

# Trump vil samarbejde med Kina om Bælte & Vej / Indsats for Glass/Steagall optrappes: LaRouche PAC Internationale Webcast, 23. juni, 2017

*... Ifølge det Kinesiske Udenrigsministeriums rapport om mødet, responderede præsident Trump til denne udtalelse fra rådgiver Yang ved at sige, at han – præsident Trump – ville være åben over for at samarbejde med Kina om Bælte & Vej Initiativet og hermed relaterede projekter. Han sagde, han er tilfreds med de positive fremskridt, der er sket i de kinesisk-amerikanske relationer, siden sit møde med præsident Xi i Mar-a-Lago. Og han meddelte, at han planlægger at besøge Kina inden for det næste (nuværende) år.*

**Matthew Ogden:** Med mig i studiet i dag har jeg Paul Gallagher, redaktør for EIR's økonomiske stof, og som har været meget aktiv i Washington, D.C., i den eskalerede kamp for genindførelsen af Glass/Steagall og resten af hr. **LaRouches Fire Økonomiske Love** i Hamiltons tradition. Han har mange opdateringer til os på denne front. Og via video har vi Diane Sare, LaRouche PAC Policy koordinator for New York, med os fra Manhattan. Hun har netop skrevet en artikel med titlen, »Gullivers rejse til Manhattan! Kun LaRouches Fire Love og Kinas Bælte & Vej Initiativ kan løse Manhattans infrastrukturkrise.« (EIR, 23. juni). Som vi alle ved, venter »Helvedessommeren« forude i New York City, mht. transportinfrastruktur.

Jeg vil straks begynde med nogle meget signifikante udviklinger i kampen for at bringe USA ind i den Nye Silkevej, ind i Kinas Bælte & Vej Initiativ. For det første vil jeg rapportere direkte, at *Xinhua*, et kinesisk nyhedsmedie, rapporterer, at præsident Donald Trump i går mødtes med Kinas statsrådgiver Yang Jiechi i Det Hvide Hus, og til statsrådgiveren Yang sagde, at USA er villig til at samarbejde om projekter relateret til det kinesiske Bælte & Vej Initiativ. De to havde dette møde i Det Hvide Hus som en del af statsrådgiver Yangs besøg til Washington; dette var et møde på højt niveau. Og, iflg. nyhedsrapporter, sagde Yang til præsident Trump, at Kina var meget tilfreds med, meget glad over og satte meget stor pris på det faktum, at Trump-administrationen havde besluttet at sende en repræsentant på højt plan – Matthew Pottinger – til at deltage i Bælte & Vej Forum i Beijing i sidste måned. Vi har rapporteret, at denne repræsentant for USA var en beslutning i sidste sekund fra Trumps side, og at det var en meget god beslutning. Rådgiver Yang sagde også til Donald Trump, at Kina ville være villig til at arbejde sammen med USA om Bælte & Vej Initiativet. Ifølge det Kinesiske Udenrigsministeriums rapport om mødet, responderede præsident Trump til denne udtalelse fra rådgiver Yang ved at sige, at han – præsident Trump – ville være åben over for at samarbejde med Kina om Bælte & Vej Initiativet og hermed relaterede projekter. Han sagde, han er tilfreds med de positive fremskridt, der er sket i de kinesisk-amerikanske relationer, siden sit møde med præsident Xi i Mar-a-Lago. Og han meddelte, at han planlægger at besøge Kina inden for det næste (nuværende) år. Dette blev bekræftet af udenrigsminister Rex Tillerson i en pressekonference, han holdt onsdag. Præsident Trump rapporterede ligeledes, at han ser frem til igen at mødes med præsident Xi Jinping ved G20-topmødet i Hamborg, Tyskland, i juli måned. Det var første punkt, og det er naturligvis en meget signifikant udvikling.

Det andet punkt er, at der samtidig, dagen før dette møde mellem præsident Trump og statsrådgiver Yang, var en møde på

højt niveau mellem tidligere kinesiske regeringsfolk og amerikanske erhvervsledere på højt niveau, i regi af et bilateralt eller fælles møde, der fandt sted mellem USA's Handelskammer – der repræsenterer førende, amerikanske erhvervsinteresser – og Kinas Center for Internationale Økonomiske Udvekslinger, der er en regeringstilknyttet tænketank med base i Beijing. Under dette møde udstedte disse to grupper et fælleskommuniké, der promoverede fælles samarbejde mellem USA og Kina.

