

What the nation's Granite State looks like

ECONOMY

A success story that could turn sour

by Richard Freeman

New Hampshire, a small state, with a heavy proportion of manufacturing workers in its total workforce, has set a blistering pace for population and industrial growth in the last decade. Now, with a shortage of skilled labor and lack of new industry due to shortsightedness in planning, many of the state's growth projects face an uncertain future.

New Hampshire distinguishes itself from other New England states, notably Maine and neighboring Vermont, by the degree to which it has been determined to industrialize with the latest technologies. Though, for the last 10 years, its governors have been professed "free enterprisers," the state has grown as a result of a decidedly dirigistic, top-down use of government tax breaks and reduced energy costs to encourage industry to locate in the state. This policy has partially succeeded.

Of its more than 300,000 workers, almost 29 percent are in manufacturing, the thirteenth highest percentage in the country. Many of these workers are in the newer industries of electronics, ball-bearings, machinery and rubber. It still has older industries, such as shoe and textiles, which have fallen upon especially hard times, as has shipbuilding. These will need an infusion of high-technology to survive. However, New Hampshire's tremendous overall industrial growth has tended to compensate for those sectors in decline.

Some credit goes to former Governor Meldrin

Thompson who helped abolish all taxes on industrial inventories, work-in process and process machinery—replacing these with an 8 percent net business profits tax. New Hampshire still has no general income, sales or use taxes. In addition, the state has developed, mostly in the last 15 years, 53 industrial parks sponsored by state, local and private development organizations that provided over 57,000 acres in sites for new and expanding industries.

This was accompanied by the construction of a modern, efficient, state-wide highway system to facilitate the rapid transport of goods. New Hampshire's expenditure for highway construction and maintenance was the second highest in the Northeast, and 133 percent above the national average.

Buttressing this development, the cost of electricity per kilowatt-hour for industrial use in New Hampshire is the second lowest in the Northeast (while New Hampshire's residential and commercial charges for electrical use are among the highest in the region).

The energy and tax breaks had a dramatic impact. New Hampshire's population increased for most of the decade at a 13.4 percent annual rate, which compares favorably with most "sunbelt states."

Neglect of skilled labor

But hidden beneath this development is New Hampshire's neglect of its most prized possession; the next generation of its labor force.

The labor force of a state must be judged as the parameter of future development. The labor force's ability to absorb new technologies and thus contribute to increased productivity is directly proportionate to its level of educational and material upbringing.

For the most part, during the 1970's, New Hampshire lured—or looted, depending on one's perspective—the labor force of the neighboring state of Massachusetts, which was undergoing heavy unemployment because of the shutdown of aerospace-related electronics business.

New Hampshire's 25-34 age labor force grew at more than a 35 percent rate between 1970 and 1976. Part of this can be attributed to the post-World War II baby boom. But New Hampshire's low native growth rate currently is reflected by the 3.0 percent growth for ages 1 to 9 in the past decade.

The question of the development of skilled labor-power in the future involves education expenditures now. But New Hampshire's expenditures for education were the lowest in New England and only 55 percent of the national norm. Its health and hospital expenditures were only 75 percent of the national norm. Its provision for workmen's compensation is also among the lowest in the country.

These lacks have exhibited two results: a shortage of skilled labor, and in some regions a dramatic falling off of industrial growth. In this respect, New Hampshire is at a crossroads, and will not go forward unless it solves this critical labor-power problem.

The nuclear issue

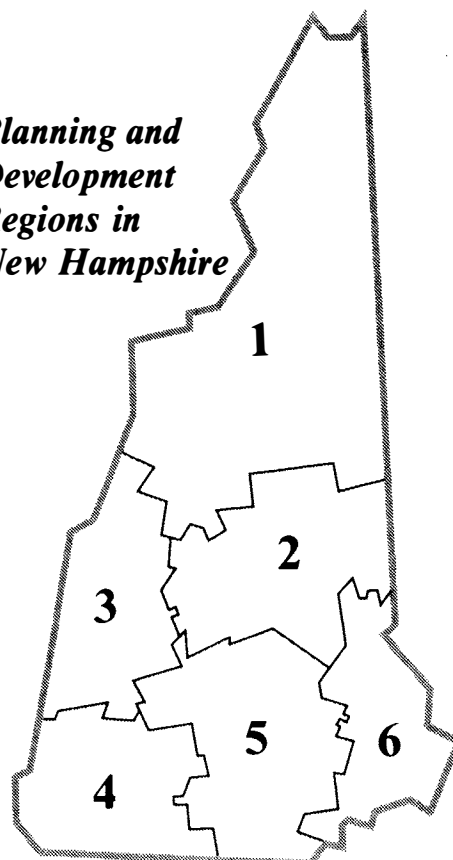
Another problem besetting New Hampshire's economic development is the energy picture. New Hampshire gets almost every drop of its oil and natural gas from out-of-state. Its natural gas comes via a Tennessee Gas Transmission Company pipeline, while most of its oil comes in through the southeastern port of Portsmouth. The ongoing energy crisis makes New Hampshire very vulnerable.

