

A Leaf from FDR's Book: And It Will Be Good

by Lyndon H. LaRouche Jr.

September 1, 2010

Since our launching of the working conception of the present form of the NAWAPA project and the principal supporting features required for the implementation of that as an international project of economic recovery launched by our U.S. republic, we have made good progress in designing the leading “works” of the economic recovery to be now set into motion before October. That much set into place thus far, we must now add the action of setting actually breathing life into the design for that economic recovery.

We must therefore take a leaf out of President Franklin Roosevelt's 1933 book. To revive an economy whose living heart would soon cease breathing, even in as little as weeks, were President Barack Obama to remain in office, we must commit ourselves, not merely to act in President Franklin Roosevelt's sense of urgency in Spring-Summer 1933; we must take certain sweeping actions, as he did then, to actually set the general economic recovery into motion.

I have a special, probably indispensable role of national leadership to play in setting this action of recovery into actual motion. The situation that implies is essentially the following:

I am presently at the brink of 88 years of age. Speaking in relative terms, my role is indispensable in certain crucial respects, but remarkably good health at 88 is, despite all else, 88. Not only must you take that fact into consideration; I must take that fact into account in my

way, as you must, for your own part in actually effecting this recovery in yours.

The general outline of the measures to be taken by the NAWAPA project and the essential associated actions, is coming ever more clearly into view, as we shift the emphasis from the broadly clear essential elements of NAWAPA itself to the mobilizations of the national economy in the broader terms that the sustaining of the NAWAPA project itself already implies. To come directly to the point I am stating here, we must quickly, as if almost instantly, launch almost exactly the type of broadly defined measures of action which President Roosevelt set into motion as an essential emergency recovery operation during his first year in office, even during his first weeks in office. Exactly that must be done very, very soon.

The nut to be cracked, is, essentially this. We must virtually shut down Wall Street and what its associated financial-monetary system implies, both in this nation, and globally. That means that we must immediately restore the full impact of the original 1933 Glass-Steagall measure, cancel the obligation to sustain a flow of “monopoly game money” into the Inter-Alpha apparatus which subsumes our own “Wall Street” and its arrant swindlers, and divert the flow of credit presently being fed to a “bail-out” effort, into the guts of a physical recovery of our nation and its component states and municipalities.

This measure requires, and is fully consistent with the form of restoration of a commercial banking system



National Archives

With Obama out of the White House, LaRouche writes, "We must commit ourselves, not merely to act in President Franklin Roosevelt's sense of urgency in Spring-Summer 1933; we must take certain sweeping actions, as he did then, to actually set the general economic recovery into motion." Here, FDR enjoys a visit to the CCC camp in the Shenandoah Valley (Virginia), Aug. 12, 1933.

under the terms and conditions implicit in Glass-Steagall. However, this also means, that we can not wait for the flow of capital into NAWAPA and corollary reforms to lift the economy out of the disaster which the combination of the George W. Bush, Jr. and Barack Obama administrations had done to destroy this nation's economy since July 2007. We must use much of the flow of funds taken, summarily away from what we know as London and Wall Street interests, to "kick start" the basic structures of national, state, and local government, in an expression of the same spirit of a sense of urgency which President Franklin Roosevelt's administration understood, and did in 1933-1934.

This clearly means a shift in the direction of flows comparable to, but on a vastly larger scale than under President Roosevelt during 1933-1934. I am fully aware of the crucial implications of the notion of "in the longer term"; but, it is what happens now, in the very short term, which will settle the issue of the rebirth, or death, of not only our own republic, but all of the nations of the world, at large, in the time-frame of the coming twenty-four months.

The prospects for the immediate weeks ahead, under

a post-Obama Presidency, can be excellent, even despite the agony of the urgent actions to be taken to save this nation during the first weeks beyond. Taking away the most expendable elements of the Obama Presidency's system, will leave us with a remaining executive branch which has the potential to deliver the quality of leadership this situation requires at this time. As for the U.S. Congress, the expulsion of the Obama elements of the Administration within the framework of the several coming few weeks, will do wonders for the mental health of the legislative branch. It is getting through the measures which must be taken during the remaining three months of this calendar year which will be the proverbial "make or break" interval for not only our republic, but the nations of the world as a whole.