*Her følger resten af webcastet på engelsk:*

So, I'm going to put on the screen here a picture of this meeting that occurred [Fig. 1]. As you can see, it's the 9th U.S.-China CEO and Former Senior Officials Dialogue; jointly sponsored by the U.S. Chamber of Commerce and the China Center for International Economic Exchanges. What the joint communiqué reports is that not only would the U.S. businessmen be interested in joint cooperation on the Belt and Road, but they would also be interested in cooperation on building U.S. infrastructure here domestically. So you can see here a direct quote from their communiqué. This is under the subtitle "Strengthening Investment Cooperation Under the Framework of Belt and Road Initiative and Through Other Means." So, here's what it says: "Investment is an important driver of China-U.S. trade relations and the growth of the two economies. There is great potential for the two sides to further expand mutual investment. China's Belt and Road Initiative, which has spurred investment in infrastructure building, will considerably broaden the space for

Chinese and U.S. investment and open many opportunities for Chinese and U.S. companies to cooperate in third countries. Significant participation by U.S. companies, including in partnership with Chinese companies, can make new contributions to

the furtherance of China-U.S. economic and trade relations. In

certain areas, U.S. companies can offer the world's best technology and management capability, thereby helping to insure

smooth and efficient completion of Belt and Road projects.

Infrastructure building in the U.S. will generate an enormous need for investment, and the new U.S. administration has indicated that this is a major priority. China has strong capabilities and cost advantages in infrastructure building, including the building of urban roads, expressways, fly-overs, high-speed rail, and ports."

It goes on to say: "Chinese companies and financial institutions are ready to contribute to this effort through financing and through the provision of goods and services. Chinese investment in certain areas of U.S. infrastructure development has the potential to help strengthen business relations between the two sides, and in some cases, speed up completion of the needed projects at lower cost and with greater

efficiency. Both sides agreed that the two countries can engage

in full cooperation under the Belt and Road Initiative and through a number of other means, including the Asia Infrastructure Investment Bank, the World Bank, and other multilateral investment and financing institutions."

Then it has a subtitle: "Agreed Action"

"Within the next twelve months, the CCIEE and the U.S. Chamber of Commerce will organize a conference on the Belt and Road in China or in the United States; which will allow the Chinese side to brief the U.S. side on the Belt and Road plans,

including initiative content, current progress and projects that might be appropriate for U.S. company participation, including in partnership with the Chinese companies. The U.S. side will brief the Chinese side on the latest infrastructure developments in the United States and share reflections on pathways for Chinese companies to participate in U.S. infrastructure revitalization initiatives.”

So, this is a very important development. And now, third, here’s an article from {China Daily} which reports on a rather extraordinary forum that happened in San Francisco yesterday, which was titled “2017: U.S.-China Transportation Cooperation Forum.” Before I get to the next slide, just see here, the beginning of the article. It’s titled “Chinese Builders Wanted

in the U.S..” The beginning of the article says, “Chinese infrastructure techniques are urgently needed to rehabilitate America’s poorly maintained and in some cases dilapidated bridges

and road system, industry experts from both countries agree. The

fact that the U.S., the world’s most economically and technologically powerful country, should import fast-train know-how from a developing China, reflects a new normal for China-U.S. cooperation and communication.” Then, the article quotes Chinese Consul-General to San Francisco Luo Linqun, who

gave the keynote. He said, “China and the U.S. cooperation on the infrastructure front is posed to become the new highlight in

the trade engagement between the two countries. California along

with its neighboring states has especially close trade relations

with China," he added. "The import and export volume between this region and China has mounted to more than \$201 billion in 2016.

The One Belt, One Road Initiative was conceived in China," he added, "but it provides a global platform for economic development for all the countries participating."

So clearly, all three of these are extraordinary developments, highlighted by this meeting in the White House, where Donald Trump said – according to Chinese reports – that the United States would be happy to participate in the Belt and

Road Initiative. This is clearly coming along very rapidly; and

as Helga LaRouche said when she was briefed on these developments

earlier today, she said "Remember, it was only three years ago,

in 2014, that the LaRouche movement put out the call for the United States to join the Silk Road." I think you can remember

the pamphlet that was printed by the LaRouche Political Action Committee that was called "A Hamiltonian Vision for the Future of

the United States: The United States Joins the New Silk Road."

But Helga LaRouche said, at that point – 2014 – this idea was almost unheard of. But now, as you can see from these developments and otherwise, this initiative has really gained prominence and is becoming a dominant reality. It is very urgently needed. "We've seen a very significant victory," she said, "on this front; and we should recognize it as such." She

said, "I think an appropriate for this is 'Ideas Matter; Ideas Shape History'."

I think you can really expect the consolidation of this with the meeting between Trump and Xi at the G20 summit in July.

And

I think we can also see some dramatic developments between the potential for a bilateral meeting – and this is becoming more solid as the days go on – between Trump and Putin. But, as the

lead article on the LaRouche PAC website states very clearly today, although it's widely expected that President Trump and President Putin will meet for the first time on the sidelines of

this G20 summit, it's very clear that the opponents of this world-changing event of the United States-Russia-China cooperation, are doing everything they can in an hysterical fashion, to try to undermine this before it ever happens, to force the cancellation, to cause it to become totally hostile, or

to cause there to be no positive progress that can be made out of

such a summit. You see this crazy Russian sanctions bill that was rammed through the Senate 98-2; you can see the efforts by the U.S. forces shooting down this Syrian jet over Syrian territory, which has the potential to develop very rapidly.

