

Conservative Revolution writes its own obituary

by Jeffrey Steinberg

Recent legislative defeats suffered by the advocates of the Conservative Revolution have left Speaker of the House Newt Gingrich and company bloodied, while press commentaries from such conservative bastions as the *Wall Street Journal* and the *Washington Times* bemoan the sorry state in which the Republican Party currently finds itself. But, while both parties are claiming victory in the months-long showdown over the federal budget, neither side is addressing the economic crisis competently, and, as a result, the outcome of the political battle in Washington is by no means certain.

Democratic Presidential pre-candidate Lyndon LaRouche has outlined the kind of policies required in three nationally televised campaign broadcasts so far this year. LaRouche has emphasized that the President of the United States must use his constitutional authority to put the Federal Reserve into receivership, set up a system of national banking, launch a recovery program for industrial and infrastructure development, and negotiate with foreign powers to create a new monetary system.

As *EIR* reported last week, the Democratic Party is engaged in an internal struggle, and the Democratic National Committee could very well block Clinton's reelection. DNC Chairman Don Fowler and his coterie have defined for President Clinton a suicidal campaign strategy of seeking the "yuppie" vote, with a laundry list of "wedge" issues, while ignoring the traditional Democratic Party base of labor and minorities, and avoiding the economic and financial breakdown crisis.

Thus, while the disarray in the Republican camp presents the Democratic Party with a golden opportunity to mobilize for a landslide victory in November, the leadership of the DNC is doing everything possible to "throw" the election to the GOP, just as it did in the 1994 mid-term election.

'A battle for ideas'—but which ideas?

On April 19, the *Wall Street Journal* published a lead editorial that was about the closest thing that one could imagine to a political obituary for the Conservative Revolution. Under the headline "Minority Leader Gingrich?" the *Journal* observed: "Republicans in Congress have been understandably shell-shocked since losing their winter budget showdown with President Clinton. But this week, they've revealed signs of a deeper malady that could cost them dearly in November—intellectual retreat. From the economy to the minimum wage to health care, the once bold revolutionaries are beginning to cede control of the public debate back even to today's intellectually exhausted Democrats. Throw in the stasis of the Dole campaign and the demoralization of Newt Gingrich, and Republicans may want to wake themselves up by contemplating the prospect of Speaker Gephardt."

The *Journal* concluded: "The history of politics, as recently as 1994, shows that what really wins elections is *dominating the battle of ideas*. If Republicans don't want their first majority in 40 years to go down as a blip in history, they'd better find a way to regain the intellectual offensive."

But, what kind of "ideas" is the *Journal* soliciting? Certainly not the break from British free-market liberalism, in favor of American System policies of economic development, that LaRouche is demanding.

But, while the Conservative Revolution may be in full retreat, that is not all that is going on in Washington policy-making circles. Immediately after the November 1994 elections, Lyndon LaRouche called for a mobilization to defeat the Conservative Revolution, predicting that such a mobilization would produce a political realignment, drawing together the best elements in both the Democratic and Republican parties around an agenda of national and worldwide

economic reconstruction.

As *EIR* has reported in recent weeks, a faction of prominent Democrats has launched a concerted effort to force such a debate. Apart from LaRouche's initiatives, useful contributions have been made by Sens. Edward Kennedy (Mass.), Tom Daschle (S.D.), Jeff Bingaman (N.M.), and Reps. Richard Gephardt (Mo.), David Obey (Wisc.), and David Bonior (Mich.). Although LaRouche is the only figure among these Democrats to raise the question of the imminent disintegration of the world financial and monetary system, and call for the nationalization of the Federal Reserve System, these Congressional Democrats, in a series of policy papers and new pieces of legislation, have revived the issue of economic nationalism and called for a drastic overhaul of the country's corporate tax codes, infrastructure investments, and wage policy.

