

DNC could lose Clinton reelection, LaRouche warns

by Mel Klenetsky

As the 1996 U.S. Presidential primary season moves into its final phase, Democratic Party Presidential pre-candidate Lyndon H. LaRouche hit the national airwaves warning of an impending worldwide economic and financial collapse. In an April 18 CBS-TV broadcast, LaRouche presented a discussion of the growing global crisis which must be heeded if the world is to survive. As he put it, the broadcast centered on "U.S. foreign policy as it *should* have been presented. But you never heard it this way before." LaRouche warned that the financial system is about to disintegrate because the hyperbolic growth of speculative instruments, such as derivatives, is sucking the life out of every corner of economic life. This "Dracula-like" process must end, LaRouche asserted, or the world will suffer incalculably.

"The international monetary and financial system is bankrupt," stated LaRouche, and the only solution is for relevant governments of the world to put the international monetary system into financial receivership and bankruptcy reorganization, to prevent social chaos and ensure stability. "The central issue facing the President of the United States," said LaRouche, "is to put the Federal Reserve into bankruptcy reorganization."

LaRouche's support grows

LaRouche's April 18 address was the third nationally televised campaign briefing which he has given to the U.S. population this year. And the population has been responding to his message. To date, LaRouche has garnered more than 366,000 votes in 16 primaries. In eight of these primaries, LaRouche's vote totals ranged from 7% (in California) to 34.5% (in North Dakota). In the latest round of electoral activity, LaRouche won 71 out of 3,500 delegates to the Virginia state Democratic Party convention in caucuses on April 13 and 15. Significant were the votes in LaRouche strongholds: 22% of the vote in Norfolk, 20.8% in Loudoun County, 18% in Virginia Beach, 15% in Portsmouth, and 15% in Hampton.

Despite a media blackout so massive that it could have been run by Goebbels himself, these results show that LaRouche has a base of support of at least 10% within the Democratic Party, and that he is a political force that must be reckoned with.

LaRouche, whose economic and political solutions to the crises now gripping the world are being intensely studied in policy-centers around the globe, is shaping the policy fight now raging within the Democratic Party. In a Pennsylvania press conference April 4, LaRouche described that fight as follows: "Nationally, the Democratic Party is engaged in an internal struggle, as well as a struggle against the Arney-Gingrich philosophy within the Republican side. . . . This is more than an election campaign. This is a struggle over the policy of the country in a period of crisis. So the policy issues are not appendages of an election campaign."

Fowler strategy undermines Clinton

LaRouche has warned a number of times that, despite his apparent lead over Republican Bob Dole, President Clinton could, in fact, lose the general election in November, if he continues to follow the campaign strategy that the wing of the Democratic Party led by Democratic National Committee Chairman Don Fowler has defined for him. Moreover, LaRouche has cautioned, even if Clinton were to be reelected, should he allow the DNC strategy to prevail in his second term, he will lose Congress and be unable to effectively lead the nation in a time of crisis.

For LaRouche, the economic issue not only has resonance in both the foreign and domestic area, but it is the most crucial issue that every political leader must face up to. Clinton, LaRouche maintains, will, sooner or later, have to face the worst financial and monetary crisis of the century.

Together with several other Democratic officials linked to the Anti-Defamation League (ADL), notably Anne Lewis in the Clinton reelection committee, Fowler has laid out a

Senator Kennedy introduces 'Corporation A' tax code

Sen. Edward Kennedy (D-Mass.), who has been leading efforts to reorient Democratic Party policy, introduced tax legislation on April 15 intended to discourage layoffs resulting from mergers, the April 16 *New York Times* reported. The package includes several provisions of the "Corporation A" concept, designed to reform corporate behavior to act in the public good, put forward by Sens. Thomas Daschle (D-S.D.) and Jeff Bingaman (D-N.M.). "The 'quiet depression' facing American workers is the central economic, social, and political issue of 1996," Kennedy said. The proposal:

- would disallow tax deductions for interest paid to finance mergers and acquisitions. Under current law, if a company takes over another company through a leveraged buyout, it can deduct its interest charges. "In the 1980s, it was common practice for financiers to borrow the funds to make the acquisition with the express intent of selling off the assets and casting off the workers to raise the money to pay back the debt," Kennedy said. This provision would put a crimp in mergers and acquisitions;

- would broaden anti-trust laws so that, if a potential merger is challenged in court, the judge would have to

consider not only its effects on competition (the current standard for anti-trust law), but also "the interest of workers and local communities";

- would require that, when stock buyers notify the Securities and Exchange Commission of their intent to acquire major blocks of a company's stock, they must also notify the SEC of plans for layoffs and shutdowns that could result from the acquisition;

- would provide tax breaks and preferences in federal government contracts for companies which establish above-average records for wage increases, investment in training and education for workers, health care, retirement benefits, profit sharing, as well as provision of child care for all employees by companies with more than 500 workers;

- would provide tax breaks to companies that meet certain criteria, which Senators Daschle and Bingaman have identified as "Corporation A" criteria, including putting 8% of the company's payroll into employee health care, 8% into retirement benefits, and 2% into education and job training.

Companies meeting the criteria would also be able to win federal contracts, provided that their bids were no more than 10% above the low bid—meaning that a company which paid its workers very low wages would not always win government contracts, even if it came in with the lowest bid.

suicidal campaign strategy of targeting the "yuppie" vote, i.e., the constituency which brought madman Newt Gingrich and his fellow rabble to power in the 1994 mid-term elections. While courting these layers, Fowler and company are also deliberately ignoring the traditional Democratic Party base of labor and minorities—which Clinton needs in order to keep the Presidency. Among other travesties, Fowler has bluntly refused to fund minority voter registration drives for the southern states, in effect, ceding southern Congressional seats to the Republicans. Furthermore, Fowler has issued letters to the Democratic state chairmen, announcing that LaRouche delegates will not be seated at the party's Presidential nominating convention this summer, in violation of the open-party statutes in the Democratic Party rules.

Fowler's economic policy prescriptions are fully in keeping with his appeal to yuppies. While claiming that Clinton's economic policy of the last four years has been an outstanding success, he is attempting to squash any attempts by the President or his supporters to move in the direction of the economic policies desperately required to rescue the United States from complete collapse.

Fowler's treachery conflicts with a growing faction within the Democratic Party which is beginning to recognize that the U.S. economy is in a terrible state, and that action must be

taken quickly. The principal figures in this wing of the party include Sen. Edward Kennedy (D-Mass.), who has warned that the United States is in a "quiet depression," Sen. Tom Daschle (D-S.D.), Sen. Jeff Bingaman (D-N.M.), Rep. Richard Gephardt (D-Mo.), Secretary of Labor Robert Reich, and others, who have taken up the fight against the Gingrich-Army horror show.

In his Pennsylvania press conference, LaRouche stated his agreement with these Democrats: "Except on one point, where I am a little bit out in front of my fellow Democrats, what I am doing accords with the policy direction expressed by Senator Kennedy, by Senators Bingaman, Daschle, and others, by Congressman Gephardt, and the direction coming from the White House by Robert Reich." LaRouche warned that President Clinton could lose the election "if we do not move ahead on the kind of economic issues which are raised by myself, by Kennedy, Bingaman, Daschle, so forth, and by Gephardt."

Democrats no shoo-in

In attempting to keep LaRouche out of the convention, Fowler is trying to muzzle the strongest voice against the Army-Gingrich crowd, while effectively disenfranchising LaRouche's double-digit base within the party.

In a radio interview with "EIR Talks" on April 17, LaRouche again warned of the dangers of the Fowler strategy. There are three things that can't be seen as foregone conclusions for the November election, he said.

First, the Democrats are not assured that they will recapture the House of Representatives. "In that case," LaRouche said, "if the President were to win the election as President, he would face a disaster immediately, even before the swearing-in of the new administration and Congress. Because the Republicans would go out to destroy him, using everything in the world to destroy him. And they probably would succeed." LaRouche explained that the way to guarantee the President's reelection is to go for a clean sweep of Congress, something which is not occurring because of Fowler's strategy.