This

forced the Russians to again terminate the non-confliction hotline between the United States and Russia. You can see Steve

Mnuchin's efforts to levy new sanctions against 38 Russian and Ukrainian firms and individuals. Then you can see this F-16 that

buzzed the military aircraft that was carrying Russian Defense Minister Shoigu. All of these are very dangerous, and are obviously planned to try to derail any potential for a positive

relationship between the United States and Russia.

One only has to read this hysterical article in the {Washington Post} today, "Obama's Secret Struggle to Punish Russia for Putin's Election Assault," which only continues this

false narrative.

PAUL GALLAGHER: Not so secret.

OGDEN: Not so secret. So, that gives you a picture of where we stand, but a very optimistic picture, as Helga LaRouche underlined; if we see in terms of the potential for this United States New Silk Road, New Paradigm consolidation. But it's very urgent that this happen as well. That was why I asked both Paul and Diane to join me on the show today. First, I'd like to ask Diane to go through a little bit of what you have in this article. As I said, it's titled "Gulliver Travels to Manhattan! Only LaRouche's Four Laws and the Belt and Road Can Save Manhattan Infrastructure Crisis." So Diane.

DIANE SARE: Sure. I was inspired, if one can call it that, by my attendance at a Cranes, New York real estate conference, where they had three panels. The way it was billed was that – and they had the CEO of the Port Authority, and the building trades union, and Staten Island and Brooklyn. And given what's about to happen here, which people may or may not be aware of, basically we are at a total breakdown point in the greater Manhattan area. During the day in Manhattan, you have about 3.1 million people; at night, it's about 1.8 million. There's something between 1.5 million and 1.8 million who commute into the city to the island of Manhattan on a daily basis. That's a very large traffic flow. Penn Station handles about 650,000 people a day; I think that's triple what it was built for. Similarly, every other major transit point, whether it's



coming

in from Long Island and Brooklyn across the East River, or coming

in from New Jersey on the western side, everything is completely

overloaded; at or well above capacity. So now, the system itself

is anywhere from 70 to 100 years old, and very little maintenance

or repair or upgrading has been done. We're using switching systems which were built before World War II largely; I think they've modernized one line so far, and another one will be done

in a few years. It really is insane.

So, I went to this conference, because starting on July 10, since there were two train derailments in early April in Penn Station on the tracks there, they've decided they cannot put off

repairing those tracks. But of course, to repair tracks, then you cannot use them while you're repairing them. They're saying

they're going to have to reduce the traffic coming in from Long

Island by 20%; I don't know what the percentage is from New Jersey, but it's probably something similar or greater. I know

the commuter routes from Essex and Morris Counties, which include

commuters coming in from Pennsylvania who go to various places and then take a train into Penn Station, that's all going to be

rerouted into Hoboken; the PATH system which is also overloaded.

At any rate, these repairs start on the 10th of July, and they're

going to be going on for at least six weeks or longer. Who really knows, frankly?

There's no redundancy. This is a system that any section of it that you shut down, if you're talking about transit points that are already functioning or not functioning I should say, at over capacity. And you're going to add 20% more traffic, or 30% more traffic, or 50% more traffic to it; you could have a total breakdown of everything. None of the plans I've seen so far really are adequate. I don't know what they're going to do as they get closer; maybe they're going to have to have people come into work on rotating shifts, people's hours are going to change, I don't know. But at any rate, I was hoping that this conference might address it. What I heard there – and it's not as though these speakers were completely incompetent or were not aware of the crisis in some way – but what you saw was that people's thinking has been so warped. One, as I said in the article, by this Bertrand Russell legacy that there's no such thing as a creative idea, or a new idea; but that everything is an algebraic system of linear deduction. Of course, from that standpoint, you could never conceptualize where this region should be in 50 or 100 years. So, the things that they were proposing be done, like turning Rikers Island into a part of LaGuardia Airport – LaGuardia Airport, as people may know who have travelled into New York, is very much overloaded. They don't have the space for the number of flights that are coming in, and they're projecting that

by 2030 there will be another 30 million people per year trying to fly into the city. So, how do you handle this? They said, well we need 75 more flight operations per hour. Taking over all of Rikers Island for this and a new wastewater treatment plant, only gives you an increase of 30 more flight operations per hour. So, why would you do that? What is the point of investing in something that doesn't even meet either the current needs or what you are projecting? It's really insane. So, you have that factor; and the other factor is the funding, which I think Paul may deal with more; but the idea that everything can only be done through public-private partnerships. As people know, my colleague Bill Roberts has an article in the same issue of {EIR} about the Soo Locks, where of course they figured out in 1986 that this is a key transshipment point for coal and other things in the United States; and they really needed to be repaired and modernized. So, this was approved in 1986, but they concluded that you'd only make back 75 cents on the dollar of what was invested. Clearly by Bertrand Russell-type methods, where it's all linear, because if you cause 11 million people to be unemployed, which is what would happen if this thing wasn't done, that's not taken into account. Similarly, the speaker at this conference from Brooklyn, showed pictures of the damage from Hurricane Sandy, which were horrific; I was here in New Jersey when that occurred. We didn't

