
Interview: Melvin Klenetsky

'New York State is a great national resource ... if we got Moynihan out of the way'

U.S. Senators from New York State have been powerful national political figures throughout the history of the nation. The state now ranks second in population in the country, at 17.6 million; 10 percent of Americans live in the Greater New York metropolitan area.

New York is politically divided into "upstate" and "downstate" regions; downstate is New York City and its environs. If the city's economy were considered independently of the rest of the nation, it would be one of the 10 largest in the world. While the Wall Street financial district, since before the American Revolution, has been the center for British-controlled financial policy in the United States, upstate New York is both an industrial area, primarily steel in Buffalo and Syracuse, and an agricultural economy. New York ranks third in dairy production in the nation and second in apples and grapes.

In the Democratic primary on Sept. 23, backed by the National Democratic Policy Committee, Melvin Klenetsky, 38, is running against the senior Senator from New York, Daniel Patrick Moynihan. In 1981, Klenetsky ran for Mayor of New York City against incumbent Edward Koch and left-wing Democrat Frank Barbaro.

Klenetsky won 4 percent of the vote in that race; more importantly he established through a series of televised debates with his opponents, that the destruction of the city through the Municipal Assistance Corporation of Felix Rohatyn was a deliberate policy, and could be reversed. Klenetsky's program is based on maximizing long-term, low-interest credit for development of industry and infrastructure, such as the port of New York, restoring an American foreign policy, and the elimination of the drug-based "economy" being forced on New York City in particular by London-centered, Wall Street interests.

EIR's Mary McCourt interviewed Klenetsky on Sept. 2.

EIR: You have just been certified as on the ballot in the New York State Democratic primary for U.S. Senator. What is the significance of this achievement?

Klenetsky: It is unheard of in the history of the Democratic primary for a statewide campaign to make it on the ballot by petitioning. The normal procedure is for a candidate to be nominated by the state convention; if you are not nominated,

you have to petition, a process made almost impossible by the New York state election laws. In addition, this was done in a redistricting year, when half the election boards still do not know what election districts their voters are in, making it even harder to validate the petitions.

The New York State Democratic machine thought that they could knock me off the ballot. My opponent, Pat Moynihan, was convinced that that was all he would have to do in this campaign. Now, because I withstood the challenge to my petitions and got on the ballot, he is going to have to face my challenge on the political issues.

EIR: What is Moynihan's political pedigree?

Klenetsky: He is part of the Harriman wing of the party. Its principal backers are people like Cyrus Vance. Averell Harriman had a whole clique around him when he was New York governor in the 1954-58 period, including Pat Moynihan, who mapped out the strategy for a deindustrialization and depopulation policy for the Kennedy and Johnson administrations. That policy became the basis for the Global 2000 depopulation policy under Jimmy Carter.

EIR: How was this policy carried out in New York State?

Klenetsky: The entire New York City garment/textile industry, for example, was run into the ground, and used as a cash-flow conduit for laundered drug and gambling money.

People were brought in from Puerto Rico to take very low-technology jobs, and with the collapse of services in the city, particularly in education, there was no basis for these people, or their children, to get higher-skilled jobs. As the garment industry collapsed, with the 1958 recession, large portions of the population were forced onto welfare.

Lyndon Johnson's War on Poverty attempted to rebuild party institutions around the poverty-welfare-service apparatus. Mayor Lindsay accelerated that process, opening the way for the Roy Cohn-East Side Conservative Club to run New York politics without opposition from forces wanting to rebuild an industrial center.

Outside New York City, take Buffalo, which has gone through a series of collapse cycles since the war. The latest round has hit Buffalo with incredible force. There are plants in upstate New York that look like they are not going to



Candidate Klenetsky blasts Paul Volcker at a recent Wall Street rally.

reopen at all. Exxon has just announced that it is going to close 180 dealerships in upstate New York.

The Buffalo steel industry is now producing only 5,000 tons a week. As recently as the past few years, in a good week the steel industry would produce 115,000 tons a week. That is affecting the entire area. In the Buffalo area, the petrochemical industry and the oil companies are actually moving out. There is every indication that the region is being abandoned.

In Syracuse, I made a plant-gate campaign appearance at Crucible Steel, which is one of the largest specialty-steel producers in the entire United States. There were only 100 people at the shift change. In downtown Syracuse, you can see readily that the area industry, vital industry such as specialty steel and machine-tools are devastated.

They were extremely excited that a candidate for office was telling the truth, and offering an economic alternative, in ending Volcker's high interest rates and extending long-term low-interest credit to industry.

EIR: What has happened to the state's farm sector?

Klenetsky: In Jefferson County, where Watertown is located, the farmers tell me that the biggest business these days in the farm sector is auctions of land and farm equipment.

The New York state farm sector is not quite as bankrupt

as the national average, but it is collapsing. From 1977-78 until now, you had a ratio of cash earnings to owed debt of 25 percent—out of every \$4 earned, \$1 would have to go to debt service.

Now, that has become a 50 percent ratio. Half of the farmers' earnings go to interest payments. Those figures do not include principal; when you include principal, in some areas as much as 95 percent is owed.

Even last year, as a farm went bankrupt, the FHA would take it over, and then rent it out to another farmer, who would lease the land. At least a good portion of farmland remained productive. What has begun to happen this year, is that as farmers went out of business, no one has leased the land. Thousands of acres are going out of production altogether.

The biggest thing on farmers' minds is getting credit. They know what Volcker's high interest rates have done to them, probably more clearly than any other sector of the economy.

But there has been a problem with farm organizations. The Grange, National Farmers Union, National Farmers Organization, are taking a non-political attitude. They fought for the Omnibus Farm Bill, the one that dealt with the question of parity, on a single-issue basis: the dairy sector lobbied for dairy "interests" and so forth. As a result, the farm sector was destroyed. The farm organizations have not learned from the experience of the last year; they are not really mobilized.

Moynihan is extremely unpopular among farmers. Although most of them are so overwhelmed by their individual financial situations that they have little time to devote to politics, I intend to take my campaign much more into the farm sector in the coming three weeks. I have issued a statement that explains how Volcker is taking food from people's tables by destroying production. About 25 percent of farmers are Democrats, and none have anything in common with Mr. Moynihan. He was opposed to parity and a supporter of Volcker's policies. Moynihan is also opposed to water-development projects, and he is an environmentalist, something farmers are particularly wary of, because of the major role played by environmentalists in banning the use of DDT.

EIR: What has been the response to your program?

Klenetsky: My "Great Enterprises" proposal would force the rebuilding of every sector of the economy—industry, infrastructure, transportation—by mobilizing around such national and international projects as space exploration and building the Third World. Roosevelt mobilized the United States for World War II in a matter of a few years.

People in Syracuse, for example, were very excited about the ICONN-Erie Project to modernize the Erie Canal and build a deep water port on the East Coast.

The project would create 100,000 jobs in upstate New York, but would also be an important part of my export program, which is to export \$200-\$400 billion per year to the developing sector. I have done a series of town-hall meetings in the upstate area on this subject.