

“Voters are poorer today, jobs are running out of the country, there is tremendous economic insecurity. This issue has made Buchanan a leading contender. . . . This will happen on the Democratic side as well. The leading issue of this election is whether or not we will act in time to make changes in the financial system.”

LaRouche’s statements on the economy were covered on KRLD, the flagship radio station of the Texas State Network, which put out the story to its 80-plus affiliates. His comments on the economy were featured in the *Houston Chronicle* and on two Houston television stations.

The tour was launched in New Boston, Texas, at a “chili cook” candidates’ night, attended by more than 800 people. New Boston is in the northeast corner of Texas in the 1st Congressional District, which was represented for decades by Federal Reserve foe Wright Patman. In his address there, LaRouche told the audience of mostly Democrats that the party must be rebuilt, to reverse the foolishness of the last 30 years, which has turned the nation from a thriving, agro-industrial power into a post-industrial wasteland. This can be done, he said, by using the powers of the U.S. Constitution to put the Federal Reserve into receivership, and establish a new system of credit through a new national banking system.

LaRouche addressed the North Tarrant County Democratic Club’s candidates night at a United Auto Workers hall near Fort Worth. In this short address, he emphasized that local clubs needed to “boot the DNC in the rear” to get them moving on voter registration, etc., to ensure a landslide in November 1996. Many of those attending showed impatience with candidates who had adopted the DNC line that it is necessary to appeal to Generation X and suburbanites.

He also addressed meetings of supporters in Arlington (between Dallas and Fort Worth) and in Houston. In both meetings, he developed the theme of how our foreign policy must be an extension of national economic security. “Just as we must protect our own industries, our jobs, and our farmers, as a policy of national security, are not other nations entitled to do the same with theirs?” he asked. “As we should improve infrastructure, our health care, and education, should we not help other nations do the same?”

He said that he could, as President, negotiate a series of trade and economic agreements with most other nations that would benefit both them and ourselves. If we respect the right of others to economic security, we can get the world out of its present miserable state.

But it is also necessary, he said, that people know who the enemy is, who it is that is responsible for U.S. support for the policies imposed by the International Monetary Fund, which are responsible for genocide in Africa, and which are generating hatred for the United States around the world.

National economic security means defeating the British Empire and all that it stands for, he concluded, and that includes the moles for the British, such as George Bush, “the cat riding on the end of Thatcher’s broom,” and Robert Strauss.

Gephardt pledges new era of ‘income politics’

House Minority Leader Richard A. Gephardt (D-Mo.) gave the speech excerpted here on Feb. 27 at the Economic Strategy Institute in Washington, D.C. It was titled “Better Late Than Never: Income Politics on the GOP Campaign Trail.” Subheads have been added.

I thank you for having me here today, to talk about a cause I have pressed for more than a decade, and a crisis which has finally crept from America’s pocketbooks into its politics. I’m talking about America’s standard of living, and why it has become such a struggle for average families to simply pay the bills, send their children to school, and stake their claim in the American dream.

As a member of Congress, and even as a Presidential candidate eight years ago, it has been enormously difficult for me to focus attention on these issues. Maybe the press and the politicians didn’t want to know about the problem. Or maybe they just didn’t know what to do about it. But in the past few weeks, Republican primary voters put this issue at the front and center of our political discourse—and this time, we ignore them at our own peril.

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 most basic assumptions about the needs and wants of the American people. I’m not talking about the so-called Republican revolution—with its poll-driven Contract, clauses, its bumper-sticker bromides, and its Medicare-cutting manifestos.

I’m talking about an honest-to-God outcry from the grass roots, a call so powerful it’s finally reaching the board rooms of Wall Street and the cloak rooms of Washington.

The American people are beginning to send a powerful message, to say that, as much as they believe in a balanced budget, as much as they believe in a leaner, more efficient government, those kinds of budget bills are never going to help with all the bills they have to pay. And mobilizing every ounce of our political will to zero out a balance sheet in Washington is a hollow exercise, if we do nothing about the declining standard of living of the endangered middle class.

