

Electioneering for Fall 2002 Begins in Denial

by Marcia Merry Baker

As of mid-January, with the national committee meetings of the Republican and Democratic Parties, and the reopening of Congress, the election year “debate” began, with talk of the economy, terrorism, and war—but screaming denial of the epic crisis unfolding.

One incident typified the complete failure of Congressional, as well as White House leadership, to face the collapse of the economy around their ears. On Jan. 22, House Democratic leader Dick Gephardt (D-Mo.) suddenly scheduled a Jan. 24, 1:00 p.m. webcast from the headquarters of the Democratic Leadership Council—precisely the time, and the mode, of Lyndon LaRouche’s Washington webcast, announced publicly weeks before. And with what policy did Gephardt “challenge” LaRouche’s economic prognosis? With globalization, and the broken-down and discredited “New Economy.” “Take advantage of the sweeping impact of globalization,” said Gephardt. “We can’t afford to throw the rule book out now. . . . The new economy is not just a global economy, it is an engine of growth for all Americans.”

Only last October-November, the combined impact of 2001’s economic plunge (see *Economics*, p. 4) and the Sept. 11 attacks, had Democrats and even some Republicans *talking* about railroad infrastructure, a public-health preparedness mobilization, a return to state direction and regulation. But no sooner did the Federal budget revenue collapse, than that “useful talk” vanished.

Over the weekend of Jan. 18-20, a Punch-and-Judy exchange took place between Republican strategist Karl Rove and Democrat Gephardt, over the issue of who has the greater right to claim “patriotism.” Rove said Republicans will win votes in this year’s mid-term elections, by campaigning on the success of Bush’s war on terrorism. Gephardt rejoined,

by accusing Rove of calling Democrats unpatriotic. And so the “debate” goes. On Jan. 23, the day Congress reconvened, bipartisan spats took place over who is responsible for the economic “downturn,” and budget deficits at hand.

What stands out dramatically is denial (at least publicly) of the realities of *systemic* economic breakdown and strategic threats. LaRouche forewarned of the collapse process, and many “good” offices in Washington, D.C. are well aware of this. But they stick with delusion and fraudulent debate. This continues where things left off, when Congress recessed in December. At that time, legislators were castigated for leaving town without having passed bills on many matters: the economy (“stimulus”), agriculture, energy, etc.

But even had there been bipartisan agreement in Washington, D.C. last Fall, what was proposed was unworthy of action. Now, in 2002, going from bad to worse will mean catastrophe. So far, that is the name of the game, as on Jan. 23, the House and Senate began with a meeting with President Bush on prospects for economic legislation.

Strategy Sessions Outside Reality

The Republican National Committee met in Austin, on Jan. 18-19. Backhand recognition of the economic crisis was shown in the change of party chairmen. Half-way through his two-year term, James S. Gilmore III, former governor of Virginia, was replaced by former Montana governor Marc F. Racicot. Gilmore’s claim to fame was his Jimmie-one-note cut-taxes approach to economics, pledging to eliminate the motor-vehicle tax, and coast forever on the momentum of state-budget surplus. When the financial bubbles began to burst—capital gains, dot-coms, and the others—Virginia’s budget surplus headed south, right behind those in 44 other

states. Gilmore's Republican Party chairmanship exit was announced before Christmas. The White House has been making other announcements, including that President Bush will give a national address on economics, soon after his Jan. 29 State of the Union speech.

But the headliner of the Austin gathering was White House strategist Karl Rove's statement that the Republican election strategy to win back control of the Senate, and retain House control this Fall, will be to claim "war leadership" against terrorism. Rove said, "We can go to the country on this issue because they trust the Republican Party to do a better job of protecting and strengthening America's military might, and thereby protecting America."

The rejoinder came from Gephardt the next day, speaking at the Democratic National Committee meeting, who called Rove's statement, "shameful." He said, "I hope the President will set the record straight. This [war] is not a partisan issue." The Democrats otherwise confirmed their perspective for early-in-the-year Presidential primaries, purged from leadership black DNC members who had opposed Terry McAuliffe's candidacy for DNC chairman, and then went home.

