

# Use the FDR Approach To Rebuild the Nation

*Lyndon LaRouche gave this presentation on Jan. 7 to the New England Action Candidates' Forum in Nashua, New Hampshire, sponsored by the New England Community Action Association. He was introduced by James Griffin, the Connecticut state president of the NAACP.*

I shall begin by saying—which is relevant to what I have to say, in detail—that, as of last report of the Federal Election Commission, I'm second-ranking, in terms of number of contributors among all Democratic aspirants. And therefore, I'm quite serious about becoming the next President, particularly when I know what is going to happen, or some of the things that are going to happen, in this period.

I'll just indicate the general situation; what I intend to do in general about the situation. Then I shall focus on several areas of the general welfare, which should be of particular

interest to you, as to policy.

Now, other candidates are talking about the general welfare; I particularly noted what Kerry had had to say about it, which I thought was fairly interesting, the other day. But, the approach they're taking is to look at these issues, within the present situation.

We're on the verge of the greatest financial crash that we've known, certainly since 1932-33. It's happening now: For example, from the high point of the dollar, where a euro was only worth 83¢ or 84¢, the euro today is worth \$1.25, \$1.26—and rising. We are in the process of a general collapse of the financial system, and the United States is on the low end.

In short, we're in a situation which is comparable to that which Roosevelt faced, after Coolidge and Hoover. So, the ordinary "fixing it up" is not going to work. The system is breaking down, and we're going to have to do essentially what Roosevelt did: restructure the system; and restructure it pretty much in a philosophical direction which corresponds to what he did from 1933 on. This is our situation. So, any ideas about reforms—of welfare reforms—which do not take that into account, will not work.

All right. Now, I indicated already, that we're in a financial crash. That, worldwide, is the major issue. We have possibilities of cooperation, particularly with Eurasia. There is now a simmering cooperation, among Western Europe—particularly among France, Germany, and Italy—with Russia, and in turn, with the countries of Asia, notably China, India, and so forth. This represents one of the great potentials for long-term capital formation, in Eurasia itself. The United States should be a cooperating partner in that, as well as others.

So the conditions for a recovery, both a global recovery and a U.S. recovery, comparable to what Roosevelt did, is the context in which we have to work.

## Neutralize the Cheney Faction

This is being diverted from, by a war. Now, as many of you know, Cheney, back in 1991-1992, when he was Secretary of Defense, tried to push through a policy with what's called "mini-nukes," for U.S. foreign policy based on preventive nuclear warfare. After Sept. 11, 2001, Cheney was able to revive this policy, which had been turned down under Bush "41." So he used the terror effect of [Sept. 11] 2001, to campaign for the introduction of this policy. And, as of President Bush's policies in his State of the Union Address in January of 2002, this policy has been in effect. This is the cause for what happened in Afghanistan; this is the cause for what happened in Iraq; this is the threat to a war with Syria, a threat against Tehran, a threat for a nuclear bombing of North Korea by the United States, and so forth and so on.

So, what we have is a tendency by a certain group led in the United States by Cheney as Vice President, and the so-called "neo-conservatives," for this policy. This is the great

threat, to focus attention on the economic issues. We should be out of Iraq—that's another question. We should stop this policy. I've been pushing to get Cheney out, because by removing Cheney and his fellows out of the Administration, we would at least neutralize that danger. It is a constant danger, still hanging over our heads right now, of new wars added to the present one. But the economic issue is the issue.

That means we have to go to, as I said, a Roosevelt type of approach. And what I shall refer to, is to situate generally—what I propose on certain areas of welfare reform, both education and health care, in particular, and also some of the things that go with that, including the conflict which now exists, a generational conflict between those between 18 and 25—that is, the university-age generation—and their parents' generation. This is a new development, significantly new development, which has come up in the past four to five years. And this is one of the key things that has to be taken into account, in the present campaign.

My view—I have a youth movement, which I've been organizing. It's been effective in California. We didn't win against Schwarzenegger; but our efforts in Los Angeles and the Bay Area were successful. Unfortunately, we were not all over the state, and Schwarzenegger got in. In Philadelphia, the youth movement was key in securing a landslide victory for Mayor Street, over Ashcroft's effort to get him ousted.

