

EDITORIAL

The Economic Agenda To Make America Great Again

by Robert Ingraham and Brian Lantz

Oct. 10—President Donald Trump has been very clear that he is determined to turn (or return) America to the status of a Manufacturing Superpower. There is every reason to believe that he will pursue this goal aggressively in his second term. A convincing argument could be made that this is likely to be his overriding agenda of the next four years. It is certainly a necessity. Clearly, there is currently a great deal of discussion taking place, among a broad array of individuals, on precisely this orientation.

The question before us is how to make this intention a reality. To contribute to that discussion, we reprint here a 2002 article by Lyndon LaRouche, “Special Report: Science and Infrastructure,” with the hope that this will aid in providing a clear orientation to those engaged in the debate now taking place.

Any effective approach in attempting to reverse the economic devastation of the last 30 years must begin with Physical Economy. What is required is to identify those initiatives and interventions which will produce an escalating increase in the productivity of the physical economy,—not increases in “monetary” productivity, but a sustained growth in what Alexander Hamilton defined as “Labor Power.”

The problem today is that much of the well-intentioned discussion of rebuilding America’s manufacturing capabilities lacks scientific rigor. Physical Economy is a science. It is grounded in mankind’s increasing mastery over nature, through a series of inventions, discoveries and interventions over a span of millennia. Lyndon LaRouche’s 2002 paper provides the precise

remedy to our current ills and the proper orientation toward what must be done.

In that paper LaRouche defines what he calls the Three Key Elements of economic recovery: (1) Basic economic infrastructure, (2) Economic Entrepreneurship, (3) Culture. LaRouche draws a parallel between these Three Elements and the three Leading Principles of the U.S. Constitution: (1) Sovereignty, (2) the Gen-



White House/Joyce N. Boghosian

President Donald Trump acknowledges applause as he is welcomed to the International Union of Operating Engineers’ International Training and Education Center in Crosby, Texas, April 10, 2019.

eral Welfare, (3) Posterity. Thus, our sovereign government has both the authority and the responsibility to undertake key economic initiatives for the betterment of the people and future generations.

As Franklin Roosevelt said, if an intensive upgrading of the U.S. physical economy is to be accomplished, if hundreds or even thousands of new manufacturing plants are to be built, if a shift in the composition of the

labor force is to be accomplished, what is required is “action and action now” to make that possible.

We turn now to the outline of a general approach and then focus on a few specific examples.

Rudiments of a Proper Approach

What is required today is a rebuilding of U.S. manufacturing capabilities in depth. Any attempt to simply create isolated high-tech “boutique” industries ultimately can not succeed. The reality of manufacturing is that any advanced enterprise engaged in production depends entirely on a supply chain of a multitude of related and supportive manufacturing, machine tool and related industries. Thus, it is unworkable to propose that a handful of sexy “high tech hubs” will right Amer-

panding energy, transportation, water, communications, health care and other components of the underlying economic platform. At the same time,—and most critically in a depressed manufacturing environment—such large-scale infrastructure projects have the effect of “calling new manufacturing into existence.” Through government contracts, sub-contracts, Public-Private Partnerships and other incentives, entrepreneurs in the private sector are provided the opportunity to establish or expand a multitude of productive enterprises. These same infrastructure projects also provide the context in which a new, youthful and expanded productive workforce can and must be trained up.

One cannot simply snap one’s fingers to conjure new manufacturing plants into existence. This is par-



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TVA

Pillars of a nation’s productive potential: power and transportation. Shown are high-voltage electricity transmission towers, the Acela Express train between Washington and Boston, and the Watts Bar Nuclear Plant, part of the Tennessee Valley Authority.

ica’s economic ship. For an advanced manufacturing economy to function, you have to make a lot of “stuff.” What about nails, screws, lubricating oil, levers and thousands of other things? In the real world, industry is an integrated whole.

