

Editorial

A Damning Admission, Late in the Game

Columnist Robert J. Samuelson, in his *Washington Post* column of May 16, finally admitted that the popular brands of what is mislabelled “economic forecasting,” are nothing but consumer fraud. He wrote, “The economy’s slide has one familiar feature: Few, if any, economists predicted it. We should not be surprised. Economists routinely miss the turning points of business cycles and, indeed, have missed most of the major economic transformations of the past half-century, whether for good or ill.”

Why the failure? Because their computer models are really predicting the past, not the future. “The idea is that present behavior reflects past behavior, as reflected in various economic statistics. . . . We call this exercise forecasting, but of course it isn’t. It’s telling people what they already know or might know by examining the available information. It creates an illusion of understanding. The trouble is that there are times when radical and dramatic changes do happen, and at these moments economists are almost as clueless as everyone else. . . .”

But Samuelson commits another fraud himself, by omitting *EIR* founding editor Lyndon LaRouche from the equation: His indictment of the trend-line forecasting approach points precisely towards LaRouche’s method, which relies on the non-linear axiomatic shifts in man’s relations to nature, and in the beliefs which govern his activity. Where Samuelson admits that the “Brand X” forecasts are now proven failures, all the forecasts which LaRouche has made have proven truthful.

Look, for instance, at the Year 2000 Presidential election campaigns. Compare what Presidential pre-candidate LaRouche was saying throughout the 1999-2000 campaign, with what dummies Gore and Bush said. LaRouche had forecast the recent hyperinflationary spiral, not only in energy prices, since 1998, and continued to do so. Neither Gore nor Bush said anything about it. LaRouche forecast the doom of the “information society,” while Gore was claiming to have invented the Internet. On Sept. 8, 2000, LaRouche wrote in *EIR*, “The U.S. economy is lurching at the

brink of the worst systemic, global financial collapse which European culture has experienced during recent centuries.” At about the same time, Alan Greenspan was making the case for a “soft landing,” and the Republican Party, in its platform, was taking credit for “today’s prosperity and surpluses [and] the origin of what is now called the New Economy: the longest economic boom in the 20th century.” Gore said on Sept. 30, “We’ve gone from a triple-dip recession during the previous 12 years, to a tripling of the stock market.”

What about LaRouche’s forecast that Alan Greenspan would self-destruct in Year 2001? He is now self-destructing as LaRouche forecast. And remember LaRouche’s forecast, as soon as Bush was made President by an unconstitutional intervention of the Supreme Court, that the Bush Presidency would self-destruct, if it clung to its core beliefs, as it has done? What else does it mean, when that administration lost its control of the Senate after only four months in office, through Vermont Senator Jeffords’ quitting the Republican Party?

A few days after Samuelson’s column, on May 22, Treasury Secretary Paul O’Neill predicted that the combination of interest-rate cuts by the Federal Reserve, with the Bush tax cut plan, would begin to turn the U.S. economy around within days. “By the end of the week,” he said, “we will have created the conditions that have very bright prospects for returning to a very high rate of growth in the very near future. I’m very confident that the ingredients are there to provide a significant amount of near-term cash flow, or a refund, to the American people. . . . The combination of the money that will flow immediately and the impact that future flow anticipation will have on people’s decisions, will be very constructive and supportive of a new burst of growth in the U.S. economy.”

This is the madness and self-destruction of a once relatively sane man, after he became a Bush Cabinet officer! How long will this Presidency last? There’s no time to wait until 2004; LaRouche and his recovery program must be supported now.