

Kerry 'Me Too' Economics Could Wreck Democrats

by Paul Gallagher

The interest-rate “backfire” and bond-market crisis triggered by President Bush’s trumpeting a faked U.S. jobs report on April 2, but also Sen. John Kerry’s pathetic responses since that Friday, have re-raised the Presidential election question: Will it really be Bush vs. Kerry? All bets on that may be off, because Bush’s manic April foolery triggered an economic phase-shift which is also political.

The President’s dumb actions have made a financial blow-out more likely *before* the July Democratic Convention, than after Election Day; while Kerry’s blundering “economic policy pronouncements” in Cincinnati and at Georgetown University in Washington, showed complete incompetence to handle that kind of economic crisis. They have made it look like he’d be a “bankers’ office boy” in the White House, in the words of candidate Lyndon LaRouche. Now the question, said LaRouche on April 6—after it became known what Kerry would emphasize at Georgetown the next day—is whether American voters will be men or mice? If they choose to be mice, he warned, they’ll find out that Wall Street banker and Democratic fixer Felix Rohatyn “has already stolen the cheese.” But if the “forgotten men and women” of America’s economic collapse get mobilized, Kerry will have to turn over economic policy—or perhaps the nomination itself—to LaRouche.

More Wall Street Than Thou

Senator Kerry’s first, April 2 response to the phony employment report for March, was bad enough: “It’s welcome news. I hope it continues,” he said; then caught himself over the weekend and re-emphasized the massive job losses throughout George W. Bush’s Presidency. But Kerry completely failed to challenge the blatant political fakery of the Administration’s report, as LaRouche did, and as some even Republican-leaning economic analysts followed him in doing in both the American and European media.

But Kerry’s Georgetown webcast on April 7, billed as a major economic policy declaration and obviously crafted by the Wall Street lawyer-banker-dominated Democratic National Committee, was far worse. Called “Fiscal Responsibility: a Stronger America,” if followed as Presidential campaign policy in the coming weeks and months, it would wreck the Democratic Party’s credibility on “Main Street,” and its chances to mobilize its broad former constituencies in the “lower 80%” of incomes.

Not to “sound like Lyndon LaRouche” and lose the bankers and big-bucks backers who have organized \$20 million for his campaign in Hollywood, Wall Street, and elsewhere, the Massachusetts Senator stayed as far away as one can get from the critical economic infrastructure needs of the nation or the world, or how to generate the public credit to meet them. Aside from a vague and weird pledge to create 10 million jobs by a tax on outsourcing (!), Kerry did not address the “Hoover” Bush Administration’s collapsed U.S. economy at all, but only its resulting huge Federal budget deficit, and its “excessive spending.” Kerry’s thrust was half spending cuts and “budget discipline,” and the other half “middle-class tax cuts.”

“We will impose spending restraints. No one will be able to pass a new program without a way to pay for it. We will enforce spending caps. Under Clinton we did this,” Kerry said. He promised to cut tens of billions out of Federal spending, and touted his own role in creating and passing the 1997 Balanced Budget Act. The Georgetown speech was lavishly praised next day by the “second Republican Party,” Sen. Joe Lieberman’s right-wing Democratic Leadership Council, which Democratic voters soundly rejected in the primaries. The DLC’s New Democrats Online enthused that Kerry was even subordinating his own previous modest job-creation and education infrastructure proposals to “fiscal discipline.”

“Under my plan, 99% of American businesses and 98% of Americans will get a tax cut, and that will advance the economy of our country. . . . We will expand middle-class tax cuts and will pass new tax cuts to make healthcare affordable, while cutting our deficit in half,” Kerry went on, claiming to be seizing Bill Clinton’s legacy (of the 1990s bubble economy), but in fact covering himself only with—Gore. Voters—now jobless and wiser—could hear echoing in their heads the fatuous Bush-Gore debates of the 2000 campaign, about “how to spend the wonderful surpluses from a balanced budget”—as the economic collapse bore down.

No Sign of FDR

Most deadly to the Democrats, Kerry made no mention of Franklin Roosevelt’s legacy, and his speech bore no trace of FDR’s policy approach to recovery from a depression. On the crucial question of *what is happening to the economy*, Kerry virtually accepted outright, Bush’s faked and frantic claims that “recovery” is not only right around the corner, but here and creating jobs.

One economic analyst in London commented, “Kerry doesn’t understand any of these economic issues. . . . It was obvious all along, that the administration was going to massage the employment figures. Kerry walked right into the trap.”

Just how deep that trap is will become clear as the economic and financial crisis in the United States worsens. If the fuse Bush has lit burns down to a financial blowout before July, all nomination bets are off.