

Bond issue: Recession right time to invest in infrastructure

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Courtesy Michael Benson, editorial columnist

With every day revealing yet more dire news for our state, national and international economies, one would think government should not adopt the policy of increasing expenditures while revenues decline.

And yet billions in assistance dollars have been and are being requested for insurance and financial institutions as well as the automobile industry. Federal aid is even going to homeowners to stem the tide of foreclosures across America.

I certainly don't profess to be an economist but I do recognize that experts from John Maynard Keynes to John Kenneth Galbraith have recognized that government spending is necessary to spur the larger economy in times of recession.

Historians have argued for decades as to what exactly kicked America out of the Depression of the 1920s and '30s -- many maintain it was World War II -- but none can doubt that Franklin Roosevelt and the New Deal, with its alphabet soup of new government agencies, put thousands back to work while ushering in a whole new era of government intervention.

Even with the current climate, I am one of a growing chorus in Utah that is urging our state leaders to consider bonding for much-needed infrastructure throughout our state. The moment is right in which need can be met with circumstance and done in such a way that current and future generations will benefit from this investment in our institutions.

Three factors are converging to support such a position. First, the market for government bonds is good and getting better for preferred rates and terms; second, construction costs -- while varying from one industry

and market to another -- are generally favorable, and contractors and subcontractors are motivated to get work; and third, and perhaps most important, bonding for facilities now will be a significant boon to our economy and ensure that thousands of Utahns are kept employed in one of our state's most important industries: construction.

To be sure, I have a vested interest in encouraging our Legislature and governor to support these bonds since Southern Utah University is on the government project list for the expansion of our science building (fourth on the State Board of Regents' list and 12th on the State Building Board rankings).

This project is absolutely vital to our future success in preparing students in the sciences and ensuring our role as offering the best undergraduate education anywhere in these areas. The university has been very aggressive in moving this building priority up the list by securing \$5 million in non-state money.

Without question, a significant bond issuance -- backed by Utah's AAA rating and benefiting citizens everywhere with projects from Logan to St. George -- would be a bold move and would require broad support and political courage. But pressing infrastructure needs will only grow more acute if we do not act now. These bonds provide a significant means whereby Utah, its economy and its citizens will benefit for years to come.

Michael T. Benson is president of Southern Utah University.