You see, we now have enough spending cuts on the table to balance the budget in about five minutes, if the Republicans are willing to do it. Sometime this year or next, that problem will be solved. And I think the right kind of

balanced budget will be good for the country, and good for the economy. But after years of deficit-driven politics—after a Republican Congress that viewed a balanced budget as the be-all, end-all of economic policy—we have to realize that a balanced budget is only a fraction of the solution we need. We need an economic strategy, not another government audit. We need to move on to the *real* challenges we face:

- Lifting the real wages and incomes of working Americans—wages that have been falling for more than 16 years;
- Making our economy grow faster, and reversing the almost 50% decline in economic growth that America has experienced since 1973;
- Bridging the growing gap between the rich and the poor in America—a gap which, astonishingly, *embarrassingly*, is now the greatest of any industrialized nation in the world;
- And stopping the insanity of massive corporate layoffs—an estimated 1,200 Americans losing their jobs *every single day*, not because they're unprofitable, or unproductive, but because some Wall Street analyst wants to squeeze up short-term stock prices, even when that means ignoring the long-term needs of the corporation itself.

An economic 'earthquake'

Something is dangerously wrong in our economy and society. Playing by the rules is no longer enough to pay the bills. Doing a good job is no longer enough to guarantee a good life. Increasing your productivity is no longer enough to increase your paycheck.

We are living through an economic earthquake as titanic and transforming as the Industrial Revolution. For too many Americans, just staying in place means a never-ending scramble of longer hours, second jobs, part-time jobs, and credit card debt.

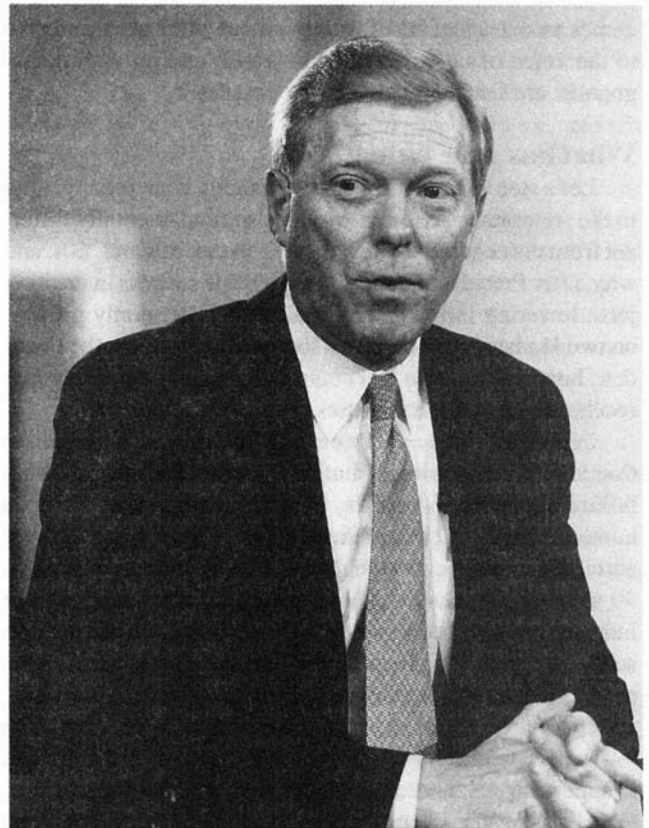
But our political system hasn't been doing a damn thing about it. Not the Democrats, which is why we lost control of Congress in 1994—and certainly not the Republicans, whose pension raids and deep cuts in Medicare, Social Security, and student loans would turn today's middle class squeeze into a vise grip.

No wonder people are so cynical about politics. And no wonder the Republicans of Iowa and New Hampshire—after the umpteenth mind-numbing discourse about the evils of Washington—rejected every candidate whose main concern was the government's troubles, not their troubles.

Phil Gramm, who ran as the poster-boy for the Contract with America, spent \$20 million and didn't even make it to the first primary.

It's time to accept the obvious: *The era of deficit politics is over.* But the era of income politics is about to begin.

Just ask Bob Dole. He said, "I didn't realize that jobs and trade and what makes America work would become a big issue in . . . this campaign."



Rep. Richard Gephardt: "We are living through an economic earthquake as titanic and transforming as the Industrial Revolution."

That kind of indifference is no longer acceptable, and the voters are making that clear.

But I come before you today with an urgent warning. For in this time of economic anxiety and uncertainty, indifference only begets division, dissolution, disintegration. If we cannot even speak to the problems within our borders, we invite the small-mindedness of those who would close them to the world. If we cannot find a way to share and spread prosperity, we invite the hatred of those who would punish, pillory, and pigeon-hole—seeking scapegoats instead of solutions.

If we cannot find a way to bring reason and responsibility to the job-slashing wizards of Wall Street—to reverse a culture that values profits over people, and short-term gain over long-term existence—we invite the recklessness of those who would wage holy war on business itself.

