

Editorial

Policing the crisis won't work

President Bush's speech unveiling his proposed budget has been widely recognized as an exercise in empty rhetoric. So long as he remains committed to the vicious mythology of the Reagan recovery, nothing more could be expected. A collapsing stock market and higher interest rates were the immediate response of the international financial community to his platitudes, and his "rescue plan" for the savings and loans.

The wag was right, who said that Bush's eulogy to Winston Churchill, which included Longfellow's famous lines: "Sail on, O ship of state," was recited from the helm of the *Titanic*.

One of the nastiest aspects of Bush's latest exercise in crisis management, the reorganization of the savings and loan institutions, has been his contention that the failure of these institutions is due, not to mismanagement of the U.S. economy by the Reagan administration of which he was a part, but of criminal malfeasance by S&L managers.

Thus Bush's answer to the collapse in the banking system, is to jail bank managers. Were he to point the finger at David Rockefeller and his ilk, we would not have too much to complain about, but of course, this is not the case! On the contrary, Bush's reorganization scheme will turn the S&Ls over to the commercial banks, which are themselves also bankrupt. The end result will be still less credit available to productive sectors of the economy still functioning.

It is Paul Volcker, Donald Regan, and James Baker III who are criminally responsible for the destruction of the U.S. economy. Their financial policies—along with those of former Agriculture Secretary Richard Lyng—will result in famine on a global scale, and these policies are being continued by the Bush administration.

In the face of drought and other anomalous weather conditions, with spreading crop damage, U.S. policy remains to drive the family farmer off his land, and to keep farmland out of production. Even the U.N. Food and Agriculture Organization has begun to hit the panic button, warning that world cereals reserves are lower now than even during the food crisis that hit the world

in the years 1974-75.

U.S. regional banks and S&Ls are insolvent because the farm and the energy sectors have been ruined by the free-market policies of the Reagan administration, coming on top of the Volcker high-interest rate policy and Jimmy Carter's attacks on the energy sector. Those Texans who thought the Bush government would offer them a new deal, now have reason indeed to be bitter, although Bush himself is on record as opposing the only measure which could have put Texas back on its feet, Lyndon LaRouche's proposal of an oil import tax.

Despite the President's emphasis on ethics in government, it now turns out that his secretary of state, James Baker, is demanding a special exemption so that he can maintain his sizable shares in Chemical Bank's holding company. He has had a personal financial incentive for his policies, which bled the U.S. economy and the Ibero-American nations in debt to the New York banks.

Baker's excuse, that while he was Treasury Secretary, he recused himself from policy decisions having to do with Chemical Bank, is a farce, since every policy of the Treasury under the Reagan administration favored Chemical and its sister commercial banks.

George Bush may believe that he can crisis-manage his way out of any situation, and use the strong arm of the Justice Department to silence any opposition to his policies; but reality has a way of asserting itself, even in the most tightly run police states.

There is no solution to the savings and loan crisis except the LaRouche solution, which calls for massive infrastructure and high-technology investment in the United States, and credits for development to the Third World. Such a program could only be implemented by strengthening the foundations of the regional credit structure, as a support to industrial entrepreneurs and the family farmer.

Whether Bush means to deliver an impoverished United States into the clutches of the world's central bankers, or not, that will be the result of his policies. His budget proposals are a step in that direction.