

# Vi har brug for et nationalt infrastrukturprogram, NU!

## LaRouche PAC Internationale Webcast, 14. juli, 2017

Det er den 14. juli, 2017; og, som de ville sige i Frankrig, »Bonne Fête Nationale!«. Vi ved, at præsident Trump netop er kommet tilbage fra at deltage i fejringen af Bastille-dagen i Paris, Frankrig, hvor han havde et succesrigt møde med præsident Macron, iflg. rapporter. De fejrede mere end 200 års fransk-amerikansk partnerskab, der går helt tilbage til vores alliance for at besejre briterne i den Amerikanske Revolution.

Men, der er gået nøjagtig én uge siden det historiske møde mellem præsident Trump og præsident Putin fra Rusland, på sidelinjen af G20-topmødet i Hamborg, Tyskland.

*(Her følger det engelske udskrift af webcastet.)*

WE NEED A NATIONAL INFRASTRUCTURE PROGRAM NOW!

LaRouche PAC International Webcast

MATTHEW OGDEN: Good evening; it's July 14, 2017. My name is Matthew Ogden, and you're joining us here for our weekly webcast on [larouchepac.com](http://larouchepac.com). I'm joined in the studio by Paul Gallagher, {EIR} Economics Editor.

It's July 14, 2017; and as they would say in France, "Bonne Fête Nationale!" We know that President Trump has just returned from attending the Bastille Day celebrations in Paris, France, where he had a successful visit with President Macron according to reports. They celebrated over 200 years of French-American partnership going all the way back to our alliance to defeat the British in the American Revolution.

But it's been exactly one week since the historic meeting between President Trump and President Putin of Russia, on the sidelines of the G-20 in Hamburg, Germany. We have a picture [Fig. 1] here I can put on the screen of President Putin's and President Trump's meeting, as you can see here. As was correctly cited by Stephen Cohen in an article in *The Nation* yesterday,

this was a very successful summit. The achievements included: 1) formalizing a new direct partnership between the United States and Russian Presidents – personal relationship; 2. negotiating a very successful ceasefire in southern Syria, which continues to hold to this day. This is part of a more general policy of coordinating anti-terrorism campaigns; 3. – according to reports – creating a bilateral US-Russia channel to try to resolve the ongoing civil war in Ukraine. But, over the past week, we've also seen an escalation to a real fever pitch of the so-called "Russia-gate" campaign. We've seen this very rapid escalation of attacks against the Trump Presidency. But as Paul Gallagher pointed out correctly in a lead that was published yesterday on the LaRouche PAC website, this latest series of frenzied outbursts against President Trump over the so-called "Russia-gate" is not due to some sort of 20-minute meeting that one of Trump's children had with a Russian lawyer at Trump Tower during the campaign. But rather, it's over the fact that President Trump himself had a very successful 2.5-hour meeting with President Putin of Russia last week. This is a meeting that Trump's opponents never intended to allow to occur, let alone turn out as positively and successfully as it did. This has been, emphatically, the issue all along in this so-called "Russia-gate" collusion scandal; going all the way back to before Trump's inauguration.

I'd like to put on the screen here a tweet [Fig. 2] that President Trump tweeted out on January 7th of this year, where he correctly identifies exactly what the issue here is. This is two weeks before the inauguration. He says, "Having a good relationship with Russia is a good thing, not a bad thing. Only 'stupid' people or fools would think that it is bad. We have enough problems around the world without yet another one. When I am President, Russia will respect us far more than they do now, and both countries will perhaps work together to solve some of the many great and pressing problems and issues of the world." So, indeed, that's what Trump has been able to succeed in accomplishing; and he's stuck to this, despite the environment of Russophobia which far rivals anything that we've seen at least since the Cold War, maybe going all the way back to the infamous McCarthyism of the 1950s. You've reached a point now where even Senator Tim Kaine, the former running mate of Hillary Clinton during the campaign, has openly accused the sitting President of the United States of treason over the fact that Trump's son

allegedly met with a foreign national to receive so-called damaging information against his opponent Hillary Clinton in the Presidential campaign. While at the same time, Hillary Clinton herself had actively solicited damaging, salacious misinformation against her opponent Donald Trump from a known former agent of British Intelligence, Christopher Steele. So, that's quite the double standard, if you ask me.