New Hampshire moved forcefully and creatively to break out of its energy bind in the early 1970's by planning the Seabrook nuclear facility, which will produce nearly a gigawatt of energy when it is completed—if it is—early in the 1980's. However, the nation's environmentalists which have received support from the presidential campaign of Jerry Brown and Ted Kennedy, have done everything in their power to deny New Hampshire this necessary power supply.

In fact, it is the case that if New Hampshire were to build three other plants like Seabrook, it could confidently draw much new industry into the state, and become a net exporter of energy to the New England area energy grid.

As New Hampshire enters the 1980s and the presidential race, it has the achievements of the last 10 years as a foundation for future growth. Yet, the policies it adopts will determine whether it rests on its laurels, and turns sour, or correct its flaws to guarantee a future.

Planning and Development Regions in New Hampshire



- Region 1: White Mountains Region**
Population: 70,000
Lumber and Tourism
- Region 2: Central Lakes Region**
Population: 74,000
Fabricated metal products; stone and clay products; tourism.
- Region 3: Connecticut River Valley**
Population: 71,000
Machinery goods; textiles. (Education: largest overall employer)
- Region 4: Monadnock**
Population: 82,000
Machinery products; miniature bearings industry.
- Region 5: Merrimack Valley**
Population: 400,000
Electronics; machinery goods; leather products; rubber and plastic products; printing; lumber; textile.
- Region 6: Sea coast**
Population: 236,000
Leather and leather products; rubber and plastic products; primary metal products.

ELECTIONS

*As New Hampshire goes,
so goes the nation*

It has long been a political truism in regard to presidential politics that "as New Hampshire goes, so goes the nation." It would be more apt to say that without a running start in New Hampshire, a candidate won't have much of a chance for the Presidency.

The 1980 New Hampshire presidential primary is unique, in that there are no political parallels in the history of that primary. In particular, the momentum of the campaign of Democratic candidate Lyndon H.

LaRouche is demonstrating the potential for an upset in the making. Should it occur, it would be the biggest in the 20th century.

While no political parallels can be drawn with past primary fights, the significance of New Hampshire in the presidential campaign is as true for 1980 as in all past elections. From 1956 to the present, no candidate has succeeded in winning the Presidency by either failing in, or attempting to circumvent the New Hampshire primary.

Beginning in the 1976 presidential election campaign, with the installation of the January Iowa caucuses and the early Massachusetts primary, liberal media pundits began intoning that "New Hampshire is no longer primary." This attempted counter to the New Hampshire primary has never taken hold with American voters and, despite what may be said, not by any presidential contender either.

What has held true for some 23 years still holds true today. The accompanying chart, listing the "winners" in the New Hampshire presidential primaries since 1948 (along with a corresponding list of the candidate elected in that year's general election) demonstrates that political rule-of-thumb.

How the Presidency is "won" in New Hampshire

	Dem. Primary Winner	GOP Primary Winner	President-Elect
1976	Carter	Ford	Carter
1972	McGovern*	Nixon	Nixon
1968	McCarthy*	Nixon	Nixon
1964	Johnson	Lodge**	Johnson
1960	Kennedy	Nixon	Kennedy
1956	Stevenson	Eisenhower	Eisenhower
1952	Kefauver	Taft***	Eisenhower
1948	Truman	Dewey	Truman

* Indicates that the candidate listed did not win a plurality of votes, but that his showing was significantly better than what had been predicted and consequently resulted in the generally accepted political commentary that this candidate "won" the primary.

** Lodge won the GOP primary as a last-minute write-in entry.

*** At the time of the New Hampshire primary, then-General Eisenhower was a registered Democrat.

POLITICS

Conservative voters, liberal power brokers

by J. Pierce

New Hampshire, the northern New England state that draws so much attention each election year, has undergone a significant shift in its voting population as a result of the influx of skilled workers from Boston, Mass. and its suburbs into the state's eastern district. The shift in population has added significantly to the size of cities in the seacoast region, while overall New Hampshire in the last decade has had one of the most rapid industrial expansion rates in the nation. Nonetheless, its largest city, Manchester, has less than 100,000 inhabitants out of a total state population of under one million.