So, it works. Youth movements today, of that type, have the greatest effectiveness per capita, of any political strata in the United States, because they see themselves as being dumped into a "no-future generation," and are looking for a better future. Whereas their parents tend to be more and more involved in this "lifestyle culture," post-industrial, lifestyle society. And the youth wish to push; they wish changes; they wish to go back to a producer society, with some sense of purpose and security for the future.

And therefore, they're a great positive force. These are the layers, which are most oriented toward the poor. We have found them very effective, in going in, largely on their own, in areas with the poorest section of the population, which is not approached generally by political forces. They're sitting out there, and people shun them, turn away from them.

So, those are the parameters.

## Restoring Health Care, Education

Now, for example, let's take the case of health care. There are a lot of health-care programs being proposed; none of them will work. As long as you accept the HMO bill, introduced by the Nixon Administration in 1973, there's no way you can reform the present system, to come up with a successful health-care program. It can't be done. What we would have to do, is simply reverse the process, and go back to the Hill-Burton policy, which was law in the immediate post-war period until 1973. Which means that we combine

the force of the private sector, state government, and Federal government, using things like the Veterans Hospitals which we used to have. And using all these instruments, to make sure that if somebody falls in the street and has an emergency, they'll be taken to an emergency room, without question. The nearest one. They will be treated; they will be assessed; and continuing treatment, as indicated by medical requirements, will be conducted. In the process, someone will discover who's going to pay for this. But in general, those who can pay, who have health-care coverage, will cover it, with their health-care coverage. Those who have nothing, *will be treated anyway*.

And the way we did it under Hill-Burton is, we had a budget. We raised funds in various communities, for the health program for that community. And then, we got the Federal government or the state government, or somebody else, to kick in a little bit, to make sure that the budget for the number of beds required, of the type required, for the coming year, that that was done.

We have to go back, simply, to a policy that people, if they need medical care, will receive it. If they're in a situation to pay, if they have programs which will cover the cost of the medical care, that will take care of it. But, if they don't have that covered, they'll be treated anyway, under the same system, as if they were regularly paying patients. That's the only way it's going to work.

Also, this goes with another part of the thing, which is extremely important. Particularly among the aging population, and among those who are poor: preventive health care. Now, preventive health care, generally, is steered largely by physicians, who simply advise their patients, and make recommendations, and do clinical studies, to determine what future problems that patient may have. And to indicate treatment or whatever, to be taken, to minimize the danger of a potential problem that that patient has, from becoming an acute one. It's much cheaper to prevent a disease, than it is to cure a major disease when it hits. And therefore, under the present HMOs, that's precisely what's eliminated. The physician is not given the discretion to do those kinds of investigations. When a physician is allowed *seven minutes* with a patient, by a budget, what can that physician do in assessing, really, in depth, the patient's needs?

So therefore, we've got to turn the medical practice back to the medical profession, and say, we will have programs which will partly be paid this way or that way; but we have to—in the end, we're going to have to raise a supplemental amount to make sure that the person who needs the care, if the physician prescribes it, they will get it, whether they can pay, or not. That simply.

Now, on education: Education today is not understood. Because, as most of you know, back in the middle of the 1960s on, as a result of the shock of the Missile Crisis, the Kennedy assassination, the opening of the the Indo-China War, and

other things, there was a cultural paradigm-shift, particularly among the college-age generation of that period: the middle '60s, the so-called '68er phenomenon. And this spread into the younger generations, the younger brothers and sisters of these '68ers. And there was a change, from 1970-72 on, in the culture of the United States, from being the world's leading producer society, to a society which lives like ancient Rome, as an imperial power, sucking on the blood of the rest of the world with cheap labor, and shutting down our own production in favor of employing cheap labor—virtually slave labor, often, as in the *maquiladoras* in Mexico, to replace our industries. We are losing our productive forces.

We, therefore, have oriented our educational system, and other features of our society *away from* the characteristics of a producer society.

### Shift Back to a Producer Society

What we will have to do, following the Roosevelt precedent, is we're going to have to have a large-scale program of infrastructure building. This is going to involve, for example, we have a large area in production and distribution of power. We have a power crisis hitting the United States. We're going to have to invest, in 25- to 50-year-term investment, in long-term capital formation, and basic economic infrastructure in this category. We have a breakdown in mass transportation. We're turning our superhighways into parking lots for commuters. We have to get back to decent mass transportation, and similar kinds of programs. This is going to be a long-term capital investment effort.