But to make the point, in the face of this entire apparatus, President Trump's policy of cooperating with Putin and establishing a good relationship with President Xi of China is, indeed, a courageous one. But as Paul Gallagher made the point in this same lead which I cited earlier, which he titled "Trump's Policy of Peace with Putin and Xi Is Courageous; But His Policy of Peace with Wall Street is not". Very correctly, Paul, you said "What is not courageous is this President's inability to take any steps against Wall Street towards carrying out the economic recovery policies on which he ran his campaign. Rather, Wall Street, led by the likes of Treasury Secretary Steve Mnuchin, is running all over him. President Trump is fighting the British imperial policy and it is British Intelligence which launched 'Russia-gate' against him a year ago, and has driven the Congressional leadership into McCarthyite madness. But neither he, nor either party in Congress, is fighting Wall Street; that is up to the rest of us, and it cannot be delayed or the next looming crash will wipe us out entirely."

So, Paul, that's what you said in the lead of the LaRouche PAC website yesterday, very correctly; and I think we'll get into that. But this was echoed by Helga Zepp-LaRouche during discussions we had with her just a little bit earlier today. She said what is clearly urgently necessary and seriously lacking in the current Trump administration is a commitment to following through on what she called "an industrial program for the United States." She said we need to get people to focus on this. The Trump agenda internationally is fine, clearly; especially Trump's stance on Russia, China, US cooperation, which is obviously positive she said. And which is the source of the unprecedented attacks against his administration by those who wish to sabotage such a relationship. But domestically, we need a real economic program. She said, "As the famous saying goes, 'it's the economy, stupid!'" She said that we do expect that sometime this month, the US-China economic cooperation report is expected to be published, which was commissioned during President Trump's

and President Xi Jinping's summit at Mar-a-Lago a few months ago. But, as far as can be seen up to this point, there is really nothing yet happening in terms of Trump's promised \$1 trillion infrastructure investment plan for the United States. She said this is a big weakness, along with Trump's indefensible cowardice in the face of Wall Street. So, it's our responsibility to escalate this campaign to get this infrastructure campaign going in the context of LaRouche's Four Economic Laws; starting with Glass-Steagall, which we're going to discuss more in a minute. We can use the reconstruction of the New York City region as a necessary catalyst and a keystone to energize this entire national infrastructure vision.

So, just to begin with, I'd like to play a short video which was just posted on the LaRouche PAC website, narrated by Jason Ross, on this subject. The title of the video is "What New York City Can Learn from Africa".

JASON ROSS: So, New York City has now officially entered the "Summer of Hell" created by long overdue maintenance work around Penn Station. This work is going to reduce commuter access to this vital hub by 20% for the half million commutes daily. A couple of weeks ago in New York, the derailment of an A train left dozens injured and disrupted hundreds of thousands of trips. In two years, the planned shutdown of the L train will disrupt 200,000 daily trips for a year and a half. Today, New York City's subway delays are 2.5 times what they were just five years ago. It's clear that transportation in America's leading city is at the breaking point. This should be no surprise to anyone who has followed the lack of infrastructure investment over the past decades; particularly to Lyndon LaRouche, who fought against the 1970s destruction and under investment in New York City and the Big MAC (Municipal Assistance Corporation) financial dictatorship that took it over.

Many of the immediately needed fixes are totally obvious to anyone familiar with the situation. Replace the 100-year-old tunnels crossing the Hudson and East Rivers; upgrade the switching equipment that dates back to Franklin Roosevelt's Presidency; and increase maintenance and repair, overhaul of track and equipment. But what's really required is a longer-term perspective of the next level of infrastructure; the long-term perspective whose absence caused the crisis that we now find ourselves in; a crisis in which New York City is merely a leading

example in the United States. Without fighting to win a commitment to such a long-term perspective for a new platform, any short-term fixes – even needed ones – will just be kicking the can down the road.

To make that long-term perspective clear, let's look at what we can learn from Africa and China. With some exceptions of the more developed nations such as Egypt and South Africa, African infrastructure is at a pitifully under-developed level. Consider these figures: The total shipment of freight by rail. In Africa, it's less than 10 % of what it is in the United States, China, or Europe. Consider per capita energy consumption in Africa; only 10% that of the US, only 1/3 that of China. It's more clear, when we focus on the higher form of energy represented by electrical energy. Per capita use in Africa is only 6 % what it is in the United States, and only 1/4 that of China. In fact, less than half of Africans have reliable access to electricity at all. A typical US refrigerator uses more than double the average electricity use of citizens of Nigeria or Kenya. With such an insufficient infrastructure platform, extensive economic progress is simply impossible. Yet, some people – and by some people, I mean Africa's colonial masters, led by the British – say that African development should be through "appropriate" technologies. That an incremental approach to improvement should be taken; that foot-powered pumps for water, or solar panels on a hut would be a useful upgrade. That is nonsense!