have electricity for about two weeks; it was very damaging, very devastating. There were several proposals made in 2009 at a conference in Manhattan for storm surge barriers. My favorite was a five-mile one that went from Sandy Hook in New Jersey to the Rockaways. So you go across the whole area before you even get to Staten Island, and it would have an underground tunnel and it would have gates that came up; but normally the ocean would be flowing through. I think that would cost something like \$6 billion. I can see these silly accountants with their mathematical methods saying \$6 billion, what's the profit? Well, how about saving \$80 billion? \$6 billion versus \$80 billion in damage when you get one of these storms. But nonetheless, they decided not to build it, and we got what we got with Hurricane Sandy. So, because of the way people think in terms of worshipping money, as opposed to seeing money as a means of credit generation, or as a means of figuring out how to measure the cost of an improvement that you need; which will lead ultimately to the increase in the productivity of your population. What does it mean when you say we want our standard of living to be higher? Well, that doesn't mean having seven television sets in every room as opposed to one, or something like that. When you say the standard of living, we mean things like life expectancy, being free from disease, being better educated. How many Americans speak only one language, and maybe that's an exaggeration to say that Americans even speak a language. Many people now do not have a very good command of

the

English language, which is our language in this country. In other words, how many Americans know how to read music? How many

Americans have conducted basic scientific experiments in school;

have ever tried to make a painting or a work of art or write a poem? In other words, by standard of living you mean that there's a life expectancy which allows for a young person to be

educated to the age of 22, 25, 28; and then that person has an adult lifespan in which they're still developing and learning. You can get human beings developing a quality of genius which contributes to the future for all mankind.

The only reason for money, is to create a situation where you can think in those terms. That the people living 100 and 200

years from now will live longer, be healthier, be better educated, and be better; which is what you would want. Who really wants to be the best of all time? That means, in effect,

that your life is meaningless, if everything coming after you is

going to be worse than you. So, that's the point of economy; but

none of these people was thinking that way at all. It really struck me that here we are sitting on potential complete chaos;

you already had two weeks ago, there was a subway that got stuck,

and it didn't have air conditioning because the power was out. So you had people packed in this car, and the temperatures were

getting to 100 degrees, it was like a sauna in there. No one could move for 45 minutes and they were on the brink – as you might imagine – of getting completely panicked. Happily, no one

had a heart attack or other medical disaster, but it does make people nervous. A few days ago, another subway car was stalled

out, so people went out the back exit and got down on the track

and started walking to the station. That's extremely dangerous.

What happens if you lose all order because people just panic because they don't know if they're going to reach their destination? They don't want to be stuck in a subway for hours

on end. We're really on the brink of a situation like that. People would be prepared to tolerate hardship if they knew that

there was a plan to actually address it.

For example, if President Trump, as a result of his dialogues with Xi Jinping and President Putin, were to say "Look,

we actually think the Bering Strait tunnel should be built within

the next decade; and we're going to launch a crash program with

China and Russia to develop high-speed rail corridors across the

United States. So that Manhattan really should be connected with

Paris; and that's something that will happen. I'm going to initiate that in my Presidency, and it's something that will be

completed during a future administration." Now knowing Trump, he'd probably say "Well, it has to be done within my first term."

But at any rate, what would that mean for Manhattan? What kind

of infrastructure would you want to have in place? If you had high-speed rail connecting Washington D.C., Philadelphia, Manhattan, New York City, and Boston, then you would know that

you might have a free flow of people in the entire northeastern coastline – this huge metropolitan area – because you're talking about taking an hour to travel from D.C. to New York. So, what does that mean? What do you want New York City to look like under those circumstances? Maybe we have to consider taking advantage of this massive 22% of New Jersey's land areas in the Pine Barrens, and convert part of that into a large city where part of the population of New York City could be relocated, while you build something which is actually appropriate. But no one is thinking in this way. Apparently, plans have been made, as we know with the Soo Locks, plans have been made. There are engineers who are highly competent who are aware of these things, who know that there are limits on the life expectancy of cast iron and things like that. They may have long life expectancies, but there is a point at which things begin to corrode and things like that. So, plans have been made, plans exist. But where do you get the funding to implement it? What is the magnitude of these plans? If the population were aware that such a thing existed, that is was going to be set into motion, then people would be prepared to put up with a certain amount of hardship; probably very happily, knowing that their children were going to live in a much more beautiful and functioning location than we currently do now. So, this is the battle. And I think Matt, what you reported just at the beginning of this show, in terms of the commitment of

President Trump to work with the Chinese, the commitment of the U.S. Chamber of Commerce explicitly to collaborate with the Belt and Road Initiative; this is extremely promising, and should absolutely be promoted.

OGDEN: Well, I think those scare stories you have from New York City should probably encourage people that this is a rather urgent initiative. I know from talking to Paul, that you have a few more scare stories that you might want to share with us. I'm going to just let you go through a few of those also.