Traditionally, the state had been a Republican one, with important contributions made by the conservative Democratic machines that dotted the state, particularly in areas dominated by New Hampshire's Franco-American population. When the LaRouche for President campaign opened offices in the state, there were 176,769 registered Republicans, 146,026 registered Democrats and 159,620 registered Independents.

Until the influx of Bostonians into the state, there was no liberal voting element to speak of. There has been historically an overlap between voters in the conservative wings of both parties as well as a proportionately large number of registered Independent voters whose "swing" votes have determined the outcome of most every election. Since New Hampshire primary laws allow registered Independents to vote in either Democratic or Republican primary, this "swing" principle has held a true influence in primary votes.

And New Hampshire's voters take very seriously the political primary process. The population traces its heritage back to the American Revolution and so has a proud commitment to the American System tradition of progress and the free election of those who would lead this nation. The town meeting approach to hearing the candidate out on the issues uppermost in the minds of New Hampshire residents is an important part of that political process.

But running counter to the sentiments of the popula-

tion are the power-broker families of Bass and Dunfey who play a determining role in the politics of not only New Hampshire, but Massachusetts, Vermont, Connecticut and Maine.

The Bass family members are Republicans, liberal, progressive Republicans. The most prominent member of the family, Robert Perkins Bass, came to the state from Illinois at the turn of the century, served in both the U.S. House of Representatives and the Senate, and in 1912 became governor. He led the state Republican Party into an alliance with the progressive wing of the national party associated with Teddy Roosevelt. And he played an initiating role in introducing primary elections into New Hampshire, putting the state on the political map.

It is outside New Hampshire that his important political connections are to be found. Robert Perkins Bass was a founding member of the New York Council on Foreign Relations which in 1976 engineered the victory of Jimmy Carter, using the New Hampshire primary and the Iowa caucuses as the springboard. As an elder statesman, Bass chaired the liberal think tank, the Brookings Institution.

The New York Council on Foreign Relations was founded in 1919 by the British Royal Institute for International Affairs, the institutional command of British Secret Intelligence Services. Most—perhaps all—of the Council on Foreign Relations' charter members were well aware that the institution's primary purpose was to represent the British oligarchy's strategic policy-outlook within U.S. policymaking. The CFR's activity has concentrated on ensuring that both the policies of candidates and the candidates selected to run for the U.S. presidency, and those who win, are acceptable to the British oligarchy. The Bass family's witting adoption of such British "agent-of-influence" postures in family members'

New Hampshire Voters

Total population:	836,366
Voting Age Population:	574,000
Registered Voters:	488,871
Registered Republicans:	177,330
Registered Democrats:	146,854
Registered Independents:	164,687

Population figures above are the latest available, dating back to 1976. Registration figures represent those available from New Hampshire's Secretary of State, dated November 1978.

political activities throughout this century is confirmed by Robert Bass, Sr.'s Brookings Institution position.

Brookings is a U.S.-based institution directly controlled by the City of London financial community, as a "think tank" representing City of London economic policies. The special role of the Brookings Institution has been to influence Congressional policymakers, provide "economic advisors" and draft most economic legislation introduced in both the Senate and House of Representatives. Brookings also dominates various executive branch economic policy-units, including the President's council of economic advisors, the Office of Management and the Budget and others. It closely coordinates with the New York CFR.

In the current electoral battle, one finds Robert Perkins Bass, Jr., a member of the CFR, an avowed supporter of George Bush, currently the Council's favored GOP contender.

His brother, Perkins Bass, heads the Maine wing of the family. He married into the Bird family of Boston who have significant interests in banking, special ma-

chinery and paper manufacturing. This wing of the Bass family has networks into the Democratic Party, including the machine of former Maine Governor Curtis who served as Democratic Party chairman in 1977.

Dunfey family members are Democrats, liberal Democrats. They came on to the New Hampshire political scene only recently with the influx of liberal voters from Massachusetts. In the late 1950s, the family made its ascent from "rags to riches" through investments in a chain of hotels, inns and resorts. Tourism had been suggested by Columbia University economist Seymour Harris as a prescription for revitalizing New England's economy sagging with the collapse of the shoe and textile industries.

Family scion, William Leo Dunfey, then began to diversify into real estate and insurance. The Hartford-based Aetna Life Insurance Company then bought into the Dunfey Family Corporation, combining it with Aetna's own network of hotels in Georgia, Texas and California.