For example, the pathetic Power Africa plan proposed by President Obama would hardly make a dent in the outrageously low levels of development.

OBAMA: It's going to be your generation that suffers the most. Ultimately, if you think about all the youth that everybody's mentioned here in Africa, if everybody's raising living standards to the point where everybody's got a car, and everybody's got air conditioning, and everybody's got a big house, the planet will boil over."

ROSS: Africa must leap ahead, not crawl forward; and this can happen. The Congo River itself could support an estimated 100,000 MW of electricity; enough for 100 million people or more, with 40,000 MW from the planned Grand Inga Dam alone. The Trans-Aqua water program which would use water from the Congo and its tributaries to refill and to provide navigation to Lake Chad

which is currently drying up; this would be larger by an order of magnitude than any other project in the world. The expansion of rail lines in Africa is currently at a world-leading level today; it's growing. New transportation routes across Africa will connect the hinterlands, allowing modern development. This will change the situation from the current land-locked regions of the continent.

To give one example, the freight costs for bringing in a container of fertilizer from Singapore, to bring that into Rwanda or Burundi, it's more than 2.5 times the cost of bringing it to the port city of Alexandria in Egypt; due to the terrible, insufficient quality of overland transportation infrastructure across the continent. So, by creating access to efficient transportation, regions benefit from the opportunity to bring in equipment and supplies; to export their products and ideas; for residents to travel. With the availability of electricity, higher productive capabilities are unlocked. The value of the land and of the people increases.

Some people recognize this. Unlike the outlook of the trans-Atlantic world, China views Africa not simply as a source of raw materials, as a continent that's best kept in a state of under-development; but as an opportunity for massive, rapid, intense, overall economic development. As potential partners for economic prosperity, as new markets, new collaborators. So, while US or European stock in Africa is heavily oriented towards mining and resource extraction, Chinese investment goes primarily to infrastructure and small- and medium-sized businesses. Back in 2010, Chinese trade in Africa overtook that of US trade with Africa; and it is currently more than double the US-Africa trade level. China is financing big projects. The nearly 500-kilometer, 300-mile standard gauge railway in Kenya; built in only three years. The 750-kilometer, 500-mile Djibouti-Addis Ababa rail line, which will be extended. It reduces travel time from days to hours, as it whizzes by at 100mph.

Such major investments, along with the future completion of the Grand Inga Dam, of the Trans-Aqua water system, they're going to completely transform the economy of Africa and each locality within it. Bringing water, power, transportation access; allowing a higher level of industry, mining, agriculture, scientific and cultural pursuits. Productivity will grow. So now, return to New York City. What has been missing in New York City? Maintenance? No. What's been missing is a

commitment to discovering and building the next platform of infrastructure for the region. In the context of a national credit system of Federal high-speed rail authority work, of upgraded and reliable waterways, of high-tech new designs of nuclear plants; all of these potentially built with international cooperation. In this context, how does New York City fit in this broader area that it exists in? Where will the next generation of transportation and development hubs lie? And upon what technologies will they be based? How can magnetic levitation technology change our view of transportation? How will commercial fusion power, realized within a decade by a fully funded research program, how could this change our relationship to power, to materials, to production, to transportation? How will the expanded availability of water, power, and transport open new areas of the country to development; and higher types of development? How will the Bering Strait connection change world freight flows? Will New York City even still be the nation's leading metropolis in a century?

So, sure. Fix the L train; rebuild the Hudson River tunnels. Absolutely. Redo the disaster known as Penn Station. But do it all in a national and international context; a context of a future orientation, of an economic outlook to the value of leap-frogging to a higher infrastructure platform. So as in the future, our national high-speed rail authority builds a 300mph train system, starting across the Northeast. As transit in cities are upgraded to allow for commutes of half an hour rather than an hour and a half; as the World Land-Bridge connects to North America, allowing land travel from New York to Beijing; from North America to Asia. As all this takes place, what totally new projects will take place in New York City? What will be its future; and what will be its mission? The mistake of the past was failing to have a future; and that error must end.

