

30 MILLION PRODUCTIVE JOBS TO REBUILD US INFRASTRUCTURE, INDUSTRY AND AGRICULTURE: THE PROGRAM TO END THE ECONOMIC DEPRESSION

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November 14, 2009

The US and the world are gripped by a deepening economic depression. There is no recovery and no automatic business cycle which will revive the economy. This bottomless depression will worsen until policies are reformed. The depression results from deregulated and globalized financial speculation, especially the \$1.5 quadrillion world derivatives bubble. The US industrial base has been gutted, and the US standard of living has fallen by almost two thirds over the last four decades. We must reverse this trend of speculation, de-industrialization, and immiseration. Current policy bails out bankers, but harms working people, industrial producers, farmers, and small business. We must defend civil society and democratic institutions from the effects of high unemployment and economic breakdown. We therefore demand:

1. Measures to reduce speculation and minimize the burden of fictitious capital: End all bailouts of banks and financial institutions. Claw back the TARP and other public money given or lent to financiers. Abolish the notion of too big to fail; JP Morgan, Goldman Sachs, Citibank, Wells Fargo and other Wall Street zombie banks are insolvent and must be seized by the FDIC for chapter 7 liquidation, with derivatives eliminated by triage. Re-institute the Glass-Steagall firewall to separate banks, brokerages, and insurance. Ban credit default swaps and adjustable rate mortgages. To generate revenue and discourage speculation, levy a 1% Tobin tax (securities transfer tax or trading tax) on all financial transactions including derivatives (futures, options, indices, and over the counter derivatives), stocks, bonds, foreign exchange, and commodities, especially program trading, high-frequency trading, and flash trading. Set up a 15% reserve requirement for all OTC derivatives. Use Tobin tax revenue and a revived corporate income tax to provide immediate tax relief to individuals, families, the self-employed, and small business by increasing personal exemptions and standard deductions. Stop all foreclosures on primary residences, businesses, and farms for five years or the duration of the depression, whichever lasts longer. Set a 10% maximum rate of interest on credit cards and payday loans. Re-regulate commodities markets with 100% margin requirements, position limits, and anti-speculation protections for hedgers and end users to prevent oil and gasoline price spikes. Enforce labor laws and anti-trust laws against monopolies and cartels. Restore individual chapter 11.

2. Measures to nationalize the Federal Reserve, cut federal borrowing, and provide 0% federal credit for production: Seize the Federal Reserve and bring it under the US Treasury as the National Bank of the United States, no longer the preserve of unelected and unaccountable cliques of incompetent and predatory bankers. The size of the money supply, interest rates, and approved types of lending must be determined by public laws passed and debated openly, passed by the congress and signed by the president. Stop US government borrowing from zombie banks and foreigners -- let the US government function as its own bank. Reverse current policy by instituting 0% federal LENDING with preferential treatment for tangible physical production and manufacturing of goods and commodities, to include industry, agriculture, construction, mining, energy production, transportation, infrastructure building, public works, and scientific research, but not financial services and speculation. Issue successive tranches of \$1 trillion as needed to create 30 million union-wage productive jobs and attain full employment for the first time since 1945, reversing the secular decline in the US standard of living. Provide 0% credit to reconvert idle auto and other plants and re-hire unemployed workers to build modern rail, mass transit, farm tractors, and aerospace equipment, including for export. Extend 0% federal credit for production to small businesses like auto and electronics repair shops, dry cleaners, restaurants, tailors, family farms, taxis, and trucking. Maintain commercial credit for retail stores. Create an unlimited rediscount guarantee by the National Bank for public works projects to provide cash to local banks for bills of exchange pertaining to infrastructure and public works. Repatriate the foreign dollar overhang by encouraging China, Japan, and other dollar holders to place orders for US-made capital goods and modern hospitals. Revive the US Export-Import Bank. Set up a 10% tariff to protect domestic re-industrialization. Nationalize and operate GM, Chrysler, CIT, and other needed but insolvent firms as a permanent public sector. Maintain Amtrak and USPS.