The key to understanding the greatest source of danger to the planet during the months immediately ahead, is the crucially needed understanding of the implications of what has happened, since 1971, with the British empire's launching of what became the British empire's Inter-Alpha Group, which now controls an estimated 70% of the entirety of the world's present banking system. The British launching of the sterling devaluation of Autumn 1967, the February-March 1968 revisions of the dollar, and the wrecking of the U.S. economy, under President Richard Nixon in Summer 1971, had combined effects which have been the chief, ever-worsening curse of this planet considered as a whole since those times to the present date.

In the kind of global crisis which the actions of the George W. Bush and Barack Obama administrations have brought down upon us since the close of July 2007, the great danger is the threat that the world as a whole, not only the United Kingdom and our United States, will be plunged into a kind of dictatorship worse than Adolf Hitler's. Such a danger of fascism, as that which threatens under Obama now, was already the potential growing out of the economic and other effects of the prolonged Indo-China War of approximately 1964-1975. The Nixon Administration could have become a dictatorship, already had that President not been ousted when he was.

The only safeguard for our system of government under such conditions as the present world crisis of 2007-2010, is to ensure that the passions of the great majority among our citizens are confidently in charge of the realization of the aims of our constitutional system of government. The watch-word is, therefore, what we must do for our citizens, must be for the realization of the intentions of our Constitutional system of government, rather than what the tyrannical character of the present Obama administration demands the privilege of doing to impose its whims at the expense of the rights and of the justice for the people: that the system of our Constitutional system of self-government, of the people, by the people, and for the people, not vanish from this Earth.

To this end, we require much more than care for the needs of the people. We must care, above all else, for meeting the urgent needs of the people, that according to the principles of our Federal Constitution, as the crisis faced by President Franklin Roosevelt shows us the true meaning of our constitutional system under terms of grave crisis like those we suffer today

FDR's Emergency Measures

The First Hundred Days

In his first Inaugural address on March 4, 1933, President Franklin D. Roosevelt identified the horror which the U.S. population faced, and pledged himself to "action, and action now." This he delivered, with an immediate, and unprecedented, array of actions—not through dictatorship, but through the Constitutional legislative process, amplified by his direct leadership role with the population through his Fireside Chats.

Here is an overview, as an illustration of what Lyndon LaRouche referred to, when he wrote on Sept. 1, of FDR's "sense of urgency in Spring-Summer 1933" in taking "certain sweeping actions ... to actually set the general economic recovery into motion."

March 5: The day after the Inauguration, FDR takes two Executive actions: the Proclamation of a Bank Holiday from March 6-9, under the provisions of the Trading with the Enemy Act, freezing all banking activity,

including the transfer of gold and silver out of the country, and calls for a Special Session of Congress for March 9.

March 9: The Emergency Banking Act is presented and passed by the Congress. The Act functions as the first step of what the Glass-Steagall reenactment would do today, by opening all banks to Federal audit, prior to reopening of those who met the appropriate qualifications on March 13.

March 12: FDR gives his first Fireside Chat over the radio, in which he explains to the American people just what he has done, and what the process of repair of the banking system will look like.

March 20: Congress passes the Economy Act, which gives FDR the power to carry out certain budget cuts in order to, as he puts it, "maintain the credit of the U.S. government."

March 21: FDR issues a message to Congress on how to deal with the jobs crisis (excerpted here):

"To the Congress:

"It is essential to our recovery program that measures immediately be enacted aimed at unemployment relief. A direct attack on this problem suggests three types of legislation.

"The first is the enrollment of workers now by the Federal Government for such public employment as can be quickly started and will not interfere with the demand for or the proper standards of normal employment.

"The second is grants to States for relief work.

"The third extends to a broad public works labor-creating program....