America does not deserve the policies of Pat Buchanan. Even the Republican Party does not deserve them. But Candidate Buchanan is really forged of our own failures. For he has at least recognized the crisis of falling wages and incomes. He has at least acknowledged what hard-working families go through to raise their children and put food on the table. And if both parties sustain a vacuum when it

comes to our standard of living—if we offer no alternative to the voice of unreason—then we will end up with demagogues, not leaders, and we will deserve it. . . .

What has gone wrong?

Let's step back and understand exactly what is happening to the American economy: why it is so fundamentally different from the economy I grew up with in the '50s and '60s, and why, after President Clinton's remarkable success in creating jobs, lowering inflation, and making this economy grow—something he should receive a lot more credit for—the President himself points to an economic hunger and anxiety that reaches beyond those statistics.

In my view, there are three basic reasons: first, globalization and the expansion of unfair trade; second, the growing failure of American business to realize that profits and stock quotations are not ends in themselves; and third, the slowest sustained economic growth America has seen in a century. . . .

Our politics may be numb to . . . mass firings, but our families are not. For those who are shed from the rolls, job security disappears. Health care and pensions vanish overnight. Most likely, that job is replaced by a job that pays less, which forces workers to take a second job, maybe a part-time job. A spouse may have to work, which means there is no one to supervise the children, to help them with their homework, to make sure they watch the right kinds of television. The idea of family time—quality time—becomes an unattainable luxury, not a daily reality. . . .

Let's be frank: Those who think that family values can be separated from family incomes—those who think a sermon from a soapbox is a substitute for a decent salary, those who think a v-chip helps you raise a child when you're hardly ever home—don't know the first thing about middle-class family life in America. . . .

It is time for our entire political system to recognize that this is a new America. To make sure we have both growth and fairness—to make sure that a rising tide lifts all boats—it is time for a new American strategy for prosperity.

This debate has now been joined by Democrats and Republicans alike—from the thoughtful pronouncements of President Clinton, Senator Kennedy, Secretary Reich, and Congressman Bonior, to what I regard as the callous Darwinism of Dick Armey and Phil Gramm. But the point is that unless we start this debate, we'll never get the results that are the only real measure of success.

A Manhattan Project approach

In the coming weeks and months, I want to speak in detail about the course I believe we must follow. Today, I speak of first principles, and of four central areas where we must focus: making this economy grow faster; making international trade fairer; making corporate America responsible for people as well as profits; and letting Americans earn more personal security in these fast-changing times.

First, until we can make our economy grow faster than 2-2.5% a year, we will always be fighting over smaller slices of a shrinking pie.

We need a high-level summit, to find ways to restore that missing growth and opportunity—to make the 21st century another American century. I believe we must bring together the finest minds in business, labor, and government for a kind of massive Manhattan Project for middle-class salvation—with at least the same energy and intensity we brought to this year's balanced budget negotiations.

Without delay, we must change Federal Reserve policies that actively limit economic growth, even when there is no legitimate fear of inflation. It is time for the Fed to renounce that out-dated approach, and pursue higher growth and employment, as well as stable prices. . . .

We should hold up the corporations that are empowering and investing in their employees, and creating jobs in this country, and putting long-term strength over short-term stock prices—as Australia does through its successful Best Practices award program.

We should encourage businesses to pay their workers for gains in performance, so that we never again have a year like last year, when corporate profits surged, but household income barely rose at all.

We should try to replace the quarterly reports that force corporations to measure every decision for its short-term gain. We must find ways to allow them to take a larger and longer view, while still providing stockholders with the information they need about their investments.

We should invest the government's considerable resources—for example, pension funds and trust funds—in companies that put people on a par with profits. We should condition government contracts on that kind of performance as well. Even *Money* magazine has now concluded that companies that invest in their employees are better long-term investments than the average downsized company.

We should stop giving huge tax subsidies to companies that send jobs and factories overseas, and start recognizing that, just as we treat churches and other non-profit organizations differently through our tax code because of the good things they do, we can use the tax code to reward corporations doing the right thing.

That means eliminating what may be the greatest perversity of our tax code—that we actually give tax breaks to corporations when their CEOs and executives personally profit from layoffs. I can't think of a worse signal to send to the hard-working Americans whose jobs are being lost.

Fourth and finally, we need to re-arm every American for an uncertain struggle—to make benefits, education, training, and job opportunities easier to find and to keep. President Clinton is already doing a lot in this area. If we can't eliminate the uncertainties of the new world economy, we can certainly arm Americans to confront those uncertainties. . . .