

Editorial

Invest in America

At a time when sheer lunacy is gripping the U.S. Senate, as exemplified by their passage of the Clean Air Act—which would more appropriately be named the Great Depression Act—a proposal by Lyndon LaRouche for the kind of major infrastructure investment which would get the U.S. economy back on track, is especially important. Not only is it correct, but—unlike so much that passes as policy in the United States today—it is sane.

The proposal was prompted by consideration of the issue raised by Senator Moynihan, who justifiably criticized the fact that the administration is raiding the Social Security Fund which is \$60 billion in surplus. LaRouche's alternative would be to invest this money to rebuild the nation's basic infrastructure. This would benefit the taxpayer far more than the individual rebates proposed by Moynihan.

Moynihan is quite right in pointing out that over the past 25 years, the federal Social Security Fund has been a disguised tax, which has been used to reduce the federal budget deficit. However, reducing the Social Security tax at this time, when federal, state, and local government revenues are declining, would only escalate the economic crisis of government, and therefore not be of benefit to the taxpayer. The Reagan-Bush tax reforms were particularly unfair to those in the lowest tax brackets, but their worst aspect was the fact that they provided a stimulus to speculative rather than productive investment.

LaRouche proposes that the use of these funds would be coupled with a two-tier interest rate, so that federal credit for such infrastructure investment could be offered at a 1-2% level. Federal lending to assist these projects could come in the form of issues, under Article 1 of the Constitution, of federal Treasury notes, loaned in a national banking mode, parallel to other lending channels, at 1-2% and loaned exclusively for projects such as these basic economic infrastructure projects of national value.

Other items could be added to that category later as a part of a much-needed national economic recovery program. This would be coupled with a special investment tax credit similar to that enacted during the Ken-

nedy presidency. Thus the LaRouche program would build upon the existing surplus, to generate a major non-inflationary impetus for growth to the whole economy.

Rail improvements, major water projects, electrical power generation, communications, and so forth, would be considered premium projects to receive investment from the Social Security Fund, but also from private sources. Essentially these investments would be a kind of utility stockholding, which would be guaranteed by the government. The government might even offer to match private investment in these areas.

This proposal is similar in nature to the policy which LaRouche recently proposed as the basis for the economic reunification of Germany: that Germany become the focal point for high-technology investment in basic infrastructure. The development triangle which he proposed, which would include Austria and France and would service Eastern Europe, would be the basis for hope that the otherwise impending global economic collapse might be averted.

The United States, unfortunately, is on precisely the reverse track—preferring trade war to investment. The Clean Air Act is the final nail in the coffin of technological obsolescence which now characterizes once preeminent American industry. The last 15 years have been marked by the formation of a bankrupt financial bubble, under the programs of the Carter administration, and then Reagan-Bush administrations. This has resulted in cannibalization of the physical economy, basic economic infrastructure, agriculture, manufacturing, high-technology services, exports, and high-technology imports.

Beneath all the hullabaloo about George Bush's skill to prevent the New York stock market from crashing, the fact is that the U.S. economy, not Japan's, is in deep trouble. The problem is that when the inevitable crash occurs, the United States will bring down Europe and Japan as well, driving the world economy into a dark age.

We heartily endorse LaRouche's program for America, as should all those who currently suffer from its aggressively monetarist politics.