The Dunfey family are members of the Kennedy

LaRouche, Kennedy, and Seabrook

With nuclear power one of the major issues in the presidential campaign, New Hampshire's Seabrook nuclear construction site became the focus of a heated controversy this past fall. While most New Hampshire residents extended evident support to nuclear power, the national anti-nuclear movement chose the site as an "environmental" campaign focus, culminating in a demonstration there on Oct. 6, 1979, that very nearly turned violent.

What was planned at Seabrook, whose nuclear plant is projected to be the largest in the nation upon completion, was a "human wave" assault by 10-15,000 "greenies" who intended to occupy the area until the plant's construction was called off. That this did not occur, but rather devolved into a demoralized demonstration by a relatively smaller number of environmentalists, was due largely to the political penalty and exposure directed at the action's planners by presidential candidate Lyndon LaRouche.

Apart from LaRouche, however, no presidential candidate spoke out against the terrorism that was planned. As a result, LaRouche's campaign gained

significant support around the Seabrook issue; as he did not hesitate to point out, candidates Kennedy and Brown in fact had key supporters who were directly involved in the planning of the aborted terrorism.

The LaRouche campaign compiled intelligence on environmentalist groups scheduled to participate in the Oct. 6 violence, and circulated that intelligence widely among the voters and state and Federal law enforcement officials. The documents put together included the startling revelation that upper-echelon figures in the Kennedy machine were behind the logistical and financial support essential to the demonstration.

For example, Ted Kennedy personally addressed the founding convention of the Citizens Labor Energy Coalition, one of the organizations key to preparing for the Seabrook action. Kennedy's speeches against nuclear power and various legislation had been drafted by one Jim Kubie using information provided by one Vince Taylor, a leading person connected to the Musicians United for Safe Energy (MUSE) Foundation. The foundation in turn had brought together rock stars, Jane Fonda-Tom Hayden and other anti-nuclear celebrities to stage bacchanalian drug-rock concerts to raise money and recruit bodies for the Seabrook terrorism. Many of the foundation's backers were also prominent Kennedy supporters, including Morris Abram of the Field Foundation, which fun-

Democratic machine, emerging into prominence in the early 1960s. Able to influence both the liberal and conservative wings of the party, the Dunfey family has been able to neutralize the old-line conservative Franco-American machine which played a major role in Democratic policy circles up until the 1960s.

In the current electoral battle, one finds William Dunfey, a long-time member of the Democratic National Committee overseeing the family's work from the top. Walter Dunfey, lawyer, is on the state Democratic Committee and is part of the Carter/Mondale campaign in New Hampshire. Steven Dunfey, a state representative, is the Manchester area coordinator for the Kennedy campaign. And Leo Kanteres, son of a real estate tycoon and a top member of the Dunfey machine, heads up the staff for Jerry Brown's campaign.

Like the Bass family, the Dunfey family also has its branch in Maine. Robert John Dunfey is a member of that state's Democratic Finance Committee and is also closely allied to former Governor Curtis, having served as coordinator of Curtis's 1970 reelection campaign.

neled a great deal of money into the environmentalist groups. Abram was the first member of the New York Council on Foreign Relations to endorse Ted Kennedy.

The night before the scheduled violence, LaRouche appeared on statewide television to emphasize Kennedy's responsibility. The candidate's organization, by circulating this information, said that its purpose was not only to prepare state officials and law enforcement agencies for what they might face Oct. 6, but to do what was possible politically beforehand to prevent serious violence by laying responsibility squarely at the door of the Kennedy machine figures named. In that way, the penalty of public exposure faced these planners if any serious incidents did occur.

The result was a rather tame affair by comparison with what the organizers of the event had originally planned—the beginning of “environmental terrorism” in the U.S.A. Instead, numerous groups of a “moderate” variety, made aware that they were being used as a cover for violence by a few hardcore professionals, withdrew from the demonstration. Secondly, various celebrities, who came under the heat of LaRouche's exposure, also distanced themselves from the event on various pretexts. In the end, the environmentalist movement suffered a serious setback, and LaRouche came to the fore as the leading political spokesman for nuclear power in the nation.

VOTERS

What's on their minds

by L. Wolfe

Over the course of the last several decades, the New Hampshire electorate has rightfully earned the fear and respect of national politicians for being among the most critical of all voters. The *EIR* team of reporters, which spent several weeks in the state covering the upcoming Feb. 26 primary, found Granite State residents concerned for both their nation's and their families' future. If a candidate is to capture the minds and the votes of New Hampshireans, he is going to have to answer some very tough questions on the following concerns:

The national economy. The general perception of most voters—both Democrat and Republican—is that the U.S. economy is headed for an economic disaster in the months ahead. New Hampshire, while holding a bright promise for future development, is a very poor state. The first shock waves of Federal Reserve Chairman Volcker's tight credit policies have hit the state hard—hitting hardest and first the numerous small towns that dot the state.

