

very diligently to attempt to organize other groups. The State Employees Association Local 1984 currently represents state workers, county and municipal workers, and private-sector workers. We have moved in that direction, mainly in the area of health care. I think this is important for everyone. The worker safety issues are reasons why people should join a union, because the union can help them.

I think it *is* like the civil rights movement. It's a hard, uphill fight. In the laws, at least in New Hampshire and, I know, at the national level, a lot of advantage is given to management, and they don't want labor organized. We have to try to overcome that. The way we do it, is to show the workers that they need our help in order to get basic rights on the job: worker safety, decent health care, and a living wage. These are the things that we have to keep pushing for.

**EIR:** The world economy is now careening toward a financial meltdown. You have called on Clinton to bring in Lyndon LaRouche as his economic adviser, to deal with this crisis. In light of last week's meltdown in Brazil, would you reiterate that call today?

**McCann:** I certainly would. I think that President Clinton needs to have the best people around him to deal with this world crisis. I think that, over the last several years, Mr. LaRouche has been correct; a lot of things he has said were going to happen, have happened. I think that the President should take advantage of his expertise.

I think he is, to some degree, listening now to Mr. LaRouche, but I think it would be better if Mr. LaRouche were actually inside and part of his economic adviser team. Because right now, I think that as long as Mr. LaRouche is kept outside of the White House, that other people who are closer can try to challenge the credibility of what Mr. LaRouche is saying.

I think, clearly, we need to be working toward the new monetary system, the New Bretton Woods, as Mr. LaRouche calls it. There would be a better chance of its happening if Mr. LaRouche were *inside* the White House, able to talk directly to the President, instead of going through intermediaries or having people who can try to challenge the credibility of the positions Mr. LaRouche takes.

It would be better for Bill Clinton, who is a very smart individual, to have the advantage to be able to sit down, one on one, with Mr. LaRouche, and discuss these ideas. The only way he can do that, is if Mr. LaRouche were his economic adviser. I think that should happen as soon as possible. It would make Bill Clinton a stronger President, because he's got to be in a position to be able to deal with what's happening in the world economy.

Fortunately, for us as a people, I think he can deal with these issues while still dealing with the impeachment, but as I said on Jan. 4, I'd like to see this impeachment over with, have a trial and acquit him, so that he can continue to do the job of working for us as American people.

---

## Book Reviews

---

# Labor leader exposes 'Silent Depression'

by Steven A. Carr

---

### **Plenty of Nothing: The Downsizing of the American Dream and the Case for Structural Keynesianism**

by Thomas I. Palley

Princeton, N.J.: Princeton University Press, 1998  
238 pages, hardbound, \$27.95

---

It is refreshing to come across a book which has as its mission to bring about a national debate on America's "Silent Depression" and the human suffering that it has caused since the nation drifted off course beginning in the mid to late 1960s. America's "Forgotten Man," as Franklin Roosevelt called him, is desperate for exactly this dialogue on economic reality.

Thomas Palley, Assistant Director of Public Policy (Economics) at the AFL-CIO, has, like a responsible labor leader, compiled documentation that would be shocking to any faithful viewer of Tom Brokaw's nightly reporting of the Dow Jones march to new record levels (even if the march may have a few heart-stopping "market corrections"). Headlines may deal more with the latest sex scandal or UFO sightings, but the fact remains that, in terms of purchasing power, the minimum wage is lower now than when it was first enacted in 1955: Roughly 30% of American workers receive a wage today that would have been illegal in 1965. The purchasing power of welfare assistance disbursed under the Aid to Families with Dependent Children program has dropped 51% (adjusted for inflation) since 1970. Rules for unemployment insurance have been changed, such that today only 36% of the workforce qualify compared to 75% in 1975. More and more paychecks each week are required to maintain a family. Job security is at a record low, and stress levels are at an all-time high. Spending one's entire career at a single company is becoming increasingly rare.

Palley argues these and many other points with great passion, and loads of facts to back them up. Main Street has become a very mean street because of the policies and ideologies of *laissez-faire*, free trade, globalization, union-busting, throwaway jobs, the North American Free Trade Agreement,

the General Agreement on Tariffs and Trade, the World Trade Organization, and the attack against “Big Government.” And, new policies are being spun out to rip even deeper into Franklin Roosevelt’s New Deal and Bretton Woods ideals. Palley’s reasoning is so convincing that even Rep. Henry Hyde (R-Ill.) might have to concede these points.

