United States?

You say, "We represent the Western Hemisphere." "Well, why don't you do a better job in representing Mexico, and Argentina, and Peru, Bolivia?"

The problem is, people are not taking the responsibility of being troublemakers, who look for problems where they are emerging, and try to determine solutions for those problems, and measure the competence of their solution by the test of: What effect are you having on the poorest, least well-protected sections of our population? What are you doing for the coming generation? What kind of a world are you creating for people who are now 18-25? What kind of a world are they entering, for the next 50 years of their adult lives?

What are you doing for the young children, who are coming up and getting into those generations?

That's the test of government. That's the test of a good troublemaker, and we don't have it. But you, in the unions, typify those who are the right constituency. We need to have a representation, Roosevelt-type system of representation, in which the major part of the population, including those who fall in the lower 80% of family income brackets, know they have an advocate, a leader and an advocate in government. And then you ask them, "Don't tell them to get big money from the big contributors, and tell you what to do. If you want to turn out the vote, why don't you motivate the person to vote? Motivate the citizen to vote? Give him a reason to vote. Don't try to buy his vote." Become his representative. You know that, in the union business. You want the people to turn out? You want to build? You've got to convince the people you're leading that you're working for them. . . . Go to the people who need that the most. They'll be your best defenders, your best promoters.

The Spark of Leadership

And that's the situation. I can do a good job. I'm probably the only man in the United States who can, because of the peculiarity of my situation, knowledge, and so forth. I'm the only one qualified to be President, that I know of right now. The others are far down the list. But nonetheless, what I have to do is not simply sit back and wait to become President. I have the experience . . . leadership now, within the population, as a man of our nation, with some skill and some access to influence. And that there are people like you, working with what I'm trying to do. And we have to sort of move in on the government and on the parties—whatever the outcome of the elections are: We have to move in, and make sure that *we* are controlling the standard of performance we impose upon *them*: "You want to be President? Do the job we want you to do. You want to run an economic policy? Create the economic policy that we need. We'll tell you what that is. We'll tell you what the needs are."

We have to, as citizens, realize that, in us, in each of us, is something of the President of the United States, is something of the leadership of our states. We have to think as if we were Presidents of the United States, each of us, in part, in ourselves. We have to provide the spark of leadership, that will force some of those—some are good, some are dummies—in government, to do what we know has to be done.

We, as troublemakers, have to create the spark, which is the spark of leadership, which will control the nation. We have to have the image of what Franklin Roosevelt brought out in people who were waiting to die in 1932-33, and brought them back to life, and made us, again, the most powerful producer nation on this planet. That was leadership. We have to have that leadership in each of us. We have to collaborate to create that force of leadership, which politicians will be compelled to get along with.