

Senator Kennedy takes the point

by Jeffrey Steinberg

On Feb. 8, 1996, Sen. Edward Kennedy (D-Mass.) delivered a speech at the Center for National Policy in Washington, D.C., in which he warned that the U.S. economy is going in the wrong direction, and that we are in a “quiet Depression,” which can only be overcome by a return to the kind of economic policies that were the hallmark of the Presidency of his slain brother, John F. Kennedy. Senator Kennedy presented a blueprint for a drastic overhaul of the country’s tax and investment policies, aimed at overcoming the vast inequities that have left 60% of the nation’s employed workers in a state of economic decline—while the wealthiest 1% make out like bandits. “As we approach the 21st century, we confront an economically unjustified, socially dangerous, historically unprecedented, and morally unacceptable income gap between the wealthy and the rest of our people,” he said.

The Kennedy speech signals that the senator has taken the point, in a much broader effort among sections of the Democratic Party, to launch a fight for a return to the kinds of policies once associated with Franklin D. Roosevelt and JFK—policies that not only led the Democratic Party to become the majority party, but that led to the only periods of genuine U.S. economic growth in this century.

On Feb. 14, the London *Guardian* reported that Senate Minority Leader Thomas Daschle (D-S.D.) has been chairing a “high wages task force” that has just completed an 80-page draft proposal, taking up some of the issues highlighted in Senator Kennedy’s Center for National Policy address. The final draft of the plan is scheduled to be released on March 1, and is expected to form the basis for the Democratic Party’s congressional election strategy.

The Kennedy speech, and the move by other Democratic Party elected officials, including Daschle, House Minority Whip David Bonior (D-Mich.), and House Minority Leader

Richard Gephardt (D-Mo.), to join in this fight, was warmly greeted by Lyndon LaRouche, who is running in the Democratic Party Presidential primaries on an even more ambitious platform to overcome the worst financial and monetary crisis in the modern epoch.

While campaigning during the week of Feb. 12-16 in New England and the mid-Atlantic states, LaRouche applauded the Kennedy speech and the task force report in an interview with the weekly “EIR Talks” radio program on Feb. 15: “Even though there may be disagreements among us, or lack of agreement, shall we say, more than disagreements among us, we are all agreed that the Democratic Party, in an anti-Gingrich posture, so to speak, must be moved in this direction. We must go back to becoming a nation of producers in which we have education, we have skilled labor, we produce our own products, we’re proud of them and justly so, of their quality; justly proud of the improvement in the conditions of life. We’re justly proud of opening up the gates to employment, meaningful employment, to more Americans, including the minority groups which are still squeezed out of many opportunities they should have. And that’s where we agree. We’ve been moving in the wrong direction, we’ve got to correct that direction, and go back to some of the good things we used to try to do.”

LaRouche continued: “Now the difference, of course, among us, is my difference. That doesn’t mean, necessarily, that Kennedy, Daschle, or Gephardt would dig in and have absolute opposition to what I’m saying. It means that they’re not ready to go that far, or have not reached that conclusion yet. . . . This trend of the past 30 years, this downward trend, as I refer to the drip-by-drip, step-by-step, drop-by-drop change in public policy-shaping, and in toleration of changes in policy, which has brought us to ruin, has led us to the point

that not only is our economy very sick, as anyone can plainly see, even over the recent years' changes, but that the international monetary and financial system, including our own Federal Reserve System, is hopelessly bankrupt, is terminally ill, is on its deathbed. And that the United States government, as the most powerful nation in the world today, must take leadership, both in the United States itself, and in cooperation with other countries which will cooperate, in creating a new monetary system and a new international credit system, to replace the bankrupt, hopelessly bankrupt, Federal Reserve System, and similar institutions, analogous institutions, central banking institutions abroad. . . .

"We've got to consider, at this time of crisis," LaRouche concluded, "not only the kinds of things that Daschle and Gephardt and Kennedy are saying, which are all good, and with which I'm totally sympathetic. But we have to say: How are we going to make this work? To make it work, means that we have to scrap the present Federal Reserve System, we have to scrap—even Pat Buchanan is saying, to his credit—we have to scrap these NAFTA [North American Free Trade Agreement], and GATT [General Agreement on Tariffs and Trade], and World Trade Organization deals, which we lately prided ourselves on contributing to. Just scrap them. They're bunk. They don't work. They're against our interests."