It's going to shift the composition of employment in the United States, *from* this kind of society we have now, a post-industrial society, *back* in the direction of a producer society. For a producer society, we do not have the skills in the population, generally, needed to deal with the challenge of a producer society.

For example, some of you know the other parts of the country, such as Michigan or other parts of the country, where there has been *depopulation*, as around Detroit, heavy depopulation. And the population has moved into these new shantytowns, of shacks stuck on cow pastures around Washington, D.C., mortgaged at \$400-600,000 apiece. The housing bubble is about to pop. The mortgage-based securities bubble is about to pop. And these shacks—you know, they're shrink-wrap covered, plastic exteriors, but \$400-600,000—for people who can not afford it! These things are things that if you were doing the old-style standard of what can you afford to pay for housing, you'd have to have \$100,000 a year income, to do that. Most people don't have that. The percentile of the cost of possession of a residence, today, is usually a very large percentile of the total income.

So therefore, we're hitting a situation, in which we've got to change things, and begin to move things back in the direction from which we turned, beginning the middle of the



*LaRouche also spoke at this candidates' forum, sponsored by the New Hampshire Political Library, in Concord, N.H. on Jan. 6. A panel of New Hampshire notables asked questions of the so-called "lesser-known candidates." A number of the other candidates came up afterward to talk to LaRouche and congratulate him on his campaign.*

1960s. We're going to have to go back to the Franklin Roosevelt way of looking at a recovery, which means large-scale credit, financial reorganization.

Let me just indicate clearly what that means. The world is bankrupt. Europe is bankrupt. The United States is financially bankrupt. Forty-seven states are bankrupt; that is, they can not possibly meet their current obligations on the basis of their present budgets. Nor can they raise sources of tax revenue to make up the difference. Therefore, we have to build up the total amount of employment, the total amount of income, which means expansion.

Expansion means the government intervenes, to reorganize a bankrupt economy, a bankrupt international financial system. Government must intervene to produce the capital, the financial capital, credit, in order to finance the employment of people in constructing these things that have to be constructed. Raise the level of income in every state, and the problems will begin to come under control.

So, those are the conditions. That means, we are going to have a demand for training of the labor force. It means we're going to have to think about what we've done to our cities, to make them less habitable, than they were before. You know, when we were younger, you could often walk in a city, a small city, in particular, and within walking distances, you had several places of employment. Or, you had some efficient sort of mass transit. You could essentially walk out your front door, and get to work within a reasonable period of time. No more parking lots on superhighways. We destroyed that kind society.

We used to have schools located where a grammar school, or the equivalent, would be within walking distance of the place of residence. The secondary, middle schools, and high schools—I guess you'd have a lunchroom in them, because they were a further distance from the housing in general. We destroyed all that. We've destroyed a conception of urban society, in which the facilities of the society, and the relations among the people, relations among families, were protected.

We're going to have to move back in that direction. This means we have to go back to the *idea* of a producer society that we used to have; had up actually through Kennedy, and beyond. And without that, we're not going to make it.

### **The Constitutional Principle**

So, those are the general points. But, there's a principle involved here, which has to be emphasized. What's the difference between, on the one hand, Coolidge and Hoover—Coolidge, I thought, was rather stupid; Hoover was not. Hoover was unfortunately clever. He knew how to make a depression worse. That's what he did! He was not incompetent; he was very competent at what he did. But he made it worse.

And what we've had, especially since the middle of the 1960s, we've had a succession of governments, even under Presidents like Clinton—brilliant fellow, but he lost his nerve on many of these issues. And therefore, we've had continuously, a shift in our morals, our standards of government, away from those things that we thought Roosevelt was good at, and what we thought Jack Kennedy was trying to bring back in. We've gone away from that. So, we're going to have

go back to it. This means a general reorganization of the international financial system.

