

# 'We Don't Have a Government Willing To Do the Job'

*Lyndon H. LaRouche, Jr., was interviewed Oct. 5 by Henry Raines on "America AM," broadcast over air on WWPR-AM, and also streamed over the Internet. WWPR is based out of Bradenton, Florida with an audience in the Bradenton-Sarasota-Tampa Bay area of Florida's West Coast. Raines was joined by Manatee County Democratic Party Chairman C.J. Czaia, and aired all the commercials before LaRouche went on air, in order to have an uninterrupted interview.*

**Raines:** Well, perhaps George Bush had the wrong plan at the wrong time, but we have a distinguished gentleman joining us who does have a plan: Mr. Lyndon LaRouche, Jr. is a well-known defender of justice and civil rights. He's an internationally known economist, author, and statesman. He is an architect of an emerging new economic order, modelled on the Bretton Woods system developed by Franklin Roosevelt. He has been a controversial figure in the past, including his efforts to destroy the international drug traffic—I think that is referring to the Iran-Contra era, and the drug-smuggling that went on there. And he currently has campaigned to force the resignation of Vice President Richard Cheney. Mr. Lyndon LaRouche, thank you very much for joining us on American AM.

**LaRouche:** It's fun to be with you.

**Raines:** Yes. Well, before we get into the substance of some of the issues at hand, for our listeners that aren't familiar with Lyndon LaRouche or your organization, could you please just give us a quick synopsis of how you founded the movement, and a brief history?

**LaRouche:** Well, of course, my qualifications are largely [in] economics. I'm a physical economist; I'm a specialist in the area—actually the best at it, in this area—and the most successful long-range forecaster.

Among the other things which I'm taking up on Oct. 12th, again, is, I gave a forecast on Oct. 12, 1988 in Berlin, at the Bristol Kempinski Hotel. This was later rebroadcast as a televised broadcast, later that month in October, in the United States, as a national network broadcast: In which I forecast the impending collapse of the Soviet system; saying that it would start in Eastern Europe in the immediate period ahead; it would start in Poland, it would spread throughout Eastern Europe, and the Soviet Union. And the result of this would be

the reunification of Germany, with the designation of Berlin to become, again, the nation's capital.

Now, this was not too popular, and was not believed. For example, the incoming President didn't believe it, that is, Bush 41. Most people in Germany didn't believe it. In France, they didn't believe it. In Britain they didn't believe it. But it happened!

So, I have a little reputation, not only in that case but others, for accuracy in forecasting—which does not mean predicting, but it does mean defining the situation, which we're going to face and we will have to make decisions about.

**Raines:** Well, on the basis of that success, we should be very worried about what you're predicting for the economic future of the United States. What do you see on the horizon?

**LaRouche:** We're going into the worst crash in all modern history. Right now. It's worse than the 1929 crash, for us, because we already had the 1929 crash repeated, in 1987. But since that time, we've been operating on the basis of Alan Greenspan's financial derivatives bubble. And so, we have been spending our way with imaginary money, called financial derivatives, spending our way into glory! Now we're totally bankrupt. Every major bank in the world, essentially, in Europe and the Americas, is bankrupt right now.

We could save the system, the way FDR did. That's the job: Put the Federal Reserve System into bankruptcy reorganization by government, and force the banks to keep their doors open. And rebuild. We could do that. But, at present, with the present government, there's no inclination in that direction, and therefore, unless the government is changed, rather radically and soon, we have a major catastrophe on our hands. But that's the "if." Can we change? That's the question.

**Raines:** Let me ask you a little bit more about the statement you just made, when you said virtually all the banks, or national banks in the world are bankrupt, and the derivative bubble is about to pop, if it hasn't already: If you were to just go into undergraduate economics or international finance, they would tell you that, well, you know, the derivatives such as future contracts and things like that, actually reduce the risks for the major players in that industry or sector. You know, for example, somebody may have a future contract on oil or cocoa or something like that, and they're just smoothing

out their business. Where does the roulette wheel come into play?

**LaRouche:** Well, it didn't—it's in there. The point is, that the people who are teaching this stuff in universities—there are some competent economists in the United States (believe it or not), but they're not the ones that are quoted generally in the press on this thing! What's being taught in universities is bunk. It doesn't work that way. The financial derivatives, the systems that they praise, are killing us.

