

LaRouche reshapes debate over the nation's future

by H. Graham Lowry

Lyndon LaRouche's ideas on what to do about the world economic crisis are at the center of a debate raging internationally. His campaign for the Democratic Party Presidential nomination has also spurred leading Congressional Democrats to publicly acknowledge that the United States faces an economic emergency. Given LaRouche's significant showing in the recent Delaware and North Dakota primaries, where he won 9.6% and 34.5% of the vote, respectively, the debate will continue to intensify. The 1996 election campaign has been transformed, but the battle over what course the nation must take is far from over.

House Minority Leader Richard Gephardt (D-Mo.) sounded the alarm at a Feb. 27 press conference, sponsored by the Economic Strategy Institute: "The fact is, there is a revolution taking place in American politics—a revolution that is shaking every podium on the Presidential campaign trail, and shattering our basic assumptions about the needs and wants of the American people."

Gephardt emphasized that "something is dangerously wrong in our economy and society . . . [and] our political system hasn't been doing a damn thing about it. Not the Democrats, which is why we lost control of Congress in 1994—and certainly not the Republicans, [with] their pension raids and deep cuts in Medicare, Social Security. . . ." He called for "a high-level summit," to "bring together the finest minds in business, labor, and government for a kind of massive, Manhattan Project" for the "salvation" of the middle class (see p. 60).

On Feb. 28, the Democratic leadership took another step to recast the party's economic program, with the release of the long-awaited report of the Daschle-Bingaman "high wages task force," at a forum sponsored by the Democratic Policy Committee. The measures proposed by the task force—co-chaired by Senate Minority Leader Tom Daschle

(D-S.D.) and Sen. Jeff Bingaman (D-N.M.)—center around tax and other incentives to help corporations establish pension, health, and training programs for their employees; and to invest more in R&D and new plant and equipment within the United States.

Sen. Edward Kennedy (D-Mass.) declared that the intended thrust of the report is identical to the campaign Franklin D. Roosevelt waged, to "force the Democratic Party to confront its failure" during the Great Depression. The economy is now the "compelling issue for the country," Kennedy added; and "when the economy is wrong, nothing else is right." Of the task force report, he said, "We hope to put this on the national agenda . . . ; this is the current challenge for our party and the nation."

What's missing here?

During a radio interview with "EIR Talks" on Feb. 29, LaRouche commented that the direction of these recent efforts by Kennedy, Daschle, Gephardt, and others is "very useful," reflecting "a general ferment which I've done much to stir up through my candidacy, broadcasts, and activities. . . . There's a heavy fight going on in Washington right now, in which I'm implicitly at the center, even when I'm not there, because my name is often discussed: 'This is too much like LaRouche,' or 'This is something else,' right? and that's the center of it."

LaRouche warned that "the real international debate at every level, including the administration, is the debate over whether we can say, or we are permitted to say, whether it's true or not, that the international monetary and financial system at present is at the verge of a general disintegration. And that's a fact. Now, everybody who is in a key position *knows* that to be a fact. The issue is: Should it be said?

"If we don't address that issue, nothing else is going to

work. You can talk all you want to about the issues of jobs, and economy, and budget-balancing and so forth. *It doesn't mean a hill of beans!* unless you address the fact that the entire monetary and financial system globally, the IMF system, including our Federal Reserve System, is *on the edge of disintegration*. Not just collapse, *disintegration*. . . .

"So, unless you address the fact that the *underlying policy structure* of every nation, every leading nation in particular, especially the United States, is wrong, don't try to fix something, don't try to put a new shingle on a house that is collapsing. It is the collapse of the entire house, not whether one bedroom is right or whether the cellar is flooded. Those are not the issues: The whole house is rotten."

Once that is understood, LaRouche said, "we can get out of this mess quite nicely. . . . But in order to *fix* a problem, like a sickness, you have to recognize you *have* it. What's happening with Kennedy and others, is they recognize this. And what they're trying to do, is to bring the population into, shall we say, the ante-room of the real issue, the real issue which I represent. But they're talking about the ante-room. They all know what I'm talking about. They all more or less probably understand I'm right. But they're not ready to push it in *my* form, yet. But what I'm pushing, which all the informed circles recognize, is *correct*, is what they're really talking about."

