

‘New Democrats’ in new treachery vs. the President

by Jeffrey Steinberg

The London-steered insurrection against the Clinton Presidency has been publicly embraced by a treasonous collection of “New Democrats,” at the very moment that President Clinton faces the greatest global economic policy crisis to confront any American head of state since FDR. The lineup of prominent Democrats who have publicly stabbed the President in the back includes the ranking House Democrat, Richard Gephardt (Mo.); Colorado Gov. Roy Romer, the chairman of the Democratic National Committee; and former Sen. Sam Nunn (Ga.), all of whom have come out in recent weeks with self-serving attacks on Clinton around the Monica Lewinsky affair.

On Sept. 3, Sen. Joseph Lieberman (Conn.) brought the “New Democrats” betrayal of the President to a new low, in a vicious personal attack against President Clinton on the floor of the U.S. Senate. Lieberman, according to that day’s *New York Times*, had planned to introduce a formal censure motion against the President, but was convinced not to take that step by Senate Minority Leader Tom Daschle (S.D.) and White House Chief of Staff Erskine Bowles. Nevertheless, what Lieberman did—to the great joy of the President’s most virulent enemies in the Republican Party, the Christian Right, the Israeli Likud, and London—will go down as one of the most brazen public political betrayals in recent memory.

What made the Lieberman action all the more disgusting was the fact that it occurred while the President was on an important overseas diplomatic mission to Russia and Northern Ireland. It is an unspoken rule in Washington that even members of the opposing party never attack the President while he is abroad, representing the interests of the United States as a whole with foreign governments.

Beneath the hypocritical mask of “moral indignation” regarding the President’s actions, lies far more sinister motives,

underlying the “New Democrat” rebellion against the President. Despite the fact that President Clinton, while Governor of Arkansas, was the chairman of the Democratic Leadership Council, the most prominent of the “New Democrat” fraternities, from the moment he was sworn in as President of the United States, Bill Clinton has often instinctively pursued policies in stark contrast to the “Third Wave” post-industrial, anti-labor policies of the New Democrats. His greatest single capitulation to the New Democrats’ austerity and budget-balancing dogmas, his spring 1996 signing of the Welfare to Workfare bill, occurred because he was under immense pressure from some of his ostensibly closest political allies, led by Vice President Al Gore and the soon-banished pollster Dick Morris.

Other key Clinton advisers, including Treasury Secretary Robert Rubin, who had joined then-Labor Secretary Robert Reich in opposing the phony 1996 welfare reform, have recently urged the President not to succumb to pressure from the international financial oligarchy to bail out the bankrupt global banking system. In August, as the Japanese financial meltdown accelerated, Secretary Rubin prevailed on the President—over the protests of other White House advisers—*not* to intervene to prop up the Japanese yen, on the grounds that it would be “throwing good money after bad.” The President adopted the same policy, just days later, when the issue of a new mega-bailout for Russia was put on his plate. Instead, Secretary Rubin insisted, with the President’s backing, that the International Monetary Fund (IMF) would have to make accommodations to Russia, and not vice versa.

These actions, by President Clinton and his chief economic advisers, while falling far short of the bold initiatives required to overhaul an international financial system gone down the tubes, were enough to set a dominant faction of

the financial oligarchy beside themselves. A Clinton-Rubin combination, these modern-day pirates fear, under the kinds of financial and monetary crises now rapidly unfolding, could embrace Lyndon LaRouche's call for the creation of a New Bretton Woods monetary system—a development that would put the banker oligarchy out of business. The bankers howled in protest at the President's failure to cave in to their bailout demands, and the New Democrats, like a pack of hyenas, quickly followed suit.

Gore's true colors

EIR has learned that one of the New Democrats who stabbed the President in the back, albeit not over the Lewinsky affair, was none other than the Vice President. During the weekend of Aug. 22-23, while vacationing in Hawaii, Al Gore, without first consulting with the President, intervened to sabotage the administration's handling of the fast-moving Russia crisis. According to the acknowledged chronology of events, Vice President Gore initiated phone discussions with Russian Prime Minister Sergei Kiriyenko, with former Prime Minister Viktor Chernomyrdin, and with Russian President Boris Yeltsin, in that sequence. He then had a second phone discussion with Chernomyrdin. Only then, did the Vice President call President Clinton to inform him of his actions.

According to the accounts provided to *EIR*, the Gore conversations with the Russian officials centered on his seeking assurances that the Russian government would continue to abide by the suicidal IMF conditionalities—despite the fact that the country's economy had collapsed, the ruble had gone into a free-fall, the country's banks were sitting on \$100 billion in unpayable derivatives obligations to Western banks, and the Russian government had just declared a 90-day moratorium on all debt payments, to avoid sovereign default!

Worse, sources familiar with the sequence of Gore's telephone calls suspect that his intervention may have been solicited, in a still-unacknowledged first phone conversation, by his "good friend" Chernomyrdin, who was rumored to be the target of an arrest warrant on corruption charges, as part of a planned Kiriyenko government crackdown on the Russian "tycoon oligarchs."

Some details of this account are yet to be corroborated. But, what is clear, is that the Vice President intervened in a ham-handed fashion, at the moment that the President and senior Treasury officials were considering a further policy break with "globalize and deregulate" mantras of the post-Bretton Woods system. Before the sun set over Moscow on Sunday, Aug. 23, President Yeltsin had fired Prime Minister Kiriyenko and nominated Chernomyrdin as his replacement. Tycoon-in-charge Boris Berezovsky personally ushered Chernomyrdin back into his old Prime Minister's Office.

Two Republican parties

In January 1995, shortly after the Gingrich Republicans took control of the Congress, Sen. Edward Kennedy (D-

Mass.) held a press conference at the National Press Club, in which he attacked the New Democrats for abandoning the principles of the FDR-JFK Democratic Party. "This country does not need two Republican parties," he admonished. Most of the so-called New Democrats, who have now joined the ranks of the Gingrichites in targeting President Clinton, attacked Kennedy for those prophetic warnings, including Vice President Gore.

Today, with their "Third Wave" policies universally discredited by the global financial catastrophe, and with many of their constituents demanding that the LaRouche New Bretton Woods policies be adopted, those New Democrats are staging an imitation of Newt Gingrich's infamous 1995 temper tantrum. It's time to send them off to daycare, and revive the real Democratic Party, to give spine to the President, so he can take the bold policy actions urgently demanded of him.

Appeals court backs LaRouche v. Fowler

The U.S. Court of Appeals for the District of Columbia issued a ruling on Aug. 28, that a three-judge court should determine if Donald Fowler, the Democratic National Committee, and the state Democratic parties of Louisiana, Virginia, Arizona, and Texas violated the 1965 Voting Rights Act. Lyndon LaRouche and several voters from these states, sued Fowler, then chairman of the DNC, and the others in 1996, after Fowler issued a defamatory letter to state party chairs, declaring that Presidential pre-candidate LaRouche was not a *bona fide* Democrat, and instructing state Democratic parties not to count primary votes cast for him. As a result, Democratic Party officials in these states disregarded the primary election results that resulted in victory for LaRouche delegates to the party's national convention.

LaRouche charged that these actions violated the Voting Rights Act and the U.S. Constitution. The 48-page opinion holds that LaRouche's Voting Rights Act claims are substantial enough to be heard by a special three-judge court. They dismissed the constitutional claims in the suit, and the Democratic Party of the District of Columbia as a party to the action.

The legal implications of this ruling are under review by the Constitutional Defense Fund, and the lawyers representing LaRouche and the voters. All eagerly look forward to vigorously prosecuting Fowler and his co-defendants.