

Eye on Washington by Stanley Ezrol

The DNC is Thurowly fascist

The deceptively named Democracy Project, an organization connected to Tom Hayden's Santa Monica-based Campaign for Economic Democracy, held a conference on Capitol Hill on Jan. 13 titled "Beyond Reaganomics, What kind of 'Industrial Policy'?" The Democracy Project's President, Ralph Nader associate Mark Green, introduced the conference with a call for "foresight in place of ignorance," and complained that Reagan's economic policies produced economic collapse in an "ad hoc" and unplanned manner. Succeeding speakers presented various schemes for implementing policies of nationally imposed reductions in living standards, increased taxation of consumption, confiscation of pension funds and other savings for investment in failing industries and financial institutions.

Thanks in part to my associates, the Democracy Project and other Hayden productions are becoming increasingly understood as leftward stalking horses for Charles Manatt's Democratic National Committee. Manatt lent one of his law partners to the board of the Democracy Project.

Lester Thurow of MIT, an economic adviser to Manatt's DNC, told the conference that he wants a 5-to-10-year period of reduced working-class consumption to be brought about through progressive consumption taxes, adjustments in the tax deductibility of interest payments on consumer and mortgage loans, the outlawing of all cost-of-living escalators, of all union contracts of more than one year's duration, and of free collective bar-

gaining by individual trade unions. When I asked Thurow why he didn't call his policies by the appropriate historic term, "fascism," he responded, "fascism is when you hold a gun to someone's head. I'm only recommending tax and investment policies."

Other speakers included California Governor Jerry Brown's economic adviser, Michael Keischnik, who claimed to be an "unabashed" spokesman for high-technology industrialization because of his authorship of Brown's "explicitly industrial policy," which calls for scrapping nuclear energy and heavy industry in favor of "bio-engineering, photo-voltaics, software, and robotics," and Eugene Keilin of Lazard Frères and New York City's Municipal Assistance Corporation (MAC) who represented Felix Rohatyn's plan to form a national Reconstruction Finance Corporation to save the United States the same way MAC saved New York City. When I told Keilin that MAC had destroyed every service but debt service in New York and that it was Lazard Frères, not New York, which had been saved, he coolly answered, "Lazard's survival was never in doubt. New York City's was. New York has suffered less under us than it would have if we left it to the tender ministrations of Richard Nixon and William Simon."

A new D.C. computer game

At the invitation of Henry Reuss, three Democratic Party-linked Nobel Economics Prize recipients testified to him on the prospects for the American economy. Wassily Leontiev opened the Jan. 19 Joint Economic Committee hearings by proposing as an alternative to constitutional government the creation of a computerized, "Independent

Agency," which would eliminate what he called the "guesswork" in economic policy-making and dictate "alternate scenarios," among which elected policy makers would have to choose. Leontiev insisted that this super-agency, modeled on the Club of Rome-dominated Congressional Research Service, should determine the "direction and scope of the data-gathering activities of the Federal, and, in some instances . . . state and local governments." It would actually function as an electronic combination Nazi Labor Front, National Reindustrialization Board, and Reconstruction Finance Corporation by directing "day to day . . . cooperation . . ." between "business, labor, and government in all aspects of economic decision-making" including the administration of a wage-reducing "incomes policy" by mediating in "an overall agreement between organized labor and organized business extended to all major sectors of the economy."

Congressman Reuss told Leontiev, "I agree totally with everything you have said," and suggested, to Leontiev's delight, that a number of Malthusian-minded "advisory" bodies including the Congressional Research Service, the Office of Technology Assessment, and the Congressional Budget office, be merged with various executive agencies to form the super computer control agency Leontiev desires.

Also testifying for incomes policies and other aspects of fascist economic measures were Nobel laureate and systems-analysis cultist James Tobin, a member of John Kennedy's Council of Economic Advisers, and now a co-chairman of the advisory board of the National Policy Exchange; and Lawrence Klein, former Carter economic adviser and director of the Wharton School.