

Kennedy-Gephardt initiative won't remobilize party base

by Suzanne Rose

In an attempt to stake out a new direction for the Democratic Party in preparation for the 1998 election cycle, two of the nation's leading Congressional Democrats have advanced proposals designed to turn party activity away from the "centrist" policies, associated with disgraced political consultant Dick Morris and former Party Chair Don Fowler—widely credited for the loss of the House in 1996, and the Virginia gubernatorial campaign in 1997—and more toward a mobilization of the party's traditional base.

House Minority Leader Richard Gephardt (D-Mo.), in a speech delivered at Harvard University on Dec. 2 entitled "What Unites Us: Our Core Democratic Values," and Sen. Edward Kennedy (D-Mass.), in an address at the National Press Club on Dec. 11 entitled "America Should Work for All Americans," revived some of the issues of the short-lived Kennedy, Daschle, Bingaman proposals of 1996, namely, the declining incomes of the vast majority of the American people; they did so, however, without their earlier, pointed attacks on rampant speculation as a cause of the problem. As a matter of fact, in sharp contrast to the original platform, Gephardt and Kennedy, in their recent remarks, refused to even acknowledge the existence of depression conditions.

The 1996 initiatives, which borrowed heavily from portions of the economic recovery plan forwarded by Lyndon LaRouche during his campaign for the Democratic Presidential nomination, would, by themselves, be inadequate in the face of the whirlwind financial collapse hitting the world today. But, these more recent proposals, falling far short of even those put forward in 1996, can only be described as a flight into virtual reality.

Gephardt acknowledges the need to mobilize the base of the party, an effort that was lost during the 1996 campaign, when President Clinton followed Presidential campaign ad-

viser Dick Morris's disastrous advice and signed the Welfare Reform Bill. But Gephardt's proposals for just how to do that are woefully inadequate to the task of providing the party with an election-year strategy in the midst of a financial meltdown. Still, to his credit, he correctly recognizes the need for Democrats to break with the suicidal Morris strategy, which was to advise Democrats to try to "out Gingrich" the Gingrich Republicans. The results were calamitous.

Since then, Gephardt and other party leaders have been attacking Morris, and the group in Congress with whom Morris's ideas resonate, the so-called "New Democrats." These Democrats, who number around 40 in the House, want the party to cater to the concerns of the suburban middle class, around the issues of crime, education, and welfare. They have made the Wall Street demands for deficit reduction their overriding economic concern. The think-tank of this group, the Democratic Leadership Council (DLC), advocates "entitlement reform," through the privatization of Social Security and Medicare, as proposed by Wall Street, to make more public monies available to bail out the collapsing markets.

Supporters of LaRouche have repeatedly demonstrated the ability to mobilize the party's base, because of their willingness to address the reality of the ongoing world financial collapse. In 1994, when other Democrats were caught with their pants down by the Gingrich onslaught, LaRouche Democrat Nancy Spannaus led a drive that brought Virginia GOP Senate candidate and Conservative Revolution poster boy Oliver North down in a humiliating defeat, despite his massive campaign war chest. Systematic attempts by a faction in the Democratic party's leadership, led by former Democratic National Committee (DNC) Chairman Donald Fowler, to exclude LaRouche Democrats from party activity, have been repeatedly turned back by constituency-based party leaders.

In instances where the exclusion policy temporarily succeeded, as the case of the recent Virginia gubernatorial campaign shows, it has proved suicidal for the party.

'We need a movement for change'

In his speech on Dec. 2, Gephardt attacked the "New Democrats" for lacking "core" values and presenting themselves to the electorate as a more "compassionate" version of the "other side," i.e., Conservative Revolutionary Republicans. In a blast at the Fowler-Morris faction at the DNC, which concentrated on raising money from Hollywood and other cesspools for campaign advertising, as a substitute for mobilizing the base of the party, Gephardt said, "We need a Democratic Party where principles trump tactics. We need a Democratic Party that is a movement for change and not a money machine."