With backing from a rejuvenated organized labor movement (see *Labor in Focus*, p. 12), these Democrats, with the support of Labor Secretary Robert Reich, have, in the last two weeks of April, forced the issue of an increase in the minimum wage onto the Congressional agenda. In mid-April, upon their return from Easter recess, 20 Congressional Republicans announced that they were bolting from the GOP Congressional leadership, and supporting the Democratic call for a minimum wage hike. On April 25, Rep. Richard Arme (R-Tex.) and company temporarily succeeded in blocking the minimum wage hike from coming to a vote in the House. But, this pyrrhic victory promises, if anything, to exacerbate the fissures in the Republican ranks:

This danger was duly noted by the *Washington Times* on April 23, which editorialized: "The GOP is in full retreat. . . . What's worse is that 20 Republicans—deciding they want to get reelected—have joined in support of a higher minimum wage."

Further signs of a political realignment were evident on the floor of the House of Representatives on April 17, when a solid bipartisan coalition rammed through the "Truth in Budgeting Act" (see *Congressional Closeup*, p. 68). It mandated that the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund be removed from the general federal funds for purposes of calculating the federal budget. Much of this money has been frozen in recent years, in order to create the illusion that the federal deficit is much smaller, and, to enhance the argument for a balanced budget in seven years.

From bad to worse

Following these setbacks, things got even worse for the GOP's Conservative Revolutionists. Senate Majority Leader Bob Dole (Kan.), the Republican Party's all-but-certain Presidential nominee, saw a rider introduced by him to the Kennedy-Kassebaum health care bill, which would have established Medical Savings Accounts, defeated by a 52-46 bipartisan majority. Five Republican senators broke ranks with Dole to cast their votes against the MSA swindle, which

is backed by some of the nation's most unsavory insurance companies, led by Golden Rule Insurance Co., one of biggest contributors to Newt Gingrich's GOPAC political action committee—and to the Dole Presidential effort. After the Dole rider was defeated, the Senate passed the bill 100-0, on April 23.

The blow to Dole's Congressional leadership was all the more stunning, because it is widely known that the Dole campaign is in financial trouble, and he had hoped to ride out the four months leading up to the Republican nominating convention on the cheap, by demonstrating his political leadership—and keeping his name in the spotlight—through a series of successful policy initiatives on the Senate floor.

In another sign of GOP panic, William Kristol, of the neo-conservative wing of the Republican Party, published an attack on Dole in his *Weekly Standard* magazine. The attack was then reported at length in the April 22 *Washington Times*. Kristol said that "Dole is likely to lose the Presidential race to Bill Clinton. He may lose badly." He then advised neo-con Republicans, up for reelection, to go it alone. "The best thing all elements of the conservative coalition can do is aggressively prosecute their case and advance their cause with little regard to Dole. House members and senators should run their own races. Activists should press ahead on their issues. Where the Dole campaign wants to piggyback on or coordinate with such efforts, fine."

The *Washington Times*, an unabashed publicist for the Conservative Revolution, reported on April 22 that Gingrich has surrendered day-to-day management of the House to Arme. Gingrich is reportedly in a deep depression, and is now almost singularly focused on his own reelection, which could be in jeopardy. The Democratic nominee challenging Gingrich is a wealthy Georgia businessman, who has promised to pour millions of dollars of his own money into his campaign. Given Gingrich's own fast and loose campaign finance activities, and the fact that there are still several ethics probes pending against him in the House ethics committee, it cannot be assumed that his reelection is a "done deal."

The *Washington Times* also reported that Gingrich is desperately trying to devise a strategy for reversing the GOP's Congressional paralysis. Gingrich, according to the *Times*, is chairing a secret task force responsible for breathing life back into the Republican majority in the Congress. Among the "brains" participating in the weekly sessions at the Speakers' office: Sen. Paul Coverdell (R-Ga.), Sen. Spencer Abraham (R-Mich.), staffers from Dole's Senate office and his election campaign, and top officials of the Republican National Committee.

Some leading GOP strategists are not at all optimistic that the Gingrich "secret team" or any other efforts have much chance of success. David Mason, vice president for government relations of the Heritage Foundation, told reporters on April 23: "If things continue like this every week, it will be a complete disaster."