GALLAGHER: Well, I'm going to come back to this. I wanted to just briefly sketch the fight around Glass-Steagall; but I'm going to come back to this in particular on the character of the PPPs – public-private partnerships – as actually “poison pill policy,” which is really threatening this entire potential for collaboration, China-U.S. collaboration both on the Belt and Road, and also starting with the Bering Strait Tunnel. Also in regard to infrastructure in North America and infrastructure in the United States.

But on Glass-Steagall, let me just indicate, you have a very stark comparison in terms of infrastructure investment between the United States and China. In the United States, about \$300 billion is invested in infrastructure every year, and that is, every school, every hospital, every road job, every subdivision's new sewer and water and optical fiber, and so forth – that is absolutely everything, public, private, local, Federal,



amounts

to about that much investment. In China, the four major state banks which provide the credit for the infrastructure breakthroughs that have been made in China, those four banks issue about \$140 billion worth of credit annually for high-speed

rail in China alone. And just that form of advanced infrastructure and just that public investment by those four national banks: the Exim Bank, the China Development Bank, the

other China policy banks, as they're called. That investment in

just high-speed rail is half of the total investment made by the

United States – public, private, in every form, on every kind of

infrastructure and every public band-aide that's put on, and claimed as infrastructure, every year.

In addition, those banks in China have invested and committed \$300 billion just in the three years since the Belt and

Road Initiative of President Xi began to take off, and that \$300

billion invested and committed by those banks is outside China.

So that's going on simultaneously with the large-scale investments in completely frontier, including things like maglev

subways, in the major cities of China, and there are many, many,

many major cities in China as people know.

So this is widely in the financial press in the United States and Europe, the old imperial liberal order defends itself

by saying, "This credit issuance of China can't possibly be sustained. There will be a tremendous, earthshattering collapse

of all of this infrastructure credit, because the banks – it has dwarfed even what the Federal Reserve has done for the banks here, and for a good purpose, and it can be sustained; it'll all blow up.” There is a very fundamental difference here, though, in that China, for the last 20 years has had bank separation; it has many shadow banks, it has a lot of investment companies involved in broker-dealers, but they are completely separated from the both private commercial banking system, which they want to build up further, and also from this kind of public banking. So that these banks are not involved in the \$550 trillion derivatives exposure of the banks in London and New York. These banks are not involved in securities speculation. They are able to handle bankruptcies; they're able to handle non-performing loans when they appear in various sectors as the economy develops. So, Glass-Steagall, although they don't call that law “Glass-Steagall” in China, that bank separation is important to what they are able to do and the fact that they've been doing it now for 20 years on a level of spending nearly 9% of their GDP on new infrastructure every year, for more than 20 years. Compare that to the United States, which spends about 1.3% of its GDP now on infrastructure annually. They've been able to do that, and keep it up. Now, we've been fighting for Glass-Steagall in Washington.

It's really taken on much more of the characteristics of a good brawl, in the recent weeks. It's become a big public fight, for one thing, where you have on the one hand, especially for the last two months, three months, – on the one hand, you have all the financial press and the major national {Wall Street Journal, Washington Post, New York Times}, running all kinds of editorials and op-eds on why Glass-Steagall is not necessary, why it's terrible, why it's completely outdated; it was only repealed 20 years ago, but it's completely outdated, practically a relic of the Middle Ages, why it didn't have anything to do with the crash in 2008, and so on and so forth. You have that going on, you have think tanks in Washington, like Heritage Foundation and American Enterprise Institute running whole events which consist of nothing but examining Glass-Steagall. I went to one recently, at the American Enterprise Institute, where six different speakers were attacking Glass-Steagall. The only person in the room who was fighting for Glass-Steagall was me, and I was not one of the speakers. So you have these kinds of attacks on it, but also the sponsors. The main sponsors of the House bill, Marcy Kaptur (D) of Ohio, Walter Jones (R) of North Carolina, the Republican main sponsor, have started to really fight publicly. They had a public press conference when they introduced the bill three and a

half months ago with 25 sponsors. They now have about 55 sponsors as a result of fighting for it publicly since then. This is a much faster rate of getting sponsors onto the bill than was the case in the last session, where eventually there were about 85 sponsors after two years of work. But in this case, the week before last they had a congressional briefing for the staffs of Congressmen throughout the House, about somewhere between 35 and 40 other Congressmen sent their staffs to this briefing, so it was really quite a packed event in one of the office buildings, to take notes and report back to their Members of Congress. And not only Kaptur and Jones, but also experts from the AFL-CIO, from the Americans for Financial Reform, from Public Citizen; Nomi Prins, an independent, former investment banker and author on banking, independent expert – they all testified. And this is causing a tremendous amount of discussion throughout the House in particular.

On the Senate side, the leading sponsors have all made it a point to draw out the Treasury Secretary Steve Mnuchin, and make it clear that what he was advising Donald Trump to do during the campaign essentially, was not the real Glass-Steagall or anything like it; but rather Mnuchin's advice to Trump during his campaign, was to talk about Glass-Steagall while Mnuchin privately was designing something which was really Wall Street deregulation like the bill that recently passed the House.