As one southern New Hampshire businessman put it: “The small guy is just not going to make it.”

The promise of future industrial development—which New Hampshire residents translate into more jobs and a lowering of tax rates—is rapidly evaporating. It is therefore appropriate that they regard the economy as the number one domestic issue and will judge candidates on what they propose to do about it.

Energy policy. Contrary to some reports in the national media, the people of New Hampshire are overwhelmingly pronuclear. Only a small minority in the state is antinuclear and most residents comment that they are upset that candidates such as Brown and Kennedy have made an open appeal to this minority, seeming to disregard the interests of themselves and their neighbors. The central issue of the nuclear question—which New Hampshireans view as central to the entire energy policy ques-

tion—is the battle to build the Seabrook nuclear power facility. Most residents of the state, especially in the southern, more urban areas, regard Seabrook as vital to the maintenance of their standard of living. The planned environmentalist siege of Seabrook was a hot issue in late September/early October.

The question is not nuclear yes or no. What has New Hampshire residents concerned is how to fund it. Administration economic and energy policy and environmentalist action have caused delays and huge cost overruns at the construction site. The utility's proposal for a rate hike is unpopular, as is a state bond issue to fund construction. The last time that was proposed, New Hampshire voters defeated it. How do you fund nuclear power without placing the burden of cost on the resident? One candidate, Democrat Lyndon LaRouche, has proposed that within an overall policy of fostering industrial growth and advanced energy development, such construction could be funded through federally backed low-interest loans.

The nuclear issue is thus the most pressing of the energy policy questions on the minds of New Hampshire voters, but it is not the only issue. In New Hampshire, with no public transportation, the family car is a necessity and residents are concerned over the price and supply of petroleum products. Most people place the blame for the problem on both the Carter administration and the oil multinationals. Some point their finger at the OPEC countries, but the anti-OPEC feeling was, until recently, not very intense. Nor do people buy the idea that major conservation programs are the answer. The New Hampshire voter is looking for candidates who offer a balanced and complete energy program oriented toward production and nuclear energy.

On morality. Much has been made in the media concerning the reputation of New Hampshirans as an extremely moral electorate. Our reporters found that to be true, but the focus of this issue is misrepresented by the press. Ted Kennedy is most certainly hurt badly in this state by the Chappaquiddick incident, but for New Hampshire voters that incident does not embody the morality question.

Rather, throughout the state and especially among middle-age adult voters—the majority of the electorate—the drug problem and what to do about it are very much on their minds. They look with horror at national candidates who talk about drug decriminalization, who refuse to deal with the growing problem. That the voters regard as immoral.

The drug problem is far greater in New Hampshire than one might expect. Studies have shown drug usage rates comparable to such places as New York City and

Boston and hitting youth on the campuses and in high schools.

Another issue is abortion, though apparently not the major factor it was in the 1976 elections.

Gun control. This remains a key concern of nearly everyone in the state. New Hampshire is still very rural and a large percentage of the population own guns for hunting. But the issue goes deeper. New Hampshirans are proud of their American Revolutionary heritage and the issue of gun control hits on the constitutional right to bear arms.

The vast majority are totally opposed to the type of restrictive gun legislation being proposed by Senator Edward Kennedy and others. The National Rifle Association and allied groups are among the most active of the political lobbies opposing such legislation. It is hard to imagine a candidate doing well in the state if he pushes for restrictive gun control.

Foreign policy. A very active debate over the merits of the SALT II treaty has now been pushed to one side by the events in Iran. Over the last few weeks, this issue has tapped into the already intense patriotic fervor among the electorate. Many residents have remarked that the issue binds both liberals and conservatives together. Underneath this unanimity of purpose and a good amount of hype from such media as the *Manchester Union Leader*, there is a good deal of skepticism about the national leadership.

People remark in discussions on street corners and in bars that they do not buy the stories being offered by “official Washington” and various politicians about why the events in Iran came to be. And the electorate wants answers.

If the election were held today, these questions would not necessarily predominate. But the election is more than two months off and people are beginning to think beyond the immediate flow of television news. Already they are angry at Kennedy for his remarks against the Shah.

In summary, the electorate is worried and skeptical. They are not going to accept glib promises or easy solutions from the dozen candidates courting their votes in both primaries. It is normal for the candidates to begin a full media blitz of the voters here come January, spending money for media both in the state and in nearby Boston. But in New Hampshire that is not what gets the vote out. As one former Carter supporter commented: “I don't think that you are going to find people voting for smiling faces and empty promises. ... We are not dumb you know.”