George Bush's administration—or, shall we say, President George Bush's implicitly collapsing administration."

American power, under the ideas of Teddy Roosevelt and Bush, like liberal Britain, achieved great wealth in two ways, LaRouche argued. First, it used up the investments which had been made by the Christians whom the Theodore Roosevelts and the like in Britain hated and sought to destroy. That was its domestic power. Its essential world power, beyond that, was the use of that domestic power to support a foreign power which would have two bases: 1) the projection of imperial military power for the subjugation of nations outside its own borders, like the British Empire with its colonies and agents of influence; 2) the looting in various degrees, by various forms of usury, of those nations which were compelled to be its colonies or to pay tribute to it in other forms, such as through the mediation of International Monetary Fund (IMF) conditionalities today.

The decline of Anglo-American power

Now we come to the irony, said LaRouche. Since the 1982 submission of KGB defector Oleg Gordievsky's 50-page Anglo-Soviet hoax—which claimed that the Soviets were preparing for war if the United States developed a strategic ballistic missile defense system—there has been a drift toward general disarmament of the Anglo-American and other Western powers, the Western alliance.

Whenever imperial Rome, for reasons of the collapse of its domestic power, its productive power, its economic power, seeks to cut the military power, the military supremacy upon which its imperial strength depends, that is the end of Rome. Who will serve Rome, who does not fear it? How can Rome be feared, if it abandons the only means by which its power was maintained? When "peace broke out," the Anglo-American supremacy in this world, in the imperial Theodore Roosevelt-Churchillian form, was doomed to come to an early end.

"The only basis upon which the calamity seizing the English-speaking nations might be reversed," LaRouche stressed, "is either to resume a policy of military supremacy—which the U.S. and Britain lack the means to undertake, because they collapsed their economies and ruined them—or, eschewing that, to go to the anti-British, anti-Adam Smith economic policies expressed in Germany by Friedrich List, upon which the young American federal republic, under the leadership of George Washington, Alexander Hamilton, and Abraham Lincoln, among others, came to be a great world power, with—next to Germany of the 19th century and 20th century—the highest rate of productivity on this planet.

"In other words, going to the American System as I have advocated, in opposition to my rivals and adversaries in the leadership of the United States and Britain, in particular, is the only hope for the U.S. and Britain today, and is the only policy which continental Europe and the developing nations could rightly admire or even endure."

Book Review

Economics as soap opera won't wash

by Chris White

The Politics of Rich And Poor: Wealth and the American Electorate in the Reagan Aftermath

by Kevin Phillips Random House, New York, 1990 262 pages, hardbound, \$19.50

Kevin Phillips's new book certainly seems to have stirred up a certain amount of controversy around and about the place. According to some reports, the author is being denounced as a "Marxist" by some of the Bush-leaguers who seem to resent his thesis that economics is going to be the number one political issue in the country in the period ahead. Phillips is anticipating the development of a political backlash against the untrammeled greed and speculation of the Reagan years.

Phillips's basic thesis is really quite straightforward. During the Reagan years, the power of government was used in such away that the rich got much richer, and the poor got much poorer. The rich, Phillips documents in some detail, means about one-half of one percent of the total population. Tax policy, budget policy, deregulation, money, and debt were the means by which the shift was brought about in favor of yuppie greed and speculative excess and against the vast majority, whose standard of living collapsed, and whose future prospects evaporated.

No one in their right mind could disagree, could they? It did happen. Phillips, though, happens to be a Republican, not just any old Republican, but a political analyst for Richard Nixon's 1968 presidential campaign, whose first book *The Emerging Republican Majority* was described by *Newsweek* as "the political bible of the Nixon era." He is also an impeccably credentialed, officially labeled conservative. So, it is not perhaps surprising that his prognosis, that the Republicans will be swept away in a possible 1990s political "correction," as the Democrats were in 1968, could evoke such ire, especially from those who still insist that we are all still enjoying the fruits of eight years of unprecedented prosperity.

B Economics EIR July 27, 1990

Soap opera is a part of the popular culture about which Phillips does not have so much to report. In the reactions, and in the author's thesis itself, we are however, thrown head first into exactly that soap-opera-typified frame of mind which is symptomatic of so much of the sickness of contemporary America.

It comes out in what he argues for, and it comes out in what he chooses to ignore. Phillips asserts that American politics is governed by a series of relatively long-wave cycles, ordered through the presidential election process. "From the formation of the Republican party in the mid-1850s down to the 1990s, the United States has experienced successive presidential party supremacies or waves, each lasting a long generation. As profiled by political scientists, three have been Republican and one Democratic." The four are the Civil War Republican Era (1860-96), the industrial Republican era (1896-1932), the Democratic New Deal Era (1932-68) and the post-civil disturbances Republican era (1968 and thereafter). The Republican eras are associated with concentration of wealth, "the Democratic Era was, of course, the principal period of downward income redistribution, first in the 1930s, then again in the 1960s through Lyndon Johnson and his Great Society." The long cycles are in turn subdivided into different phases, as Republicans shift from "broad middle-class 'nationalism' into 'capitalist overdrive.' "In "capitalist overdrive" is unleashed the greed which in turn brings about leveling counterreaction, of antigreed. "Populist outsidership and reform" then target the incumbent plutocratic elite.

Phillips may very well be right, there is a backlash coming against decades of abuse. A wave of assertion of values, which were America's own, surfaced in Beijing's Tiananmen Square one year ago, and erupted anew in East Germany last October. The music of Beethoven, and the principles of the U.S. Declaration of Independence, which united both, point to an area of human activity, and aspiration, with which the author seems singularly unfamiliar. The cycles go like the soap operas: Watch who is up and see who is falling down; look at who is in and who is out. History doesn't work like that. There is more to mankind than money-grubbing, and reacting against the money-grubbers.

Take Phillips's view of recent history. "This book is the portrait of what the 1988 debate largely ignored . . . the Democrats shunned the issue in the election of 1988." These assertions are wholly untrue. The 1988 election campaign, as in 1984, featured a joint effort by the leadership of both parties, to keep out the faction associated with Lyndon LaRouche, the leader of a faction in the Democratic Party which garnered between 20 and 40% of the votes, consistently, at all levels of the electoral process. LaRouche campaigned in 1988 and 1984, to say nothing about 1980, for an economic reorganization like those associated with FDR's 1940-43 war mobilization, and JFK's Moon-shot driven investment policies of 1960-1963. National television time was

bought to put such ideas into circulation. Honesty would insist, "Well it looks now like LaRouche was right, after all. It looks like they were wrong to frame him up and put him in the jail." That isn't what Phillips does. Though he should know that is the case. He does write, "A new plutocracy—some critics were even using the word 'oligarchy'—had created a new target for populist reaction," and everyone knows where that one comes from. So, if both parties, "seem rudderless on a sea of compromise, caution and confusion," and LaRouche is left out of the picture, one is left to wonder what he and his employers do have in mind for the 1990s. Phillips, the conservative, contributes to the New York Times, Washington Post, Los Angeles Times, and is a member of the political strategists' panel of the Wall Street Journal.

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—Lyndon H. LaRouche, Jr.

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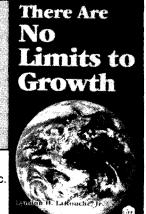
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