So the fact that they have really broken Mnuchin down on this and made him say “No, no, no, I don’t believe in anything like separating commercial and investment banking.” This has also dramatically clarified issues for people in both the Senate and the House. And secondly, we have begun to get close to the mobilization of large organizations, large trade unions, coalition organizations like Public Citizen, and in this I don’t mean them endorsing Glass-Steagall, I mean them mobilizing their hundreds and hundreds of thousands of members to demand this from Congress. We’ve come very close to getting to that stage, and in particular you saw last week a broadcast that Public Citizen ran on their Facebook page with Rep. Marcy Kaptur, in which they were motivating and calling on their reportedly 400,000 members to go after Congress to get this.

So the objective is to get from the 55 sponsors now to 100 – fast. Because it’s not so important in the Senate, to pile up a lot of sponsors – there are only a 100 Senators. It’s very important in the House, when the leadership of both parties is against Glass-Steagall, which they are: Both the Republican and the Democratic leadership do not want to see it; the Democratic leadership wants to cling onto this failed Dodd-Frank Bill, and pretend that Obama came up with something nice there. And the Republican leadership wants to give Wall Street every kind of deregulation that they’ve ever asked for.

So in that situation, it is crucial to get to 100 sponsors. This is the stated objective of the major sponsors in the House and when they do that, then they really want to go public and start to hold the kind of press conferences and press bugging of other Members which will get widely covered in the media and really make this into a bigger brawl. So that's just an indication of some of the things we have been getting going. And one of the arguments that Jones and Kaptur have started to use, for example when they – I didn't mention this, but they also went to the Rules Committee when it was marking up this crazy Republican deregulation bill called the "Financial CHOICE Act." They went to the Rules Committee with an amendment that said, strike CHOICE Act, take it away, and put Glass-Steagall reinstatement in its place, and that's our amendment." So they got to make a fight in front of the Rules Committee on that. But they've begun to make the very coherent argument that not only did Glass-Steagall's elimination lead directly to the crash in 2008; there's no need to go over this now, it's the most obvious thing in the world to most thinking Americans. It's like the guy who ate nothing but McDonalds food for four months and after four or five months his organs were failing, he was catastrophically obese, he was near death! And this is like saying "there was no connection, there were other factors that brought this guy into this condition. It wasn't the McDonald's Big Macs that he was eating." That's what it amounts to to tell Americans that less than 10 years after getting rid of Glass-Steagall, the whole banking system blew up

simultaneously,  
which has never, for all of the major banks to be bankrupt at the  
same time, as Ben Bernanke admitted they were, has never happened  
in the entire history of the United States. It took less than  
10  
years without Glass-Steagall to bring that about.  
So they also are now arguing that the period in which  
Glass-Steagall was in effect, which is also the period in which  
the biggest infrastructure investments in new infrastructure in  
the United States were being made, from the '20s, up through the  
end of the '60s and into the '70s, that that was a golden era of  
productivity in the United States. We had a banking system then,  
which concentrated not only on loaning to – but you see it in  
many examples of the history of that period – concentrating on  
making commercial and industrial loans to businesses for  
expansion and for participation in major projects. You don't  
have that kind of a banking system without Glass-Steagall;  
instead, you have a banking system which wants to underwrite  
bond  
issues for only the biggest corporations, with which they can  
play around with their stock prices and so on. And it brings the  
entire economy down.  
It gets us right back – and they're making now the right  
argument and very powerful argument, that if we want to  
rebuild  
the United States, and particularly build new, frontier new  
infrastructure in the United States, we have to have a  
commercial  
banking system which is separated from securities broker-

dealing

and speculation in the derivatives markets; and which is concentrating on household lending and commercial and industrial

lending to the companies participating in these great projects.

Now, public-private partnership is, again, back to Treasury Secretary Mnuchin, the conference that was held in Washington last week, SelectUSA, which was a conference trying to get foreign investment in the United States. So this is the Treasury

Department; you've already given the context for this, along with

what Diane reported, in terms of the imminent potential, absolutely imminent potential for large-scale investment, particularly from China in an infrastructure build in the United

States. instead, what the Treasury Secretary went there and offered was, he said: We want this kind of investment and public-private partnerships are critical.

Suffice it to say, never in the United States has a major infrastructure project or major new element of the infrastructure

of the United States, {never} has such a thing been constructed

with a public-private partnership, let alone by private investment alone. The Transcontinental Railroad was by no means

a public-private partnership. And these things simply don't work. The investors in them want their capital back in 10 years,

and they want 10-12% rates of interest in their invested capital

during that 10 years. Well, that means they want it back, if it's anything major, while the thing is still not finished, and

still not being used to a full extent; and they want to



absolutely rob the public taxpayers whose money is going into such a project. It simply cannot work, and it will sabotage foreign investment in new infrastructure building in the United

States if this method is used.