At the same time, if millions of manufacturing jobs are to be created, what will be necessary is to accomplish a dramatic transformation and upgrading of the U.S. labor force.

The question to be answered is how such a broad and sweeping economic revolution might be accomplished?

It is within such an orientation that the importance of infrastructure is to be located. Infrastructure projects perform two vital functions. First, and most obvious, is the role that such projects play in transforming the nation’s productive potential through improving and ex-

ticularly true today, when the nation’s banking and financial institutions are diverting the bulk of available credit into financial investments and various forms of monetary speculation. Yet, even if investment capital is available, and if willing entrepreneurs are to be found, the question arises: Is there a market for what is going to be produced? Will such new enterprises prove viable and profitable?

The fact that major infrastructure investments tend to be long-term, will provide stability and trust for those individuals or corporations contemplating private investment in creating the new manufacturing endeavors. This approach encompasses everything from large corporations to “start-up” enterprises. If such projects are also undertaken with some form of “Buy in America” guidelines, this will provide added security to those who want to participate. In essence, from a Hamilto-

nian perspective, such government initiatives will catalyze the creation of new companies, new projects and new innovations.

What Comes First

What needs to be done during the coming four years must flow from the immediately identifiable necessities that are required to initiate a 180-degree reversal of the de-industrialization that took place from 1976 through 2016. We must identify the immediate requirements, and then project, as much as possible, the intermediate and longer-term goals which should be placed on the agenda.

One reality that must be acknowledged is that President Trump's stated goal to rebuild American manufacturing can not succeed without a significant increase in U.S. electricity generating capacity. As of 2020 America does not even produce enough electricity to support the manufacturing we had in the 1970s, much less the requirements of the 21st century. Many of the new industries that will be created are likely to require even higher amounts of both electricity and water, as many of them will be more technologically intensive. As to energy requirements, the emphasis should be on nuclear, probably including widespread use of modular nuclear reactors. This will also necessitate a major upgrading of the electricity grid. The failure to do this can currently be experienced in California, the land of blackouts and brownouts.

The same approach needs to be taken with both water and transportation. This should be approached not simply from the standpoint that these are "good ideas," but are a necessity. If Trump wants to increase manufacturing by x percent, if he wants to "re-shore" x number of factories, if he wants to rebuild key supply chains, then the question that needs to be answered is: How much more electricity is required; how much more water is required; what upgrades in transportation will be required over the next 20 to 40 years? Population growth must also be considered in this.

Obviously, if new infrastructure is to be built, the orientation should be to utilize the most advanced tech-

nology either available today or in the near-term pipeline. We need infrastructure which will serve the needs of an expanding population 3 to 4 generations into the future.

It is not possible to "do everything at once," even some things that are clearly desirable. Yet, several major regional projects must be identified, along the lines of FDR's Four Corners projects. Currently, there is a long "wish list" of such projects, but it will be important to identify a handful which will have a critical impact, in the near-to-medium term, in jump-starting the nation's productive potential. The next issue of *EIR* will feature one such proposal, for a "Missouri River Basin Author-



President Franklin Roosevelt (seated, right) inspects the Chickamauga Dam and power plant, a Tennessee Valley Authority project under construction near Chattanooga, Tennessee, November 21, 1938.

ity," to create the basis for the economic development of the "empty quarter" of the continental United States.

"Soft Infrastructure," such as in the areas of education, health care, and the like is also of critical importance, particularly if one takes into account both the need to develop a highly skilled labor force, as well as—and more importantly—the Constitution's charge to "Protect and Defend the General Welfare" of the people and their posterity. This topic, however,—one which deserves in-depth attention—is beyond the scope of this short report.

The Necessity of a Science Driver

Earlier, we referenced LaRouche's Three Key Elements of economic recovery: economic infrastructure, economic entrepreneurship and culture. In addition to

these, LaRouche, throughout his life, spoke and wrote extensively on the subject of a Science Driver.