Look, one has to get real. They talk about figures. Now, let's go out into the street. Let's look at county-by-county in the United States: Let's look at what's there, now, physically, as opposed to what was there years before. You'll find that most of the country is in far worse condition, and is becoming consistently in worse condition, since the second half of the 1970s. [See **Figures 1 and 2**. Animations of these maps can be seen at [www.larouchepub.com/animations](http://www.larouchepub.com/animations).] So that, all this stuff about "everything is good, it's getting better, we've got a better system, it's not going to crash," it's bunk! And the people who teach this stuff are teaching bunk. But, they're teaching it, themselves, at the highest rate of tuition ever in human history! It's worthless education!

**Czaia:** We had [*EIR* Counterintelligence Editor] Jeff Steinberg on, whom we love. He seems to be so knowledgeable on issues—part of your organization—was talking about the infrastructure. And it reminded me of when the whole power grid went, up in the north, remember, about a year or two back? It seems like when—and here's my question and comment, and comment and question: If you privatize everything, and the job of privatization is to make a buck, you know—you're a corporation, you have a board of directors you have to answer to—is to make dollars for your stockholders, and you squeeze as much out of the system and you don't reinvest in the system, the system eventually, once it's bled to death, it will die. And the same thing with the power grid—everything. Can you comment on that? I know you—

**LaRouche:** Yes, this is crazy. Franklin Roosevelt took over a government, which had just experienced a collapse by *one-half* under Hoover. Now the collapse was not caused by the 1929 crash: The collapse was caused by the Hoover policies in response to the '29 crash. Those policies were insane. Had the policies of Franklin Roosevelt been applied in October-November of 1929, instead of what Hoover did, we wouldn't have had a Depression.

So, the point now today, since the middle of the 1960s, but especially since the beginning of the 1970s, we, on a world scale, have been bleeding ourselves to death in terms of *physical economic* values. Now, what happens is, people say, "No, that's not so bad. Look, we're a services economy now, instead of a production economy!" Well, being a services economy means you use your neighbor for a slave, but you don't have much to go on: You don't have the industry, you don't have the infrastructure; we don't have safe water

systems for drinking-water out of the faucet; we don't have mass transportation systems; we lost most of our railroads; our airlines are crashing; our insurance policies aren't worth much for our people—they're losing value on their Social Security. Everything is worse!

And some people say, "This is good"! I mean, some people really are masochists, if they like this.

**Raines:** We're speaking with Mr. Lyndon LaRouche. To find out more about his political action committee, you can call 800-929-7566. Or, you can go online and check out <http://www.larouchepac.com>, and we'll be giving you that information again, in the half-hour.

I'm your host, Henry Raines. C.J. Czaia's in the studio. C.J. you had another question.

**Czaia:** Yes. Mr. LaRouche, you know, we're active here in local Democratic politics, and we've always waited for the trickle-down from the national and state party—never got down here—and so we're trying to "trickle up." My question to you is, you know, we see all this doom-and-gloom on the horizon; we've been up on the news with what's going on. What can the people do? What can we do? I mean, do we do it through Democratic politics? What do we do, to take our country back, to make a difference, to get us back on track?

**LaRouche:** All right. We're going to have to get rid of the present Presidency. We're also going to have to clean out what is associated with DeLay in the House of Representatives. Because, we do have a bipartisan group of sane Republicans and a majority of the Democrats. Now, as we've seen, especially since May 23 of this year, when the so-called "nuclear option" of Dick Cheney was defeated, we've seen a partnership between many Republicans and Democrats, in the Senate. We could see it in the House, if what Cheney's boy DeLay represents, were out! And he might be on the way out.

So, what we have to think about, is the following: The key thing right now, is the Iraq War—not the way people think about it usually, or talk about it, but it's much more serious: We're on the verge of a point, where the U.S. troops don't stay—they shoot their way out of the place, because that's the only way they get out. This thing is collapsing and disintegrating.