We have a threadbare public investment in infrastructure now. What President Trump has spoken about, the time has run out

for him and for the Congress to implement it. They have to now

create, immediately, a National Bank on the order of \$1-2 trillion in capital, in the way that Alexander Hamilton and his

successors in the American System built such National Banks starting in 1790, through the 19th century. They have to create

such a bank {now}, so that there is a credit institution here, to

cooperate with the credit institutions like those in China that I

was discussing earlier.

Otherwise, we are really facing disaster. I'll give you an example: I went to a Congressional hearing yesterday and talked

to some of the witnesses who were involved in exactly trying to

organize some of the infrastructure developments that Diane indicated are so needed in the New York area. One of them is a

bridge over the Hackensack River near Secaucus, New Jersey, called the Portal Bridge, which is 108 years old. It was designed in the 19th century, completed in 1910. It has ships go

under it by splitting the bridge, but opening as a drawbridge. All of the rail traffic, freight and passenger, between Florida

and Massachusetts goes over that bridge – all of it! And that

bridge, when they open it to get a ship go through, when they try to close it now, 9 times out 10, according to the fellow who spoke to me there, 9 times out of 10 it doesn't close properly, so that rails don't align. And they then send workers out on the concrete abutment of the bridge with sledgehammers, and they hammer at the iron trusses of the bridge to get the rails to align.

All that it would take is for them to be able to unable to get them to align, once, and as he estimated, that would be a single-point loss of potentially 10% of U.S. gross domestic product. Right there.

And then you have, in the Poe Lock, the potential failure of the Poe Lock between Lake Superior into Lake Huron, and the whole

Mesabi Iron Range, and all of the ships which are carrying all of the strategic metals, the iron, the coal coming out of Northern

Minnesota, Ontario, the Mesabi Range, all of that would be stopped: another 10% of the gross domestic product of the United

States would be frozen and they estimated up to 11 million jobs would be lost.

So you say, "well of course, they're replacing this bridge at Hackensack," but actually, they're not! They don't have the funds! They have a plan, it's all worked out, it's engineered, but the replacement is not under way.

So you have here, the makings of a movie you could call it, a suspense thriller: "The Bridge over the Hackensack River." But with 10% of the U.S. economy hanging on the guys banging those

rails back into place, but there is not any funding arranged to replace that bridge. And you can multiply that for all the other

things that have to be done.

We're very far from the frontier, national high-speed rail network, nuclear desalination plants, the Western water management systems, – we're very far from the frontiers in space infrastructure that we have to be building. We're actually

threadbare in terms of just continuing to use, and have an economy, what we already have.

So there's no time at all left, for these wonderful prospects by the discussions with the Chinese now at the highest

level, between President Trump and one of the tope people in the

Chinese government, State Councilor Yang Jiechi, for these wonderful prospects to be backed up by the institution which issues credit for the United States, a Hamiltonian bank for investment. It must be formed. It must come out of the Congress

with the drive from the White House in order to get it done.

OGDEN: As you said, time is running out: We're five months now into the Trump administration, and you highlighted the role

of Steve Mnuchin: I think this continues to be a very bad element in the Trump administration. And the kind of support that Trump gained from his support for Glass-Steagall during the

Presidential election campaign, is something that has now – that

has to become visible. That has to become a visible, vocal, sort

of element from the population, from the constituency. And I just want to put on the screen the URL that we have for the

mobilization that we have for H.R.790: That's the bill that's in the House, the "Return to Prudent Banking Act" –

GALLAGHER: The Glass-Steagall bill.

OGDEN: Which was introduced by Marcy Kaptur and Walter Jones. This is the return to Glass-Steagall. As you can see, this is the website: <http://lpac.co/hr790> And I think that this goal of reaching 100 cosponsors in a very short amount of time, is a very tangible goal that we can mobilize for, along with this vision of, the United States joining the New Silk Road. But Paul, as I think you just laid out very clearly, that is impossible without Glass-Steagall. You cannot set up the kind of national credit institutions, the national banking credit institutions that would channel that kind of joint investment into this infrastructure in the United States, without this critical first step of the return to Glass-Steagall. One thing I wanted to ask you about, Paul, is just the prognosis on how close we could be to another disastrous blowout of the trans-Atlantic banking system. I know Nomi Prins did an interview a few months ago with you, where she highlighted a few of these things with the corporate debt bubble. But that's something that Marcy Kaptur cited in her testimony to the Rules Committee, and I think that element of urgency is also necessary to put in here.

[<https://larouchepac.com/20170319/interview-nomi-prins>]

GALLAGHER: We don't know how much time, because it's

impossible to put a finger on a date when a really huge and increasing unproductive debt bubble, in this case, as Representative Kaptur identified, the corporate debt bubble in the United States, when it's going to blow up. But, the size of

corporate debt in the United States has doubled in seven years,

from about \$7 to about \$14 trillion, with really the great majority of that tremendous debt expansion being used for what they call "financial engineering" by large companies: Meaning buying back their own stock, mergers and acquisitions, finding ways to increase the dividends they give to their stockholders,

increasing their own executive compensation – all of this kind of financial engineering has used in various years up to 80-85%

of this new corporate debt.

