

associated with Stimson, and the U.S. Labor Party must view this matter from the vantage-point of nonpartisan national interests. The situation is analogous to the situation in which mature directors of a corporation put 40-year-olds into top positions in a large corporation. Such is done because those appointees have the qualities to succeed, provided they have the guidance of maturity and breadth of concentration span. I am not suggesting Jack Kemp or someone like him for President in 1981. I am thinking immediately of the composition of the U.S. Congress under my own 1981-1985 Administration, and the quality of state and local government. These Young Turks are part of the combination needed in leading offices during the 1979-1985 period.

Wanniski and the LaRouche Presidency

For reasons which tend to escape all but the most sophisticated circles in the United States and abroad, I shall probably be President of the United States from January 1981 through January 1985 . . . unless I am assassinated by forces allied to the British monarchy during the coming period. Barring global catastrophes and my premature death by assassination, the majority of the industry-centered elites in the USA will be committed to my presidency by the summer of 1979. Under conditions so determined, I shall win up to 70 percent of the electorate during the period from autumn 1979 through November 1980, a constituency built around organized labor, minorities, scientists and engineers, and progressive farmers.

Probably, I shall be selected, however reluctantly by some, as the only visible figure qualified to accomplish a definite task during the 1981-1985 period: to set into motion "Grand Design" policies which ensure the prosperity and security of the United States for at least a century to come. If this is not the case, I shall be at least a decisive factor in determining who is selected to perform that role in the White House. However, barring global catastrophes and my British-coordinated assassination, I shall probably be President from 1981 into 1985.

Then, beginning January 1985, I shall be succeeded in the White House by some leading Young Turk from variously the U.S. Labor Party, the Republican Party or the Democratic Party. During the coming period, into July-August 1983, the combination which determines my election as a possibility (which I, as candidate, must then transform into actuality) will demand a one-term perspective of me, and will also demand arrangements under which the Republican and Democratic parties are internally strengthened, especially in quality of potential presidential candidates, for the 1984 general elections.

The leading force shaping the possibility of my election by the Summer of 1979 will coalesce around mature figures of the first decade and a half of the post-war period. They will not be U.S. Labor Party supporters as such — at least, not in the main — but rather persons who have the depth of understanding which prompts them to see that I am uniquely qualified to do a job, that no rival approximates my developed capabilities for that

Wanniski: Technology, Adam Smith...

On May 16 New Solidarity newspaper published a review of Jude Wanniski's book The Way the World Works by this magazine's Economics editor David Goldman. (Goldman's review was reprinted in our June 20-26 issue, Vol. V, No. 24.) On June 6 Wanniski, then Associate Editor at the Wall Street Journal, replied in a letter that New Solidarity published in its June 16 issue. We reprint it in full here.

Dear Sir:

I eagerly looked forward to David Goldman's review of my new book, "The Way the World Works," and was not disappointed when it appeared in *New Solidarity* on May 16. Mr. Goldman is not only one of the best informed economists in the country but also a relentless philosopher who somehow manages to breathe life into Marx and Plato where others fail.

He instantly puts his finger on the few differences that remain between

Street Journal, but each time he gives me credit for saying more than I do. Yes, *New Solidarity* is neoplatonist and Wanniski an aristotelian, by which I mean *New Solidarity* is politically elitist while I am a democrat. But Mr. Goldman's finger pushes me beyond democracy into anarchy with his statement

that "according to Wanniski, there is no such thing as political leadership." He would be accurate if he said "according to Wanniski, the philosopher king is not as wise as his people."

in the book, in political leadership insofar as individuals attempt to lead not by their wisdom but via an ability to discern the wisdom of the electorate. I suppose he fairly characterizes me as an advocate of "Kennedy-style" consensus. But I believe one must either be a consensus leader or a coalition leader. Once you go the coalition route as a matter of philosophy, you must be prepared to accept genocide in that limiting case by which the majority coalition can only proceed by extinguishing the dissidents. Yes, I'm for consensus.

Mr. Goldman and I are more in agreement on economics than on politics. This is because I give equally high marks to Adam Smith and Karl Marx, two sides to the same coin in that the one presents an ideal of income growth and the other an ideal of income redistribution. Mr. Goldman, a passionate Marxist, alas has no room in his heart for Smith; a "fraud, a scurrilous slander" is how he describes "Wealth of Nations."