Second, LaRouche cautioned that the President could be defeated, given that the Fowler strategy could drive the Democrats' minority base into the hands of a third party effort. LaRouche said that while Clinton would win any debate with Dole, this might not prove sufficient to guarantee his victory in November, if, in fact, Fowler succeeds in driving minorities and others to vote for a third-party candidate.

In this context, LaRouche mentioned the emerging misalliance between Ross Perot's Reform Party and the New Alliance Party's Lenora Fulani. "You have Lenora Fulani . . . teaming up with Ross Perot as part of a Rainbow Coalition-type national ticket, as a real third-party ticket, trying to draw away from the Democratic Party, precisely those votes from the core Democratic Party vote, that Clinton would need to win his reelection."

Finally, LaRouche discussed Clinton's problems should he be elected. "Let's suppose the best occurs," LaRouche hypothesized, "that the President wins reelection, and that we carry the House of Representatives, and, perhaps make some inroads into the Senate, in which case the President can actually govern as President. . . . But, suppose he becomes President, and he doesn't have the policy that I'm pushing. Then he would go down in history as one of the great failures of the American Presidency, and the United States itself might not survive. Because the issue that the President has to face, of which he's saying nothing now . . . is that the entire international monetary and financial system is bankrupt. The whole system can blow at almost any time."

What Clinton must do, said LaRouche, is this: "Now, the President of the United States, provided he has political support for this from within the Congress, and from the people, can use the constitutional authority, both of the Constitution itself and that authority he has under it, to put the Federal Reserve into receivership, reorganize the currency system—that is, supplement the present currency with U.S. currency notes, set up national banking, launch the kind of economic recovery program which many in the Senate and House, the Democrats, are pushing toward now, things like the Bingaman bill and so forth. And, in that case, then negotiate with foreign powers to create a new monetary system."

Rehnquist's states' rights are based on common law

by Edward Spannaus

Chief Justice William Rehnquist has once again issued a ruling on behalf of a majority of the Supreme Court which carries forward the destruction of our federal Constitution at the hand of "states' rights." Not surprisingly, he had to reach back into doctrines of English common law to justify his treasonous ruling.

A year ago, in *U.S. v. Lopez*, the Supreme Court took a big step toward rolling back federal power, in terms that would make Newt Gingrich and Phil Gramm proud. The implications of that ruling were that a reversion to the court's pre-New Deal jurisprudence—when it routinely struck down all applications of federal economic power—was in the offing. (See "The Rehnquist Court Joins the Conservative Revolution," *EIR*, May 12, 1995.)

The issue in the court's March 27 ruling, in the case *Seminole Tribe of Florida v. Florida*, involved whether the Seminole tribe could sue the state of Florida to enforce the 1988 Indian Gaming Regulatory Act. Apart from the wisdom of the legislation in the first place, the statute explicitly provided that an Indian tribe could sue a state in federal court to enforce provisions of the law.

Rehnquist, writing on behalf of himself and Associate Justices Anthony Kennedy, Sandra Day O'Connor, Antonin Scalia, and Clarence Thomas, ruled that the doctrine of "sovereign immunity" bars a lawsuit against a state unless the state has consented to such a suit—despite the clear intention of Congress to authorize such suits to be brought in federal court.

A 'shocking affront'

Justice John Paul Stevens, in his dissent, called the ruling a "shocking . . . affront to a co-equal branch of our Government," i.e., the Congress, and declared that the majority's ruling will prevent Congress from providing a forum for enforcing federal laws against the states, including actions involving patents, copyrights, bankruptcy, environmental law, "and the regulation of our vast national economy."

Justice David Souter, joined by the two most recent appointees to the court, Justices Ruth Bader Ginsburg and Stephen Breyer, wrote that "the Court today holds for the first time since the founding of the Republic that Congress has no authority to subject a State to the jurisdiction of a federal court at the behest of an individual asserting a federal right."

Rehnquist's ruling was that the Eleventh Amendment to the United States Constitution denies Congress the power to