"I find a clear need for some simple Federal machinery to coordinate and check these grants of aid. I am, therefore, asking that you establish the office of Federal Relief Administrator, whose duty it will be to scan requests for grants and to check the efficiency and wisdom of their use.

"The first of these measures which I have enumerated, however, can and should be immediately enacted. I propose to create a civilian conservation corps to be used in simple work, not interfering with normal employment and confining itself to forestry, the prevention of soil erosion, flood control and similar projects. I call your attention to the fact that this type of work is of definite practical value, not only through the prevention of great present financial loss, but also as a means of creating future national wealth....

“I estimate that 250,000 can be given temporary employment by early summer if you give me authority to proceed within the next two weeks. . . .

“More important, however, than the material gains will be the moral and spiritual value of such work. The overwhelming majority of unemployed Americans, who are now walking the streets and receiving private or public relief, would infinitely prefer to work. We can take a vast army of these unemployed out into healthful surroundings. We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability. It is not a panacea for all the unemployment but it is an essential step in this emergency. I ask its adoption.”

March 31: Congress passes FDR’s legislation to establish the Civilian Conservation Corps, which put approximately 300,000 young men to work within two months, and ultimately more than 2.5 million.

April 19: FDR pushes through legislation taking the United States off the (British) gold standard, which he explains, later, to be a means of preventing speculative looting of the country.

May 7: FDR gives his second Fireside Chat where he explains at some length the measures which had been taken over the previous two months, in line with their intent to restore agriculture, industry, and transportation, and measures which he intended to take in public works, in particular.

May 12: Congress passes three more emergency measures presented by the President:

- The Federal Emergency Relief Act, to address the fact that local governments had run out of money to aid the unemployed and the destitute. It was intended to provide \$500 million that could be disbursed in relief grants to states. In addition, it gave the Federal Relief Administrator broad supervisory power over the states’ use of the grants. Its first administrator, Harry Hopkins, spent \$5 million in the first two hours to deal with emergencies.

- The Emergency Farm Mortgage Act, which provided for the refinancing of farm mortgages at 4.5% interest, in order to keep farmers, then a large portion of the population, on their farms, and able to produce.

- The Agricultural Adjustment Act, with an amendment permitting monetary expansion.

May 18: Congress passes the Tennessee Valley Authority Act, which FDR proposed in April, as follows:

“I, therefore, suggest to the Congress legislation to create a Tennessee Valley Authority, a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise. It should be charged with the broadest duty of planning for the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and its adjoining territory for the general social and economic welfare of the nation. This authority should also be clothed with the necessary power to carry these plans into effect. . . .

“This in a true sense is a return to the spirit and vision of the pioneer. If we are successful here we can march on, step by step, in a like development of other great natural territorial units within our borders.”

May 27: The Truth-in-Securities Act is passed, mandating transparency in the issuance of securities.

June 13: The Home Owners’ Loan Act is passed, providing for the refinancing of home mortgages.

June 16: On this last day of the extraordinary 100 Day session, FDR signed into law the following measures:

- The National Industrial Recovery Act. This was comprised of two major sections, pursuant to a declaration of national emergency. The first modified the Anti-Trust Act, in order to permit establishment of wage, price, and working conditions standards, including abolishment of child labor, through various industries. A subsidiary feature was the famous clause 7a, which gave unions the right to organize. The second section established the Public Works Administration (PWA), with \$3.3 billion in funds.

- The Glass-Steagall Banking Act.

- The Farm Credit Act, which expanded the financing of farm mortgages, and eventually set up a system of regional banks to make mortgage, production and marketing loans and to provide credits to cooperatives. It loaned more than \$100 million in its first seven months, including driving down interest rates.

- The Railroad Coordination Act.

July 24: FDR gives his third Fireside Chat, elaborating what had been accomplished in the First 100 Days, which he described as “the orderly component parts of a connected and logical whole.” His major stress was the progress which had been made against unemployment and the destruction of the purchasing power of the population—through the CCC, the PWA, the Farm Act, and the Industrial Recovery Act.