What has really suffered in the process has been business capital investment and the commercial and industrial lending, which it depends on. So that that tremendously expanding bubble

has stopped expanding. And this has been noted rather suddenly,

by everybody from the IMF to individual bank research teams, since April of this year, that suddenly that tremendous expansion

has stopped; as happens with an immense bubble that's about to explode, and it started to shrink. And there was a report put out by UBS bank in Switzerland about two weeks ago which caused a

certain amount of alarm, because they found that what they call

the "credit impulse," had gone negative in the last six months –

they're talking globally now – meaning that the second derivative, the rate of the rate of growth of business lending around the world had suddenly in the last six months become

negative. And that is something which virtually always points to

a bubble about to collapse.

This is a very huge one, indeed. The IMF estimated that if interest rates were to go up sharply in the United States, 20% of

all the companies in the United States would default. That's way

above the rate of defaults on mortgages even at the worst 10 years ago; and the whole thing would come crashing down.

So we need the reorganization of the banking system, urgently, for that reason, also in order to make the commercial

banking side of it proof against this kind of a blowout. And so

you don't have, again, a situation in which the bankruptcy of any

investment bank, let's say, becomes, almost overnight, the bankruptcy of every major U.S. based bank as happened in late September 2008.

OGDEN: I would say, this is real policy. This is what anybody who's serious is discussing right now. And the failed decision by the Democratic Party, for example, to just be the party of resistance, is increasingly proven to be an increasingly

proven to be very ill-advised policy. And I think even Sen. Chris Murphy made some headlines this week where he said: Look,

none of my constituents are talking about "Russia," when I go home. They're talking about jobs, drugs, poverty. They're talking about exactly what we're discussing here! Hmm, gee, maybe we shouldn't be pumping anti-Putin propaganda all day every day.

So, I wanted to ask Diane, you know, we've had some surprising reports – or surprising for some – from the streets

of Manhattan, where you would assume because of the 24-hour-a-day anti-Putin propaganda that people are being inundated with, that this would be the only thing that's on people's minds. But as we saw, the reality on the ground in New York is the collapsing infrastructure. This is what people are actually interested in talking about. And we've had some rather surprising readings from the population there in New York and northern New Jersey, in the recent weeks.

SARE: Sure. We've had numbers of teams set up by the roadside in New Jersey or right in the middle of the large sidewalks in Manhattan, with giant signs saying "Defend Trump. Stop Here. Donald can't do it alone, join LaRouche PAC. The U.S. must join the Belt and Road. Russia-Gate Is a Comey Plot!"

And many people are coming up to our tables and we're actually getting a very hot response, much more intense than at any period

since the election, with people coming over saying, "You know, I

thought I was the only one. The propaganda is so intense, I don't dare to say that I supported Trump at my workplace."

We had a very strong response also in Connecticut, Long Island, Jersey and Manhattan per se, where we are getting this type of response.

And I also just wanted to add, in light of this crazy continuing of the story about the alleged Russian hacking which

somehow caused people to change their mind on how they were voting. Remember we did just did have the special election for

Congress, in South Carolina and Georgia, where the Democratic

candidates, one of whom I think spent \$33 million or some absolutely obscene amount of money, and still lost the election.

And it's not because the Republican candidates were so brilliant;

it's because the population has really had it and this is where,

if President Trump moves in a very big way, very public way to embrace the Chinese offer, to reinstate the Glass-Steagall Act so

we can have a sane banking system, and to launch some of these infrastructure projects on a Federal basis, you would just see an

incredible upsurge of support. And most of this vicious, including assassination threats and so forth, these attacks on the President, would simply evaporate and the people that persist

would be shown for the paid agents of the British Empire and George Soros that they are.

OGDEN: I think it was clearly said by Helga LaRouche: We have a very significant victory to claim, I think both in terms

of the further consolidation of this idea that the United States

should join the New Silk Road, and the fact that these discussions are now going on at the very highest level between the United States and China. But also in terms of this fight for

Glass-Steagall and as Paul said, this is something that LaRouche

PAC has been directly involved in, on the forefront of leading for year – 2008, 2009? Lyndon LaRouche's call at that time was

for a complete bankruptcy reorganization of the economy. It was

initially the Homeowners and Bank Protection Act and that



became  
this idea of the Four Laws.

GALLAGHER: August 2007 was the Homeowners and Bank  
Protection Act.

OGDEN: That's right. So now we're coming up on 10 years! I  
think that's widely recognized, the leadership that the  
LaRouche  
movement has played, including on Capitol Hill from the  
sponsors  
of this legislation. So this decision now to mobilize and to  
really enter into a brawl, the fight is on on that front and  
we  
have a responsibility to pour as much as we can, from around  
the  
country, in mobilizing on that front, too.  
I think that's a good conclusion for our webcast here,  
today. Thank you Diane, for joining us from New York, and  
thank  
you very much Paul for joining me here.

GALLAGHER: A pleasure.

OGDEN: Stay tuned to [larouchepac.com](http://larouchepac.com) and we'll talk to you  
soon.