GOP shakeup

At the very moment that Senator Kennedy was taking his stand for a faction of the Democratic Party establishment, the Republican Party was being hit with a political shockwave, which promises to accelerate the process of political realignment in the United States that Lyndon LaRouche first forecasted, right after the November 1994 mid-term elections, in which the GOP won control over both Houses of Congress. LaRouche forecast, at that time, that once the American public found out what kinds of murderous consequences were in store for them, if they allowed the GOP's Contract with America and other brutal austerity measures to go forward, there would be a shakeup in both political parties.

Now that the Presidential primaries have begun, that realignment has bubbled to the surface. Republican voters who turned out for the Presidential caucuses in Alaska, Louisiana, and Iowa, delivered a mighty blow to the Conservative Revolution. In Alaska and Louisiana, Pat Buchanan—campaigning against NAFTA, GATT, and the WTO, and for a return to protectionist tariffs—won outright victories. And in Iowa, he came in a close second, behind GOP front-runner Senate Majority Leader Robert Dole (Kan.). The two leading Conservative Revolutionists in the race, Sen. Phil Gramm (Tex.) and half-a-billionaire publisher Malcolm S. Forbes, Jr., did poorly, coming in behind Dole, Buchanan, and former Tennessee Governor and Bush administration Education Secretary Lamar Alexander.

Within a day of the Iowa caucuses, Gramm announced

that he was dropping out of the race. Gramm could scarcely conceal his fury, not only at his rejection by voters, but that the free trade lunacy that he has peddled throughout his career is also being rejected. He fumed that protectionism is the "recessive gene" in American political life.

The crushing defeat suffered by Gramm was a personal victory for Lyndon LaRouche, who, one year earlier, had launched a campaign to expose Gramm's Conservative Revolution as a new form of fascism. In a Feb. 17, 1995 *EIR Special Report*, "Phil Gramm's Conservative Revolution in America," LaRouche had cited a Jan. 10, 1995 speech by Senator Kennedy at the National Press Club, in which Kennedy called for the Democratic Party to return to its traditional blue-collar, farmer, and minority base. "This country does not need two Republican Parties," Kennedy had said.

GOP insanities falling flat

With Gramm out of the race, and with Forbes hanging on by his checkbook, even the GOP primary race appears to be shifting away from a debate over such insanities as the balanced budget and the "flat earth tax," into a brawl over real economic policies. In the wake of the Buchanan surprise victories, the major U.S. media, led by the *Wall Street Journal* and the *New York Times*, have become hysterical at the mere mention of "protectionism."

Mont Pelerin Society guru Edwin Fuelner, of the Heritage Foundation, ranted against Buchanan's push for a return to protectionism: "What he's proposing isn't in the mainstream of conservative economics, as exemplified by William Simon and free-market economist Milton Friedman. It's the hardcore left-wingers who are basically on his side of the economic argument. I disagree with him profoundly." Other Conservative Revolution hacks referred to Buchanan's talk of protectionism as "scary," "goofy," and "far-left." The *Washington Post* pronounced that not a single "mainstream economist" will ever accept protectionism.

While the media attacks against the idea of abandoning the global-market, free-trade dogmas have been largely leveled against Buchanan, the underlying fear of the London-Wall Street financial establishment is that the ideas of LaRouche are increasingly shaping the debate. Over 3 million American households watched LaRouche's Jan. 27 nationwide half-hour television show, in which he declared that "unbalanced minds cannot balance the budget." An even larger audience is expected for his March 2 broadcast at 8 p.m. Eastern time on NBC-TV, in which he plans to elaborate on his theme of economic national security.

While most Presidential election campaigns over the past 25 years have earned the label "the silly season," LaRouche has vowed to turn the 1996 election into a debate over "heavy ideas." If the opening weeks of the primaries are any measure of what is to come, LaRouche is on track. The March 1 release of the Kennedy-Daschle-Gephardt-Bonior task force report promises to push this process even further.