



Without Joining in Asia's "New Silk Road," Trump is Facing a Financial Crash

January 8, 2018—President Donald Trump's administration cannot miss any more opportunities if it is going to carry out the intention for which, above all else, Americans elected him: To get the United States out of endless foreign wars, and rebuild and reindustrialize the nation.

If the big corporate tax cut is all there is to the Trump Administration's economic policy, then the President and the nation are facing an oncoming financial crash, and another so-called "Great Recession" much worse than the last. The huge corporate debt and stock bubble already created with central bank free money for a decade, now surrounded by what analysts are calling the "everything bubble" of other exploding debt categories, cannot stand the smallest coming interest rate increases. Corporate tax cuts will not save it, but only blow it up faster until it explodes. The Wall Street and London megabanks are scrambling out of this debt by securitizing it — packaging and selling it on — knowing it is not payable. U.S. banks' securitization of debt — corporate junk, auto and credit card debt, student debt, etc. — has grown by \$1.1 trillion or 25% just during 2017.

Plainly the White House and Congress have to defy Wall Street's old wives' tales about the Glass-Steagall Act, and reinstate that act immediately, to isolate commercial banking from this casino speculation before it explodes. And put productive Federal credit into new infrastructure and scientific drivers for the economy, rebuilding productivity and productive, well-paid employment.

But there is the rub. This weekend's Camp David Presidential meeting with Republican leadership, supposed to be centered on a \$1 trillion infrastructure plan, appears to show little discussion and no progress. Desperate follies are being surfaced — diverting perhaps \$2 billion in cancelled U.S. aid to Pakistan into building roads and bridges! — suggesting the White House has absolutely no idea as to how an infrastructure capital

budget could be created, or funded. Even the disaster reconstruction aid for the hurricane-ravaged states and territories — which involves some critical power and storm-control infrastructure — has been held up with no action for nearly three months.

Yet West Virginia's governor, when he gives his State of the State on Wednesday, will build on a long-term commitment of \$80 billion in industrial investment he has, from one Chinese company backed by a state-owned bank in China. Maryland's governor, carrying out feasibility for a maglev line from Baltimore to Washington, has a \$5 billion commitment from Japan. Is there a mystery secret?

No, rather there is China's truly win-win invitation to the United States to join the Belt and Road Initiative of great infrastructure projects; and an increasing "competition" by Japan to use its great infrastructure engineering capacities in and for other countries, in some cases with China. For building advanced nuclear reactors, Russia and South Korea are doing the same thing.

And there are Treasury Secretary Alexander Hamilton's methods of generating credit for new infrastructure and manufacturing technologies, laid out in 21st-Century form by Lyndon LaRouche. Both China and Japan employ these national credit methods. The offer to join in the Belt and Road Initiative is there, extended by President Trump's good friend President Xi of China. This is fully laid out in *America's Future on the New Silk Road*, the pamphlet on LaRouche's economic "Four Laws" being distributed to the entire Congress.

The President's own State of the Union Jan. 30 will be the last chance for this win-win strategy to come from the Administration; and Congress must, in any case, take it up and legislate it. Without that and Glass-Steagall, watch the giant Wall Street bubble of debt and "financial engineering" through weeks or months more of explosive expansion, until it crashes down on the U.S. economy.



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