3. Measures to re-industrialize, build infrastructure, develop science drivers, create jobs, and restore a high-wage economy: state and local governments and special government agencies modeled on the Tennessee Valley Authority will be prime contractors for an ambitious program of infrastructure and public works subcontracted to the private sector. To deal with collapsing US infrastructure, modernize the US electrical grid and provide low-cost energy with 1,000 fourth generation, pebble bed, high temperature reactors of 1,000 to 2,000 megawatts each. Rebuild the rail system with 50,000 miles of ultra-modern maglev Amtrak rail reaching into every state. Rebuild the entire interstate highway system to 21st century standards. Rebuild drinking water and waste water systems nationwide. Promote canal building and irrigation. For health care, build 1,000 500-bed modern hospitals to meet the minimum Hill-Burton standards of 1946. Train 250,000 doctors over the next decade. The Davis-Bacon Act will mandate union pay scales for all projects. For the farm sector, provide a debt freeze for the duration of the crisis, 0% federal credit for working capital and capital improvements, a ban on foreclosures, and federal price supports at 110% of parity across the board, with farm surpluses being used for a new Food for Peace program to stop world famine and genocide. Working with other interested nations, invest \$100 billion each in: biomedical research to cure dread diseases; high energy physics (including lasers) to develop fusion power and beyond; and a multi-decade NASA program of moon-Mars manned exploration, permanent colonization, and industrial production. These science drivers will provide the technological spin-offs to modernize the entire US economy in the same way that the NASA moon shot gave us microchips and computers in the 1960s. These steps will expand and upgrade the national stock of capital goods and enhance the real productivity of US labor. Return the federal budget and foreign trade to surplus in 5 years or less.

4. Measures to defend and expand the social safety net: Restore all cuts; full funding at improved levels for Social Security, Medicare, Medicaid, food stamps, jobless benefits, WIC, Head Start, and related programs. Offer Medicare for All to anyone under 65 who wants it at \$100 per person per month, with reduced rates for families, students, and the unemployed. Pay for this with Tobin tax revenues and TARP clawback, and by ending the Iraq and Afghan wars. Seek to raise life expectancy by five years for starters. No rationing or death panels; savings can come only by finding cures. Quickly reach a \$15 per hour living wage. Repeal the Taft-Hartley Act and affirm the right to organize. Pass card check to promote collective bargaining.

5. Measures to re-launch world trade and promote world recovery: Create a new world monetary system including the euro, the yen, the dollar, and the ruble, plus emerging Arab and Latin American regional currencies, with fixed exchange rates and narrow bands of fluctuation enforced by participating governments. Institute clearing and gold settlement among member states. Replace the IMF with a Multilateral Development Bank to finance world trade and infrastructure. The goal of the system must be to re-launch world trade through exports of high-technology capital goods, especially to sub-Saharan Africa, south Asia, and the poorer parts of Latin America. Promote a world Marshall Plan of great projects of world infrastructure, including: a Middle East reconstruction and development program; plans for the Ganges-Bramaputra, Indus, Mekong, Amazon, and Nile-Congo river basins; bridge-tunnel combinations to span the Bering Strait, the Straits of Gibraltar, the Straits of Malacca, the Sicilian narrows, and connect Japan to the Asian mainland; second Panama canal and Kra canals; Eurasian silk road, Cape to Cairo/Dakar to Djibouti, Australian coastal, and Inter-American rail projects, and more. American businesses will receive many of these orders, which means American jobs.

This program will create 30 million jobs in less than five years. It will end the depression, rebuild the US economy, improve wages and standards of living, re-start productive investment, and attain full employment with increased levels of capital investment per job. Most orders placed under this program will go to US private sector bidders. Because of the vastly increased volume of goods put on the market, inflation will not result.