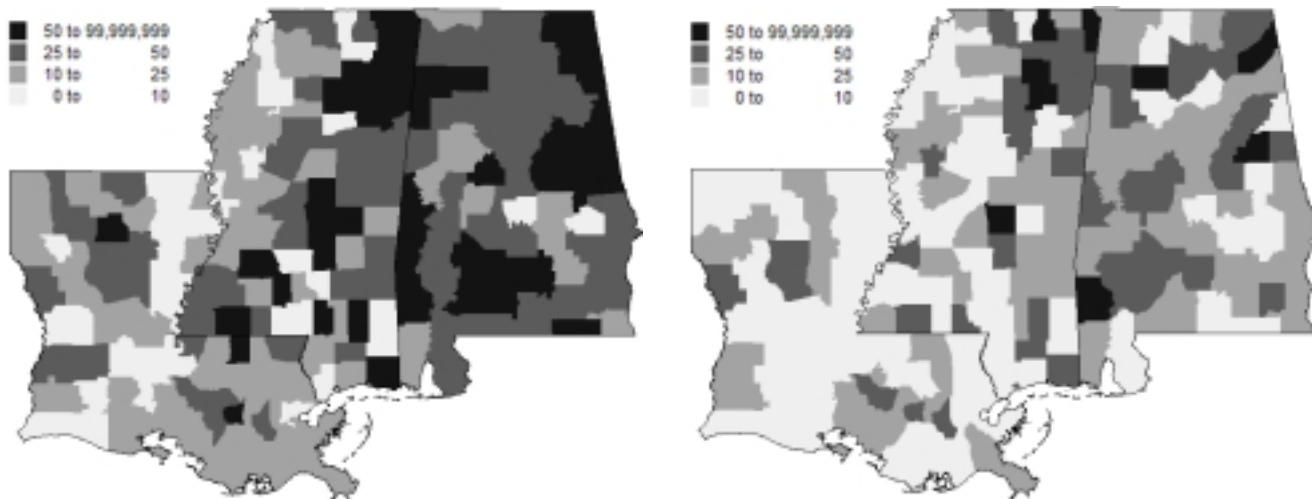
Now, if this goes down, the chain-reaction effect of that kind of humiliation of the United States is something which has incalculable effects. But we're not going to get out of there, unless we get Cheney out of the Vice Presidency. And I think there's a possibility of getting Cheney out. Because, no one's going to deal with us, while Cheney's in there. No one's going to trust us—and we need a lot of trust, to get our troops safely out of Iraq. It's not a matter of keeping them in there—they've got to be taken out—it's a *losing, lost situation*.

The idea of trying to evacuate U.S. troops from Iraq, is now a serious danger! We've had General Odom, a distin-

FIGURE 1

## Manufacturing Employment Decline, by County, 1975 and 2000

(Percent of Total Workforce Engaged in Manufacturing: Louisiana, Mississippi, Alabama)



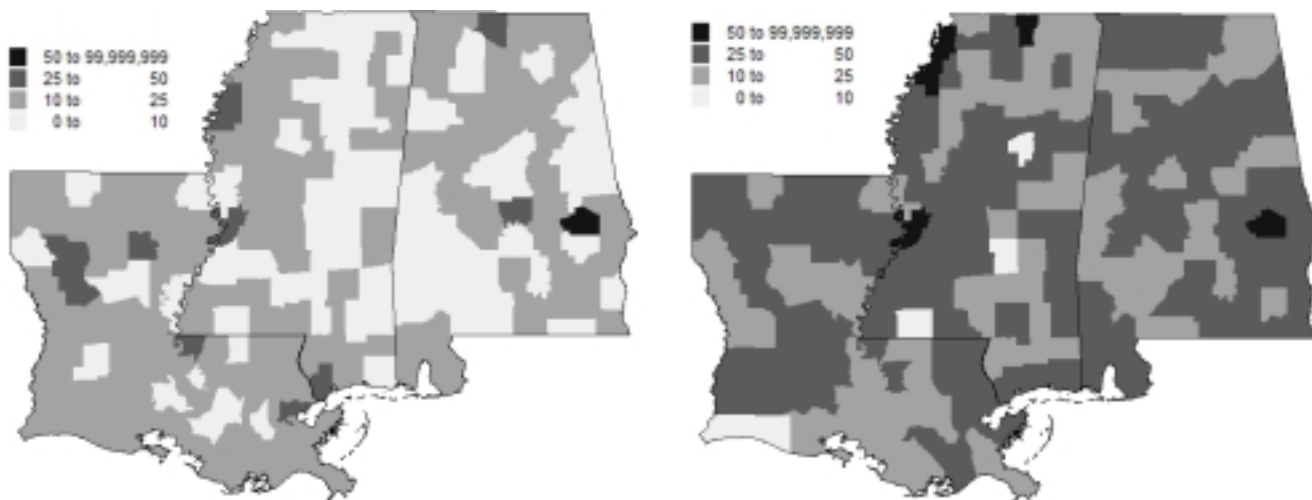
Source: EIR 2005, Map by MapInfo.