### **Problems in the underlying assumptions**

So far, Palley makes his case quite well, but there are glaring problems with virtually all of his underlying assumptions, which in effect sabotage bringing about the needed national debate. At no point does he bring up the world financial crisis, the Asian crisis, or the problems with the derivatives market. The “Silent Depression” to which he refers is only for the underclass—as if American society had some British-style caste system. The entire book is written from the standpoint of a prosperous, healthy world. Indeed, he admits that he has this blind spot, when he writes that the greatest American economist is Irving Fisher. It was Fisher who, just before the October 1929 crash, was predicting that there was “no end in sight to economic prosperity!” (Mr. Palley, this reviewer would like to direct your attention to Lyndon LaRouche’s nine forecasts.) It would seem that, like Fisher before him, Palley’s main concern about the *Titanic* is not the iceberg directly ahead, but whether the guy working in the engine room has “flex time” for a less stressful lifestyle.

It is true that FDR got legislation passed to defend unions, increase wages, create minimum standards for safety, and so on. But, he may be even more famous for giving a mission orientation to the economy. With a nation-building approach, FDR would target the most forgotten people and the most forgotten areas (like Appalachia) for construction of projects epitomized by the Tennessee Valley Authority. FDR was committed to continue this approach after World War II, not only for America, but for the world.

It is interesting that, at the Bretton Woods Conference, there was a battle between the outlooks of John Maynard Keynes and FDR. Roosevelt was committed to ending colonialism once and for all, and to embark on a new century of development. Keynes, who led the British delegation to the conference, was the voice of imperialism’s opposition to FDR’s vision. The only real mission that Keynes ever accepted was to ensure that the British Empire’s system of maintaining their colonial “wogs” in perpetual backwardness would never be challenged by FDR’s projects for development. Given this, it would seem strange that Keynes would be a hero for a labor leader.

Palley loves to bring up FDR’s New Deal domestic agenda, but he does so on the lowest level, and too many of FDR’s boldest ideas get conveniently left out of the picture. Palley’s book identifies the need for vision in economic planning, but he puts forward nothing that one could compare to the Marshall Plan. Instead of a New Silk Road or Eurasian Land-Bridge, or Mideast Oasis Plan to spur economic growth

among nations acting as a “community of principle,” Palley offers a magic formula of flexible exchange rates and capital controls. However, no civilization has ever been saved by accounting tricks.

Although Palley takes every opportunity to attack globalism, in reality he accepts many of the same assumptions. He never attacks global speculator George Soros, or the hedge funds that have done so much damage in Asia. Instead of defending sovereign nations from these parasites, Palley floats a trial balloon for sharing the profits of this financial warfare by giving a capital export license to every U.S. citizen, who could then turn around and sell his or her license to Soros—so that all of the residents of Sodom and Gomorrah could get a piece of the action.

Palley rejects both free trade and protectionism. He calls for common markets to be set up among countries that have similar levels of development. For example, he says, the United States and Mexico should never have free trade, because standards would fall to the level of Mexico and nobody would benefit. But, countries like the United States and Japan, which have in-depth economies, would both benefit from free trade. Palley doesn’t take into consideration, however, that this would still be a national security risk. For example, rice is Japan’s most basic food staple, and if Japanese rice farmers can’t compete with Louisiana’s rice farmers, should a nation be put at risk only to satisfy the gods of free trade?

### **Why not national banking?**

There are other ideas which Palley puts forward, like a “family-friendly” Federal Reserve System, that may cause one to question if he really wants a serious change in economic direction. He admits that the Fed is illegal and serves Wall Street merely as a “bankers’ club”; so, why not go back to a national banking system that has a mission to fulfill FDR’s dream of nation-building? We can beat back the world economic crisis as FDR did. No sovereign nation has to beg a private bank for a loan. Countries can issue their own credit to serve their own interests. A harmony of interests among business, labor, minorities, and farmers, along the lines proposed by Henry Carey, can replace both class warfare within a nation, and end technological apartheid among nations.

Truth is still labor’s most powerful weapon. And the truth is, that the “Silent Depression” is not someone’s personal problem. AFL-CIO President John Sweeney says that the world financial system is in crisis. The world is dying for America’s industrial, agricultural, and technological leadership—and for the New Bretton Woods system for which Lyndon LaRouche has repeatedly called. Downsizing the country into oblivion, or building a post-industrial scrap-heap of fast food chains and cheap-thrills entertainment, would be a crime against humanity. During the FDR period, the labor movement had a clear-cut mission to build the world back to safety, and people were proud to join in this mission. There is too much at stake not to mobilize to meet the new challenges.