But, the proposals of Gephardt et al., by their refusal to face up to the realities of the global financial collapse and its effects on the American people, are not up to the task of retaking the party. These are traditional Democrats, who are oriented toward traditional Democratic constituencies, such as labor, but prefer to call themselves "progressives" rather than liberal Democrats, for fear that they will be "tainted" by the media for their ties to "big labor." A group of them, led by former Presidential pollster Stan Greenberg and Economic Policy Institute Chairman Jeff Faux, released a book, *The New Majority: Toward a Popular Progressive Politics*, at a press conference in October, which was attended by year 2000 Presidential hopefuls Gephardt and Sen. Paul Wellstone (D-Minn.). They emphasized the economic squeeze on the middle class, and called for defending the government's social safety net against the budget-cutters and Wall Street's demands for privatization, while being careful not to identify themselves too closely with "big government."

Compare this to the proposals circulated by Democratic leaders in 1996, which included "Scrambling to Pay the Bills; Building Allies for America's Working Families," a report issued jointly by Democratic Sens. Jeff Bingaman (N.M.) and Tom Daschle (S.D.), and a House Democratic Policy Committee Staff report, "Who Is Downsizing the American Dream?" commissioned by committee chairman Gephardt, and Rep. David Obey (D-Wisc.).

The Daschle-Bingaman report, which was subtitled "A Set of Comprehensive, Specific Democratic Proposals to Address Wage and Income Stagnation — to Produce Long-Term, Higher Rates of Economic Growth, Shared with Working Families, in the United States," addressed the causes of the growing income disparities in the United States. It cited a lack of long-term investment in R&D, worker training, and so on, which is necessary to ensure productivity increases in the economy. A speculative, or "shareholder," mentality of increasing short-term profits at the expense of overall productivity, was distinguished from the "stakeholder" mentality of the corporation which sees itself as a part of society to which

rising levels of wages and productivity are welcome. They proposed a transaction tax on short-term, "speculative" profits, which would provide funds for education and training of the workforce. Businesses which qualified as "A-corps," that is, which make new net investments in the United States; which fund employee training, pension, and health care plans; and which reduce disparities between executive and worker compensation, would receive favorable tax, regulatory, and government contract treatment. This approach used to be known as the American System of economics.

"Who Is Downsizing the American Dream" documented that a powerful oligarchy of families and their think-tanks, such as the Heritage Foundation, is behind the attacks on American living standards, through their attacks on government and their promotion of the downsizing and outsourcing of production. The report documented a declining standard of living for 80% of American workers since the 1970s. In a speech on Feb. 27, 1996, Gephardt referred to "making our economy grow faster, and reversing the almost 50% decline in economic growth that America has experienced since 1973."

Accepting the 'economic recovery' myth

By contrast, both Gephardt and Kennedy began their recent speeches by praising the "economic recovery" and "job creation" of the past six years of the Clinton administration. But, only two years ago, on Feb. 8, 1996, Senator Kennedy rightfully told an audience at the Center for National Policy, that the United States and the world had "entered into a quiet depression." Gephardt announced that he was opening a "major policy debate . . . about the condition and direction of our country." However, even the feeble economic measures he proceeded to outline would require a major mobilization against the international bankers. Now, nowhere is such a fight envisioned; instead, he offers appeals to the safer buzzwords of "family," "values," and "children."

Kennedy offered a 10-point prescription in his version of Democratic priorities, starting with a premise he knows is false, that "we have met and mastered the challenge of eliminating the deficit and restoring the strength and vitality of an American economy that is once again unquestionably the most successful economy in the world."

The fact is, the economy which could provide the tax base for the programs Senator Kennedy is demanding, programs that address the increasing income disparities between rich and poor, was destroyed by the post-industrial policies ushered in following the assassination of his brother John. By focusing on such issues in the small, Ted Kennedy and the Democrats with whom he is allied are abdicating responsibility for solving the problems our society faces. The only way to go, as LaRouche has emphasized, is to put this system out of its misery, and go back to the kinds of policies which Democrats like President Franklin D. Roosevelt developed for getting this country out of a depression. It is the only chance the Democratic Party, and more importantly, the nation, has.