

# Dukakis backers want austerity, overthrow of U.S. Constitution

by Kathleen Klenetsky

The political-financial powers behind the Dukakis candidacy have already developed detailed blueprints for putting the American people through a period of the harshest austerity imaginable. This is the dirty secret behind Dukakis's refusal to make any substantive statements on economic policy during the campaign.

Lurking just beneath the surface of Dukakis's rhetorical flourishes about providing "good jobs at good wages," and making the U.S. economically competitive, lies a program for junking the U.S. Constitution in favor of a supranational bankers' dictatorship, which will put the American people through the same brutal looting process that has wreaked such havoc in the Third World, as well as countries like Poland and Yugoslavia.

Dukakis is a technocrat cut from the same cloth as Italian Fascist dictator Benito Mussolini. In fact, Dukakis was picked by the same Establishment faction that catapulted another political unknown, Jimmy Carter, into the White House—precisely because his cold, compassionless character, combined with his record as governor of Massachusetts, makes him the perfect vehicle for such policies.

## Bring in the IMF!

Plans for an International Monetary Fund-style dictatorship over the U.S. economy have been publicly articulated by key Dukakis backers. Democratic insider Ted Sorensen, recently brought into the top echelons of the Dukakis campaign, has already gone on record calling for the IMF to run the U.S. economy.

Sorensen made this grotesque recommendation in his 1984 book, *A Different Kind of Presidency: A Proposal for Breaking the Political Deadlock*, written while he was serving as Gary Hart's presidential campaign co-chairman. He argued that the United States requires such drastic budget cuts that the present form of government cannot possibly do the job, and that a "government of national unity" is necessary.

"Many governments borrowing from the IMF, including Britain and Italy as well as scores of developing nations, have as a condition for those loans accepted temporary restrictions, some of them vastly unpopular, on their economic conduct," Sorensen wrote. "The United States and other industrialized nations, if they recognize the potential economic

disaster inherent in merely perpetuating the status quo, should similarly be able to accept some self-discipline for the common good."

To ensure that the IMF's orders are heeded, the U.S. needs a radically restructured government—a "government of national unity." Arguing that neither political party, neither Congress nor the President, "wants to be held responsible for cutting expansion of our eligibility for the middle-class entitlement programs like Social Security and Medicare, or the funds for repairing our crumbling infrastructure, or the pay or pensions of those who serve in our armed forces," Sorensen contended that only a bipartisan coalition government could handle the job.

The key policymaking body in Sorensen's mongrel structure wouldn't be the President or even the cabinet, but a "National Council of Economic Cooperation and Coordination" which would handle the difficult decisions that will have to be made for the U.S. economy, which is now in "a crucial state of transition."

The most urgent task facing the new Council would be to make "deep reductions" in the federal budget deficit through raising taxes and cutting expenditures: "No one's sacred cow or traditional pork barrel will be safe." The Council will have to "face the painful task of strengthening the tax base and reducing the federal tax deduction and spending programs benefiting every group represented around the table," via a wage freeze, incomes policy, and other measures.

Sorensen's "National Council of Economic Cooperation and Coordination" bears a striking resemblance to the National Economic Commission, which Congress established late last year, at Wall Street's behest. Set to issue a package of "deficit-reduction" measures to the incoming President this December, the NEC has been at the center of a nationwide controversy for weeks—ever since its two co-chairman, Democrat Robert Strauss and Republican Drew Lewis, publicly asserted that the panel will almost certainly recommend cuts in entitlement programs, including Social Security and Medicare, and farm supports, as well as in defense.

That resemblance is hardly fortuitous. Although candidate Dukakis claims he won't be bound by the NEC's recommendations, three of his top economic advisers sit on the 12-member Commission. These include Wall Street banker Felix Rohatyn, who collaborated with Sorensen's law part-

ner, Simon Rifkind, to set up the “Big MAC” (Municipal Assistance Corporation) bankers’ dictatorship which has destroyed New York City.

## Junk the Constitution

An even more radical plan than Sorensen’s comes from Washington lawyer Lloyd Cutler, who served as White House counsel in the Carter administration. A leading Democratic insider, Cutler played a pivotal role in promoting Dukakis’s candidacy.