*These maps, illustrative of the county-by-county destruction of the U.S. physical economy, are taken from the animations at [www.larouchepub.com/animations](http://www.larouchepub.com/animations). The decline in percent of the workforce in manufacturing in the states hit by Hurricane Katrina, reflects the mass shutdown of industries in the three-state region—principally textiles, agriculture processing, and pulp and paper. The “Sunbelt process” of siting new factories here in order to pay relatively low, non-unionized wages, in no way altered the dramatic pattern of regional de-industrialization.*

FIGURE 2

## Service Employment Increase, by County, 1975 and 2000

(Percent of Total Workforce Engaged in Services Jobs: Louisiana, Mississippi, Alabama)



Source: EIR 2005, Map by MapInfo.

*Service jobs of all kinds, with low wage rates, came to dominate what employment existed in these three states by 2000. In the so-called “hospitality” sector, casino work led the way, as these states were among the first nationally to legalize riverboat gambling. These states’ average individual weekly wages and salaries have been about 85% of the national average (including industrial and services combined). Of 12 million citizens in the three states, 3.6 million are black; nationwide, the median income of black households is below 70% of the national median.*

guished general in the United States, [who] has made the point, publicly. You have Tim Collins, a British colonel, [who] has made the same thing from the *Daily Telegraph* in London. The warning is, from the military, and I've checked this myself, it's accurate: *We are about to be kicked out of Iraq*—if we're lucky.

And so, this is the big issue which is going to determine much of politics. *If* we change politics, then we're going to get a shift back in the direction of a pro-Roosevelt direction, the way that, say, serious Republicans would want that. And you know about them—they're not all crazy; they're not all Tom DeLays. But we're going to have to put this country back together again, fast, get a recovery program going. It *can* be done. The question is, are we going to do it?

**Raines:** Mr. LaRouche, before we go into the topic of how to get Dick Cheney to leave office, we have a caller that's been waiting for days for a chance to talk to you. I think his question is probably going to speak to your prediction of a collapse of the U.S. dollar. Matthew, please go ahead with your question, please.

**Caller:** Thank you, Henry, and good morning, Mr. LaRouche.

I have three questions. They're fairly simple questions, and I'd like to know what your thoughts are on these. I don't know as much about you as I'd like to, and maybe I will get to know you better.

My first question is, whether or not you are in favor of the Federal Reserve Bank being nationalized by the government, and becoming basically owned by the people of this country, and no longer being owned by private individuals, who may live, or not live, in this country?

**LaRouche:** Well, first of all, that's too simple a question. We are going to have to—actually, the Federal government is going to have to take the bankrupt national banking system, and put the Federal Reserve System itself into receivership, by government, for reorganization. The purpose will be partly to keep the doors of banks open, because the banks are bankrupt. We can't have them closing their doors. It's a much more aggravated version of what Roosevelt had to deal with back in 1933.

All right. But that does not mean we're going to nationalize the private banks. That means that we're going to take over the Federal Reserve System and set the rules more like FDR rules. But our intention must be to get the private banking system, that is, actually the national banking system, functioning as it was functioning once upon a time. And functioning at a basic low interest rate, long-term interest rate. And actually using it as a vehicle for Federal credit, which we're going to have to create: to get the credit out for infrastructure, to get the credit available, *through* the banking system, for worthwhile kinds of investment, to get our employment and

our production going again.

So, it's not really "government, or not government." Government has a responsibility under our Constitution: We have to manage our national banking system, our national system. But the banking system is largely a private banking system, of state and Federally chartered banks.

**Raines:** Matthew, you can give us your next two questions, quickly please, together.

**Caller:** So, you are not against private ownership of the Federal Reserve Banks, is that correct?

**LaRouche:** I'm not against private ownership of the banks which are under Federal Reserve control. It's the money system, and its regulation that has to be under Federal control. The banks will operate privately within those rules.

**Caller:** Okay. Well, I would have to respectfully disagree, as it relates to the nature of money as a medium of exchange. I believe money should be created as the greenback was, debt free, and it should be created by government, elected officials only.

**Raines:** All right. Matthew, we're going to open the line. Thank you for your questions.

Any comments to that before we move on, Mr. LaRouche?

**LaRouche:** Yes, well, he doesn't understand it. The greenback is exactly what I'm talking about. It was what Lincoln did. Lincoln did not privatize the banks. Lincoln organized a system of greenbacks, which were repealed under British influence, and by the same kind of people that did this under Nixon and so forth, today.

**Czaia:** Mr. LaRouche, you called for upwards of \$6 trillion to upgrade our national infrastructure. How would we find the money for that?

