

Platform planks on the depression

We present the economic planks of platform proposals, contrasting the approach taken by the Carter-Kennedy compromise platform, and that of LaRouche.

The central issue of the 1980 general election is without doubt the economic crisis, which has brought us hyperinflation, with unemployment and production collapse reminiscent of the 1930s. Both platforms devote their major attention to economic policy; but the similarities end there.

The Carter platform

With great reluctance the Carter platform acknowledges that the United States is now in a recession. It then proceeds to defend and propose the extension of the very same fiscal and credit policies which have precipitated the current drastic economic collapse.

“We must continue to pursue a tough anti-inflationary policy which will lead to an across-the-board reduction in interest rates on loans,” the platform states. The key word is “continue.” Carter is proposing to maintain the Volcker policies.

As a defense, the platform claims that interest rates are now coming down faster than any time in history. What it fails to mention is that such reductions have done nothing to resuscitate consumer industries such as auto or homebuilding, or to build up consumer credit.

This defensiveness is combined with a series of evasions which function as lies. By choosing statistics between 1977 and sometime in 1979, the platform magicians manage to calculate figures that show that real after-tax income per person in the country is up 10.3 percent; that industrial production is up 14.8 percent; and that non-farm exports have leapt by 50 percent.

The Carter administration congratulates itself that 8.5 million new jobs have been created. True enough, but in fact the unemployment rate is officially over 8 percent, and is actually rising to between 10-15 percent if one includes individuals now statistically removed from the calculations because they've stopped looking for full-time work. The nominal gain cited by Carter for after-tax income ignores the reduced buying power of constant dollar, after-tax income. And since Oct. 15, 1979, even the official statistics show a drop in that real income at a 10 percent annual rate.

The Carter platform totally ignores the effect of his international monetary policy on the U.S. economic situation. The dollar's precipitous decline over the past three years has been a deliberate aim of the Carter administration, which insistently tries to put the U.S. under International Monetary Fund controls, and destroy the European Monetary System France and West Germany set up in order to save the dollar and world trade.

The LaRouche platform

The LaRouche economic platform begins from the standpoint that the Volcker “anti-inflationary” measures were predictably and deliberately aimed at collapsing whole sections of U.S. industry and American living standards. LaRouche's central point is this: *Carter's depression was, and is unnecessary.* Right now, the physical plant and skilled workers are available to restart production, while the necessary investments are being made that would bring our productive capacity up to the level where we can export \$100 billion worth of high-technology exports, like nuclear plants, per year, and meet the need for industrial and military investment while increasing consumption and education.

That means negotiating with the European Monetary System, to establish a new international discount facility that would have gold backing, and absorb the trillion-plus Eurodollars into gold-backed bonds. These bonds would be absorbed at 2 to 3 percent interest by institutions such as the U.S. Eximbank, which would then issue credit at 4 to 6 percent interest for long-term development contracts. Combined with the reorganization of debt in the developing sector, and the shutting out of the International Monetary Fund and World Bank, these measures would provide the basis for a U.S. export boom, in concert with a similar boom in the other major industrialized countries.

Instead of merely citing Roosevelt's past achievements, LaRouche proposes a mobilization of labor and resources for the moral purpose of industrializing the world—along the same lines that Roosevelt mobilized our resources to fight the fascist evil during World War II, and in pursuit of wiping out the vast regions of British colonial poverty as Roosevelt had aimed to do.

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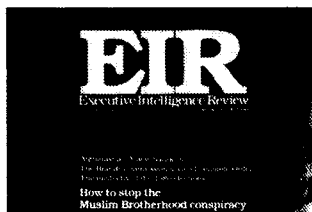
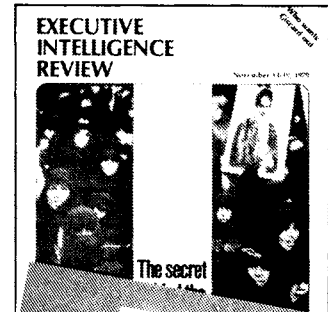
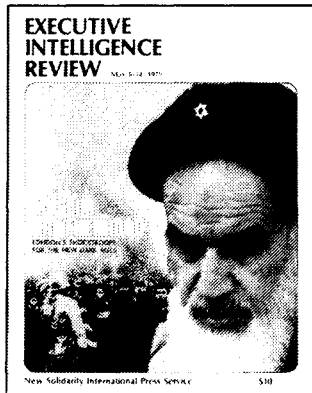


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