Even among many of today's well-intentioned and thoughtful proponents of an industrial policy for America, there is a failure to recognize the true nature and significance of a Science Driver policy. There is much talk of replacing old manufacturing methods with new technology, and much of this is couched in Joseph Schumpeter's theory of "creative destruction," but such an approach misses entirely the deeper implications of a Science Driver.

What is required for continuous human advancement are not simply revolutions in technology, but more profound and far reaching discoveries in the frontiers of science, new discoveries as to the nature and ordering

such as medical research and optical biophysics should also be high on the list of priorities.

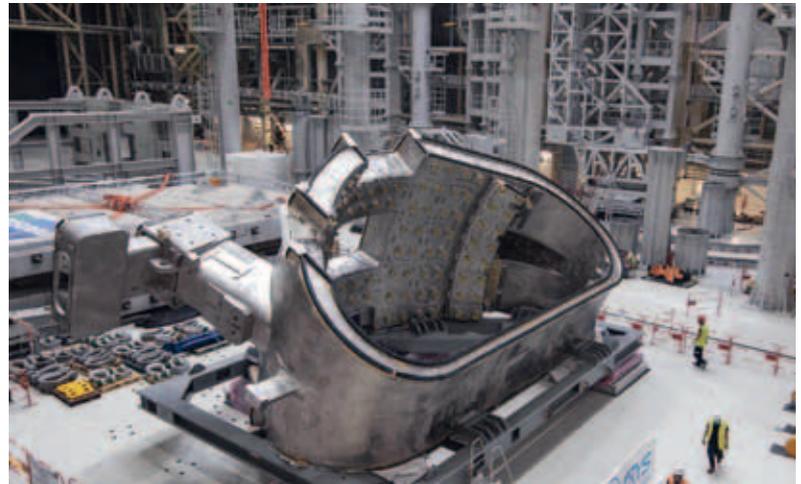
We ignore this question of science, we fail to recognize its indispensable role in economic advancement, and we quibble over funding it,—all to our own peril.

Financing

The sovereign U.S. Government possesses awesome Constitutional power to finance all of the required components of a sustained economic Renaissance. Recently, in combating the coronavirus pandemic, President Trump has made use of the Defense Production Act to force an increase in the manufacture of urgently needed medical goods. He also initiated, through executive action, Operation Warp Speed, to accelerate the



NASA



ITER

To survive, mankind requires continuous advancement—via “science driver” programs—in knowledge of the nature and ordering of the universe. Shown is an artist’s rendering of an Artemis astronaut on the lunar surface, and a vacuum vessel section newly delivered to the International Thermonuclear Experimental Reactor (ITER) facility in France.

of the universe itself. The history of human advancement is replete with many proofs as to the validity of this approach.

Today, an accelerated Artemis Program and space program should be a priority. Colonizing the Moon, going on to Mars, and other related efforts will not only require new revolutionary technologies, which then spin off into the civilian economy, but what we will discover in the course of these missions will overthrow many currently accepted axioms as to the nature of our solar system and the universe, and pose new challenges that will lead to history-changing new discoveries.

The same could be said about Fusion Energy research, a critical area of scientific research that has been starved of funding for several decades now. Other areas,

discovery and deployment of a vaccine. His partially successful use of tariffs to “re-shore” American manufacturing is also of note.

The sovereign economic power of the U.S. government, however, goes far beyond what has been done up to this point. In this regard, it is very useful to look at the role of the Reconstruction Finance Corporation (RFC) from 1933 to 1945, as a paradigm for an approach sorely needed today.

The RFC's initial capital came from \$500 million in stock sold to the U.S. Treasury, and additional funds were obtained by selling bonds to the U.S. Treasury and a smaller amount of bonds directly to the American public. During its years of existence, the RFC borrowed \$51.3 billion from the Treasury, and \$3.1 billion from

the public. From this the RFC made loans of \$38.5 billion (about \$750 billion in 2020 dollars). Between 1941 and 1945, the RFC authorized over \$2 billion of loans and investments each year, with a peak of over \$6 billion authorized in 1943.