Gephardt continued to lead the Democrats down the losing path blazed by Al Gore, at a Democratic Leadership Council meeting in Washington on Jan. 24. Gephardt, once known as someone who attempted to appeal to labor, gave an unabashed paean to globalization, saying that the United States had beaten out the rest of the world in this area, and should continue to do so.

Gephardt *attacked* the idea that Sept. 11 should usher in a shift toward more government intervention in the economy, and put forward a four-point program of goals, including an "Apollo project for environmentally smart renewable energy," education proposals, a universal pension system, and "deploying new technologies, to protect our people and grow our economy."

At the same time, President Bush was announcing plans for a \$20 billion package of increased military, and domestic preparedness spending, thus playing the war-fighting "issue," on top of his demand for a \$48 billion increase in the defense budget. The announcement came at a White House reception for members of the National Conference of Mayors, who are seeing their local economies disappear, along with their tax base. Meantime, local costs are skyrocketing for security, and for attempts to patch up the social collapse of unemployment, health care, outright homelessness, and hunger.

It's the Economy, Mr. Congressman

This is the partisan backdrop to the resumption in Congress of unreal deliberations. LaRouche forewarned during the 2000 election campaign, of the imminent blowout of the financial bubble economy, and need for emergency debt-management, and economic build-up measures.

Sporadically, over 2001, as the situation worsened, there were acknowledgments and gestures of action. In August

2001, Sen. Harry Reid (D-Nev.) spoke out for a "Marshall Plan for Renewal," for infrastructure-building across the board: "Our infrastructure is more than just the network of roads, bridges, railways, seaports, and airports. . . . It's also the systems which bring us clear drinking water and treat our wastewater. It's the power grids," and other necessities. In early September, even Senate Republican Pete Domenici (N.M.) floated the idea of productive investments of the Social Security Trust Fund "for bad economic times."

Commenting on these isolated calls, LaRouche advised on Sept. 8, "The crash is on! It's time for all good Democrats to propose public works, public spending on economic infrastructure." And his campaign continued the mass circulation of the pamphlet, "How to Beat the Depression." In the months following the Sept. 11 attacks, as the economic crisis worsened drastically, there were some *gestures* in the right direction. For example, some railroad-building bills received new impetus as part of the momentum toward a policy response to both restore the economy and provide transport security. On Sept. 25, the "RIDE-21" rail expansion bill (H.R. 2950) was introduced by Rep. Don Young (R-Ak.). It calls for \$71 billion in different types of funding, for rail-corridor planning. An earlier bill, H.R. 2329, the "High-Speed Rail Investment Act of 2001," largely sponsored by Democrats, called for an expenditure of \$12 billion. As a Congressional staff member commented, "We proposed \$12 billion before the Sept. 11 incidents. If we had proposed \$70-80 billion then, we would have been denounced as crazy, and the legislation wouldn't have been considered. But since Sept. 11, things are changing." Both bills are intended to rebuild sections of the U.S. rail grid, and to build high-speed rail networks, including, potentially, magnetically levitated train systems.

Senator Reid teamed up with Sen. Robert Byrd (D-W.V.) to push a lesser package of \$15 billion of infrastructure spending, in the name of Homeland Security preparedness, which was thwarted at the time.

The Budget Collapsed

But by December, the Federal "multitrillion-dollar surpluses" had disappeared in the plunge of economic activity and stock values; and all the brave "national security economic mobilization" talk had vanished with them. The Wall Street-serving media gloated how nothing had happened. The Dec. 20 *Washington Post* wrote of Reid: "His Marshall Plan proposal fell flat." And, as of January, Democrats deserted or flat-out opposed senior Sen. Edward Kennedy (D-Mass.) when he proposed that some of the futile tax cuts of 2001 be rolled back to allow for health care, education, and infrastructure spending.

As LaRouche publicly denounced the Democrats on Jan. 24, they "have not had anything to offer" in their six months' control of the Senate; "they are the problem, not part of the solution."