OGDEN: So, this is clearly the kind of national economic vision that we need for the United States, and which needs to be adopted by this administration. So, I just wanted to ask Paul to give us a sense of where the fight around this stands, and then some of the updates in terms of Glass-Steagall, which is the urgent first step.

PAUL GALLAGHER: Well, first of all, you've already pointed it out, but I want to point out that some political leaders here, and most of the media, who are going crazy against since the meeting between the Presidents of the United States and Russia. Most of them are directly opposing peace and the potential economic benefits that follow from the end of the last 15 years Bush-Obama regime change wars. As the President pointed out yesterday, there has been what is already a long ceasefire in southern Syria, and two other ceasefires being worked on imminently directly coming out of that meeting that he had with President Putin of Russia. That means lives are being saved there; American lives, Syrian lives, lives of others are being saved there. There is also an agreement that came out of similar negotiations whereby the supply of water for the Palestinian Authority is being tripled. This agreement was just announced yesterday by Jason Greenblatt, the special envoy of President Trump to the embryonic Mideast peace or Palestinian/Israeli peace negotiations that are going on. More importantly, Syria and the Middle East have become a clear location for the New Silk Road, the increasingly vast array of infrastructure developments and projects which include what Jason was just discussing there in Africa. The massive investment that China is making with some other countries as partners in the development of new infrastructure across Eurasia, now in Africa and into the Middle East. There was just a large meeting in Beijing earlier this week of experts planning the reconstruction of Syria as soon as the wipe-out of ISIS and the ceasefires now being put into effect are actually in effect, the reconstruction with large-scale investment as part of the Belt and Road, as the Chinese call it. This New Silk Road.

So, there is tremendous potential coming out of these summit meetings, and the readiness of the President to work with Putin, with Xi, and the readiness on the other side of the Chinese leadership to continually expand this tremendous investment that they have been making in new infrastructure projects across Eurasia into Africa through the Middle East. Obviously that stands ready as well to work in the United States; but that is where we come to the roadblock that we were referencing earlier, Matt. That the Trump administration has been completely unable up to now, to follow through on the economic promises that it made to the American people in the course of winning the Presidency. Those promises included reinstating the



Glass-Steagall law; putting – for starters – \$1 trillion in new investments. And everyone thought that meant public investments into new infrastructure in the United States; including such things as new ports, new airports, national high-speed rail networks, connectivity for broken-down transportation systems like that of New York. This has not moved at all, because of tremendous deference to Wall Street and the White House looking to Wall Street – the worst possible place to look – Wall Street and environs. Private equity funds which claim to be setting up infrastructure funds, all this sort of thing. Looking entirely in the wrong place for a large-scale investment in fundamentally new infrastructure platforms in the United States.

We had a glaring example of this in regard to New York City and the New York metropolitan area crisis just this week. It was announced that what I believe is the very first investment of the Trump White House under the Transportation Infrastructure Financing and Innovation Act – it's called TIFIA. For the little bit of public funds from the Federal government that have been going into transportation projects in the recent years, TIFIA is a big deal in a very little pond. The very first TIFIA investment in transportation infrastructure under the Trump administration was in Penn Station; and specifically the creation of a second station across 8th Avenue from Penn Station in New York. To make a long story short, this development of a second station, which is not trains, is not tunnels, is not bridges, is not new routes, not new connectivity into high-speed rail going into New England and going into the Northeast corridor south and going West through New Jersey and Pennsylvania. It's not any of those things; it's a train station. It's only for some of these lines, and it is merely one small part of what is really the development of a huge shopping and office mall in this former Post Office location directly across 8th Avenue from Penn Station. This is almost \$600 million in this Federal investment grant being combined with investments more or less ordered by the various transportation agencies in the New York area, and a significant investment by the state of New York, essentially in order to create 850,000 square feet of new office and retail mall space.

Now what's going on with malls across the United States?

