

Campaign 2008: It's The Economy, Stupid!

by Debra Hanania Freeman

As the decisive Feb. 5 primaries draw near, the fight for the Democratic nomination is clearly between Hillary Clinton and Barack Obama. Dennis Kucinich, who never seriously thought he could capture the nomination, has withdrawn to focus on what promises to be a tough bid to return to the House of Representatives; and John Edwards' \$400 haircut, multi-million-dollar mansion, and the fact that he has repudiated his own past positions more times than most people can keep track of, have made his raw populism less than credible.

The media have tried to define the race between Clinton and Obama as one of gender vs. race: Will the Democrats produce the first woman President or the first black President? Because, according to those same pundits, the policies of the two top Democrats are more or less the same. In reality, nothing could be further from the truth.

Following what was an anticipated (and hardly decisive) loss in Iowa, the Clinton camp was shaken by what was clearly a top-down operation to boost Obama's candidacy, that included a barrage of lies in the media that were heavy enough to threaten Clinton's anticipated win in the New Hampshire primary. As *EIR* has documented, the intent was to hand the Obama campaign the momentum needed to knock out Clinton, and then pave the way for a corporatist "national unity" ticket headed by New York City Mayor (and billionaire) Michael Bloomberg. Although it took some time for the Clinton campaign to figure out who was behind the operation against her, it didn't take long for them to see that there *was* a dirty operation underway.

A Critical Shift

It was the beginning of a critical shift in the Clinton campaign strategy and, more importantly, of a fundamental change in the candidate herself. As a result, despite the dirty operations, she won a clear victory. On the night of the election, she explained, "Over the last week, I listened to you and in the process, I found my own voice." It wasn't just campaign rhetoric.

Campaign strategists had advised Clinton to more or less bypass Nevada and to concentrate on the big Super Tuesday states. She ignored the advice and flew to Nevada the next morning. When she arrived there, she went directly to the base of the population, to the people who she said in New Hampshire "had been invisible for too long." She went door to door in working class neighborhoods in Las Vegas, met with laid-

off construction workers, and with workers who had managed to keep their jobs, but who had lost their health care. A campaign that had originally been structured on the idea of Clinton becoming the first woman President changed, to focus on the economy, and the needs of the nation.

On Jan. 11, Clinton unveiled an aggressive \$70 billion emergency economic assistance package for those Americans hardest hit by the current economic crisis, and called on the Congress to enact it immediately. The package included a \$30 billion Emergency Housing Crisis Fund to assist state and cities mitigate the effects of mounting foreclosures, including a moratorium on subprime foreclosures, and an automatic rate freeze on subprime mortgages of at least five years, \$25 billion in energy assistance to help people meet skyrocketing heating bills, and \$10 billion to extend and broaden unemployment benefits for those Americans struggling to find work.

In unveiling the package, Clinton said that it would by no means solve the problems we face as a nation, but that we had to take immediate steps to keep people in their homes and to “stabilize” the situation. She warned that she anticipated that the economic situation was likely to worsen and that, as such, Congress had to stand ready with an additional \$40 billion in direct tax-rebates.

Clinton not only went on to win the Nevada primary, she also forced the other candidates to address the reality of the economic crisis. Several days later, both Obama and Edwards came out with plans of their own. To this day, Hillary Clinton is the only national figure, aside from Lyndon LaRouche, who has called for a freeze on both foreclosures and adjustable mortgage rate increases, although her proposals still fall short of placing Federal and state chartered banks under protection in order to create a necessary “firewall” against a collapse of the banking system. Only LaRouche’s Homeowners and Bank Protection Act (HBPA) takes that critically necessary step.

As the effects of the economic collapse that LaRouche identified as having occurred back in July 2007 continue to intensify, Clinton has kept her central focus on the economy. Some have accused her of trying to channel her husband’s 1992 campaign strategy forged by James Carville’s now famous slogan “It’s the economy, stupid.” But, while it still may be the economy, this is no carbon copy of Bill Clinton’s 1992 platform.

On Jan. 17, Clinton’s campaign requested and got an interview with the *New York Times* specifically to discuss her economic policy. In that interview, which ran on Jan. 21, Clinton laid out a view of economic policy that differed in many ways from that of her husband. Bill Clinton campaigned on centrist views, and as President, he based far too much of his economic policy on deficit reduction and trade agreements.

Clinton told the *Times* that economic conditions today were very different from what they were when her husband ran for office and that, while they share similar views on a

wide range of economic issues, that she has always been “skeptical about the benefits of free trade agreements and other aspects of a free-market economy.” She called for stronger protection for American industries, and a return to “appropriately regulated financial markets,” as well as “large-scale public projects like the interstate highway system and the space program.” That night, at the Democratic debates, she led with the economy, and again put the focus on her call to freeze home foreclosures. The next morning, on her way to campaign in New Jersey, she held an emergency press conference in response to the Dow’s 500 point plunge and the Federal Reserve’s surprise move earlier that day lowering interest rates by .75%, declaring that we were in the midst of “a global financial crisis.”

Saying that the situation inside the United States had to be viewed in the context of that crisis, she again focused on her remarks on the home mortgage crisis and the need to provide some stability for the millions of American families facing foreclosure. She also talked about the rest of her call for an emergency “stimulus” package, but differentiated hers from the many other such proposals by demanding that any approach not leave out the poorest, the elderly, and other “non-taxpayers,”—an estimated 50 to 70 million Americans—as the Bush plan (which Senate Majority Leader Harry Reid and House Speaker Nancy Pelosi later endorsed) would do. She said it wouldn’t just be “incredibly short-sighted” to do so, but that it would also be immoral and contrary to our nation’s history.

LaRouche, although he has remained very critical of all of the candidates’ failure to publicly acknowledge the fact that the system is bankrupt, has noted that “Hillary Clinton is, at least, in the real world.”

Felix’s Friends Are Not Amused

On the other side, however, the Felix Rohatyn-dominated leadership of the Congress is less pleased. In a Jan. 24 press conference, House Financial Services Committee chair Barney Frank declared a moratorium on foreclosures and a freeze of subprime interest rates to be “outside the purview of Congress and unconstitutional.” In a far more explicit freak-out, EU Trade Commissioner Peter Mandelson, the architect of Tony Blair’s “New Labour” fiasco, made a direct British intervention into the U.S. election with a broadside attack against Hillary Clinton. In an interview with the *Daily Telegraph*’s Ambrose Evans-Pritchard (best known for his role in pushing the impeachment of Bill Clinton), Mandelson accused Hillary of “inflaming protectionist sentiment in the United States” and said that if she were to be elected, she would end free trade and turn the United States into a protectionist country. Calling it “a serious concern,” he said that Clinton’s critiques of free trade reverberate around the world and, in a somewhat ominous tone, said that “while I don’t think it is irretrievable, I do think she should cut it out.”