Again this puts a finger on *New Solidarity's* difference with me. Denying Smith his due leaves Mr.

function. As part of the price for that, they will assent to a three-party system in the United States for the period from 1980 onwards. However, they will demand a strengthening of the quality of the Republican and Democratic parties in return for that arrangement.

In particular, they will demand that forces typified in part by the group associated with Jude Wanniski be part of the policy-combination, and also beneficiaries — as potential leading candidates — for the period beyond 1983.

This will succeed in the following way. Once the constituencies I have identified perceive, say as of January 1980, that I am a credible alternative, those constituencies will treat my candidacy as a serious proposition, such that by the end of spring 1980, 40 to 50 percent of the electorate should already be leaning toward my election, and by August 1980 a clear majority will be committed. The election will be facilitated by arrangements modeled on the placing of Dwight Eisenhower into the presidency in 1953.

This process will soon be prepared by waves of "cultural shocks" which establish the importance of my candidacy — a probability which depends on the world's avoiding global catastrophes during the summer of 1978. Barring catastrophes, or London-coordinated assassination, by the autumn of this year I shall become a key figure within a "counterpole" of U.S. policy-making, a new kind of "loyal opposition" to the current Administration — an anti-Kennedy variety of "loyal opposition."

As that probable development emerges, the importance of various groupings, including probably the grouping associated with Jude Wanniski, will come into focus.

It is urgent, this year, that that process contribute to shaping both the Congress and the evolution of the composition of the Carter Administration's Executive Branch for the remainder of the present term.

It is from that standpoint that Jude Wanniski's current book ought to be examined. Any other standpoint would tend to lead into hollow, useless abstractions. The point is not, however, to concentrate on the indicated Republican Young Turks. The point is to use this critical examination of Wanniski's text as a model for assessing many other groups coming up within both the Republican and Democratic parties. The point is to determine what is required now, to build the sources of future national leadership within those parties, to shape the process of weeding the "Kennedy machine" and similarly undesirable elements from their undeserved positions in political machines and in government.

The "Laffer Curve"

Wanniski's text largely speaks for itself. In the cat-bird seat afforded by the editorial page of the *Wall Street Journal*, including access to key political strata, Wanniski developed the correct view that the shapers of recent and current U.S. economic and monetary policy were hopelessly deficient in both foresight and hindsight. Wanniski set out to discover and to learn. Discovery and

...And Consensus Versus Coalition

Goldman in the hopeless position of arguing there is no connection between individual effort and individual reward in the political economy. Well aware that such a position cuts against all human experience, and thus seems foolish when stated plainly, Mr. Goldman uses his finger to push me to a foolish point, saying "Wanniski has an utterly contemptuous view of the American people, that is, assuming that their one great motivating force is after-tax income."

Such a belief could not be held by anyone who gives Karl Marx his due, as I believe I have done. I do believe, and say so repeatedly in the book, that individuals work for themselves, and that other things being equal, they will respond with greater effort the greater the reward. But I also insist they work for the collective good, the commonweal, which also means they work for pretax income. My greatest disappointment with Mr. Goldman's review is that he does not come to grips with the central instrument of my economic analysis, the Laffer Curve. Surely Karl Marx would love the Laffer Curve, which simply posits that there must always be two tax rates that produce the same revenue: Either a high rate on a low-production base, or a low rate on a high-production rate.

The trouble with Mr. Goldman here, I think, is that

while he is as passionately committed to making America great as am I, his prescription happens to be different, so he must close his eyes to the theory that produces my prescription. I fully accept his idea that the basis of economic society has much to do with the dissemination of science and technology, the absorption of technology by an educated workforce, elevation of labor's productivity through application of technology to capital investment, etc. But I believe I, like Marx, would oppose forcing technology upon the citizenry through the illusion of debt finance. *New Solidarity* steadfastly inveighs against British-style imperialism, to my steadfast applause. But *New Solidarity's* prescriptions of new technology for the Third World is based on the same economic theory that led the British to force a new technology (railroads) down the throats of the Indian ryot a century ago, a practice that annoyed Marx no end. Come, come David Goldman and *New Solidarity*. Admit we would all be happier lower on the Laffer Curve and most of the important remaining differences between us will disappear.

Sincerely,
Jude Wanniski