



'HELICOPTER MONEY' FOR A NEW AMERICAN INFRASTRUCTURE?

Autust 22, 2016—With the U.S. and European economies near zero-growth and zero productivity growth, there are a hundred proposals "for building new economic infrastructure," nearly all of which ignore science completely.

Really productive new economic infrastructure, built in America's last century uniquely under the presidencies of FDR and JFK, was driven by science: the new sciences of atomic fission and particle physics, the challenges of high-voltage electrification and long-distance transmission; those of large-scale water management and transfer; Apollo Project's exploration of the Moon. Computers? They fell out of the scientists' back pockets, as just a means to scientific ends.

Today such truly productive "infrastructure" is built and pursued by China. It has planned to make just such "innovation," and growth, the subject of the G20 summit it is chairing in two weeks. There is no sign that Obama or Europe agree; rather, Obama and Hillary Clinton are on a path of military confrontation with China as well as Russia.

The "Four Cardinal Laws" needed for future economic progress, formulated by EIR Founding Editor Lyndon LaRouche in 2014, are uniquely suited for the challenge China's leadership is posing to the G20 leaders.

Otherwise, the current proposals for "infrastructure funds" ignore physical science, which finds its frontiers today in fusion power/plasma and superconducting technologies, in geobiophysics and in deep space exploration. And they ignore the science of credit — the domain ruled by Alexander Hamilton, who found that the purpose of credit and banking was to concentrate the savings of the nation in the service of scientific invention and technological

productivity.

Last month a Chicago gathering of nearly 1,000 American elected officials were presented — by Wall Street — with a "new American infrastructure" scheme. It was based on the super-low interest rates the Fed has provided for seven years now. It proposed the U.S. Treasury borrow \$4 trillion [!] with 100-year U.S. bonds "for infrastructure," with an initial interest of about 1%, to be adjusted upward gradually with inflation. Some of the state and local elected officials got excited about it.

Obama's 2010 "stimulus act" also took advantage of very low interest rates and borrowed nearly \$1 trillion — and never has productivity growth in the U.S. economy been lower, than in Obama's six years since then. It is only secondary that this new Wall Street scheme is "helicopter money"; but a helicopter even Ben Bernanke wouldn't fly in. Patriotic Americans buying the 100-year "infrastructure" bonds would immediately see them sink significantly in value, and sell them to debt-speculating hedge funds.

What is crucial is that the "new American infrastructure" scheme from Wall Street — you will hear it very soon also from Hillary Clinton — does not include new frontiers of space exploration in any way; does not mention fusion power or plasma technologies; did not contemplate a Continental high-speed and magnetic-levitation rail network.

We don't need Wall Street inventing money. We need scientific invention, driving and being driven by infrastructure building — that's what we had through FDR and briefly through JFK. LaRouche noted in a discussion yesterday, "It's science. It's all science. It's not politics; it's science."