**LaRouche:** You create it. Look, you've got to start—don't start with money. Start with physical reality. Now, money is necessary as a medium of exchange. It is not the source of wealth. Money is only paper. Even when it's in gold or silver, it's still only money.

So, you have to have money in order to engage in local transactions among parts of the economy. But the overall credit, is the national credit. Now, we're talking about investments of 25 to 50 years—that's the general average life-cycle of a physical basic investment in infrastructure. What we do is, your objective is, immediately, to make sure that you are currently, on current account, [that] the nation is earning more and producing more than it's costing. To do that, you have to bring the level of productive employment up, to a level at which you're above breakeven. The immediate objective is to do that with Federal credit: We invest in things that we need—basic economic infrastructure, power systems, water

systems, rebuilding the economy. We also invest in providing credit for private-sector things that we think are worthwhile, and make sure they have the credit available to invest in buildup, industries, agriculture, so forth.

If we're operating above breakeven, in terms of current account, that is, we're producing more than we're consuming, we're in good shape—we can manage for the long term. If we're not doing that, we're in deep trouble.

**Raines:** Well, Mr. LaRouche, I promise you we're going to get to talk about Vice President Dick Cheney, in just a moment. But I have another person that you sparked their interest. Bill, please go ahead.

**Caller:** I have a simple question, really. We have somebody else on your program saying that we're going to default on the debt. We've got Mr. LaRouche saying that we're heading for a catastrophe. Could I ask: If these things come about, what's it actually going to be like?—if you see what I mean.

**LaRouche:** You're talking about Hell on Earth. Because, we're in a situation globally, especially in Europe and the Americas, which is worse than Germany faced in 1923. That's the kind of problem. Now, we could handle this problem. The problem is, we don't have a government, in terms of the Executive branch, that is *willing* to do the job. So, we're going to have to decide that we're going to make a change in the way the Executive branch of government functions. And I think that what's going to pull it down, is the Iraq question, together with the general economic question.

If we're on the verge—and the British and the Americans are on the verge—of being *kicked out* of Iraq, if they can shoot their way out of the place: This is going to bring down the power, or the authority, of the present Bush Administration. And it's going to open the door for reconsidering many other policies.

So, I'm optimistic in that sense. The options exist to solve the problem. The crisis exists, which demands a solution. We just have to fight, and hope we win and get the solution.

**Raines:** Mr. LaRouche, you recently issued a press release, "Let Bush and Cheney Go Quietly." Could you tell our audience the message you were putting forward there?

**LaRouche:** Well, the point is—the DeLay crisis in the House of Representatives means that, as [this] thing unravels, and you look what is tied to DeLay, Gingrich, and so forth, if that crowd is exposed, the way it's being exposed in criminal proceedings and other things now, you're going to find a sudden change in the House of Representatives. And together with the Iraq issue—the way it's coming up fast, the way people are going to start seeing the reality there—there's going to be a mood, a pro-impeachment mood growing inside the House of Representatives. Now, an impeachment has to come out of the House of Representatives. Now, that doesn't

mean that Cheney's going out by impeachment. It does mean, that if it is obvious that the House is in a mood to think about impeachment, then some important people, including probably former President Bush, might go to Dick Cheney and say, "The President would like to have you to resign." And then Cheney would go out the way Nixon went.

That's our best shot, right now.

**Raines:** And what would—the first President Bush—what would motivate him to do something like that?

**LaRouche:** The man is not mentally all there. But you know how the Bush family, father and son, both operated. Senior Bush—who's actually my junior—but, Senior Bush, operated on the basis of having a group of advisors who were quite competent. He still does have access to those advisors. It was his intention that his son, becoming President, would have the same set of advisors inclusively, and would listen to them. The son is not capable of listening to his father—not really.

So, you're in a situation where, the national situation is hopeless. But, if Cheney's out of there, and Cheney is the control over Bush, the Cheney mechanism, and Bush finds himself defeated, he's going to change his behavior, and he will come more under his father's influence, or his father's circle of influence, than he is now.

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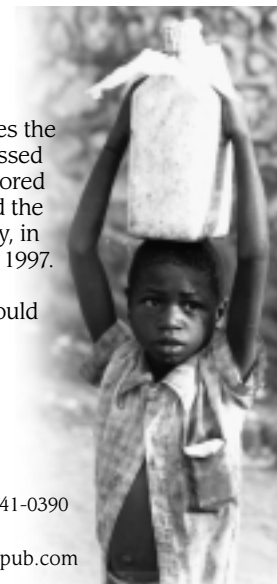
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**Czaia:** Who really runs the policy coming out of Washington, today? I mean, because of the corruption, that's so rampant—corruption and cronyism, and pork, and all this. Who runs the system?