They're going bankrupt. So, what we're creating here is an immediate, new potential large-scale bankruptcy like the one that just occurred with the public/private partnership for the Indiana

Toll Road; like the one that just occurred with the public/private partnership for Route 130 in Texas, which just – God bless it – emerged from bankruptcy for the second time under a new private/public partnership which will soon go bankrupt for the third time. These projects which can't even take tolls; not even high tolls. Even with those high tolls can still not meet the rapacious demands of the private investment banks, private equity funds, and the other Wall Street which want 10% return on their investment annually; want all of their capital back in ten years. They simply cannot meet these demands, even with tolls that drivers cannot pay. This kind of failure is going on all over the country of exactly this kind of large-scale investment that we unfortunately just saw go into New York.

What is needed, clearly, is in the trillions; the \$1 trillion is a low estimate of what is needed if the United States were to stop the decline in per capita provision and use of electricity and instead increase it again. If it were to stop the decline in all of the most productive forms of the use of water, and instead increase it again by new water management, water transfer, and even at the frontiers of technology, water creation; that is, storm creation technologies, especially in the West of the country. If the United States were to stop the decline in passenger rail and freight rail travel annually, and instead build out an entirely new national high-speed rail network. If it were really to attack the problems of storm management, or storm protection; the kind of thing which would have prevented the ruination of the tunnels in the New York subway and rail systems in the first place. If they had been able to have sea gates to stop the destruction wrought by Hurricane Sandy, the replacement of water infrastructure nationally with new infrastructure. This clearly requires trillions, and it requires trillions in a short period of time. There is only one way that this can be attempted, and that is to create a national credit institution which both attracts new Federal credit and also attracts the investment of holders of existing US Treasury debt, the investment of holders of municipal debts, of state debts who want to put that in the way that citizens did in the period of World War II into new war bonds; who want to put that into a new bank created by Congress and make a bank capable of issuing trillions of dollars in infrastructure credit; and have it coming from sources already existing within the Federal government at the same time, as well as the

participation of infrastructure bonding by state and municipal agencies. It is only through that kind of Hamiltonian national credit issuance that, putting aside all the nonsense about public/private partnerships or the idea that some in the Trump administration had of an infrastructure bank which was really more like a private/private partnership, a kind of giveaway to organized capital in the United States in order to put it into a bank which would reward them with tax credits equal to what they were putting in, and then borrow and borrow and borrow on the debt markets. This kind of Wall Street scheme absolutely is destructive, and results not simply in these repeated bankruptcies, but actual destruction of infrastructure in the country.

Clearly, that requires that Glass-Steagall be reinstated.

Why? Take a look at the issuance of credit of China over the last ten years. It clearly has been driving the majority, and at all times over that decade, a third or more of the growth in the world. It's been doing that perhaps on the order of \$10 trillion or more in credit issued by the major public commercial banks in China; what are sometimes called the policy banks, but they are public, commercial banks. Although the Chinese system is clearly somewhat different than ours, nonetheless commercial banking is commercial banking; whether it's being done by government-backed banks or being done by commercial banks which are entirely private. Their publicly-backed commercial banks have put \$10 trillion or more in new credit into the development of the Chinese economy. Increasingly in the last two years, into the projects that I was referencing in the beginning in other countries along what they call the Belt and Road, the economic Belt and the maritime Silk Road; which have now crossed into Africa and are now crossing into the Middle East war zones to reconstruct them. Perhaps \$400-500 billion is already invested and committed outside China in the last two years by these major banks.

Now, how have they done it? Obviously during this period of time, there have been some bubbles created in the Chinese economy in real estate and so forth, bad debt of the same kind which brought down the banking systems of the United States and Europe. How have they avoided that? First of all, the vast majority of that new credit has gone into the most productive and most productivity-generating investments; in particular, the platforms of new infrastructure from nuclear power to fusion power research

to the dynamic space program and to the national high-speed rail networks, the North-South water transfer, projects which have changed the availability of water in the Chinese economy. That's first of all. Second of all, they have operated under a fairly strict enforced Glass-Steagall regimen since January 1, 1995. That has also enabled those banks to overcome the formation of bad debt, the existence of bankruptcies, and to keep on issuing this productive credit. They have, despite this huge credit issuance, stayed below 3% of the world's banking systems' exposure to derivatives. Less than 3% of that exposure is in the Chinese commercial banking system. Their income, their revenue has been overwhelmingly from loans, including 70% to 80% and more of the annual revenue of all of these banks in comparison to half or less than half of the income of the megabanks in the United States coming from interest on loans. That has indicated the Glass-Steagall ordering of their banking system, and has enabled them to keep doing this.

