

## Editorial

### *'Bush's April 2,' One Month On*

Following a month of April in which his war policy was an unfolding of disasters, and his attempts to explain it more incoherent with each week, the dumbest President in the history of the United States lost nothing to his "presumptive Democratic opponent." The basic reason for this astonishing development was that the President, back on April 2, claimed an economic recovery based on a faked employment report, and the Democratic National Committee and Sen. John Kerry have not challenged that fraud, so that some Americans are foolishly lending credence to it. Such stupidity could be more disastrous even than "staying the course in Iraq."

*EIR*, in its April 9 issue, backed up Lyndon LaRouche's immediate assessment, that the jobs "recovery" report was just as faked as Bush's infamous aircraft-carrier speech a year ago, when he announced our troubles with Iraq were over. (So have been other reports that followed it in April, been faked). LaRouche warned that Dumbya's Administration's crowing about it, would make a crash—starting on the bond markets—more likely than not before the Democratic National Convention, and not postponable to Election Day.

We stand by that assessment now. Long-term bond market interest rates have gone up nearly a full percentage point in a month; mortgage rates have suddenly risen the same amount, to over 6%; mortgage applications in the United States have fallen significantly in April, not to mention refinancings, which have dried up. And mortgage foreclosures have been zooming up since prior to April 2. The consumer credit bubble's cash-flow crutch on which the American economy has been standing, is being kicked out—and that's before the Federal Reserve has even started raising bank interest rates. And inflation is now visibly and clearly raging in the U.S. economy at all levels; the average household's real wage income is falling substantially even by official Fed and Labor Department statistics, while that same household's debt is growing at a rate of 11-12% per year.

Meanwhile, far greater increases in effective inter-

est rates have overwhelmed indebted Third World countries during April, including the biggest debtors, raising the specter of new defaults. And in the financial sector, the threat, as one former administration's official put it recently, is not just that another system-threatening failure like the 1998 LTCM bankruptcy will occur now, but that several such "LTCM's" will hit at the same time.

More important than the financial blowout threat itself, is the absolute lack of any political response to it, other than by Lyndon LaRouche's Presidential campaign. Three million American jobs were eliminated from early 2001 to the end of 2003—a collapse of depth and duration comparable to the administration of Herbert Hoover—despite a hyperinflationary policy of money-supply pumping, and the annual inflow of \$500 billion or more of fund from the rest of the world. Time for a new FDR, obviously. Yet when Dumbya stupidly declared "recovery" and Alan Greenspan demanded a *deflationary* policy—interest rate increases and cuts in Federal spending and entitlements—Kerry and the Democratic leadership said, "Me too." On April 29, for example, in another "major economic policy speech," Kerry proposed to spend \$200 million over four years to revive industry and create jobs! Lyndon LaRouche, the candidate FDR's legacy, proposes \$6 trillion in "Super-TVA" Federal credits to create jobs, restore revenue, revive industry; Kerry calls \$200 million enough.

Kerry's other speeches since April 2 have been about cutting Federal spending and giving out "middle-class tax cuts." This moves foolish Americans to believe Bush's disastrous "recovery" fraud, and more intelligent ones to disgust with the Democratic Party.

The underlying reality of the financial-economic breakdown collapse, which our dumbest President only hastened when he shouted "recovery" and sent the bond markets plunging, is what the Democrats, including most Kerry advisors, want to ignore. But they will not be able to avoid bringing LaRouche in, when it hits.