

Editorial

What recovery?

The cat is out of the bag: George Bush's so-called recovery is based upon a massive deception operation, which is being revealed bit by bit. As we have told you repeatedly, the U.S. budget deficit was deliberately projected to be far lower than was indicated by the proliferation of so-called off-budget items, the bankruptcy of the banks, the collapse of the real estate market, and of job losses. Even now, the revised estimate for 1994, from \$274.2 to \$292.4 billion, is a vast underestimate. The estimates for subsequent years, similarly, are not projected to go down.

Last year, Bush was seeking to cover up the extent of the skyrocketing deficit during the Bush and Reagan administrations, in order to perpetuate the free-market economy myth. Now it is in the interest of the powers that be to create conditions which will make the imposition of vicious austerity palatable, to a population which voted for Bill Clinton in the hope that he really meant to implement a major investment program which would stimulate the U.S. economy.

What is needed is not cutbacks by President Clinton of his planned infrastructure investment program, but LaRouche's program for a massive stimulus of the U.S. economy—based on credit, not debt—which could put 6 million Americans back to work and relieve the burden upon the rest of the world of supporting the increasingly defunct U.S. economy. This credit would be in the range of \$1 trillion, half to be issued for a massive increase in public works projects, and half for loans to the private sector for investment primarily in high-tech engineering sectors.

The mechanism for this would be a new, U.S. Third National Bank, which would replace the present banker-controlled Federal Reserve System. This, of course, is strongly opposed by the commercial and investment banks which currently are being kept afloat by borrowing from the Fed at 3%, and buying U.S. Treasury securities which are paying 7-8%, among other such swindles. With the breakdown of the regulatory system, the bankrupt U.S. commercial and investment banks have also begun to systematically undervalue their non-performing loans in order to give the appear-

ance that they are solvent and profitable.

The situation is similar on the employment front. As IBM, like the automotive industry, continues the pattern of major layoffs, few Americans find news of an economic recovery to be credible. In fact, holiday buying is now acknowledged to have been mainly a last blast by Americans, financed by a massive increase in credit-card debt.

Take November 1992, for example. The total number of jobless and partially unemployed reported by U.S. government figures was supposedly 21,934,000, down by a scant 47,000 from the previous month. Even by the government's own figures, this amounts to 17.2% of the civilian labor force, compared with a high in May of 22,338,000, or 17.6% of the labor force—a barely significant difference. By comparison, the jobless and partially unemployed total for 1990 was 17,207,000, or 13.8% of the labor force.

In December, General Motors announced plans to close nine auto plants, affecting more than 17,000 auto workers, the vast majority of whom will not be re-assigned but thrown onto the unemployment lines. During the past year, GM has announced a total of 23 plant closings, which will eliminate 80,000 jobs over the next several years. Michigan again bore the brunt of the shutdowns: GM's Flint truck assembly plant, Kalamazoo metal fabricating plant, and Livonia component plant will be closed within the next two years, eliminating nearly 10,000 jobs. GM's previously announced shutdowns in Michigan will eliminate 23,000 employees, with 12,000 of those scheduled to be let go in January alone.

Equally as bad as the unemployment picture is the bankruptcy of state and local governments throughout the United States. Education is also being badly hit as the school year is shortened, class size increased, and content watered down, especially in the sciences.

There is no recovery; what there is, is a dangerous pattern of destruction of the living standards and infrastructure of all of the major world economies, most particularly those of the former Soviet Union, the United States, and the war-torn nations.