We have to reinstate Glass-Steagall here immediately in order to put the commercial banking system of the United States in a condition where it will make productive loans of that kind, and in order to head off what is clearly now an approaching crash on the order of, or greater than, 2008. You have all sorts of bankruptcies, not just public/private partnerships; all sorts of bankruptcies rising fairly dramatically in the United States after a tremendous issuance of credit to the banks, and by those banks to the largest corporations and on the high interest debt markets of other corporations, which have set them up for another crash which is now approaching. Just to give one example, it was reported the day before yesterday that in Texas, which of course brings together the central area of the shale oil and gas boom of the last ten years and all of the companies associated with that, along with retail chains and malls. The rate of corporate bankruptcies in the first six months of this year in Texas has been an all-time record; much higher than even in 2009, the real of the real, total collapse. It has been about 50% higher than the same period of time last year. When you look at the auto loan delinquencies rising rapidly, the credit card delinquencies rising rapidly, the fact that the Federal government has just had to restate its exposure to student debt in such a way that it suddenly produced a deficit in June of nearly \$100 billion in the Federal budget in a month in which there is usually a surplus, simply because of the losses coming from the write-off of

defaulted student debt. This kind of a crash would not only devastate our economy, it would also cause tremendous for the international collaboration in development; which is really the leading and positive feature of these summit meetings which have occurred.

As the American people have been demanding, we have to reinstate the Glass-Steagall Act. Janet Yellen was asked about this just yesterday again in her Senate testimony; and gave the usual nonsense explanation that we should value highly the Lehmann Brothers of the world, because because of Glass-Steagall, she said, Lehmann Brothers failed. Because of Glass-Steagall, other investment banks failed. Whereas, if we had not repealed Glass-Steagall, they could be rescued by big commercial banks and therefore, these Wall Street speculators could keep on doing what they were doing. But the question alone indicated that – the question was from a Senator who asked her “Did we make a mistake in repealing Glass-Steagall?” – indicates that that question is still reverberating through Congress. We have to get that reinstated in order for the rest of this program which is our objective, to work. So, that’s what I would say about it, Matt.

OGDEN: As you stated correctly yesterday, this is the major weakness of the Trump administration at this point. Even the ability to follow through on these kinds of productive relationships with China in terms of great projects and infrastructure development is in jeopardy. Not only because you’re missing the entire mechanism to make that work in the form of a national bank, but also because we’re flirting with disaster as another financial crisis – potentially worse than 2008 – is looming over the entire trans-Atlantic.

GALLAGHER: And all of the collaboration of the sort that we just saw in Africa, if people can actually put themselves in that situation; all of the collaboration that we saw there could be replicated in terms of collaboration and development of, for example, high-speed rail networks in the United States with the Asian powers which are financing that in Africa and in other areas of Asia. But not if our policy is going to be one of no national public funding, no national public credit institution. There will be no way for those investments and that engineering assistance to take place.

OGDEN: It's only now that China has actually even been able to take off in terms of this global infrastructure program in the way that it has wanted to. As Bill Jones went through on this program on Monday, despite the fact that it was all the way back in 1991, 1994 that the Eurasian Land-Bridge idea was being discussed in high-level circles in China with Helga Zepp-LaRouche attending forums on this subject in Beijing in 1994. We had two major economic crises in the intervening period: 1997, but then in a major way, 2008. It's only been since 2013 that Xi Jinping has been able to get this program off the ground. So, if you look at this in the long term, you really are at a crucial decision point for the entire globe on which this decision by the Trump administration – are you going to follow through on this promise you made in the campaign? The future of a lot hinges on that. Frankly, with the kind of courage Trump has shown in the face of the severity of the propaganda and attacks against him on the Russia question, there is no excuse why he should not have the same kind of courage in the face of Wall Street. One question is, as Mr. LaRouche identified it all the way back in the transition period, what is the nefarious role that is being played by Steve Mnuchin, for example, in undermining and sabotaging what was clearly one of the issues on which the American people voted in the Trump campaign; which was Glass-Steagall and finally getting tough on Wall Street.