In 1980, he penned a now-infamous article for the Council on Foreign Relations’ journal, *Foreign Affairs*, in favor of replacing the U.S. Constitution with a British parliamentary system. Like Sorensen, Cutler argued that the United States is entering a period of unavoidable economic contraction, which would require adoption of harsh economic policies. Because these would be so politically unpopular, they could only be implemented if you made the government impervious to constituency pressure—by adopting the parliamentary system.

Cutler subsequently established the Committee on the Constitutional System to lobby for overthrowing the Constitution. Comprised of such prominent individuals as former Treasury Secretary C. Douglas Dillon, ex-CIA director William Colby, the Aspen Institute’s Douglass Cater, former Defense Secretary Robert McNamara, and Sen. Daniel Patrick Moynihan (D-N.Y.)—a sponsor and member of the National Economic Council—the CCS released a report in January 1987 calling for various changes in the U.S. governmental system, among them, a four-year term for House members, and an eight-year term for senators, with federal elections every four years. Then, “Presidents and legislators could join to enact necessary measures . . . without having to worry about an imminent election.”

## Dukakis’s austerity consensus

Cutler and Sorensen are no anomalies. Despite (or because of) Dukakis’s carefully cultivated image as a “progressive liberal,” every one of his economic strategists enthusiastically ascribes to the austerity consensus. Larry Summers, Dukakis’s chief economics adviser and the man widely mooted to be his pick for Treasury Secretary, is typical. A Harvard economist who served a short stint in the Reagan administration, Summers co-authored a report last June which called for a national consumption tax, as well as Social Security cuts. “Bringing federal budget deficits under control should be the overriding priority of national economic policy,” he wrote. “This will require consideration of spending cuts in previously sacrosanct budget areas, including Social Security, as well as a significant increase in federal tax collections. . . . Serious consideration should be given to new national consumption [sales] taxes.”

While Dukakis has been deliberately vague about what he would do in the economic arena, a close examination of

the few substantive proposals he has made reveals a commitment to looting the American people.

For example, his ballyhooed college-tuition plan will actually place a lifetime tax on borrowers, who could end up repaying the government as much as 1,300% of their original loan! His universal health insurance plan has already caused a decline in the quality of health care in Massachusetts, and is well on its way to establishing murderous rationing of medical care.

## Mussolini à la Massachusetts

There’s no question but that Dukakis is the perfect frontman for the horrors Sorensen, Cutler, et al. intend to visit on America. Just look at his gubernatorial record:

- During his first term, Dukakis became the most hated man in Massachusetts, because of his draconian budget cuts and massive tax hikes. Although he had solemnly sworn he would never raise taxes or reduce social-service spending, he promptly did both when he became governor. Within weeks of the election, Dukakis announced that he planned to take a “meat cleaver” to the state’s social services budget. Once in office, he canceled cost-of-living increases for welfare recipients and state employees—even though the consumer price index had risen 11% in that year. Through his welfare commissioner (a former investment banker), he forced 18,000 people off the rolls, even though unemployment had climbed into the double digits. In addition, Dukakis laid off state workers, slashed Medicaid, and hiked taxes.

- Working people have fared just as badly under the Dukakis regime: Over the last decade, Massachusetts has lost nearly 94,000 manufacturing jobs—50,000 in the machine-tool industry alone. Union membership has plummeted accordingly—down more than 20% over the past several years—part of Dukakis’s commitment to the “post-industrial society.” Skilled workers have been forced to leave the state en masse in search of work; and wage levels have dropped, as manufacturing has given way to low-paying “service” jobs. Dukakis boasted of the state’s “right-to-work” ambiance, and relatively low wage rate.

- Dukakis tried to push legislation through the Massachusetts House last year that would have let the state seize the homes of elderly persons who could not afford to pay for their nursing home costs. What do you expect from a guy who pulled the plug on his own brother?

- Under the current Massachusetts budget crisis, Dukakis has slashed \$138 million in spending and frozen another \$59 million. These cuts affect local services, including fire departments; various anti-drug programs; aid to the handicapped and mentally ill (despite the fact that the conditions in the state’s mental institutions are so barbaric that nine people have died in them this year alone). Dukakis has also slapped on a slew of new taxes, borrowed hundreds of millions of dollars, and reportedly asked state employees to work a five-day week for four days’ pay.