During the depression years of the 1930s there was a precipitous decline in bank lending. The RFC stepped in to fill the need. By 1934 the RFC began lending directly to individual businesses and industries. The RFC also provided \$201 million of capital and loans to the Export-Import Bank to encourage exports. It made loans to the Public Works Administration and the Works Progress Administration, disaster loans, and loans to state and local governments. By the time of World War II, the RFC was engaged in a higher volume of loans into the productive economy than all of the major Wall Street banks combined. It should also be noted that the RFC repaid all of its debt obligations to the U.S. Treasury, so the massive productive accomplishments of the RFC did not cost the American government one penny.

The RFC is but one example to draw on. In 1861, Abraham Lincoln was confronted with raising and paying an army, building warships, manufacturing artillery and ammunition, and expanding the nation's rail system. It was the necessity to do these things which led

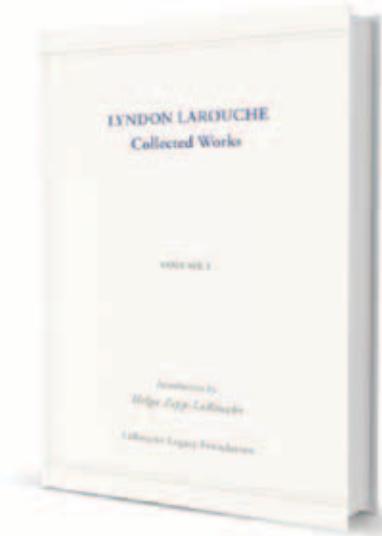
to the decision to issue Greenbacks, sovereign legal tender currency issued by the U.S. Treasury. Whether it is Greenbacks, the RFC, or the earlier First National Bank of the United States, the creative impulse at issue here is the practice of Hamiltonian National Credit to finance an increase in manufacturing, agriculture and physical economic development,—and a leap in national economic productivity.

Such a productive use of Public Credit also does not preclude direct bonuses or subsidies to projects deemed vital to the nation's future economic health. The critical reality that must be confronted here, however, is that—as American history has repeatedly proven—a sustained, broad and in-depth development of America's productive physical economy can only be accomplished with a return to the principles and practices of Hamiltonian National Credit.

It is the commitment of LaRouche PAC to make the rebirth of American Manufacturing, so strongly desired by President Trump, succeed beyond his wildest dreams. Further reports toward that end will be forthcoming. Today, we begin with Lyndon LaRouche's 2002 "Special Report: Science and Infrastructure." (See also LaRouche PAC's [pamphlet](#), "The World Needs 1.5 Billion New, Productive Jobs.")

LYNDON LAROUCHE Collected Works, Volume I

This first volume of the Lyndon LaRouche Collected Works contains four of LaRouche's most important and influential works on the subject of physical economy:



- *So, You Wish to Learn All About Economics?*
- *There Are No Limits to Growth*
- *The Science of Christian Economy*
- *The Dialogue of Eurasian Civilizations: Earth's Next Fifty Years*

So, You Wish to Learn All About Economics? was first published in 1984 and has become the single most translated of LaRouche's books.

There Are No Limits to Growth first appeared in 1983 as a direct response to the Club of Rome's *The Limits to Growth*, thoroughly refuting the latter's unscientific Malthusian argument, which underlies the "green" environmentalist movement today.

The Science of Christian Economy (1991) is a groundbreaking study written by Mr. LaRouche during the five-year period he was unjustly incarcerated as a political prisoner in significant measure for the arguments he sets forth in this book.

The Dialogue of Eurasian Civilizations: Earth's Next Fifty Years (2004) follows in the footsteps of Cardinal Nicholas of Cusa to establish the scientific, cultural, and theological basis for a true dialogue of civilizations, in order to successfully address the existential crises facing humanity today.

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