'The devil is in the details'

A case in point, as to the futility of trying to paper over a collapsing structure piece-by-piece, is the Daschle-Bingaman report itself. Entitled *Scrambling to Pay the Bills: Building Allies for America's Working Families*, the report is billed as "a set of comprehensive, specific Democratic proposals to address wage and income stagnation—to produce long-term, higherrates of economic growth, shared with working families in the United States." Denying the reality of global economic disintegration, however, the report is crammed with the failed axioms of "expert" opinion—and proposes to treat a sickeconomy with more of what produced the illness in the first place.

Take the case of the supposed tax on speculative financial transactions. According to the executive summary released Feb. 28, revenues from "a small and diminishing" excise tax, on short-term securities transactions, would be used "to pay for a huge education and training tax cut for America's working families." The so-called "A-Fund" would cover \$7.5 billion a year in personal income-tax deductions of up to \$10,000, for "higher education and skill training." The other "primary investment" of the A-Fund would underwrite a \$500 tax credit for dependent children under 18. Both of these tax deductions and credits have been proposed by President Clinton.

The "bulk of the remaining dollars" in the A-Fund would be used to support three programs which could go a long way toward finishing off the productive capabilities of the U.S. population: first, workforce training programs which meet the "skills standards" to be set by the post-industrial-society lunatics who designed the Goals 2000 legislation; second, the

"School to Work" program, designed to herd the majority of high school students into apprenticeship systems "which shall include both work-based and school-based learning"; and third, "school reform" programs, to replace traditional teaching methods with the New Age brainwashing techniques advocated under the "Goals 2000: Educate America Act."

Finally, the summary of the task force report declares that "a smaller, residual amount" of the A-Fund will be allocated for "export promotion," "technology research and development," and "industrial extension" programs to help "small and medium-sized enterprises" upgrade their "technical and management processes."

Even putting aside the fact, that many of the programs slated for support by the A-Fund are worse than useless, the projected spending levels are utterly inadequate for any effort to revive the economy. Senator Bingaman estimates that total revenues for the A-Fund would range from \$27 billion to \$62 billion per year, depending on the volume of short-term securities trading.

The proposed tax rates on securities transactions also protect the worst forms of speculation, and the bubble which has doomed the current financial system. *Stock* transactions would be taxed at just under 0.5% of value, if sold within less than six months from the time of purchase—and the rate would decline steadily to zero over the next 18 months. The tax rate on sales of "options, futures, and swaps of currency, interest rates, and other assets," however, would start at *one-fiftieth* of 1%, and zero-out on the same schedule. The devotees of derivatives and "other assets" could maintain their speculative orgy, without even paying a cover charge.

The door is open

Even though the Democratic Congressional leadership has yet to check such useless baggage, it knows that the party can not go anywhere without addressing the economic crisis. The Republican Party's Conservative Revolutionists have been beaten back, by assaults initiated by LaRouche against their British-directed campaign for free trade and slave-labor. Their would-be high priestess, Arianna Huffington, told a somber audience at an American Enterprise Institute forum on Feb. 26, "We must say that the Conservative Revolution is suspended, for the time being." LaRouche, meanwhile, presented his program to rebuild the U.S. economy, formerly "the greatest industrial machine on this planet," during a prime-time, half-hour address to the nation on NBC-TV on March 2.

Speaking at a campaign event in Delaware on Feb. 15, LaRouche said, "Great things don't come from the people. They come from the participation of the people. But the most important thing the people produce, is *leaders*, people whom they designate at a point, by some kind of process of adoption, and say, 'Okay, look, Joe. We're in a crisis. Will you please take charge of the situation and tell us what to do?' And if Joe doesn't know *what* to do, you're all in trouble. If Joe does, you get something."