GALLAGHER: You'll remember as recently as a month or so ago, in an interview, the President said some people want to go back to the old Glass-Steagall system; we're looking at that right now. That's what he said. Clearly, there is also strong opposition from certain people in Congress who are in Wall Street's pocket in the Republican Party, and also from Mnuchin and others in the administration who want to give Wall Street a complete deregulation instead. The President has been letting those people have their way; and so of course, have the Republican leadership in both Houses of Congress been kowtowing in the extreme to the demands of Wall Street to take off regulations, to let them again leverage up in the way that they did right before the last crash where they got up to 30:1 and 35:1 debt leverage. They want to have the capital requirements lowered so they can leverage up again. These kinds of demands are being granted by the leadership in Congress and by the President, when they have clearly said to the American people, we

want productivity; we want development to return; we want new infrastructure development to return; we want to rebuild the country. They're not doing it. I would just emphasize that those members of the House and the Senate in the order of 50 or 60 total who have put their names on Glass-Steagall legislation, they have done so with large-scale petition drives being done by constituency groups with which we've been working, which have put them in a position to say "My constituents are demanding this; and constituents across the country are demanding reinstating Glass-Steagall." They moved from that, so it's really up to us to get this done and break through this combination of money and fear and cowardice which is really letting Wall Street continue to run this infrastructure issue. They will absolutely destroy what little remains of the infrastructure in the country; they will make these breakdown crises as in New York and dam that collapsed in California and the locks that are threatening to collapse on our major waterways. They will make them far worse by their toll-looting schemes and their public/private partnership schemes. That's got to be completely replaced by a policy of Hamiltonian national credit; that's the only thing that will work.

OGDEN: Exactly. As Helga was saying when we spoke with her earlier today, this is the strategic priority in terms of a breakthrough on the domestic front in the United States; is securing the kind of momentum necessary to force the Glass-Steagall measure through, and to create the kind of political environment in which it's impossible to oppose Glass-Steagall. The kind of situation that is now hitting in New York, we've now come into the official "Summer of Hell" as Jason said in the beginning of that video; this creates the kind of political conditions on the ground where you can really catalyze at least a discussion of the type of infrastructure vision that you need for the United States. But this comes in the context of what could potentially come out of a US-China cooperation on Silk Road development, or the Belt and Road Initiative development. As Jason said, you do have to really think in terms of at least 50 years into the future. What is the kind of economic geometry in which these current crises, these current projects fit? And the only form of economics which is based on that kind of thinking, is what Hamilton came up with at the origination of the United States: This credit system which is fundamentally

different from the kind of monetarism which this public/private partnership approach is based on. That's the only kind of philosophy which thinks in terms of 50-100-year returns in terms of real physical wealth and real increases of productivity rather than just accounting.

GALLAGHER: There are people such as our friend Hal Cooper, a very experienced and expert railroad engineer and planner, who have exactly that kind of vision of how the now-collapsing transit system around New York City could be transformed into something in which the lines would not all be converging on Penn Station and stopping there, and then going into tunnels and gradually going back the other way – all of it at 10mph or less. But rather, those transportation lines within the city would be opening up and connecting directly into high-speed lines coming out of that area, going to New York State and New England, going west across the belt between New York and Chicago and the whole high-speed planning area there; going down all the way to Florida in the Northeast corridor. That these kinds of directly flowing connections which would make the transit system around New York merely the major node, the biggest node in the country in a continually connected national high-speed transportation network. These kinds of plans do exist; they require – as I was saying before – naturally they require a great deal of investment. They don't require a few hundred million dollars from here and there and everywhere else into an office and shopping mall to make a new train station. They require serious, long-term, high productivity building of the kind of transportation infrastructure that we have nowhere in this country at this time. That's where Hamiltonian banking and credit comes in; and it's really the only thing that can make that possible.

OGDEN: Well, thank you very much, Paul. I know that your last appearance on this program generated a lot of views on the internet, and also a lot of questions. I think a lot of the viewers appreciated the opportunity to write in via the comments on YouTube.

GALLAGHER: I tried to answer some of them.

OGDEN: You had the opportunity to answer them. So, we would invite people again; if you have questions for Paul, go



ahead and write them in the comments section on this YouTube video. Maybe we can do another follow-up video where it's a question and answer kind of session like that. This is an ongoing discussion, obviously; and we've got a lot of responsibility on our shoulders to follow through on this policy and to make this work.

So, thanks a lot, Paul, for joining us.

GALLAGHER: Thank you.

OGDEN: Thank you for watching; and please stay tuned to [larouhepac.com](http://larouhepac.com).