

Editorial

Telling the truth for once

No matter how much the U.S. media and the gaggle of dwarfs running in the presidential primaries try to claim otherwise, the U.S. depression is strictly a domestic product.

U.S. workers used to be the most productive in the world, but that was in the days before the bubble economy, before the disaster of Reagan-Bush free-market economics. Those were the days when the United States was a model to nations like Japan.

It is useful to look at what Japanese Prime Minister Kiichi Miyazawa is actually saying about the problems now besetting the American economy, rather than the quoted-out-of-context sentences ventilated in the mass media with the intention of generating anti-Japanese hysteria. He and other Japanese political leaders have been trying to evoke a sane response from U.S. political leaders to the present U.S. economic debacle, which is threatening to bring down the world economy as well.

A recent interchange in the Japanese Diet is exemplary of the kind of discussion now going on in Japan, and so sadly lacking in the United States—with the exception of the LaRouche campaign for the Democrat presidential nomination.

On Feb. 3, one member of the Diet's Budget Committee asked the prime minister whether or not he had been able to convey to President Bush, during his visit, the Japanese experience with the American work force.

Contrary to press reports, this member of parliament, Representative Muto, pointed out that one of the problems in American auto factories was the poor quality of the management. In American factories, he said, with an American work force managed by Japanese, productivity was actually higher than in their Japanese counterparts. The prime minister replied that he did have the opportunity of discussing this point with the U.S. President.

After a further interchange Prime Minister Miyazawa addressed a point which we, too, have frequently emphasized—that production cannot be judged by the standards of the Gross National Product (or the Gross Domestic Product) because it is foolish to equate the

production of infrastructure or useful goods, with the proliferation of money market services or fast food chains. Indeed at the end of the Second World War, when the United States was an industrial giant compared to every other nation, approximately one-half of our work force was engaged in directly contributing to the production of useful goods.

Today the figure is perhaps a quarter of that amount, while the remaining three-quarters are involved in the service sector in one or another capacity. Such a structural imbalance is a fundamental dislocation in our economy.

Let's look at what Miyazawa had to say: "Looking at the past 10 years, the interpretation of producing goods or creating value has become very loose. The problem is that everyone believes value can be created in the money market. [The decline in] producing goods by the sweat of our brows, a type of work ethic, is related to various things."

He added: "There is probably even a connection with computers. People graduating from the universities are going to Wall Street for high salaries. As a result, the number of engineers who actually make things is shrinking. . . . We have these leveraged buy-outs where those without their own money can buy up companies, and then, unable to pay the interest on those debts, they fall into bankruptcy."

Miyazawa then addressed the same problem which is emerging in the Japanese economy to create a "bubble economy." He concluded, "After this bubble burst, both countries now have a lot to clean up in the aftermath, and all of our people learned a lot from this. It is very important to build things of productive value, with the sweat of our brows. This may sound like a sermon, but what I have said is what I feel. When President Bush talks about education, I believe he is trying to reiterate the above kind of message."

The American people should view Prime Minister Miyazawa as a friend. He is trying to direct us back to the clear conception of economics last seen during the Kennedy presidency, the kind of economics represented by the programs of Lyndon LaRouche.