But it means something else: Our Constitution is unique in the world. Our Constitution, as adopted in 1789, is the only Constitution in the world, which has lived that long. That is, our Constitution has qualities, which every other nation in the world has lacked. The essential difference lies in the Preamble of the Constitution, as its expression. The Preamble commits us to three principles: the principle of sovereignty of government; the principle of the service of the general welfare; and the principle of commitment to posterity. Which, in a sense, means that the government is charged to interpret the other parts of the Constitution, to define what is legitimate Federal law, by these standards: Are we responsible for the sovereignty of our country? Are we committed, in actually the Christian tradition of the Apostle Paul of I Corinthians 13? Are we committed to the concept of *agapē*, that government is not morally qualified to govern, unless it is committed efficiently, to promote the general welfare of all of the people? And merely being committed to the present population's general welfare, is not sufficient. We have to have a commitment to future generations. What kind of a future are we creating today, for our posterity, two generations hence, and beyond? What kind of a world are we creating? This is the strength of our Constitution.

This was the issue, the principle of the general welfare and posterity, between, on the one hand, Roosevelt's policy, and that of Coolidge and Hoover before him. That's the difference between what Jack Kennedy, in a sense, represented, and what Nixon represented. That's the difference of the governments of the 1970s, of the 1980s, of the 1990s: the commitment to the efficient service of the general welfare, and of posterity, has been lacking.

The same problem exists within the United States, with respect to other countries. Politicians, today, think of other countries as our enemies, or potential enemies! As our rivals. That's not the case. In some cases, yes, but that's *not* the natural case of affairs. I know, today, for example, if I'm President of the United States today, with what I know and the contacts I have in various parts of the world—as President of the United States, I could call in leaders of nations of Eurasia, Western Europe, Russia, parts of Asia; leading nations of Asia—India, China, Japan, Korea. We could meet. And we could work out recovery programs for the world, which would work. We could make a reformed monetary system. We could unite the world around the principles of the Preamble of the U.S. Constitution, which are universal principles of natural law: the sovereignty of nations, the sovereignty of their people; the general welfare of all of the population; and the commitment to the posterity, of not only our own country, but the posterity of the world as a whole.

This is a principle also echoed in the great 1648 Treaty of Westphalia, where after a long period, from between 1511 and 1648, of brutal religious wars in Europe, under the leader-

ship of some great men we had the Treaty of Westphalia, which ended religious warfare in Europe. The principle there was called the "Advantage of the Other." The essential constitutional agreement of that treaty, which ended religious war, was the "Advantage of the Other." We'd serve best, by considering the advantage of the other person first; and looking for reciprocation of that.

We, as a nation, must take care of our people. But we must think about what we need to do, in cooperation with other people, for their benefit. And create the kind of relationship among nations, which we need today. Since 2002, since January, the United States' relations with the other nations of the world has gone downhill as I've never seen before, or I have no recollection of before. Especially then, over this issue of Cheney's policies, of the war policy.

We could cure that overnight. If I were President, it would go tomorrow. So, it's not something that's impossible to deal with. But, that's the kind of world we have to build. That's the kind of nation we have to be.

And, the things that Roosevelt did, that were good, flowed from his commitment, which he often expressed: a commitment that government is not fit to govern, unless it is committed to the general welfare of all of the people.

I'm at your disposal.

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## Discussion: Power, Technology for the Future

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**Q:** Here in the Northeast we suffered a major blackout. And, being in New Hampshire, we weren't [inaudible] so much, mainly because of a nuclear power station right nearby here. Most of the other Democratic candidates, pretty much—like the last speaker who wanted to eliminate nuclear power completely in the United States. You didn't mention anything about your power program, but how would you address that? What's the future?

**LaRouche:** Well, we're actually going to have to use nuclear power. This is not just a U.S. policy. This is a world policy. For example, China has a long-term program, its two-generation program, of moving much of its population from the concentration of the coastal area, and taking the poorer section of the population which lives inland, and moving them toward new territories being developed. Now, China has the largest infrastructure projects on the planet now going: the Three Gorges Dam; a movement to take water from Tibet and move it into the Yellow River; to develop these areas inland, toward the desert areas, and develop them, and move the population there. The first generation: infrastructure. The second generation: realize the benefits of infrastructure. The key problem here, in that, is a shortage of energy, a shortage of power. And, the only thing that's going to solve that, on that scale, in that way, is going to be nuclear power.