**LaRouche:** Who runs Halliburton?

**Czaia:** Cheney.

**LaRouche:** Behind it, you have an international financier cartel, operating through George Shultz, who designed this entire current Bush Administration, including Cheney. And these guys have been ripping off the world, ripping off the United States, getting by with murder, and that was a key part of our problem: that we allowed this to go on.

Look, we're losing our industries! We're losing our airline system! We're losing our air industry; we're losing our automobile industry!

**Czaia:** Well, let me follow up a question. You had said to build infrastructure. . . . How do we get our corporations, our industry, back, if you build infrastructure? Is it tax incentives? What is it that you do to quit, if you will, pimping all our production to China and other countries? How do we get it back to this nation? How does Congress do that?

**LaRouche:** We go back to a—we go away from a free-trade system, and back to a fair-trade system, the kind of thing that we had still in the 1950s: We had a fair-trade system. We had a protectionist policy. It was not an aggressive policy, it was not a policy of rapine against other countries. We simply said: We're going to have our industries, our agriculture, and our infrastructure. And we're going to protect those citizens, or groups of citizens, in the United States, who are willing to do the job of giving us agriculture, giving us essential industry, giving us skilled employment places, and that's what we want. And we're going to have a protectionist policy, to build the United States back to what it was before.

**Raines:** We're speaking with Mr. Lyndon LaRouche. If you want to find out more about the political action committee, you can call 800-929-7566. You can also visit on the web, <http://www.larouchepac.com>. And I would also suggest, that if you want to find some writings from Mr. LaRouche and his staff, you go to <http://www.larouchepub.com> on the web.

And C.J., you had a follow-up question, and then I have one.

**Czaia:** Yes, real quick: About the lobbyists, and the absolute whoring out of our politicians in Washington, around the country, and campaign reform: We need this. How do we do it, if we do? What are you recommending?

**LaRouche:** Well, I think we have a good core in the Senate now, and I think we can get something pretty quick in the House of Representatives. Remember, you've got an election coming up next year. The entire House of Representatives is re-scrambled. I think that the present trend is, right now, that

everything that smells like Gingrich and Tom DeLay is likely to be out—including from the state of Texas. So, in that case, we'll probably get back to sanity with the House of Representatives.

Our mood, at that point, in cleaning up some of this mess, will be to take the kinds of actions which put things back together again. I talk to these guys, directly and indirectly, all the time. Especially the committees in the Congress, committees in the Senate, these kinds of people. We're discussing these kinds of things. The mood is there, on both sides of the aisle, to seriously discuss these problems and the answers to them. I'm confident that if we had a Presidency, which would allow us to consider these things properly, that we'd do it. I think we're on the edge of doing it—I think we're on the edge of success, *if* we can make this turn. It's going to be painful. It's going to be difficult, but we can make it.

**Raines:** We're speaking with Mr. Lyndon LaRouche. Let me give you those phone numbers one more time. . . . And Mr. LaRouche, in the last two or three minutes that we have here, I want to speak to someone that sent us an instant message, and maybe elaborate on it just a little bit. They wanted to know, in your proposal to rebuild the infrastructure in the United States, how alternative energy fits into that?

Also, I want to make sure I understand something that I've read from your articles: Is it—this expenditure by the Federal government, it's not to prop up uncompetitive industries in the global economy, is it? It's more to provide the tools and the hard things like roads and rails and things like that, that would allow businesses then to become competitive? Am I correct on that?

**LaRouche:** Well, that's partly true. But at the same time, we have to have a protectionist policy. For example—just real quick: India and China are considered great competitors of the United States industry. But look at China and look at India. In India, 70% of the population is living in desperate and worsening conditions of life. You have a somewhat similar situation—it's different, but similar—in China. The reason they're able to dump products on the world market at low prices, is because they're not paying enough, or not receiving enough payment for what they produce, to meet the requirements of 70% of their population.

Therefore, a fair trade policy internationally, a protectionist policy, protects both those nations and *protects us*. Instead of cutting our throats, in competition, we end the cutthroat competition, and prices will tend to rise. But that means we will be able to sustain *our* industries; they'll be able to sustain and improve theirs.

**Raines:** We've been speaking with Mr. Lyndon LaRouche. It's been a fascinating half-hour here, and we're very grateful for your time. And Mr. LaRouche, I hope we get to talk to you again very soon.

**LaRouche:** Thank you, Henry.