And what we have available now—there are many kinds of nuclear power plants which function, in existence, and there are new forms being developed. One exists which has optimal characteristics for safety and utility: It's the pebble-bed high-temperature gas-cooled reactor, which was developed at Jülich, Germany; is now operating in China; is operating in South Africa; will be operating elsewhere. It's ready to go. It's a finished, tested model. If you take a small plant—these are generally 120 to 200 megawatts capacity; they're self-regulating. And the advantage is, you can put them in quicker. A 1.2 gigawatt plant like Seabrook takes a long time to put up, it's a big capital investment; you don't get the result. I think it's much better to have the smaller ones, of the 200 MW maximum capacity, and put clusters of them in. If one goes sour, you shut it down immediately, because you have backup. You don't have this complicated management problem. Also, the pebble bed, with the ceramic-based pellet, is much more efficient.

So, in China, we're going to have to actually build centers, for new cities, for these populations: agro-industrial complexes, in areas which were previously poor areas. And, you need that. We're going to shift, actually, from using petroleum as a fuel, to using hydrogen-based fuels, fuel-cell and other kinds of applications. A high-temperature gas-cooled reactor can catalytically produce these kinds of hydrogen-based fuels, for local use for housing, and so forth. So, instead of just thinking of some vast system, vast power distribution systems are not good ideas. They're subject to many problems. It's better to have a connection of regional networks, which interface, but are controlled interfaces. This Enron-style thing of wildly moving current back and forth on the basis of marginal prices, is insane.

We need that. We need it in New England. New England is a dying area. And if we don't have a large infrastructure project on generation and distribution of power, this area of the United States is going to collapse. Because the plants that are collapsing now, in New England, which are becoming obsolete, mean the doom of any possibility of any productive capacity in this area. There's no way of getting around it.

There are other things that are supplemental: For example, it's a waste to use water for water power. Because the primary purpose of managing water, is water. Water is necessary for life. It's necessary for other things. If you get a benefit, of some of the water to give you electrical power, that's fine. But, you want that within a system, where the basic responsibility for power generation lies, not in the water resources, but in something else. We did fine with the Tennessee River Valley river project. We did fine with the Northeast in former times. We are now at a point where we have about a \$4 trillion deficit, nationally, in basic generation and distribution capacity of power. California is an absolute disaster. The Northwest is a disaster. Whole other parts of the country, are disasters.

Mass transit is another one. But mass transit: What do you

mean with mass transit? Well, mass transit means electrical power. Today, it means magnetic levitation: electrical power, for mass transit. We need systems of mass transit around cities, for the internal mass transit, the inter-area mass transit, and the inter-city mass transit. We're flying people in planes, where they should be going on high-speed trains. For example, the whole New England corridor: You don't *need* to have an aircraft flight in the New England corridor, if you have a magnetic levitation corridor going down to Washington, and below. The time it takes to get to the airport, get on the plane—all this business—can be easily—you just walk to the train station, to get to your destination. And this corridor is active enough to support such an effort. But, that takes power. It takes a reliable power system.

We're going to have to go to new kinds of technologies. People think about "energy"—it's a mistake. The word "energy" is really a mistake. Energy describes an effect; it does not describe a cause. Power, as defined in ancient times, by the Pythagoreans and by Plato, the term "power"—which they used the Greek term *dynamis* for—was a reflection of a discovery of a universal physical principle, which gave man increased power over nature, the discovery of this principle. And, what we need is, higher flux-density equivalent forms of energy, which only come from going to higher levels of power. For example, we have the thing from burning wood, burning coal, burning petroleum. And then, you get a higher density with a nuclear plant. You get a certain degree, potentially, with a hydrogen fusion plant. To go into space exploration, we're going to need this kind of thing.

So, we can not avoid this. That is the only thing we should develop. But it's something that must be included, and in an area like that, on a seacoast, like Seabrook—a seacoast. It's the easiest place to do it.

And, it could mean, for example: Take this New England area, alone. What is New England known for? It used to be known as a center of studies, of high technology, of knowledge. From the time that the Winthrops founded the Massachusetts Bay Colony, Harvard University used to really mean something—in the former times (I don't know what it means, today). But, it was a center of knowledge. During the wartime, up through the beginning of the space program, Route 128 was a big source of science, for the national space program and other things. Then, we went further; we went out further. They came up to Nashua, and things like that, with spillovers. So, New England is actually—the rocky coast of New England, you know, and its lack of flat land and so forth—is an ideal place for science, for technology. The application of science and technology needs good educational systems. It requires, also, a lot of power.

Therefore, the region of New England should have a mission-orientation, to define what this area of the United States is going to look like, one and two generations from now. In the process, power becomes a pivotal feature, of any such planning.